

JOURNAL OF THE SENATE

Fifty-fifth Legislative Assembly

* * * * *

Bismarck, April 10, 1997

The Senate convened at 9:00 a.m., with President Pro Tem Holmberg presiding.

The prayer was offered by Senator Carolyn Nelson.

The roll was called and all members were present except Senator Redlin.

A quorum was declared by the President Pro Tem.

DOCTOR OF THE DAY PROGRAM PARTICIPANTS

The following physicians have voluntarily participated in the 1997 Doctor of the Day Program which was organized by the North Dakota Medical Association:

Tom Arnold, M.D.	Bismarck
Biron Baker, M.D.	Bismarck
Gary Betting, M.D.	Bismarck
Michael Booth, M.D.	Bismarck
Russell J. Emery, M.D.	Bismarck
Dale Ernster, M.D.	Jamestown
Charles Foulks, M.D.	Fargo
Cara Friez, M.D.	Grand Forks
Robert Grossman, M.D.	Hettinger
Raymond Gruby, M.D.	Bismarck
Robert Jennings, M.D.	Bismarck
Anthony Johnson, M.D.	Bismarck
Marlin Johnson, M.D.	Bismarck
Warren Keene, M.D.	Minot
Randy Kenninger, M.D.	Fargo
Dale Klein, M.D.	Mandan
James Knapp, M.D.	Fargo
Paul B. Knudson, M.D.	Bismarck
Ross Kringlie, M.D.	Fargo
Richard Laraway, M.D.	Jamestown
Tom Magill, M.D.	Bismarck
Kent Martin, M.D.	Bismarck
Steve Mattson, M.D.	Minot
Brenda Miller, M.D.	Bismarck
Necito Montaniel, M.D.	Devils Lake
Louise Murphy, M.D.	Bismarck
Sue Nelson, M.D.	Fargo
Susan Nissen, M.D.	Fargo
Steven Schoneberg, M.D.	Minot
Jeff Smith, M.D.	Bismarck
Milton Smith, M.D.	Minot
Susan Stengl-Betting, M.D.	Bismarck
Hayley Svedjan-Walz, M.D.	Bismarck
Guy Tangedahl, M.D.	Bismarck
Anthony Tello, M.D.	Bismarck
Glenn Thoreson, M.D.	Mayville
Michelle Tincher, M.D.	Bismarck
Mack Traynor, M.D.	Fargo
Jeff Vaagen, M.D.	Grand Forks
Joel Walz, M.D.	Bismarck
Herbert Wilson, M.D.	Bismarck
Dennis Wolf, M.D.	Dickinson
Terry Wolff, D.O.	Fargo
Sandy Hyland, NDMA	Alliance Volunteer

Special thanks to the University of North Dakota School of Medicine Family Practice Residency Programs and MedCenter Pharmacy.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM C. PARKER, SECRETARY)
MR. SPEAKER: The President has signed: HB 1006, HB 1008, HB 1017, HB 1034, HB 1112, HB 1116, HB 1167, HB 1337, HB 1453, HB 1482, HCR 3025.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM C. PARKER, SECRETARY)
MR. SPEAKER: The President has signed and your signature is respectfully requested on: SB 2012, SB 2014, SB 2015, SB 2030, SB 2132, SB 2153.

REPORT OF CONFERENCE COMMITTEE

SEN. LIPS MOVED that the conference committee report on Engrossed SB 2002 as printed on SJ pages 1337-1347 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2002, as amended, was placed on the Eleventh order.

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 provide an exemption from the provisions of section 54-44.1-11 of the North Dakota Century Code; to declare legislative intent; to amend and reenact sections 11-10-02, 11-17-04, 27-02-02, 27-05-03, 27-11-17, 27-11-22, and 27-12-04 of the North Dakota Century Code, relating to the consolidation of the positions of register of deeds and clerk of district court, fees charged by the clerk of district court, salaries of supreme and district court judges, and attorney license fees; 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 48 YEAS, 0 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Andrist; Berg; Bowman; Christmann; Cook; DeMers; Fischer; Freborg; Goetz; Grindberg; Heitkamp; Holmberg; Kelsh; Kinnoin; Klein; Krauter; Krebsbach; Kringstad; LaFountain; Lee; Lindaas; Lips; Mathern; Mutch; Mutzenberger; Naaden; Nalewaja; Nelson, C.; Nelson, G.; Nething; O'Connell; Robinson; Sand; Schobinger; Solberg; St. Aubyn; Stenehjem, B.; Stenehjem, W.; Tallackson; Thane; Thompson; Tomac; Traynor; Urlacher; Wanzek; Watne; Wogsland; Yockim

ABSENT AND NOT VOTING: Redlin

Engrossed SB 2002, as amended, passed and the title was agreed to.

REPORT OF CONFERENCE COMMITTEE

SEN. GOETZ MOVED that the conference committee report on Engrossed SB 2214 as printed on SJ page 1347 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2214, as amended, was placed on the Eleventh order.

SECOND READING OF SENATE BILL

SB 2214: A BILL for an Act to amend and reenact section 54-06-20 of the North Dakota Century Code, relating to the composition of the indigent civil legal services fund advisory committee and to the permissible uses and limitations on funds distributed by the committee.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 48 YEAS, 0 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Andrist; Berg; Bowman; Christmann; Cook; DeMers; Fischer; Freborg; Goetz; Grindberg; Heitkamp; Holmberg; Kelsh; Kinnoin; Klein; Krauter; Krebsbach; Kringstad; LaFountain; Lee; Lindaas; Lips; Mathern; Mutch; Mutzenberger; Naaden; Nalewaja; Nelson, C.; Nelson, G.; Nething; O'Connell; Robinson; Sand; Schobinger; Solberg; St. Aubyn; Stenehjem, B.; Stenehjem, W.; Tallackson; Thane; Thompson; Tomac; Traynor; Urlacher; Wanzek; Watne; Wogsland; Yockim

ABSENT AND NOT VOTING: Redlin

Engrossed SB 2214, as amended, passed and the title was agreed to.

REPORT OF CONFERENCE COMMITTEE

SEN. THANE MOVED that the conference committee report on Engrossed SB 2043 as printed on SJ page 1347 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2043, as amended, was placed on the Eleventh order.

SECOND READING OF SENATE BILL

SB 2043: A BILL for an Act to create and enact a new section to chapter 26.1-36 of the North Dakota Century Code, relating to health insurance coverage for mothers and newborns.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 48 YEAS, 0 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Andrist; Berg; Bowman; Christmann; Cook; DeMers; Fischer; Freborg; Goetz; Grindberg; Heitkamp; Holmberg; Kelsh; Kinnoin; Klein; Krauter; Krebsbach; Kringstad; LaFountain; Lee; Lindaas; Lips; Mathern; Mutch; Mutzenberger; Naaden; Nalewaja; Nelson, C.; Nelson, G.; Nething; O'Connell; Robinson; Sand; Schobinger; Solberg; St. Aubyn; Stenehjem, B.; Stenehjem, W.; Tallackson; Thane; Thompson; Tomac; Traynor; Urlacher; Wanzek; Watne; Wogsland; Yockim

ABSENT AND NOT VOTING: Redlin

Engrossed SB 2043, as amended, passed and the title was agreed to.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM C. PARKER, SECRETARY)

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: SB 2002, SB 2043, SB 2214.

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following resolutions were delivered to the Secretary of State for his filing at the hour of 10:50 a.m., April 10, 1997: SCR 4062, SCR 4063.

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 1297.

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

MADAM PRESIDENT: The House has adopted the conference committee report and subsequently failed to pass: SB 2353.

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 2324.

MOTION

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

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

REPORT OF CONFERENCE COMMITTEE

HB 1297: Your conference committee (Sens. Traynor, W. Stenehjem, C. Nelson and Reps. Maragos, Kretschmar, Callahan) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1149-1150, adopt amendments as follows, and place HB 1297 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1149 and 1150 of the House Journal and page 889 of the Senate Journal and that House Bill No. 1297 be amended as follows:

Page 1, line 2, after "damages" insert "; and to provide for application"

Page 1, line 17, after the second underscored comma insert "that there is sufficient evidence to support a finding by the trier of fact"

Page 1, after line 21, insert:

"SECTION 2. APPLICATION. This Act applies only to actions commenced after the effective date of this Act."

Renumber accordingly

HB 1297 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SEN. TRAYNOR MOVED that the conference committee report on HB 1297 be adopted, which motion prevailed on a voice vote.

HB 1297, as amended, was placed on the Fourteenth order.

SECOND READING OF HOUSE BILL

HB 1297: A BILL for an Act to amend and reenact subsection 1 of section 32-03.2-11 of the North Dakota Century Code, relating to exemplary damages; and to provide for application.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 47 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Andrist; Berg; Bowman; Christmann; Cook; DeMers; Fischer; Freborg; Grindberg; Heitkamp; Holmberg; Kelsh; Kinnoin; Klein; Krauter; Krebsbach; Kringstad; LaFountain; Lee; Lindaas; Lips; Mathern; Mutch; Mutzenberger; Naaden; Nalewaja; Nelson, C.; Nelson, G.; Nething; O'Connell; Robinson; Sand; Schobinger; Solberg; St. Aubyn; Stenehjerm, B.; Stenehjerm, W.; Tallackson; Thane; Thompson; Tomac; Traynor; Urlacher; Wanzek; Watne; Wogsland; Yockim

ABSENT AND NOT VOTING: Goetz; Redlin

HB 1297, as amended, passed and the title was agreed to.

MOTION

SEN. G. NELSON MOVED that the Senate be on the Fifteenth order of business for the purpose of electing an Interim President Pro Tempore, which motion prevailed.

NOMINATIONS FOR PRESIDENT PRO TEMPORE

SEN. ST. AUBYN: Mr. President and Members of the Senate: It is indeed a pleasure to place in nomination for the office of Senate Interim President Pro Tempore, the name of Senator Dave Nething, from District 48. As most of you know, Senator Nething has served in numerous leadership positions during his illustrious legislative career. He has served the public as a State Senator for the Jamestown area since 1966. During his tenure in the Senate he has served as Majority Leader from 1974-1986. A practicing attorney, Dave has further demonstrated his leadership capabilities by serving as past President of the National Conference of State Legislators and past President of the National Republican Legislators Association. Senator Nething has shown his people skills in leading a diverse appropriations committee and has been a model to us, even during his recent medical vacation. Senator Nething and his lovely wife, Marjorie, have raised three children with the same conviction to public service and strong moral values. Mr. President and members of the Senate, I am proud to place Senator Dave Nething's name in nomination for Interim President Pro Tempore.

SEN. TALLACKSON: Mr. President and ladies and gentlemen of the Senate: I have the honor of placing in nomination the name of Senator Dan Wogsland from District 23. I remember very well when Dan was first elected and was sitting in the front row seat. At that time he was a lot younger, he had more hair, but since that time he has developed a lot of "fire in the belly," as the old saying goes. He is really a great Senator and does his district proud. He has been a majority leader, like Senator Nething. In fact, he has the distinction of being one of two democratic majority leaders in the past one hundred and five years. That's a real honor, and we hope it happens again. He's a farmer, he's a businessman, and you all know him as a great leader. Again, it's a privilege for me to nominate Dan Wogsland for Interim President Pro Tempore.

ANNOUNCEMENT

PRESIDENT PRO TEM HOLMBERG ANNOUNCED that the vote for the Office of Interim President Pro Tempore showed the Senate was in favor of electing Senator Nething as Interim President Pro Tempore.

REMARKS OF SENATOR WOGSLAND

I would like to be the first to congratulate the good Senator from Jamestown on his election as Interim President Pro Tem of the North Dakota Senate. He has done an outstanding job, he has been an outstanding senator, and he has been a model, not only for Jamestown and its area, but for the entire state of North Dakota. He has achieved national recognition. I want to be the first to congratulate you, sir.

MOTION

SEN. WOGSLAND MOVED that the Senate cast a unanimous ballot in favor of Senator Nething as Interim President Pro Tem, which motion prevailed.

APPOINTMENT

PRESIDENT PRO TEM HOLMBERG ANNOUNCED that the President would appoint a committee of two to escort Senator Nething to the rostrum for the administration of the oath of office. The President appointed as such committee, Senators St. Aubyn and Tallackson, and the oath of office was administered.

REMARKS OF SENATOR NETHING

Thank you colleagues. It isn't very often that one of us gets to come up here and address the group, so as long as we have a lot of time, we're not going home till Monday, why, we'll.... I was nominated twice for this office before I was able to be successful. The first nomination was pretty close, I lost it 25 to 24. This one was a little bit better. I thank you all. It's a distinct honor. I don't anticipate big items, but if I do preside, I pledge to you that you will all be treated fairly, and I think that is the epitome of the way we conduct ourselves in this body. Thank you very much, I look forward to spending the rest of the session with you, and if you want to change that, Marge is here and she's the one that's in control. Thank you very much.

APPOINTMENT OF SENATE INTERIM COMMITTEES

PRESIDENT PRO TEM HOLMBERG ANNOUNCED that the Lieutenant Governor has made the following Senate Interim appointments:

APPOINTMENTS BY THE LIEUTENANT GOVERNORLegislative Council

Senator Layton Freborg
Senator Wayne Stenehjem
Senator Karen Krebsbach
Senator Jim Yochim
Senator Larry Robinson

ANNOUNCEMENT

PRESIDENT PRO TEM HOLMBERG ANNOUNCED that the President has made the following Senate Interim appointments:

APPOINTMENTS BY THE PRESIDENTCapitol Grounds Planning Commission

Senator Bob Stenehjem
Senator Carolyn Nelson

Medical Center Advisory Council

Senator Donna Nalewaja

Comprehensive Health Association of North Dakota

Senator Judy Lee

ANNOUNCEMENT

PRESIDENT PRO TEM HOLMBERG ANNOUNCED that, according to statute, the member of the **Education Commission of the States** is to be elected by the Senate, and that nominations were open for that position.

MOTION

SEN. GRINDBERG MOVED that the name of Senator Ray Holmberg be placed in nomination for the position of member of the Education Commission of the States, which motion prevailed.

There being no further nominations, a unanimous ballot was cast in favor of the Senate appointment of Senator Ray Holmberg as the member of the Education Commission of the States.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM C. PARKER, SECRETARY)

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: HB 1297.

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 1009, HB 1014.

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 2017.

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 2043.

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

MADAM PRESIDENT: The Speaker has signed: SB 2012, SB 2014, SB 2015, SB 2030, SB 2132, SB 2153.

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

MADAM PRESIDENT: The Speaker has signed and your signature is respectfully requested on: HB 1003, HB 1004, HB 1010, HB 1022, HB 1023, HB 1024, HB 1035, HB 1359.

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

MADAM PRESIDENT: The Speaker has signed the veto certification and your signature is respectfully requested on: HB 1147.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM C. PARKER, SECRETARY)

MR. SPEAKER: The President has signed the veto certification on: HB 1147.

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following bills were delivered to the Governor for his approval at the hour of 3:10 p.m., April 10, 1997: SB 2012, SB 2014, SB 2015, SB 2030, SB 2132, SB 2153.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM C. PARKER, SECRETARY)

MR. SPEAKER: The President has signed: HB 1003, HB 1004, HB 1010, HB 1022, HB 1023, HB 1024, HB 1035, HB 1359.

MOTION

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

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

REPORT OF CONFERENCE COMMITTEE

HB 1009, as engrossed: Your conference committee (Sens. Solberg, Naaden, Robinson and Reps. Martinson, Gerntholz, Boucher) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1283-1285, adopt amendments as follows, and place HB 1009 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1283-1285 of the House Journal and pages 1058-1060 of the Senate Journal and that Engrossed House Bill No. 1009 be amended as follows:

Page 1, line 2, after the semicolon insert "to provide a statement of legislative intent;"

Page 1, line 12, replace "1,088,840" with "1,097,886"

Page 1, line 15, replace "434,199" with "454,199"

Page 1, line 21, replace "764,694" with "779,694"

Page 1, line 24, replace "9,204,788" with "9,248,834"

Page 2, line 1, replace "4,560,594" with "4,658,594"

Page 2, line 2, replace "4,644,194" with "4,590,240"

Page 2, line 9, replace "\$1,393,902" with "\$1,491,902"

Page 2, line 11, after the first comma insert "pesticide registration,"

Page 2, line 12, after the third comma insert "\$66,000 is for the pesticide registration program," and replace "\$750,879" with "\$782,879"

Page 2, after line 16, insert:

"SECTION 5. LEGISLATIVE INTENT. It is the intent of the legislative assembly that the board of animal health contract for veterinary services whenever appropriate and cost-effective for the biennium beginning July 1, 1997, and ending June 30, 1999."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 602 - DEPARTMENT OF AGRICULTURE

CONFERENCE COMMITTEE - This amendment makes the following changes:

	HOUSE VERSION	REMOVE RISK MANAGEMENT PREMIUMS	ADD OPERATING FUNDS	REDUCE OPERATING FUNDS	TOTAL CHANGES TO HOUSE VERSION	CONFERENCE COMMITTEE VERSION	SENATE VERSION	CONFERENCE COMMITTEE INCREASE (DECREASE) TO SENATE VERSION
Salaries and wages	\$3,023,812					\$3,023,812	\$3,023,812	
Operating expenses	1,088,840	\$(13,954)	\$31,000 ¹	\$ (8,000)	\$9,046	1,097,886	1,105,886	\$ (8,000)
Equipment	32,900					32,900	32,900	
Grants	561,700					561,700	561,700	
Board of Animal Health	434,199		\$20,000 ²		20,000	454,199	454,199	
Ag mediation	1,377,537					1,377,537	1,377,537	
Ag in the classroom	25,000					25,000	25,000	
Anhydrous ammonia	20,444					20,444	20,444	
Storage								
Waterbank program	214,000					214,000	214,000	
Pride of Dakota	150,000					150,000	150,000	
Animal damage control	764,694		15,000 ³		15,000	779,694	784,694	(5,000)
Safe Send	552,133					552,133	552,133	
Noxious weeds	959,529					959,529	959,529	
Total	\$9,204,788	\$(13,954)	\$66,000	\$ (8,000) ⁴	\$44,046	\$9,248,834	\$9,261,834	\$ (13,000)
General fund	\$4,644,194	\$(13,954)	\$35,000	\$(75,000)	\$(53,954)	\$4,590,240	\$4,670,240	\$(80,000)
Special funds	4,560,594		31,000	67,000	98,000	4,658,594	4,591,594	67,000
Total	\$9,204,788	\$(13,954)	\$66,000	\$ (8,000)	\$44,046	\$9,248,834	\$9,261,834	\$ (13,000)
FTE	48.00	0.00	0.00	0.00	0.00	48.00	48.00	0.00

¹ Adds funding from the environment and rangeland protection fund for updating the registration program's computer system. The same as the Senate version.

² Adds operating funds for the Board of Animal Health. The House reduced the operating funds by \$15,000 from the general fund. The Senate added \$20,000.

³ Adds operating funds for the animal damage control program. The House reduced the operating funds by \$20,000. The Senate added \$20,000.

⁴ Adjusts operating funds in the following programs:

	GENERAL FUND	ENVIRONMENT AND RANGELAND PROTECTION FUND	TOTAL
Noxious weeds	\$(32,000)	\$32,000	
Registration	(20,000)	35,000	\$15,000
Dairy	(23,000)		(23,000)
Total	\$(75,000)	\$67,000	\$ (8,000)

A section of legislative intent is added providing that the Board of Animal Health contract for veterinary services when appropriate.

NOTE: Changes from the Senate version, by program, include:

	GENERAL FUND	ENVIRONMENT AND RANGELAND PROTECTION FUND	TOTAL
Noxious weeds	\$(32,000)	\$32,000	\$ 15,000
Registration	(20,000)	35,000	(23,000)
Dairy	(23,000)		(5,000)
Animal damage control	(5,000)		
Total	\$(80,000)	\$67,000	\$(13,000)

Engrossed HB 1009 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SEN. SOLBERG MOVED that the conference committee report on Engrossed HB 1009 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1009, as amended, was placed on the Fourteenth order.

SECOND READING OF HOUSE BILL

HB 1009: A BILL for an Act to provide an appropriation for defraying the expenses of the agriculture commissioner; to provide a statement of legislative intent; and to amend and reenact section 4-01-21 of the North Dakota Century Code, relating to the salary of the agriculture commissioner.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 48 YEAS, 0 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Andrist; Berg; Bowman; Christmann; Cook; DeMers; Fischer; Freborg; Goetz; Grindberg; Heitkamp; Holmberg; Kelsh; Kinnoin; Klein; Krauter; Krebsbach; Kringstad; LaFountain; Lee; Lindaas; Lips; Mathern; Mutch; Mutzenberger; Naaden; Nalewaja; Nelson, C.; Nelson, G.; Nething; O'Connell; Robinson; Sand; Schobinger; Solberg; St. Aubyn; Stenehjem, B.; Stenehjem, W.; Tallackson; Thane; Thompson; Tomac; Traynor; Urlacher; Wanzek; Watne; Wogsland; Yockim

ABSENT AND NOT VOTING: Redlin

Engrossed HB 1009, as amended, passed and the title was agreed to.

REPORT OF CONFERENCE COMMITTEE

HB 1014, as engrossed: Your conference committee (Sens. Solberg, Goetz, Tallackson and Reps. Carlisle, Svedjan, Nichols) recommends that the **SENATE RECEDE** from the Senate amendments on HJ page 1188, adopt amendments as follows, and place HB 1014 on the Seventh order:

That the Senate recede from its amendments as printed on page 1188 of the House Journal and page 919 of the Senate Journal and that Engrossed House Bill No. 1014 be amended as follows:

Page 1, line 2, after "advocacy" insert "; and to provide for a legislative council study"

Page 1, line 10, replace "2,110,787" with "2,107,834"

Page 1, line 12, replace "700,000" with "697,047"

Page 1, after line 12, insert:

"SECTION 2. LEGISLATIVE COUNCIL STUDY - PROTECTION AND ADVOCACY EFFICIENCIES. If the legislative council studies the merging of advocacy programs pursuant to Senate Concurrent Resolution No. 4038 during the 1997-98 interim, the study should include a review of the feasibility and potential savings of the protection and advocacy committee sharing office space or staff with other state agencies."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 360 - PROTECTION AND ADVOCACY COMMITTEE

CONFERENCE COMMITTEE - This amendment provides for the following changes:

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE	SENATE VERSION
Total all funds	\$2,178,752	\$ (67,965)	\$2,110,787	\$ (2,953)	\$2,107,834	\$2,134,598
Less estimated income	<u>1,410,787</u>	<u> </u>	<u>1,410,787</u>	<u> </u>	<u>1,410,787</u>	<u>1,410,787</u>
Total general fund	\$ 767,965	\$ (67,965)	\$ 700,000	\$ (2,953)	\$ 697,047	\$ 723,811
FTE	22	(1)	21	.5	21.5	21.5

This amendment removes the risk management premiums of \$13,764 from the general fund and adds \$10,811 from the general fund for a .5 FTE administrative secretary. This amendment also adds a section providing that if the Legislative Council studies advocacy programs pursuant to Senate Current Resolution No. 4038 the study should include a review of the feasibility and potential savings of the Protection and Advocacy Committee sharing office space or staff with other state agencies.

Engrossed HB 1014 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SEN. SOLBERG MOVED that the conference committee report on Engrossed HB 1014 be adopted, which motion prevailed on a verification vote.

Engrossed HB 1014, as amended, was placed on the Fourteenth order.

SECOND READING OF HOUSE BILL

HB 1014: A BILL for an Act to provide an appropriation for defraying the expenses of the committee on protection and advocacy; and to provide for a legislative council study.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 46 YEAS, 1 NAY, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Andrist; Berg; Bowman; Christmann; Cook; Fischer; Freborg; Goetz; Grindberg; Heitkamp; Holmberg; Kelsh; Kinnoin; Klein; Krauter; Krebsbach; Kringstad; LaFountain; Lee; Lindaas; Lips; Mathern; Mutch; Mutzenberger; Naaden; Nalewaja; Nelson, C.; Nelson, G.; Nething; O'Connell; Robinson; Sand; Schobinger; Solberg; St. Aubyn; Stenehjem, B.; Stenehjem, W.; Tallackson; Thane; Thompson; Tomac; Traynor; Urlacher; Wanzek; Watne; Yockim

NAYS: Wogsland

ABSENT AND NOT VOTING: DeMers; Redlin

Engrossed HB 1014, as amended, passed and the title was agreed to.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM C. PARKER, SECRETARY)

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: HB 1009, HB 1014.

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

MADAM PRESIDENT: The House has adopted the conference committee report on SB 2214.

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 2396.

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

MADAM PRESIDENT: The House has overridden the Governor's veto on HB 1026. The vote was 70 YEAS, 22 NAYS, 5 ABSENT AND NOT VOTING.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM C. PARKER, SECRETARY)

MR. SPEAKER: The President has signed and your signature is respectfully requested on: SB 2004, SB 2008, SB 2047, SB 2064, SB 2194, SB 2301, SB 2324.

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

MADAM PRESIDENT: The House has adopted the conference committee report on HB 1018.

MOTION

SEN. G. NELSON MOVED that the Senate stand in recess until 7:00 p.m., which motion prevailed.

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

CONSIDERATION OF VETOED MEASURE

HB 1026: A BILL for an Act to provide an appropriation for defraying the expenses of the workers compensation bureau and its divisions; to provide authorization to expend funds from the workers' compensation contingency line item; to create and enact a new section to chapter 65-02 of the North Dakota Century Code, relating to a continuing appropriation for allocated loss adjustment expenses; and to amend and reenact section 65-06.1-04 of the North Dakota Century Code, relating to civil air patrol workers' compensation reimbursements.

ROLL CALL

The question being on the final passage of the enrolled bill, over the Governor's veto of line item 15, which has been read, the roll was called and there were 29 YEAS, 19 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Andrist; Berg; Bowman; Cook; Fischer; Goetz; Grindberg; Kelsh; Kinnoin; Klein; Krebsbach; Kringstad; Lee; Lindaas; Lips; Mathern; Mutch; Mutzenberger; Nelson, G.; O'Connell; Robinson; Solberg; Stenehjem, B.; Stenehjem, W.; Tallackson; Traynor; Urlacher; Watne; Wogsland

NAYS: Christmann; DeMers; Freborg; Heitkamp; Holmberg; Krauter; LaFountain; Naaden; Nalewaja; Nelson, C.; Nothing; Sand; Schobinger; St. Aubyn; Thane; Thompson; Tomac; Wanzek; Yockim

ABSENT AND NOT VOTING: Redlin

The Senate has sustained the Governor's line item veto of HB 1026, as enrolled.

REPORT OF CONFERENCE COMMITTEE

SB 2016, as reengrossed: Your conference committee (Sens. St. Aubyn, Bowman, Robinson and Reps. Carlisle, Delzer, Nichols) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 998-1002, adopt amendments as follows, and place SB 2016 on the Seventh order:

That the House recede from its amendments as printed on pages 998-1002 of the Senate Journal and pages 1122-1127 of the House Journal and that Reengrossed Senate Bill No. 2016 be amended as follows:

Page 1, line 5, after the second semicolon insert "to propose a legislative council study; to provide a contingent payment;"

Page 1, line 17, replace "77,929" with "73,713"

Page 1, line 19, replace "880,823" with "876,607"

Page 1, line 21, replace "781,924" with "777,708"

Page 2, line 2, replace "4,188,200" with "3,927,066"

Page 2, after line 5, insert:

"Delinquency prevention consortium	100,000"
------------------------------------	----------

Page 2, line 7, replace "14,902,468" with "14,741,334"

Page 2, line 8, replace "5,006,447" with "5,456,447"

Page 2, line 9, replace "9,896,021" with "9,284,887"

Page 2, line 12, replace "20,392,705" with "20,252,555"

Page 2, line 13, replace "8,921,787" with "8,879,128"

Page 2, line 21, replace "45,833,323" with "45,650,514"

Page 2, line 23, replace "35,350,206" with "35,167,397"

Page 2, line 27, replace "5,964,326" with "5,951,678"

Page 2, line 30, replace "8,699,211" with "8,686,563"

Page 2, line 31, replace "46,028,151" with "45,229,992"

Page 3, line 1, replace "24,287,674" with "24,725,026"

Page 3, line 2, replace "70,315,825" with "69,955,018"

Page 3, replace lines 30 and 31 with "to grant recipients that the amount of funds appropriated for crime victims' grants for the 1997-99 biennium may not continue at the same level during the 1999-2001 biennium. The fifty-sixth legislative assembly is not obligated to provide an appropriation from the state general fund to continue the crime victims' grant program at the"

Page 4, remove line 1

Page 4, line 5, after "of" insert "section 1 of"

Page 4, after line 9, insert:

"SECTION 9. PURCHASE OF LAND AND BUILDINGS - EXEMPTION FROM CHAPTERS 48-01.1 AND 54-44.7. The department of corrections and rehabilitation may purchase, within the limits of legislative appropriations provided for that purpose, the forensic unit building, the extended treatment building, a gymnasium building, and surrounding real property at the state hospital for development of a medium security correctional facility. The department of corrections and rehabilitation is not subject to the provisions of chapters 48-01.1 and 54-44.7, relating to public improvement contract bids and architect, engineer, and land surveying services, for construction and renovation relating to the medium security correctional facility.

SECTION 10. DELINQUENCY PREVENTION CONSORTIUM AND LEGISLATIVE COUNCIL STUDY. During the 1997-99 biennium, the department of corrections and rehabilitation, the department of human services, and the department of public instruction shall develop a delinquency prevention consortium, including representatives of those departments, other state agencies, and private organizations. The legislative council shall consider studying, during the 1997-99 biennium, programs to prevent crime and delinquency and reduce incarceration. If the legislative council conducts such a study, the delinquency prevention consortium shall work in cooperation with the legislative council. The study shall consider crime prevention programs other than incarceration, such as the following programs identified in the 1996 research report "Diverting Children from a Life of Crime - Measuring Costs and Benefits": early childhood interventions for children at risk of developing antisocial behavior, interventions for families with children exhibiting aggressive or antisocial behavior, providing graduation incentives for disadvantaged high school students, and early monitoring of youth exhibiting delinquent behavior. The legislative council may report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-sixth legislative assembly. If, during the 1997-99 biennium, the legislative council does not study programs to prevent crime and delinquency and reduce incarceration, the delinquency prevention consortium shall complete such a study and present periodic reports to the legislative council or its designated committee during the 1997-99 biennium on its findings and recommendations.

SECTION 11. LEGISLATIVE INTENT - YOUTH CORRECTIONAL CENTER CARPENTRY PROGRAM. It is the intent of the fifty-fifth legislative assembly that the department of corrections and rehabilitation use the funds appropriated in section 1 of this Act to continue the carpentry program at the youth correctional center during the 1997-99 biennium.

SECTION 12. CONTINGENT PAYMENT. If, as of December 31, 1998, the superintendent of public instruction determines that a portion of the amount appropriated in the grants - foundation aid and transportation line item in House Bill No. 1013 will not be distributed during the 1997-99 biennium, the superintendent shall provide a payment, in addition to any other payments required by law, equal to the estimated undistributed amount, up to \$350,000, to the youth correctional center for educational costs incurred during the 1997-99 biennium. If the amount of the payment is less than \$350,000, the department of corrections and rehabilitation shall request a deficiency appropriation from the fifty-sixth legislative assembly for the amount that when added to the amount of the payment will equal \$350,000."

Page 4, line 12, replace "is" with "and section 9 of this Act are"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 530 - DEPARTMENT OF CORRECTIONS AND REHABILITATION

CONFERENCE COMMITTEE - This amendment removes risk management premiums of \$210,807 (\$198,159 general fund, \$12,648 other funds) from the Department of Corrections and Rehabilitation.

This amendment transfers \$90,150 general fund appropriation authority from salaries and wages to operating expenses for a .3 FTE physician position. The Senate transferred the authority for the .3 FTE position from the State Hospital to the Department of Corrections and Rehabilitation. However, the position will not be transferred. The Department of Corrections and Rehabilitation will contract for these services.

This amendment increases other funds appropriation authority for the Juvenile Services Division by \$350,000 and decreases general fund appropriation authority by the same amount to reflect a contingent payment the Youth Correctional Center may receive from the Department of Public Instruction.

This amendment also reduces general fund appropriation authority by \$250,000 (\$200,000 Juvenile Services Division operating expenses, \$50,000 Adult Services Division salaries and wages). The operating expenses reduction is for programmatic reductions to be determined by the Department of Corrections and Rehabilitation. The salaries and wages reduction is to encourage the department to postpone filling unspecified positions relating to the proposed medium security facility in Jamestown. However, legislative intent indicates that any programmatic reductions should not include the carpentry program at the Youth Correctional Center.

This amendment directs the Department of Corrections and Rehabilitation, the Department of Human Services, and the Department of Public Instruction to develop a delinquency prevention consortium. The consortium will work with the Legislative Council which is encouraged to study programs to prevent crime and delinquency through early intervention methods and present recommendations to the Fifty-sixth Legislative Assembly. This amendment also appropriates \$100,000 of federal or other funds to the Department of Corrections and Rehabilitation for the delinquency prevention consortium.

This amendment clarifies the legislative intent contained in Section 7 of the reengrossed bill, relating to crime victims' grants. This section provides legislative intent that crime victims' grant recipients be provided a notice that the federal funds available for grants during the 1997-99 biennium may not be available during the 1999-2001 biennium and may not be replaced with state funds.

This amendment adds a new section which allows the Department of Corrections and Rehabilitation to purchase, from the State Hospital, the buildings and land for the medium security facility and exempts the department from the provisions of Chapters 48-01.1 and 54-44.7, relating to bidding requirements and architect, engineer, and land surveying services.

This amendment adds a new section which authorizes a contingent payment of up to \$350,000 from the foundation aid appropriation line item to the Youth Correctional Center, if the Department of Public Instruction estimates, as of December 31, 1998, that the entire appropriation for foundation aid will not be distributed during the 1997-99 biennium. If the amount of the payment is less than \$350,000, the Department of Corrections and Rehabilitation is authorized to request a deficiency appropriation from the 1999 Legislative Assembly for the difference between \$350,000 and the amount of the payment.

	ENGROSSED BILL	REMOVE RISK MANAGEMENT PREMIUMS	DELINQUENCY PREVENTION CONSORTIUM	REMOVE PHYSICIAN POSITION AND ADD OPERATING EXPENSES FOR CONTRACTED SERVICES	REDUCE SALARIES AND WAGES AND OPERATING EXPENSES	ADD OTHER FUNDS AUTHORITY AND REDUCE GENERAL FUND AUTHORITY FOR CONTINGENT PAYMENT	TOTAL CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	CONFERENCE COMMITTEE INCREASE (DECREASE) TO HOUSE VERSION
CENTRAL OFFICE										
Salaries and wages	\$ 798,494	\$ (4,216)					\$ (4,216)	\$ 798,494	\$ 798,494	
Operating expenses	77,929							73,713	73,713	
Equipment	4,400							4,400	4,400	
Total	\$ 880,823	\$ (4,216)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (4,216)	\$ 876,607	\$ 876,607	\$ 0
General fund	\$ 781,924	\$ (4,216)					\$ (4,216)	\$ 777,708	\$ 777,708	
Other funds	98,899							98,899	98,899	
Total	\$ 880,823	\$ (4,216)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (4,216)	\$ 876,607	\$ 876,607	\$ 0
JUVENILE SERVICES										
Salaries and wages	\$ 8,708,389	\$ (61,134)					\$ (61,134)	\$ 8,708,389	\$ 8,708,389	\$ (200,000)
Operating expenses	4,188,200							3,927,066	4,127,066	
Equipment	102,879							102,879	102,879	
Capital improvements	573,000							573,000	573,000	
Grants	1,280,000		\$100,000				100,000	1,280,000	1,280,000	
Delinquency prevention consortium								100,000	100,000	
Institutional medical fees	50,000							50,000	50,000	
Total	\$14,902,468	\$ (61,134)	\$100,000	\$ 0	\$ (200,000)	\$ 0	\$ (161,134)	\$14,741,334	\$14,941,334	\$ (200,000)
General fund	\$ 9,896,021	\$ (61,134)	\$100,000		(200,000)	\$ (350,000)	\$ (611,134)	\$ 9,284,887	\$ 9,484,887	\$ (200,000)
Other funds	5,006,447					350,000	450,000	5,456,447	5,456,447	
Total	\$14,902,468	\$ (61,134)	\$100,000	\$ 0	\$ (200,000)	\$ 0	\$ (161,134)	\$14,741,334	\$14,941,334	\$ (200,000)
ADULT SERVICES										
Salaries and wages	\$20,392,705	\$ (132,809)		\$ (90,150)	\$ (50,000)		\$ (140,150)	\$20,252,555	\$20,202,555	\$ 50,000
Operating expenses	8,921,787			90,150			(42,659)	8,879,128	8,479,128	400,000
Equipment	170,867							170,867	170,867	
Capital improvements	1,010,650							1,010,650	1,010,650	
ments - medium security facility	4,896,425							4,896,425	4,896,425	
Institutional medical fees	850,000							850,000	850,000	
Victim services	3,104,399							3,104,399	3,104,399	
Institutional offender services	321,991							321,991	321,991	
Community offender services	6,164,499							6,164,499	6,164,499	

Total	\$45,833,323	\$ (132,809)	\$ 0	\$ 0	\$ (50,000)	\$ 0	\$ (182,809)	\$45,650,514	\$45,200,514	\$ 450,000
General fund	\$35,350,206	\$ (132,809)			\$ (50,000)		\$ (182,809)	\$35,167,397	\$34,717,397	\$ 450,000
Other funds	<u>10,483,117</u>							<u>10,483,117</u>	<u>10,483,117</u>	
Total	\$45,833,323	\$ (132,809)	\$ 0	\$ 0	\$ (50,000)	\$ 0	\$ (182,809)	\$45,650,514	\$45,200,514	\$ 450,000
ROUGH RIDER INDUSTRIES										
Salaries and wages	\$ 2,427,773							\$ 2,427,773	\$ 2,427,773	
Operating expenses	5,964,326	\$ (12,648)					\$ (12,648)	5,951,678	5,951,678	
Equipment	221,000							221,000	221,000	
Capital improvements	<u>86,112</u>							<u>86,112</u>	<u>86,112</u>	
Total	\$ 8,699,211	\$ (12,648)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (12,648)	\$ 8,686,563	\$ 8,686,563	\$ 0
General fund	\$ 8,699,211	<u>\$ (12,648)</u>					<u>\$ (12,648)</u>	<u>\$ 8,686,563</u>	<u>\$ 8,686,563</u>	
Other funds										
Total	\$ 8,699,211	\$ (12,648)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (12,648)	\$ 8,686,563	\$ 8,686,563	\$ 0
DCOR total general fund	\$46,028,151	\$ (198,159)			\$ (250,000)	\$ (350,000)	\$ (798,159)	\$45,229,992	\$44,979,992	\$ 250,000
DCOR total other funds	<u>24,287,674</u>	<u>(12,648)</u>	<u>\$100,000</u>			<u>350,000</u>	<u>437,352</u>	<u>24,725,026</u>	<u>24,725,026</u>	
DCOR total all funds	\$70,315,825	\$ (210,807)	\$100,000	\$ 0	\$ (250,000)	\$ 0	\$ (360,807)	\$69,955,018	\$69,705,018	\$ 250,000
FTE	518.94			(0.30)			(0.30)	518.64	518.64	0

Reengrossed SB 2016 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SEN. ST. AUBYN MOVED that the conference committee report on Reengrossed SB 2016 be adopted, which motion prevailed on a voice vote.

Reengrossed SB 2016, as amended, was placed on the Fourteenth order.

SECOND READING OF SENATE BILL

SB 2016: A BILL for an Act to provide an appropriation for defraying the expenses of the department of corrections and rehabilitation; to create and enact a new section to chapter 15-40.1 and a new subsection to section 15-40.2-08 of the North Dakota Century Code, relating to payment of tuition in cases of residential placements and to the transfer of funds appropriated for foundation aid; to provide legislative intent; to propose a legislative council study; to provide a contingent payment; to provide an effective date; 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 45 YEAS, 3 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Andrist; Berg; Bowman; Christmann; Cook; DeMers; Fischer; Freborg; Goetz; Grindberg; Heitkamp; Holmberg; Kelsh; Kinnoin; Klein; Krebsbach; Kringstad; LaFountain; Lee; Lindaas; Lips; Mathern; Mutch; Mutzenberger; Naaden; Nalewaja; Nelson, C.; Nelson, G.; Nething; Robinson; Sand; Schobinger; Solberg; St. Aubyn; Stenehjerm, B.; Stenehjerm, W.; Tallackson; Thane; Thompson; Tomac; Traynor; Urlacher; Wanzek; Watne; Yockim

NAYS: Krauter; O'Connell; Wogsland

ABSENT AND NOT VOTING: Redlin

Reengrossed SB 2016, as amended, passed, the title was agreed to, and the emergency clause was declared carried.

MOTION

SEN. G. NELSON MOVED that the rules be suspended and that Reengrossed SB 2016, as amended, be messaged to the House immediately, which motion prevailed.

REPORT OF CONFERENCE COMMITTEE

SB 2019, as reengrossed: Your conference committee (Sens. Goetz, St. Aubyn, Robinson and Reps. Dalrymple, Byerly, Nichols) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 975-979, adopt amendments as follows, and place SB 2019 on the Seventh order:

That the House recede from its amendments as printed on pages 975-979 of the Senate Journal and pages 1160-1164 of the House Journal and that Reengrossed Senate Bill No. 2019 be amended as follows:

Page 1, line 2, remove ", to the Bank of North Dakota for economic development,"

Page 1, line 4, replace the first "and" with "to provide for a legislative council study;" and replace "4-01-19" with "4-14.1-03.1"

Page 1, line 5, replace "subsection 4 of section 10-30.5-02, and section 10-30.5-05" with "54-34.3-08, and 57-43.1-03.1"

Page 1, line 6, remove "the pride of Dakota program,"

Page 1, line 7, replace "and administration and management of the North Dakota development fund" with "patent and royalty rights of the department of economic development and finance, and tax refunds for fuel used for agricultural purposes; to provide for application; to repeal chapter 10-30.4 and section 54-34.3-07 of the North Dakota Century Code, relating to technology transfer, incorporated; and to provide an effective date"

Page 1, line 15, replace "1,634,811" with "2,421,849"

Page 1, line 16, replace "1,591,673" with "1,481,995"

Page 1, line 20, replace "1,410,380" with "500,000"

Page 1, line 21, replace "5,598,107" with "4,097,462"

Page 1, replace line 22 with:

"North Dakota development fund 1,909,875"

Page 1, line 23, replace "12,457,802" with "12,484,012"

Page 2, line 1, replace "4,812,671" with "3,312,026"

Page 2, line 2, replace "7,645,131" with "9,171,986"

Page 2, remove lines 3 through 9

Page 2, line 11, after "Act" insert "relating to agricultural products utilization commission activities"

Page 2, line 19, after "**INCENTIVES**" insert "- **CONTINGENT TRANSFER**" and replace "\$3,007,000" with "\$1,507,000"

Page 2, line 21, replace "\$3,000,000" with "\$1,500,000"

Page 2, line 22, after "to" insert "the Grafton,", after "Dakota" insert a comma, and replace "plants" with "plant"

Page 3, line 8, after the period insert "If, at the end of each fiscal year, funding appropriated for ethanol incentive payments is not spent, the director of the office of management and budget shall transfer from the highway tax distribution fund the amount of unspent funds deposited into the fund pursuant to provisions of section 57-43.1-03.1 to the agricultural fuel tax fund for the agricultural products utilization commission for the purpose of providing grants as provided by law."

Page 3, after line 13, insert:

"SECTION 6. EXEMPTION - ETHANOL INCENTIVE APPROPRIATION. The funds provided in the ethanol incentive line item contained in chapter 48 of the 1995 Session Laws are not subject to the provisions of section 54-44.1-11 and any unexpended funds up to a maximum of \$250,000 from this line item are available for ethanol incentive payments to the Grafton ethanol plant during the biennium beginning July 1, 1997, and ending June 30, 1999. Notwithstanding the appropriation limit in section 4 of this Act, these funds shall be distributed based on the distribution formula contained in that section.

SECTION 7. LEGISLATIVE INTENT - ETHANOL INCENTIVE PAYMENTS. It is the intent of the legislative assembly that the appropriation of \$1,500,000 contained in section 1 of this Act for ethanol incentives and the \$250,000 of estimated unspent ethanol incentive funds from the 1995-97 biennium, to be available as a result of the exemption provided in section 6 of this Act, provide a total of \$1,750,000 for ethanol incentives for the Grafton ethanol plant during the biennium beginning July 1, 1997, and ending June 30, 1999. A maximum of \$875,000 may be paid annually to the Grafton ethanol plant during the 1997-99 biennium.

SECTION 8. REALLOCATION OF ECONOMIC DEVELOPMENT FUNDS. The director of the department of economic development and finance may reallocate among the technology transfer, inc., fund and the North Dakota development fund for rural and nonrural development projects up to ten percent of the amounts appropriated for these purposes for the biennium beginning July 1, 1997, and ending June 30, 1999."

Page 3, line 15, replace "\$1,410,380" with "\$500,000"

Page 3, line 16, after "fund" insert "and \$1,909,875 to the North Dakota development fund"

Page 3, line 23, replace "president of the Bank of North Dakota" with "director of the department of economic development and finance" and replace "president of the Bank of North" with "director of the department of economic development and finance"

Page 3, line 24, remove "Dakota"

Page 4, replace lines 10 through 28 with:

"SECTION 12. LEGISLATIVE COUNCIL STUDY - ECONOMIC DEVELOPMENT FUNCTIONS. The legislative council shall consider studying during the 1997-98 interim economic development functions in North Dakota including the Bank of North Dakota programs, technology transfer, incorporated, the North Dakota development fund, the department of economic development and finance, and other related state agencies. The study, if conducted, should include a review of the most appropriate, effective, and efficient method for the state to deliver economic development assistance in light of changing economic conditions and considerations.

SECTION 13. AMENDMENT. Section 4-14.1-03.1 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

4-14.1-03.1. Agricultural products utilization commission - Authority. The North Dakota agricultural products utilization commission may apply for, accept, and expend any appropriation, grant, gift, or service made available from public or private sources consistent with the purpose of this chapter. The commission may administer grant programs consistent with the purpose of this chapter including a basic and applied research grant program, utilization and marketing grant program, cooperative marketing grant program, farm diversification grant program, agricultural prototype development grant program, and a North American marketing grant program."

Page 5, replace lines 8 through 24 with:

"SECTION 15. AMENDMENT. Section 54-34.3-08 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

54-34.3-08. Patents. The department of economic development and finance, ~~technology transfer, incorporated,~~ the North Dakota development fund, incorporated, and the North Dakota agricultural products utilization commission may hold or assign for remuneration all or a portion of their interest in patents or royalty rights acquired in the course of their operation and performance of duties as provided by law.

SECTION 16. AMENDMENT. Section 57-43.1-03.1 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

57-43.1-03.1. (Effective until December 31, 1999) Refund of tax for fuel used for agricultural purposes - ~~Reduction for agricultural fuel tax fund~~ Reductions. Any person who buys or uses any motor vehicle fuel for agricultural purposes, except motor vehicle fuel used in motor vehicles operated or intended to be operated in whole or in part upon any of the public highways of this state on which the motor vehicle fuel tax has been paid, must be reimbursed or repaid within the time provided in this chapter, the amount of the tax paid upon the presentation to and the approval of the commissioner of a claim for refund. The amount of the tax refund provided for in this section must be reduced by ~~four~~ seven cents per gallon [3.79 liters] except for those fuels used in aircraft or with respect to refunds claimed by aircraft fuel users, ~~two~~ Two cents per gallon [3.79 liters] withheld from the refund must be deposited in the agricultural fuel tax fund ~~and two cents, one cent per gallon [3.79 liters]~~ withheld from the refund must be retained in the highway tax distribution fund, and four cents per gallon [3.79 liters] withheld from the refund must be deposited in the agricultural research fund. Those persons who have a valid tax assignment permit issued by the commissioner under section 57-43.1-11 must be charged ~~four~~ seven cents per gallon [3.79 liters] by the dealer and the ~~four~~ seven cents charged must be remitted to the commissioner by the dealer when the dealer submits the tax assigned invoices for credit.

(Effective January 1, 2000) Refund of tax for fuel used for agricultural purposes - ~~Reduction for agricultural fuel tax fund~~ Reductions. Any person who buys or uses any motor vehicle fuel for agricultural purposes, except motor vehicle fuel used in motor vehicles operated or intended to be operated in whole or in part upon any of the public highways of this state on which the motor vehicle fuel tax has been paid, must be reimbursed or repaid within the time provided in this chapter, the amount of the tax paid upon the presentation to and the approval of the commissioner of a claim for refund. The amount of the tax refund provided for in this section must be reduced by ~~two~~ six cents per gallon [3.79 liters] except for those fuels used in aircraft or with respect to refunds claimed by aircraft fuel users, ~~two~~ Two cents per gallon [3.79 liters]

withheld from the refund must be deposited in the agricultural fuel tax fund and four cents per gallon [3.79 liters] withheld from the fund must be deposited in the agricultural research fund. Those persons who have a valid tax assignment permit issued by the commissioner under section 57-43.1-11 must be charged ~~two~~ six cents per gallon [3.79 liters] by the dealer and the ~~two~~ six cents charged must be remitted to the commissioner by the dealer when the dealer submits the tax assigned invoices for credit.

SECTION 17. APPLICATION. Section 16 of this Act applies to refund claims for motor vehicle fuel taxes paid after December 31, 1996.

SECTION 18. TECHNOLOGY TRANSFER, INCORPORATED, TRANSFERS. Any moneys and any investment, contract, partnership, or any other business transaction of technology transfer, incorporated, are transferred to the North Dakota development fund and are deemed to be assets of the North Dakota development fund.

SECTION 19. REPEAL. Chapter 10-30.4 of the North Dakota Century Code and section 54-34.3-07 of the 1995 Supplement to the North Dakota Century Code are repealed.

SECTION 20. EFFECTIVE DATE. Sections 15, 18, and 19 are effective on July 1, 1999."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 601 - DEPARTMENT OF ECONOMIC DEVELOPMENT AND FINANCE

CONFERENCE COMMITTEE - This amendment makes the following changes:

	1997-99 EXECUTIVE RECOMMENDATION	SENATE CHANGES	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION
Salaries and wages	\$ 2,421,849	\$ (787,038)	\$ 1,634,811	\$ 787,038	\$ 2,421,849
Operating expenses	1,591,673		1,591,673	(109,678)	1,481,995
Equipment	34,000		34,000		34,000
Grants	1,313,141		1,313,141		1,313,141
General allocation grants	725,690		725,690		725,690
Technology Transfer, Inc.	1,410,380		1,410,380	(910,380)	500,000
Development fund	1,909,875	(1,909,875)		1,909,875	1,909,875
Agricultural Products	5,598,107		5,598,107	(1,500,645)	4,097,462
Utilization					
Pride of Dakota	<u>150,000</u>	<u>-----</u>	<u>150,000</u>	<u>(150,000)</u>	<u>-----</u>
Total	\$15,154,715	\$(2,696,913)	\$12,457,802	\$ 26,210	\$12,484,012
General fund	\$10,342,044		\$ 7,645,131	\$ 1,526,855	\$ 9,171,986
Special funds	4,812,671	\$(2,696,913)	4,812,671	(1,500,645)	3,312,026
FTE	30	(9)	21	7	28
Other changes -					

This amendment:

Restores the transfers made by the Senate from the Department of Economic Development and Finance to the Bank of North Dakota, including funding for five FTE positions relating to the fund (\$490,577), and removes related Sections 14 and 15, added by the Senate.

Restores general fund appropriation authority to the Department of Economic Development and Finance in lieu of an appropriation to the Bank of North Dakota from the Bank's earnings for the North Dakota development fund line item as contained in the Senate version.

Restores the authority for four FTE positions and related general fund appropriation authority of \$296,461.

Reduces funding for Technology Transfer, Inc., by \$910,380 from the general fund, from \$1,410,380 to \$500,000 and replaces the three FTE in the current program with one FTE technology technician. The \$500,000 is provided for:

Technology technician position and operating expenses	\$100,000
Project investments that lead to commercialization of new technologies	400,000
	<hr/>
Total	\$500,000

Removes funding of \$150,000 from the general fund for the Pride of Dakota program to be funded in the Department of Agriculture.

Removes Sections 10, 11, and 12 of the reengrossed bill, added by the Senate, relating to legislative intent for Technology Transfer, Inc., a Bank of North Dakota development specialist, and the Pride of Dakota program, respectively.

Reduces operating expenses by \$9,678 from the general fund and the Agricultural Products Utilization Commission line item by \$645 of special funds to remove risk management premiums. Also reduces operating expenses by \$100,000 from the general fund.

Reduces the ethanol production incentives appropriation, contained in the agricultural products utilization line item, from the highway tax distribution fund by \$1,500,000, from \$3,007,000 to \$1,507,000. Changes are made to Section 5 regarding the use of any unspent ethanol incentive payment funding that was generated from the one-cent agriculturally related motor vehicle fuel tax refund reduction.

Adds a new Section 6 to provide an exemption to allow up to \$250,000 of estimated 1995-97 unspent ethanol incentive funds to be spent during the 1997-99 biennium.

Adds a new Section 7 to provide legislative intent that a total of \$1,750,000 be available for the 1997-99 biennium for ethanol incentives and to provide that a maximum of \$875,000 may be paid annually.

Adds a new Section 8 allowing the transfer of funds, up to 10 percent, from Technology Transfer, Inc., and development fund for rural and nonrural projects.

Adds a new Section 12 providing for a Legislative Council study of economic development functions.

Adds a new Section 13 providing that the Agricultural Products Utilization Commission administer an agriculture prototype development program.

Adds a new Section 15 amending Section 54-34.3-08 removing reference to Technology Transfer, Inc., effective July 1, 1999.

Adds a new Section 16 which changes the allocation and the refund of tax for fuel used for agricultural purposes. Effective until December 31, 1999, the amount of the tax refund must be reduced by seven cents per gallon. Effective January 1, 2000, the amount of the tax refund must be reduced by six cents per gallon.

Adds a new Section 17 which provides an application date for refund claims for motor vehicle fuel taxes for refunds after December 31, 1996.

Adds a new Section 18 transferring assets of Technology Transfer, Inc., to the development fund and Section 19 repealing Technology Transfer, Inc., effective July 1, 1999.

Reengrossed SB 2019 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SEN. GOETZ MOVED that the conference committee report on Reengrossed SB 2019 be adopted.

REQUEST

SEN. W. STENEHJEM REQUESTED a recorded roll call vote on the motion to adopt the conference committee report on Reengrossed SB 2019, which request was granted.

ROLL CALL

The question being on the motion to adopt the conference committee report on Reengrossed SB 2019, the roll was called and there were 29 YEAS, 19 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Andrist; Bowman; Cook; Fischer; Goetz; Grindberg; Heitkamp; Holmberg; Kinnoin; Klein; Kringstad; Lee; Lindaas; Lips; Naaden; Nalewaja; Nelson, G.; Nething; Robinson; Sand; Solberg; St. Aubyn; Stenehjem, W.; Tallackson; Thane; Traynor; Wanzek; Watne; Wogsland

NAYS: Berg; Christmann; DeMers; Freborg; Kelsh; Krauter; Krebsbach; LaFountain; Mathern; Mutch; Mutzenberger; Nelson, C.; O'Connell; Schobinger; Stenehjem, B.; Thompson; Tomac; Urlacher; Yockim

ABSENT AND NOT VOTING: Redlin

The conference committee report on Reengrossed SB 2019 was adopted.

Reengrossed SB 2019, as amended, was placed on the Eleventh order.

SECOND READING OF SENATE BILL

SB 2019: A BILL for an Act to provide appropriations for defraying the expenses of the department of economic development and finance and to the agricultural products utilization commission for grants; to provide for transfers of funds; to provide for the reallocation of funds; to provide for a legislative council study; to amend and reenact sections 4-14.1-03.1, 4-14.1-04, 54-34.3-08, and 57-43.1-03.1 of the North Dakota Century Code, relating to the agricultural products utilization commission, patent and royalty rights of the department of economic development and finance, and tax refunds for fuel used for agricultural purposes; to provide for application; to repeal chapter 10-30.4 and section 54-34.3-07 of the North Dakota Century Code, relating to technology transfer, incorporated; 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 37 YEAS, 11 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Andrist; Berg; Cook; Fischer; Freborg; Goetz; Grindberg; Heitkamp; Holmberg; Kinnoin; Klein; Krebsbach; Kringstad; Lee; Lindaas; Lips; Mathern; Mutzenberger; Naaden; Nalewaja; Nelson, C.; Nelson, G.; Nething; Robinson; Sand; Schobinger; Solberg; St. Aubyn; Stenehjem, W.; Tallackson; Thane; Thompson; Traynor; Urlacher; Wanzek; Watne; Wogsland

NAYS: Bowman; Christmann; DeMers; Kelsh; Krauter; LaFountain; Mutch; O'Connell; Stenehjem, B.; Tomac; Yockim

ABSENT AND NOT VOTING: Redlin

Reengrossed SB 2019, as amended, passed and the title was agreed to.

MOTION

SEN. G. NELSON MOVED that the rules be suspended and that Reengrossed SB 2019, as amended, be messaged to the House immediately, which motion prevailed.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM C. PARKER, SECRETARY)

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: SB 2016, SB 2019.

REPORT OF CONFERENCE COMMITTEE

HB 1018: Your conference committee (Sens. Solberg, Holmberg, Mathern and Reps. Byerly, Hausauer, Nichols) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1331-1334 and place HB 1018 on the Seventh order.

HB 1018 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SEN. SOLBERG MOVED that the conference committee report on HB 1018 be adopted.

REQUEST

SEN. LIPS REQUESTED a recorded roll call vote on the motion to adopt the conference committee report on HB 1018, which request was granted.

MOTION

SEN. G. NELSON MOVED that the question be put at 7:59 p.m., which motion prevailed.

ROLL CALL

The question being on the motion to adopt the conference committee report on HB 1018, the roll was called and there were 17 YEAS, 31 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Bowman; Christmann; Cook; Fischer; Freborg; Goetz; Klein; Mutch; Naaden; Nalewaja; Nelson, G.; O'Connell; Schobinger; Solberg; Tomac; Wanzek; Wogsland

NAYS: Andrist; Berg; DeMers; Grindberg; Heitkamp; Holmberg; Kelsh; Kinnoin; Krauter; Krebsbach; Kringstad; LaFountain; Lee; Lindaas; Lips; Mathern; Mutzenberger; Nelson, C.; Nething; Robinson; Sand; St. Aubyn; Stenehjem, B.; Stenehjem, W.; Tallackson; Thane; Thompson; Traynor; Urlacher; Watne; Yockim

ABSENT AND NOT VOTING: Redlin

The conference committee report on HB 1018 was rejected.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM C. PARKER, SECRETARY)

MR. SPEAKER: The Senate has not adopted the conference committee report on HB 1018. The conference committee to act with a like committee from the House:

HB 1018: Sens. Holmberg; Solberg; Robinson

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM C. PARKER, SECRETARY)

MR. SPEAKER: The Senate has sustained the Governor's veto on HB 1026. The vote was 29 YEAS, 19 NAYS, 1 ABSENT AND NOT VOTING.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM C. PARKER, SECRETARY)

MR. SPEAKER: The President has signed and your signature is respectfully requested on: SB 2002, SB 2017, SB 2043.

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

MADAM PRESIDENT: The Speaker has signed and your signature is respectfully requested on: HB 1025, HB 1168, HB 1297.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM C. PARKER, SECRETARY)

MR. SPEAKER: The President has signed: HB 1025, HB 1168, HB 1297.

MOTION

SEN. G. NELSON MOVED that the absent member be excused, which motion prevailed.

MOTION

SEN. GOETZ MOVED that the Senate be on the Seventh and Sixteenth orders of business and at the conclusion of those orders, the Senate stand adjourned until 9:00 a.m., Friday, April 11, 1997, which motion prevailed.

COMMUNICATION FROM GOVERNOR EDWARD T. SCHAFER

This is to inform you that on April 9, 1997, I signed the following: SB 2013, SB 2020, SB 2032, SB 2037, SB 2068, SB 2088, SB 2112, SB 2136, SB 2159, SB 2160, SB 2234, SB 2318, and SB 2362.

COMMUNICATION FROM GOVERNOR EDWARD T. SCHAFER

This is to inform you that on April 10, 1997, I signed the following: SB 2344, SB 2399, and SB 2372.

COMMUNICATION FROM GOVERNOR EDWARD T. SCHAFER

This is to inform you that on April 10, 1997, I signed the following: SB 2202, SB 2012, SB 2014, SB 2015, SB 2030, SB 2132, and SB 2153.

The Senate stood adjourned pursuant to Senator Goetz's motion.

William C. Parker, Secretary