

JOURNAL OF THE HOUSE

Fifty-seventh Legislative Assembly

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Bismarck, April 25, 2001

The House convened at 8:30 a.m., with Speaker Bernstein presiding.

The prayer was offered by Pastor Terry Kern, First Evangelical Free Church, Bismarck.

The roll was called and all members were present except Representatives Fairfield and Jensen.

A quorum was declared by the Speaker.

CORRECTION AND REVISION OF THE JOURNAL

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

Page 1580, line 32 after 1031 add "be adopted"

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

MOTION

REP. BELTER MOVED that SB 2088 be moved to the top of the Seventh order, which motion prevailed.

APPOINTMENT OF CONFERENCE COMMITTEE

THE SPEAKER ANNOUNCED the following appointments to a Conference Committee on SB 2354: Reps. Porter, Kliniske, Metcalf.

CONSIDERATION OF MESSAGE FROM THE SENATE

REP. CARLSON MOVED that the House do concur in the Senate amendments to HB 1479 as printed on HJ pages 1625-1627, which motion prevailed on a voice vote.

HB 1479, as amended, was placed on the Eleventh order of business.

SECOND READING OF HOUSE BILL

HB 1479: A BILL for an Act to create and enact chapter 57-34.1 of the North Dakota Century Code, relating to the taxation of mobile telecommunications; and to provide an effective date.

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 95 YEAS, 1 NAY, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Bellew; Belter; Berg; Boehm; Boucher; Brandenburg; Brekke; Brusegaard; Byerly; Carlisle; Carlson; Clark; Cleary; DeKrey; Delmore; Delzer; Devlin; Disrud; Dosch; Drovda; Eckre; Ekstrom; Froelich; Froseth; Galvin; Glassheim; Grande; Grosz; Grumbo; Guleson; Gunter; Haas; Hanson; Hawken; Herbel; Huether; Hunskor; Johnson, D.; Johnson, N.; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klein, F.; Klein, M.; Klemm; Kliniske; Koppang; Koppelman; Kretschmar; Kroeber; Lemieux; Lloyd; Mahoney; Maragos; Martinson; Meier; Metcalf; Monson; Mueller; Nelson; Nicholas; Niemeier; Nottestad; Onstad; Pietsch; Pollert; Porter; Price; Renner; Rennerfeldt; Ruby; Sandvig; Schmidt; Severson; Skarphol; Svedjan; Thoreson, B.; Thoreson, L.; Thorpe; Tieman; Timm; Wald; Warner; Weiler; Weisz; Wentz; Wikenheiser; Winrich; Wrangham; Speaker Bernstein

NAYS: Solberg

ABSENT AND NOT VOTING: Fairfield; Jensen

Engrossed HB 1479 passed and the title was agreed to.

REPLACEMENT OF CONFERENCE COMMITTEE MEMBER

SPEAKER BERNSTEIN appoints Rep. Wald to replace Rep. Martinson on the conference committee to HB 1020.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. WEISZ MOVED that the conference committee report on SB 2088 be adopted, which motion failed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE SPEAKER ANNOUNCED the following appointments to a Conference Committee on SB 2088: Reps. Weisz, Price, Mahoney.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. SKARPHOL MOVED that the conference committee report on Engrossed SB 2019 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2019, as amended, was placed on the Fourteenth order.

SECOND READING OF SENATE BILL

SB 2019: A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; to provide for transfers of funds; to provide statements of legislative intent; to direct the state tax commissioner to audit the ethanol incentive program; to provide for legislative council studies; to provide for reports to the budget section; to create and enact a new section to chapter 54-34.4 of the North Dakota Century Code, relating to tourism copyrights and trademarks; to amend and reenact sections 4-14.1-07, 54-34.4-04, and 57-43.1-03.1 of the North Dakota Century Code, relating to ethanol plant production incentives, the motion picture development office advisory board, and tax refunds for fuel used for agricultural purposes; 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, and has committee recommendation of DO PASS, the roll was called and there were 96 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Bellew; Belter; Berg; Boehm; Boucher; Brandenburg; Brekke; Brusegaard; Byerly; Carlisle; Carlson; Clark; Cleary; DeKrey; Delmore; Delzer; Devlin; Disrud; Dosch; Drovda; Eckre; Ekstrom; Froelich; Froseth; Galvin; Glassheim; Grande; Grosz; Grumbo; Guleson; Gunter; Haas; Hanson; Hawken; Herbel; Huether; Hunsakor; Johnson, D.; Johnson, N.; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klein, F.; Klein, M.; Klemm; Kliniske; Koppang; Koppelman; Kretschmar; Kroeber; Lemieux; Lloyd; Mahoney; Maragos; Martinson; Meier; Metcalf; Monson; Mueller; Nelson; Nicholas; Niemeier; Nottestad; Onstad; Pietsch; Pollert; Porter; Price; Renner; Rennerfeldt; Ruby; Sandvig; Schmidt; Severson; Skarphol; Solberg; Svedjan; Thoreson, B.; Thoreson, L.; Thorpe; Tieman; Timm; Wald; Warner; Weiler; Weisz; Wentz; Wikenheiser; Winrich; Wrangham; Speaker Bernstein

ABSENT AND NOT VOTING: Fairfield; Jensen

Engrossed SB 2019 passed, the title was agreed to, and the emergency clause was declared carried.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. WALD MOVED that the conference committee report on Engrossed SB 2021 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2021, as amended, was placed on the Fourteenth order.

SECOND READING OF SENATE BILL

SB 2021: A BILL for an Act to provide an appropriation for defraying the expenses of the extension service, northern crops institute, upper great plains transportation institute, and the agricultural experiment station; to provide statements of legislative intent; to provide for a report to the budget section; and to amend and reenact sections 4-05.1-16, 4-05.1-17, 4-05.1-19, and 4-05.1-21 of the North Dakota Century Code, relating to the membership and duties of the state board of agricultural research and education, the compensation of board members, and the agricultural research fund.

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 96 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Bellew; Belter; Berg; Boehm; Boucher; Brandenburg; Brekke; Brusegaard; Byerly; Carlisle; Carlson; Clark; Cleary; DeKrey; Delmore; Delzer; Devlin; Disrud; Dosch; Drovdal; Eckre; Ekstrom; Froelich; Froseth; Galvin; Glassheim; Grande; Grosz; Grumbo; Gulleson; Gunter; Haas; Hanson; Hawken; Herbel; Huether; Hunsakor; Johnson, D.; Johnson, N.; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klein, F.; Klein, M.; Klemm; Kliniske; Koppang; Koppelman; Kretschmar; Kroeber; Lemieux; Lloyd; Mahoney; Maragos; Martinson; Meier; Metcalf; Monson; Mueller; Nelson; Nicholas; Niemeier; Nottestad; Onstad; Pietsch; Pollert; Porter; Price; Renner; Rennerfeldt; Ruby; Sandvig; Schmidt; Severson; Skarphol; Solberg; Svedjan; Thoreson, B.; Thoreson, L.; Thorpe; Tieman; Timm; Wald; Warner; Weiler; Weisz; Wentz; Wikenheiser; Winrich; Wrangham; Speaker Bernstein

ABSENT AND NOT VOTING: Fairfield; Jensen

Engrossed SB 2021 passed and the title was agreed to.

MOTION

REP. MONSON MOVED that the House stand in recess until 12:30 p.m., which motion prevailed.

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

APPOINTEES TO LEGISLATIVE COUNCIL

SPEAKER BERNSTEIN ANNOUNCED the following to the Legislative Council. Representatives Belter, Boucher, Bernstein, S. Kelsh, Delmore, Mahoney, Delzer, Kliniske, DeKrey.

CONSIDERATION OF MESSAGE FROM THE SENATE

REP. R. KELSCH MOVED that the House do concur in the Senate amendments to HB 1301 as printed on HJ pages 1625-1627, which motion prevailed on a voice vote.

HB 1301, as amended, was placed on the Eleventh order of business.

SECOND READING OF HOUSE BILL

HB 1301: A BILL for an Act to amend and reenact subsection 2 of section 14 of chapter 169 of the 1999 Session Laws, relating to contingent payments; to provide an appropriation; 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 95 YEAS, 0 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Bellew; Belter; Berg; Boehm; Boucher; Brandenburg; Brekke; Brusegaard; Byerly; Carlson; Clark; Cleary; DeKrey; Delmore; Delzer; Devlin; Disrud; Dosch; Drovdal; Eckre; Ekstrom; Froelich; Froseth; Galvin; Glassheim; Grande; Grosz; Grumbo; Gulleson; Gunter; Haas; Hanson; Hawken; Herbel; Huether; Hunsakor; Johnson, D.; Johnson, N.; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klein, F.; Klein, M.; Klemm; Kliniske; Koppang; Koppelman; Kretschmar; Kroeber; Lemieux; Lloyd; Mahoney; Maragos; Martinson; Meier; Metcalf; Monson; Mueller; Nelson; Nicholas; Niemeier; Nottestad; Onstad; Pietsch; Pollert; Porter; Price; Renner; Rennerfeldt; Ruby; Sandvig; Schmidt; Severson; Skarphol; Solberg; Svedjan; Thoreson, B.; Thoreson, L.; Thorpe; Tieman; Timm; Wald; Warner; Weiler; Weisz; Wentz; Wikenheiser; Winrich; Wrangham; Speaker Bernstein

ABSENT AND NOT VOTING: Carlisle; Fairfield; Jensen

Engrossed HB 1301 passed, the title was agreed to, and the emergency clause was declared carried.

CONSIDERATION OF MESSAGE FROM THE SENATE

REP. R. KELSCH MOVED that the House do concur in the Senate amendments to HB 1326 as printed on HJ pages 1616-1618, which motion prevailed on a voice vote.

HB 1326, as amended, was placed on the Eleventh order of business.

CONSIDERATION OF MESSAGE FROM THE SENATE

REP. R. KELSCH MOVED that the House do concur in the Senate amendments to HB 1326 as printed on HJ pages 1616-1618, which motion prevailed on a voice vote.

HB 1326, as amended, was placed on the Eleventh order of business.

SECOND READING OF HOUSE BILL

HB 1326: A BILL for an Act to amend and reenact sections 15-36-11.1 and 15-38-17 of the North Dakota Century Code or in the alternative to amend and reenact section 15.1-13-02, subsection 3 of section 15.1-13-17, and subsection 2 of section 15.1-13-29 of the North Dakota Century Code, relating to the membership of the education standards and practices board and the assessment of fines; and to provide an effective date.

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 70 YEAS, 26 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Bellew; Belter; Berg; Boehm; Brandenburg; Brekke; Brusegaard; Byerly; Carlson; Clark; Cleary; DeKrey; Delzer; Devlin; Disrud; Dosch; Drovdal; Froelich; Froseth; Galvin; Grande; Grosz; Gunter; Haas; Hawken; Herbel; Huether; Hunsakor; Johnson, D.; Johnson, N.; Kasper; Keiser; Kelsch, R.; Kempenich; Kingsbury; Klein, F.; Klein, M.; Klemm; Kliniske; Koppang; Koppelman; Kretschmar; Lloyd; Maragos; Martinson; Meier; Monson; Nelson; Nicholas; Pietsch; Pollert; Porter; Price; Renner; Rennerfeldt; Ruby; Severson; Skarphol; Svedjan; Thoreson, B.; Thorpe; Tieman; Timm; Wald; Weiler; Weisz; Wentz; Wikenheiser; Wrangham; Speaker Bernstein

NAYS: Aarsvold; Boucher; Delmore; Eckre; Ekstrom; Fairfield; Glassheim; Grumbo; Gulleon; Hanson; Kelsh, S.; Kerzman; Kroeber; Lemieux; Mahoney; Metcalf; Mueller; Niemeier; Nottestad; Onstad; Sandvig; Schmidt; Solberg; Thoreson, L.; Warner; Winrich

ABSENT AND NOT VOTING: Carlisle; Jensen

Engrossed HB 1326 passed and the title was agreed to.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. GALVIN MOVED that the conference committee report on Engrossed SB 2361 be adopted, which motion prevailed on a voice vote.

REPORT OF CONFERENCE COMMITTEE

SB 2032, as engrossed: Your conference committee (Sens. Mutch, Tollefson, Every and Reps. Berg, Keiser, Lemieux) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1160-1162, adopt amendments as follows, and place SB 2032 on the Seventh order:

That the House recede from its amendments as printed on pages 1160-1162 of the Senate Journal and pages 1074-1076 of the House Journal and that Engrossed Senate Bill No. 2032 be amended as follows:

Page 1, line 3, remove "and"

Page 1, line 5, remove "and"

Page 1, line 6, remove "and"

Page 1, line 11, remove "and"

Page 1, line 12, remove "and" and after "55-06-01" insert ", 57-38-29, 57-38-30.3, 57-38-54"

Page 1, line 16, after "commerce" insert ", income tax filing methods for individuals, and publication of statistics by the tax commissioner"

Page 1, line 17, after the first semicolon insert "to provide for correction of statutory references;"

Page 26, line 30, remove "Director" and overstrike "- **Appointment**" and insert immediately thereafter "Director"

Page 26, line 31, overstrike "The" and remove "commissioner of"

Page 27, line 1, remove "commerce" and overstrike "shall appoint as director a person who is qualified by training, knowledge, and"

Page 27, overstrike lines 2 and 3

Page 27, line 4, overstrike "of the", remove the first "commissioner", overstrike "and shall receive a salary set by the", and remove the second "commissioner"

Page 27, line 5, overstrike "within the limits of legislative appropriations."

Page 28, line 3, after the semicolon insert "and"

Page 28, line 4, overstrike "Report at least annually to an interim committee designated by the legislative"

Page 28, line 5, overstrike "council on performance of all divisions of the", remove "division", and overstrike "of economic"

Page 28, overstrike line 6

Page 28, line 7, overstrike "satisfaction the", remove "division", and overstrike "of economic development and finance has in"

Page 28, overstrike lines 8 through 11

Page 28, line 12, overstrike "9."

Page 30, line 17, overstrike "1."

Page 30, line 21, overstrike "2. The", remove "commissioner of commerce", overstrike "shall appoint a director of the", and remove "division of"

Page 30, line 22, overstrike "tourism", overstrike "who shall serve at the will of the", remove "commissioner", and overstrike the period

Page 33, replace lines 3 through 11 with:

"2. The commissioner shall appoint the director of any division created by the commissioner under subsection 1. Effective August 1, 2003, the commissioner shall appoint the directors of the division of community services, division of economic development and finance, and division of workforce development. Effective August 1, 2005, the commissioner shall appoint the director of the division of tourism. Each director appointed by the commissioner serves at the pleasure of the commissioner and is entitled to receive a salary set by the commissioner within the limits of legislative appropriation. Until August 1, 2003, the governor shall appoint the directors of the division of community services, division of economic development and finance, and division of workforce development and until August 1, 2005, the governor shall appoint the director of the division of tourism. The individuals appointed by the governor shall serve at the pleasure of the governor and are entitled to receive a salary set by the governor within the limits of legislative appropriations."

Page 34, line 7, replace "on" with ":

a. On"

Page 34, line 8, replace ", on" with ":

b. On"

Page 34, line 9, replace "on" with "i

c. On"

Page 34, line 10, replace "and summarizing" with "i

d. On"

Page 34, line 11, after the underscored semicolon insert "and

e. On commerce benchmarks, including the average annual wage in the state, the gross state product exclusive of agriculture, and the number of primary sector jobs in the state;"

Page 34, line 29, replace "executive committee" with "foundation"

Page 35, line 1, replace "including counsel in the" with "i

c. Develop a strategic plan for economic development in the state and set accountability standards, measurements, and benchmarks to evaluate the effectiveness of the department in implementing the strategic plan;

d. Develop a strategic plan for the development of value-added agriculture in the state; and"

Page 35, remove line 2

Page 35, line 3, replace "c" with "e"

Page 35, line 4, replace "; and" with an underscored period

Page 35, remove line 5

Page 35, line 29, remove "commerce division of" and overstrike "economic"

Page 35, line 30, overstrike "development and finance" and insert immediately thereafter "commerce"

Page 38, line 5, overstrike "hereby"

Page 38, line 6, overstrike "which" and insert immediately thereafter "that"

Page 38, line 8, overstrike "and it" and insert immediately thereafter ". The council" and overstrike the second "shall"

Page 38, line 9, overstrike "consist" and insert immediately thereafter "consists" and after "of" insert "a traffic counsel selected by the members of the council, a representative of the railways serving the state who is selected by the council, and"

Page 38, line 14, overstrike "livestock industry council" and insert immediately thereafter "North Dakota stockmen's association"

Page 38, line 15, after "Dakota" insert "state"

Page 38, line 18, overstrike "farmers"

Page 38, line 19, overstrike "The North Dakota railway lines."

Page 38, line 20, overstrike "10."

Page 38, line 21, overstrike "11." and insert immediately thereafter "10."

Page 38, overstrike lines 22 and 23

Page 40, after line 3, insert:

"SECTION 52. AMENDMENT. Section 57-38-29 of the North Dakota Century Code is amended and reenacted as follows:

57-38-29. ~~Rate of tax on individuals~~ Optional method of computing tax. Notwithstanding the other provisions of this chapter, an individual, estate, or trust may elect to determine state income tax liability by applying the provisions of this section. A tax is hereby imposed upon every individual, to be levied, collected, and paid annually with respect to the taxable income of such individual as defined in this chapter, computed at the following rates:

1. On taxable income not in excess of three thousand dollars, a tax of two and sixty-seven hundredths percent.
2. On taxable income in excess of three thousand dollars and not in excess of five thousand dollars, a tax of four percent.
3. On taxable income in excess of five thousand dollars and not in excess of eight thousand dollars, a tax of five and thirty-three hundredths percent.
4. On taxable income in excess of eight thousand dollars and not in excess of fifteen thousand dollars, a tax of six and sixty-seven hundredths percent.
5. On taxable income in excess of fifteen thousand dollars and not in excess of twenty-five thousand dollars, a tax of eight percent.
6. On taxable income in excess of twenty-five thousand dollars and not in excess of thirty-five thousand dollars, a tax of nine and thirty-three hundredths percent.
7. On taxable income in excess of thirty-five thousand dollars and not in excess of fifty thousand dollars, a tax of ten and sixty-seven hundredths percent.
8. On taxable income in excess of fifty thousand dollars, a tax of twelve percent.

SECTION 53. AMENDMENT. Section 57-38-30.3 of the North Dakota Century Code is amended and reenacted as follows:

57-38-30.3. Simplified ~~optional~~ method of computing tax.

1. ~~Notwithstanding the other provisions of this chapter, an individual, estate, or trust may elect to determine state income tax liability by applying the provisions of this section. Any taxpayer electing to determine the taxpayer's income tax liability pursuant to this section is only eligible for those adjustments or credits which are specifically provided for in this section. Provided, that for purposes of this section, any person required to file a state income tax return pursuant to the provisions of this chapter, but who has not computed a federal taxable income or federal income tax liability figure shall compute such a federal taxable income figure using a pro forma return pursuant to the provisions of this section in order to determine a federal income tax liability figure to be used as a starting point in computing state income tax.~~
2. A tax is hereby imposed for each taxable year upon income earned or received in that taxable year by every resident and nonresident individual, estate, and trust. This tax is fourteen percent of the individual's, estate's, or trust's adjusted federal income tax liability for the taxable year. A taxpayer computing the tax under this section is only eligible for those adjustments or credits that are specifically provided for in this section. Provided, that for purposes of this section, any person required to file a state income tax return under this chapter, but who has not computed a federal income tax liability figure, shall compute a federal income tax liability figure using a pro forma return in order to determine a federal income tax liability figure to be used as a starting point in computing state income tax under this section.
3. 2. The adjusted federal income tax liability for a resident individual, estate, and trust must be determined by multiplying the federal income tax liability by a fraction, the numerator of which is the adjusted gross income taxable to this state and the denominator of which is the total adjusted gross income as reported on the federal income tax return. To the extent they

are included in the taxpayer's federal adjusted gross income, the following amounts must be excluded from the numerator:

- a. Interest income from obligations of the United States and income exempt from state income tax under federal statute or United States or North Dakota constitutional provisions.
 - b. The portion of a distribution from a qualified investment fund described in section 57-38-01 which is attributable to investments by the qualified investment fund in obligations of the United States, obligations of North Dakota or its political subdivisions, and any other obligation the interest from which is exempt from state income tax under federal statute or United States or North Dakota constitutional provisions.
 - c. An amount equal to the earnings that are passed through to a taxpayer in connection with an allocation and apportionment to North Dakota under chapter 57-35.3.
4. 3. The adjusted federal income tax liability of a nonresident individual, estate, and trust must be determined by multiplying the federal income tax liability by a fraction, the numerator of which is the adjusted gross income derived from sources within this state and the denominator of which is the total adjusted gross income as reported on the federal income tax return. To the extent they are included in the taxpayer's federal adjusted gross income, the following amounts must be excluded from the numerator:
- a. Interest income from obligations of the United States and income exempt from state income tax under federal statute or United States or North Dakota constitutional provisions.
 - b. The portion of a distribution from a qualified investment fund described in section 57-38-01 which is attributable to investments by the qualified investment fund in obligations of the United States, obligations of North Dakota or its political subdivisions, and any other obligation the interest from which is exempt from state income tax under federal statute or United States or North Dakota constitutional provisions.
 - c. An amount equal to the earnings that are passed through to a taxpayer in connection with an allocation and apportionment to North Dakota under chapter 57-35.3.
5. 4. For purposes of this section, "federal income tax liability" means the individual's, estate's, or trust's federal income tax computed for the taxable year under Internal Revenue Code sections 1 and 3, relating to the computation of the regular federal income tax before credits, including calculation and tax rate modifications prescribed under other provisions of the Internal Revenue Code, adjusted as follows:
- a. Add the alternative minimum tax computed under Internal Revenue Code section 55;
 - b. Add the tax on a lump sum distribution computed under Internal Revenue Code section 402; however, this adjustment does not apply if the lump sum distribution is received while a nonresident of this state and is exempt from taxation by this state under federal law;
 - c. Add the tax on an accumulation distribution of a trust computed under Internal Revenue Code section 667;
 - d. Add the tax computed under Internal Revenue Code section 72(m)(5) on excess benefits received from a qualified plan under Internal Revenue Code section 401(a) or a qualified annuity under Internal Revenue Code section 403(a);
 - e. Add the tax computed under Internal Revenue Code section 72(q)(1) on an early distribution from an annuity contract;

- f. Add the tax computed under Internal Revenue Code section 72(t)(1) on an early distribution from a qualified retirement plan;
- g. Add the tax computed under Internal Revenue Code section 4973(a) on excess contributions to an individual retirement account, medical savings account, and certain Internal Revenue Code section 403(b) and annuity contracts; however, this adjustment does not apply if the individual, estate, or trust is a nonresident of this state;
- h. Add the tax computed under Internal Revenue Code section 4974(a) on excess accumulations in a qualified retirement plan; however, this adjustment does not apply if the individual, estate, or trust is a nonresident of this state;
- i. Add the tax computed under Internal Revenue Code section 4980A on excess distributions from a qualified retirement plan; and
- j. Subtract the credit for prior year minimum tax computed under Internal Revenue Code section 53.

Unless specifically provided for in this subsection, no federal income tax credit may be subtracted in determining the federal income tax liability for purposes of this section.

- ~~6.~~ 5. A husband and wife filing a joint federal income tax return shall file a joint state income tax return if the return is filed under this section. If separate federal income tax returns are filed, one spouse's state income tax return may be filed under this section and the other spouse's income tax return may be filed under the other provisions of this chapter.
- ~~7.~~ 6.
 - a. A resident individual, estate, or trust must be allowed a credit against the tax otherwise due under this section for the amount of any income tax imposed on the taxpayer for the taxable year by another state or territory of the United States or the District of Columbia on income derived from sources therein and which is also subject to tax under this section.
 - b. The credit provided under this subsection may not exceed the proportion of the tax otherwise due under this section that the amount of the taxpayer's adjusted gross income derived from sources in the other taxing jurisdiction bears to the taxpayer's entire adjusted gross income as reported on the taxpayer's federal income tax return.
- ~~8.~~ 7.
 - a. Individuals, estates, or trusts receiving a refund of federal income tax for a year for which an election to file state income tax returns has been made under this section shall file amended state income tax returns reducing the federal income tax liability for the year for which the federal income tax refund is granted and may not report the federal income tax refund in the year received.
 - b. Individuals, estates, or trusts assessed additional federal income tax for a year for which an election to file state income tax returns has been made under this section shall file amended state income tax returns increasing the federal income tax liability for the year for which the additional federal income tax is assessed and may not report increased federal income tax liability in the year in which the additional federal income tax is paid.
- ~~9.~~ 8. The tax commissioner may prescribe procedures and guidelines to prevent requiring income that had been previously taxed under this chapter from becoming taxed again because of the provisions of this section and may prescribe procedures and guidelines to prevent any income from becoming exempt from taxation because of the provisions of this section if it would otherwise have been subject to taxation under the provisions of this chapter.
- ~~10.~~ 9. A taxpayer filing a return under this section is entitled to the credit provided under section 57-38-01.20.

- 44- 10. A taxpayer filing a return under this section is entitled to the exemptions or credits provided under sections 40-63-04, 40-63-06, and 40-63-07.

SECTION 54. AMENDMENT. Section 57-38-54 of the North Dakota Century Code is amended and reenacted as follows:

57-38-54. Publication of statistics. The tax commissioner shall prepare and publish biennially statistics reasonably available with respect to the operation of this chapter, including amounts collected, classification of taxpayers, and such other facts as are deemed pertinent and valuable. The commissioner shall publish the tax rate imposed under section 57-38-30.3 as a percentage of adjusted federal tax liability and as the corresponding range of marginal tax rates as if the tax were imposed on taxable income."

Page 40, after line 21, insert:

"SECTION 59. LEGISLATIVE COUNCIL CORRECTION OF STATUTORY REFERENCES. The legislative council may replace references to the "department of economic development and finance", "division of community services", "tourism department", and "department of economic development and finance division of finance" with references to the "department of commerce division of economic development and finance", department of commerce division of community services", "department of commerce division of tourism", "department of commerce division of economic development and finance finance office", "department of commerce", and "commissioner of commerce", or any variation of these terms as appropriate, in any measure enacted by the fifty-seventh legislative assembly."

Page 40, line 27, replace "This" with "Sections 52 through 54 of this Act are effective for taxable years beginning after December 31, 2000, and the remainder of this"

ReNUMBER accordingly

Engrossed SB 2032 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. BERG MOVED that the conference committee report on Engrossed SB 2032 as printed on HJ pages 1074-1076 be adopted, which motion prevailed on a verification vote.

Engrossed SB 2032, as amended, was placed on the Fourteenth order.

SECOND READING OF SENATE BILL

SB 2032: A BILL for an Act to create and enact a new chapter to title 54 of the North Dakota Century Code, relating to creation of a department of commerce; to amend and reenact sections 4-14.1-03, 4-14.1-04, 6-12-02, subsection 6 of section 10-30-04, subsection 4 of section 10-30.5-02, section 10-30.5-05, subsection 6 of section 10-30.6-04, subsection 3 of section 20.1-02-17.1, sections 20.1-02-18.1, 21-11-02, 21-11-03, 21-11-04, 21-11-05, 21-11-06, 24-03-21, subsection 4 of section 26.1-50-01, sections 26.1-50-02, 28-32-01, 40-57.1-04, 49-10.1-17, subsection 4 of section 50-06-01.8, section 52-01-03, subsection 5 of section 52-02.1-01, section 54-01.1-08, subsection 1 of section 54-06-04, section 54-21.2-03, subsection 1 of section 54-21.3-03, sections 54-21.3-04.1, 54-34-12, 54-34-15, 54-34.3-01, 54-34.3-02, 54-34.3-03, 54-34.3-04, 54-34.3-05, 54-34.3-06, 54-34.3-08, 54-34.3-10, 54-34.3-11, 54-34.4-01, 54-34.4-02, 54-34.4-04, subsection 15 of section 54-44.3-20, sections 54-44.5-01, 54-44.5-02, 54-44.5-03, 54-44.5-05, 54-53-02, 55-01-01, 55-06-01, 57-38-29, 57-38-30.3, 57-38-54, subsection 1 of section 57-38.5-01, section 57-38.5-08, and subsection 6 of section 57-39.2-28 of the North Dakota Century Code, relating to merging the division of community services, department of economic development and finance, and tourism department into a department of commerce, income tax filing methods for individuals, and publication of statistics by the tax commissioner; to repeal section 54-34.3-09 of the North Dakota Century Code, relating to the department of economic development and finance; to provide for correction of statutory references; to provide an appropriation; and to provide an effective date.

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 80 YEAS, 15 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

YEAS: Bellew; Belter; Berg; Boehm; Boucher; Brandenburg; Brekke; Brusegaard; Byerly; Carlson; Clark; DeKrey; Delmore; Delzer; Devlin; Disrud; Dosch; Drovda; Eckre;

Froelich; Froseth; Galvin; Grande; Grosz; Gunter; Haas; Hawken; Huether; Hunskor; Johnson, D.; Johnson, N.; Kasper; Keiser; Kelsch, R.; Kempenich; Kingsbury; Klein, F.; Klein, M.; Klemm; Kliniske; Koppang; Koppelman; Kretschmar; Kroeber; Lemieux; Lloyd; Mahoney; Meier; Metcalf; Monson; Mueller; Nelson; Nicholas; Nottestad; Onstad; Pietsch; Pollert; Porter; Price; Renner; Rennerfeldt; Ruby; Schmidt; Severson; Skarphol; Solberg; Svedjan; Thoreson, B.; Thoreson, L.; Thorpe; Tieman; Timm; Wald; Warner; Weiler; Weisz; Wentz; Wikenheiser; Wrangham; Speaker Bernstein

NAYS: Aarsvold; Cleary; Ekstrom; Fairfield; Glassheim; Grumbo; Gulleon; Hanson; Kelsh, S.; Kerzman; Maragos; Martinson; Niemeier; Sandvig; Winrich

ABSENT AND NOT VOTING: Carlisle; Herbel; Jensen

Engrossed SB 2032 passed and the title was agreed to.

MOTION

REP. MONSON MOVED that the House stand in recess until 5:00 p.m., which motion prevailed.

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

CONSIDERATION OF MESSAGE FROM THE SENATE

REP. R. KELSCH MOVED that the House do concur in the Senate amendments to HB 1293 as printed on HJ pages 1615-1616, which motion prevailed on a voice vote.

HB 1293, as amended, was placed on the Eleventh order of business.

SECOND READING OF HOUSE BILL

HB 1293: A BILL for an Act to create and enact seven new sections to chapter 15-47 of the North Dakota Century Code or in the alternative to create and enact seven new sections to chapter 15.1-21 of the North Dakota Century Code, relating to the testing of reading and mathematics.

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 96 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Bellew; Belter; Berg; Boehm; Boucher; Brekke; Brusegaard; Byerly; Carlisle; Carlson; Clark; Cleary; DeKrey; Delmore; Delzer; Devlin; Disrud; Dosch; Drovda; Eckre; Ekstrom; Fairfield; Froelich; Froseth; Galvin; Glassheim; Grande; Grosz; Grumbo; Gulleon; Gunter; Haas; Hanson; Hawken; Herbel; Huether; Hunskor; Johnson, D.; Johnson, N.; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klein, F.; Klein, M.; Klemm; Kliniske; Koppang; Koppelman; Kretschmar; Kroeber; Lemieux; Lloyd; Mahoney; Maragos; Martinson; Meier; Metcalf; Monson; Mueller; Nelson; Nicholas; Niemeier; Nottestad; Onstad; Pietsch; Pollert; Porter; Price; Renner; Rennerfeldt; Ruby; Sandvig; Schmidt; Severson; Skarphol; Solberg; Svedjan; Thoreson, B.; Thoreson, L.; Thorpe; Tieman; Timm; Wald; Warner; Weiler; Weisz; Wentz; Wikenheiser; Winrich; Wrangham; Speaker Bernstein

ABSENT AND NOT VOTING: Brandenburg; Jensen

Engrossed HB 1293 passed and the title was agreed to.

REPORT OF CONFERENCE COMMITTEE

HB 1012, as engrossed: Your conference committee (Sens. Bowman, Thane, Tomac and Reps. Svedjan, Delzer, Kerzman) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1513-1519, adopt amendments as follows, and place HB 1012 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1513-1519 of the House Journal and pages 1377-1384 of the Senate Journal and that Engrossed House Bill No. 1012 be amended as follows:

Page 1, line 3, after the first semicolon insert "to provide for legislative council studies; to provide an exception to section 54-44.1-06 of the North Dakota Century Code, relating

to the preparation of the department of human services appropriations bill for the 2003-05 biennium;"

Page 1, line 5, after "transfers" insert "; to provide for basic care facility rates"

Page 1, line 6, remove "and"

Page 1, line 7, after "reenact" insert "subsection 2 of section 25-02-01.1," after "50-01.2-03.2" insert ", and section 50-09-06.1", and after "to" insert "compensation for members of the state hospital governing body,"

Page 1, line 8, after "reimbursements" insert ", and assignment of support rights; to provide an effective date; and to declare an emergency"

Page 1, line 19, replace "34,412,275" with "34,511,962"

Page 1, line 23, replace "49,670,844" with "49,770,531"

Page 2, line 1, replace "31,615,495" with "31,715,182"

Page 2, line 5, replace "10,920,080" with "11,679,203"

Page 2, line 6, replace "17,169,938" with "17,297,140"

Page 2, line 9, replace "134,389,148" with "126,393,606"

Page 2, line 10, replace "718,078,659" with "736,187,339"

Page 2, line 11, replace "880,578,318" with "891,577,781"

Page 2, line 12, replace "671,393,327" with "678,799,617"

Page 2, line 13, replace "209,184,991" with "212,778,164"

Page 2, line 16, replace "10,546,892" with "9,650,689"

Page 2, line 17, replace "11,465,354" with "11,388,152"

Page 2, line 20, replace "133,362,788" with "132,341,763"

Page 2, line 21, replace "155,429,551" with "153,435,121"

Page 2, line 22, replace "124,743,392" with "123,325,366"

Page 2, line 23, replace "30,686,159" with "30,109,755"

Page 3, line 5, replace "8,207,410" with "8,122,652"

Page 3, line 6, replace "3,638,811" with "3,598,587"

Page 3, line 7, replace "4,568,599" with "4,524,065"

Page 3, line 9, replace "18,852,059" with "18,677,059"

Page 3, line 11, replace "7,657,031" with "7,482,031"

Page 3, line 14, replace "centers/institutions" with "center operations" and replace "19,695,629" with "19,640,332"

Page 3, line 15, replace "20,268,753" with "20,213,456"

Page 3, line 16, replace "11,124,027" with "11,119,701"

Page 3, line 17, replace "9,144,726" with "9,093,755"

Page 3, line 19, replace "11,207,210" with "11,128,925"

Page 3, line 20, replace "5,502,095" with "5,466,466"

Page 3, line 21, replace "5,705,115" with "5,662,459"

Page 3, line 27, replace "9,618,722" with "9,535,626"

Page 3, line 28, replace "5,161,574" with "5,127,922"

Page 3, line 29, replace "4,457,148" with "4,407,704"

Page 4, line 2, replace "Human service centers/institutions" with "Operations" and replace "50,265,299" with "50,154,275"

Page 4, line 3, replace "51,235,475" with "51,124,451"

Page 4, line 5, replace "33,274,332" with "33,163,308"

Page 4, line 8, replace "Human service centers/institutions" with "Operations"

Page 4, line 12, replace "201,053,372" with "200,465,912"

Page 4, line 13, replace "104,935,651" with "104,821,820"

Page 4, line 14, replace "96,117,721" with "95,644,092"

Page 4, line 15, replace "354,044,220" with "356,587,360"

Page 4, line 16, replace "932,687,865" with "938,661,985"

Page 4, line 17, replace "1,286,732,085" with "1,295,249,345"

Page 5, remove lines 28 through 31

Page 6, remove lines 1 and 2

Page 7, after line 4, insert:

"SECTION 16. LEGISLATIVE INTENT - PAYMENT SCHEDULE FOR CRITICAL ACCESS HOSPITALS. It is the intent of the legislative assembly that the department of human services implement a charge-based payment schedule for critical access hospitals, for the biennium beginning July 1, 2001, and ending June 30, 2003.

SECTION 17. LEGISLATIVE COUNCIL STUDY - STATE ADMINISTRATION OF CHILD SUPPORT. The legislative council shall consider studying, during the 2001-02 interim, the feasibility and desirability of state administration of child support, including the fiscal effect on counties and the state. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-eighth legislative assembly.

SECTION 18. LEGISLATIVE COUNCIL STUDY - SENIOR CITIZEN MILL LEVY MATCHING PROGRAM. The legislative council shall consider studying during the 2001-02 interim, the senior citizen mill levy matching grant program. If chosen, the study must address the appropriateness of whether the program match a percentage of the total mills levied by each county or match funds only on the first mill levied by each county. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-eighth legislative assembly.

SECTION 19. LEGISLATIVE INTENT - NORTHEAST HUMAN SERVICE CENTER FUNDING. It is the intent of the legislative assembly that any budget adjustments made by the northeast human service center relating to the unspecified \$175,000 reduction in general fund support made by the fifty-seventh legislative assembly not be made in areas of the budget that provide funding for contracts with private providers for the biennium beginning July 1, 2001, and ending June 30, 2003.

SECTION 20. MEDICAID FUNDING - REPORTS TO BUDGET SECTION. The department of human services shall report to each meeting of the budget section during the 2001-02 interim on the status of actual medical assistance expenditures to projections based on legislative appropriations for the biennium beginning July 1, 2001, and ending June 30, 2003. Each report must include the department's medical services utilization review efforts and the effect of these efforts on utilization and expenditures. If the department of human services anticipates that actual expenditures will exceed the funding provided by the legislative assembly for medical assistance grants, the

department shall report to the budget section on the department's efforts to manage the funds appropriated to the department to provide for the anticipated shortfall and, if necessary, seek budget section approval to spend funds at a level which would require a request for a general fund deficiency appropriation from the next legislative assembly.

SECTION 21. DEPARTMENT OF HUMAN SERVICES APPROPRIATIONS BILL - EXECUTIVE BUDGET RECOMMENDATION. Notwithstanding North Dakota Century Code section 54-44.1-06, the office of the budget shall submit for introduction to the fifty-eighth legislative assembly the department of human services appropriations bill reflecting the same funding levels by line item and employee levels authorized by the fifty-seventh legislative assembly for the 2001-03 biennium. Any budget changes recommended by the office of the budget for the department of human services for the 2003-05 biennium must be presented to the appropriations committees of the fifty-eighth legislative assembly as a recommendation for change to the bill as introduced.

SECTION 22. COMPULSIVE GAMBLING SERVICES - CONTINGENT FUNDING. The operating expenses line item in subdivision 3 of section 1 of this Act includes \$150,000 from the general fund for compulsive gambling services. The department of human services may spend \$50,000 of this funding for compulsive gambling services only if the mental health association of North Dakota certifies to the department of human services that it has received at least \$220,000 of funding from Indian gaming sources for compulsive gambling services during the biennium beginning July 1, 2001, and ending June 30, 2003.

SECTION 23. STATE HOSPITAL LANDFILL CLOSURE - PROJECTED SAVINGS. During the second year of the biennium beginning July 1, 2001, and ending June 30, 2003, the state hospital may use projected savings from other areas of the state hospital budget for the costs of closing the state hospital landfill. The state hospital may transfer appropriation authority between line items to provide the funding needed for the project, subject to emergency commission and budget section approval.

SECTION 24. Basic care facility private room rates. The department of human services shall allow a basic care facility to charge a higher rate for a private room used by a recipient of benefits under chapter 50-24.5 if the private room is not necessary to meet the resident's care needs; the resident, or a person acting on behalf of the resident, has requested the private room and the facility informs the person making the request, at the time of the request, of the amount of payment and that the payment must come from sources other than a resident's monthly income; and the payment does not exceed the amount charged to private pay residents.

SECTION 25. AMENDMENT. Subsection 2 of section 25-02-01.1 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

2. The department, in consultation with the state hospital, shall create a state hospital governing body and shall by rules describe the powers and duties of the governing body. The department shall compensate members not employed by the department in the amount of ~~sixty-two one hundred dollars and fifty cents~~ per day and reimburse members for expenses incurred in attending meetings in the amounts provided by sections 44-08-04 and 54-06-09."

Page 7, line 15, remove "eighty-five"

Page 7, line 16, overstrike "percent" and insert immediately thereafter "a percentage based on the level of legislative appropriations"

Page 7, after line 30, insert:

"SECTION 27. AMENDMENT. Section 50-09-06.1 of the North Dakota Century Code, as amended in section 3 of House Bill No. 1108, as approved by the fifty-seventh legislative assembly, is amended and reenacted as follows:

50-09-06.1. Assignment of support rights. An application under this chapter is deemed to create and effect an assignment of all rights to support, which a family member or foster child may have or come to have, to the state agency. The assignment:

1. Is effective as to all current and accrued support obligations and periods of eligibility;

2. Is limited to the total cost of benefits provided to the family or foster child;
and
3. Terminates when eligibility ceases, except with respect to any support obligation unpaid at that time; and
4. Is not effective as to any child subject to a benefit cap imposed under section 50-09-29."

Page 8, line 4, after the first "line" insert ", except for criteria relating to phenylketonuria or maple syrup urine disease treatment services for which income is not to be considered when determining eligibility"

Page 8, after line 5, insert:

"SECTION 29. EFFECTIVE DATE. Section 27 of this Act becomes effective January 1, 2002.

SECTION 30. EMERGENCY. Section 24 of this Act is declared to be an emergency measure. The department of human services shall authorize the basic care facility private room rate through emergency rulemaking."

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1012 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Department of Human Services - Management						
Total all funds	\$60,522,444	\$49,670,844	\$99,687	\$49,770,531	\$49,670,844	\$99,687
Less estimated income	40,824,823	31,615,495	99,687	31,715,182	31,615,495	99,687
General fund	\$19,697,621	\$18,055,349	\$0	\$18,055,349	\$18,055,349	\$0
Department of Human Services - Economic Assistance						
Total all funds	\$928,758,489	\$880,578,318	\$10,999,463	\$891,577,781	\$890,398,201	\$1,179,580
Less estimated income	740,502,079	671,393,327	7,406,290	678,799,617	677,877,772	921,845
General fund	\$188,256,410	\$209,184,991	\$3,593,173	\$212,778,164	\$212,520,429	\$257,735
Department of Human Services - Program and Policy						
Total all funds	\$164,255,080	\$155,429,551	(\$1,994,430)	\$153,435,121	\$153,435,121	\$0
Less estimated income	129,295,937	124,743,392	(1,418,026)	123,325,366	123,325,366	
General fund	\$34,959,143	\$30,686,159	(\$576,404)	\$30,109,755	\$30,109,755	\$0
Department of Human Services - State Hospital						
Total all funds	\$52,174,730	\$51,235,475	(\$111,024)	\$51,124,451	\$51,124,451	\$0
Less estimated income	18,374,398	17,961,143		17,961,143	17,961,143	
General fund	\$33,800,332	\$33,274,332	(\$111,024)	\$33,163,308	\$33,163,308	\$0
Department of Human Services - Developmental Center						
Total all funds	\$41,022,887	\$40,687,887	\$0	\$40,687,887	\$40,687,887	\$0
Less estimated income	30,233,607	30,020,107		30,020,107	30,020,107	
General fund	\$10,789,280	\$10,667,780	\$0	\$10,667,780	\$10,667,780	\$0
Department of Human Services - Northwest Human Service Center						
Total all funds	\$8,328,987	\$8,157,433	\$0	\$8,157,433	\$8,157,433	\$0
Less estimated income	4,155,537	4,083,037		4,083,037	4,083,037	
General fund	\$4,173,450	\$4,074,396	\$0	\$4,074,396	\$4,074,396	\$0
Department of Human Services - North Central Human Service Center						
Total all funds	\$14,407,527	\$14,201,485	\$0	\$14,201,485	\$14,201,485	\$0
Less estimated income	5,892,990	5,797,056		5,797,056	5,797,056	
General fund	\$8,514,537	\$8,404,429	\$0	\$8,404,429	\$8,404,429	\$0
Department of Human Services - Lake Region Human Service Center						
Total all funds	\$8,259,010	\$8,207,410	(\$84,758)	\$8,122,652	\$8,122,652	\$0
Less estimated income	3,658,411	3,638,811	(40,224)	3,598,587	3,598,587	
General fund	\$4,600,599	\$4,568,599	(\$44,534)	\$4,524,065	\$4,524,065	\$0
Department of Human Services - Northeast Human Service Center						
Total all funds	\$19,082,759	\$18,852,059	(\$175,000)	\$18,677,059	\$18,602,059	\$75,000
Less estimated income	11,282,528	11,195,028		11,195,028	11,195,028	
General fund	\$7,800,231	\$7,657,031	(\$175,000)	\$7,482,031	\$7,407,031	\$75,000
Department of Human Services - Southeast Human Service Center						

Total all funds	\$20,387,053	\$20,268,753	(\$55,297)	\$20,213,456	\$20,213,456	\$0
Less estimated income	11,146,427	11,124,027	(4,326)	11,119,701	11,119,701	
General fund	<u>\$9,240,626</u>	<u>\$9,144,726</u>	<u>(\$50,971)</u>	<u>\$9,093,755</u>	<u>\$9,093,755</u>	<u>\$0</u>
Department of Human Services - South Central Human Service Center						
Total all funds	\$11,314,710	\$11,207,210	(\$78,285)	\$11,128,925	\$11,128,925	\$0
Less estimated income	5,531,495	5,502,095	(35,629)	5,466,466	5,466,466	
General fund	<u>\$5,783,215</u>	<u>\$5,705,115</u>	<u>(\$42,656)</u>	<u>\$5,662,459</u>	<u>\$5,662,459</u>	<u>\$0</u>
Department of Human Services - West Central Human Service Center						
Total all funds	\$18,918,235	\$18,616,938	\$0	\$18,616,938	\$18,616,938	\$0
Less estimated income	10,490,557	10,452,773		10,452,773	10,452,773	
General fund	<u>\$8,427,678</u>	<u>\$8,164,165</u>	<u>\$0</u>	<u>\$8,164,165</u>	<u>\$8,164,165</u>	<u>\$0</u>
Department of Human Services - Badlands Human Service Center						
Total all funds	\$9,669,122	\$9,618,722	(\$83,096)	\$9,535,626	\$9,535,626	\$0
Less estimated income	5,165,874	5,161,574	(33,652)	5,127,922	5,127,922	
General fund	<u>\$4,503,248</u>	<u>\$4,457,148</u>	<u>(\$49,444)</u>	<u>\$4,407,704</u>	<u>\$4,407,704</u>	<u>\$0</u>
Bill Total						
Total all funds	\$1,357,101,033	\$1,286,732,085	\$8,517,260	\$1,295,249,345	\$1,293,895,078	\$1,354,267
Less estimated income	1,016,554,663	932,687,865	5,974,120	938,661,985	937,640,453	1,021,532
General fund	<u>\$340,546,370</u>	<u>\$354,044,220</u>	<u>\$2,543,140</u>	<u>\$356,587,360</u>	<u>\$356,254,625</u>	<u>\$332,735</u>

House Bill No. 1012 - Department of Human Services - Management - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES ¹	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$11,810,001	\$11,810,001		\$11,810,001	\$11,810,001	
Operating expenses	35,536,510	34,412,275	\$99,687	34,511,962	34,412,275	\$99,687
Equipment	2,208,429	1,185,704		1,185,704	1,185,704	
Capital improvements	1,308	1,308		1,308	1,308	
Loan fund - DD	2,040,055	2,261,556		2,261,556	2,261,556	
HIPAA	<u>8,926,141</u>					
Total all funds	\$60,522,444	\$49,670,844	\$99,687	\$49,770,531	\$49,670,844	\$99,687
Less estimated income	<u>40,824,823</u>	<u>31,615,495</u>	<u>99,687</u>	<u>31,715,182</u>	<u>31,615,495</u>	<u>99,687</u>
General fund	\$19,697,621	\$18,055,349	\$0	\$18,055,349	\$18,055,349	\$0
FTE	122.80	122.80	0.00	122.80	122.80	0.00

¹ Management - Conference Committee changes:

	FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL
Executive Office Program				
No changes - The same as the Senate version.				
Managerial Support Program				
No changes - The same as the Senate version.				
Information Management Division Program				
Adds funding from federal TANF block grant funds for computer system changes relating to the amendment to NDCC Section 50-09-06.1 that precludes the department from assigning child support collections for a child that is subject to the TANF benefit cap. (Section 27)			\$99,687	\$99,687

A section is added requiring the Office of Management and Budget to submit for introduction the Department of Human Services appropriations bill for the 2003-05 biennium to the 58th Legislative Assembly at the same funding levels by line item and employee levels authorized by the 57th Legislative Assembly for the 2001-03 biennium. Any executive budget changes are to be submitted as a recommendation for change to the bill as introduced. (Section 21)

House Bill No. 1012 - Department of Human Services - Economic Assistance - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES ¹	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$11,126,095	\$10,920,080	\$759,123	\$11,679,203	\$11,679,203	
Operating expenses	17,889,079	17,169,938	127,202	17,297,140	17,297,140	
Equipment	17,950	17,950		17,950	17,950	
Capital improvements	2,543	2,543		2,543	2,543	
Grants - Assistance payments	134,790,705	134,389,148	(7,995,542)	126,393,606	126,574,490	(\$180,884)
Grants - Medical assistance	756,354,293	718,078,659	18,108,680	736,187,339	734,826,875	1,360,464
Health care trust fund	<u>8,577,824</u>					
Total all funds	\$928,758,489	\$880,578,318	\$10,999,463	\$891,577,781	\$890,398,201	\$1,179,580
Less estimated income	<u>740,502,079</u>	<u>671,393,327</u>	<u>7,406,290</u>	<u>678,799,617</u>	<u>677,877,772</u>	<u>921,845</u>
General fund	\$188,256,410	\$209,184,991	\$3,593,173	\$212,778,164	\$212,520,429	\$257,735

FTE	130.80	127.80	9.00	136.80	136.80	0.00
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¹ Economic assistance - Conference Committee changes:

	FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL
Economic Assistance Policy Program				
Restores \$15,116 of the \$387,095 reduced by the House for grants relating to the Indian county allocation. The Senate version restored \$196,000 of the House reduction. The Conference Committee version changes the statutory formula provisions by removing the specific reference to a percentage and adding that the grant payments would be based on legislative appropriations. The Senate version increased the formula allocation by eight percent, from 85 percent as approved by the House to 93 percent. Total funding of \$2,400,000 is provided, \$331,993 of which is from the general fund.		\$15,116		\$15,116
Child Support Program				
No changes, the same as the Senate version.				
Medical Services Program				
Adds funding for medical assistance grants to increase the optometric fee payment by \$15, from \$31 to \$46, the same as the Senate version.		59,620	\$139,114	198,734
Adds DD grants funding. The Senate had added the same amount of funding but specified that the funding be used to increase the fringe benefit percentage allowed for community providers by three percent, from 30 to 33 percent and to increase the average wage for community provider direct care workers by 20 cents per hour in addition to the 10 cent per hour increase added by the House.		1,837,358	3,838,774	5,676,132
Funding for basic care grants of \$8,010,658 of federal and special funds is moved from the assistance payments grants line item to the medical assistance grants line item to provide additional flexibility for the department to use funding for basic care costs or nursing facility costs, depending on the needs of the individual, the same as the Senate version.				
Consolidates the children's special health services program into the medical services program, the same as the Senate version.	10.00	801,404	1,418,026	2,219,430
Removes the children's special health services program director position, the same as the Senate version.	(1.00)	(58,944)	(78,136)	(137,080)
Adds funding in children's special health services grants for costs associated with PKU-related services in accordance with provisions of Senate Bill No. 2239.		57,619		57,619
Adds funding for medical assistance grants, the same as the Senate version. The House removed the \$25 million of funding included in the executive budget from the health care trust fund for state matching for medical assistance grants and provided \$21 million from the general fund, resulting in a \$4 million reduction in state matching grants funding. This amendment restores \$500,000 of the \$4,000,000 reduction.		500,000	1,166,667	1,666,667
Adds funding for medical assistance grants relating to additional costs associated with provisions of House Bill No. 1441, which eliminates the asset test for medical assistance for children and families coverage groups and pregnant women.		381,000	921,845	1,302,845
Total Conference Committee changes - Economic assistance	9.00	\$3,593,173	\$7,406,290	\$10,999,463

A section of legislative intent is added providing that the department implement a charge-based payment schedule for critical access hospitals, the same as the Senate version. (Section 16)

This amendment removes a section of legislative intent added by the House providing that the Department of Human Services and the State Department of Health seek a federal waiver to allow the state to spend less than 30 percent of its federal maternal and child health block grant for children with special health care needs, the same as the Senate version.

A provision is added to allow individuals with phenylketonuria (PKU) to receive treatment services regardless of income, the same as the Senate version.

A section is added providing for a Legislative Council study of state administration of child support, the same as the Senate version. (Section 17)

Sections are added allowing, as an emergency measure, basic care facilities to charge a higher rate for private rooms, the same as the Senate version. (Sections 24 and 30)

A section is added amending NDCC Section 50-09-06.1, to preclude the department from assigning child support collections for any child that is subject to the benefit cap under the state's TANF program, effective January 1, 2002. (Sections 27 and 29)

A section is added providing that the department report to the Budget Section on the status of medical assistance expenditures and its utilization review efforts and, if the department anticipates that actual expenditures will exceed legislative appropriations for medical assistance grants, that the department report to the Budget Section on its efforts to provide for the shortfall and, if necessary, seek Budget Section approval to spend funds at a level which would require a request for a general fund deficiency appropriation from the 58th Legislative Assembly. (Section 20)

House Bill No. 1012 - Department of Human Services - Program and Policy - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES ¹	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$10,546,892	\$10,546,892	(\$896,203)	\$9,650,689	\$9,650,689	
Operating expenses	11,658,081	11,465,354	(77,202)	11,388,152	11,388,152	
Equipment	53,728	53,728		53,728	53,728	
Capital improvements	789	789		789	789	
Grants	<u>141,995,590</u>	<u>133,362,788</u>	<u>(1,021,025)</u>	<u>132,341,763</u>	<u>132,341,763</u>	
Total all funds	\$164,255,080	\$155,429,551	(\$1,994,430)	\$153,435,121	\$153,435,121	\$0
Less estimated income	<u>129,295,937</u>	<u>124,743,392</u>	<u>(1,418,026)</u>	<u>123,325,366</u>	<u>123,325,366</u>	
General fund	\$34,959,143	\$30,686,159	(\$576,404)	\$30,109,755	\$30,109,755	\$0
FTE	112.50	112.50	(10.00)	102.50	102.50	0.00

¹ Program and policy - Conference Committee changes:

	FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL
Aging Services Program Restores \$100,000 of the \$350,000 removed by the House for senior citizen mill levy matching grants, the same as the Senate version. Funding of \$1,412,945 from the general fund remains in this bill. Additional funding of \$250,000 from the health care trust fund is included in House Bill No. 1196. Combined, these bills provide a total of \$1,662,945 for these grants, the same amount recommended in the executive budget, and an increase of \$400,000 compared to the 1999-2001 appropriation.		\$100,000		\$100,000
Children's Special Health Services Program Consolidates the children's special health services program into the medical services program, the same as the Senate version.	(10.00)	(801,404)	(\$1,418,026)	(2,219,430)
Children and Family Services Program No changes, the same as the Senate version.				
Mental Health and Substance Abuse Program Restores operating expense funding reduced by the House for compulsive gambling services to provide a total of \$150,000 from the general fund. A section is added providing that the additional \$50,000 may be spent only if the Mental Health Association receives at least \$220,000 of funding from Indian gaming sources for compulsive gambling services during the 2001-03 biennium, the same as the Senate version. (Section 22)		50,000		50,000
Developmental Disabilities Program No changes, the same as the Senate version.				
Vocational Rehabilitation Program Increases grants funding to restore \$75,000 of the \$300,000 of funding from the general fund reduced by the House for independent living centers, the same as the Senate version. Additional funding of \$100,000 from the health care trust fund for independent living center grants is included in House Bill No. 1196.		75,000		75,000
Total Conference Committee changes - Program and policy	(10.00)	(\$576,404)	(\$1,418,026)	(\$1,994,430)

A section is added providing for a Legislative Council study of the senior citizen mill levy matching program. (Section 18)

House Bill No. 1012 - Department of Human Services - State Hospital - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES ¹	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Capital improvements	\$1,683,431	\$970,176		\$970,176	\$970,176	
Human service centers/institutions	<u>50,491,299</u>	<u>50,265,299</u>	<u>(\$111,024)</u>	<u>50,154,275</u>	<u>50,154,275</u>	
Total all funds	\$52,174,730	\$51,235,475	(\$111,024)	\$51,124,451	\$51,124,451	\$0
Less estimated income	<u>18,374,398</u>	<u>17,961,143</u>		<u>17,961,143</u>	<u>17,961,143</u>	
General fund	\$33,800,332	\$33,274,332	(\$111,024)	\$33,163,308	\$33,163,308	\$0
FTE	511.00	511.00	(2.00)	509.00	509.00	0.00

	FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL
¹ State Hospital - Conference Committee changes				
Removes a vacant nurse position	(1.00)	(\$55,512)		(\$55,512)
Removes a vacant social worker position	(1.00)	(55,512)		(55,512)
Total Conference Committee changes - State Hospital	(2.00)	(\$111,024)	\$0	(\$111,024)

A section is added increasing per diem for members of the State Hospital Governing Board by \$37.50 per day, from \$62.50 to \$100 per day, the same as the Senate version. (Section 25)

A section is added authorizing the State Hospital to close its landfill if funding becomes available within its 2001-03 biennium appropriation, the same as the Senate version. (Section 23)

House Bill No. 1012 - Department of Human Services - Developmental Center - Conference Committee Action

The Conference Committee did not change the Senate or House version.

House Bill No. 1012 - Human Service Centers - General Fund Summary

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES ¹	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Department of Human Services - Northwest Human Service Center	\$4,173,450	\$4,074,396		\$4,074,396	\$4,074,396	
Department of Human Services - North Central Human Service Center	8,514,537	8,404,429		8,404,429	8,404,429	
Department of Human Services - Lake Region Human Service Center	4,600,599	4,568,599	(\$44,534)	4,524,065	4,524,065	
Department of Human Services - Northeast Human Service Center	7,800,231	7,657,031	(175,000)	7,482,031	7,407,031	\$75,000
Department of Human Services - Southeast Human Service Center	9,240,626	9,144,726	(50,971)	9,093,755	9,093,755	
Department of Human Services - South Central Human Service Center	5,783,215	5,705,115	(42,656)	5,662,459	5,662,459	
Department of Human Services - West Central Human Service Center	8,427,678	8,164,165		8,164,165	8,164,165	
Department of Human Services - Badlands Human Service Center	4,503,248	4,457,148	(49,444)	4,407,704	4,407,704	
Total general fund	\$53,043,584	\$52,175,609	(\$362,605)	\$51,813,004	\$51,738,004	\$75,000

House Bill No. 1012 - Human Service Centers - Other Funds Summary

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES ¹	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Department of Human Services - Northwest Human Service Center	\$4,155,537	\$4,083,037		\$4,083,037	\$4,083,037	
Department of Human Services - North Central Human Service Center	5,892,990	5,797,056		5,797,056	5,797,056	
Department of Human Services - Lake Region Human Service Center	3,658,411	3,638,811	(\$40,224)	3,598,587	3,598,587	
Department of Human Services - Northeast Human Service Center	11,282,528	11,195,028		11,195,028	11,195,028	
Department of Human Services - Southeast Human Service Center	11,146,427	11,124,027	(4,326)	11,119,701	11,119,701	
Department of Human Services - South Central Human Service Center	5,531,495	5,502,095	(35,629)	5,466,466	5,466,466	
Department of Human Services - West Central Human Service Center	10,490,557	10,452,773		10,452,773	10,452,773	
Department of Human Services - Badlands Human Service Center	5,165,874	5,161,574	(33,652)	5,127,922	5,127,922	
Total other funds	\$57,323,819	\$56,954,401	(\$113,831)	\$56,840,570	\$56,840,570	

House Bill No. 1012 - Human Service Centers - All Funds Summary

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES ¹	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
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Department of Human Services - Northwest Human Service Center	\$8,328,987	\$8,157,433		\$8,157,433	\$8,157,433	
Department of Human Services - North Central Human Service Center	14,407,527	14,201,485		14,201,485	14,201,485	
Department of Human Services - Lake Region Human Service Center	8,259,010	8,207,410	(\$84,758)	8,122,652	8,122,652	
Department of Human Services - Northeast Human Service Center	19,082,759	18,852,059	(175,000)	18,677,059	18,602,059	\$75,000
Department of Human Services - Southeast Human Service Center	20,387,053	20,268,753	(55,297)	20,213,456	20,213,456	
Department of Human Services - South Central Human Service Center	11,314,710	11,207,210	(78,285)	11,128,925	11,128,925	
Department of Human Services - West Central Human Service Center	18,918,235	18,616,938		18,616,938	18,616,938	
Department of Human Services - Badlands Human Service Center	9,669,122	9,618,722	(83,096)	9,535,626	9,535,626	
Total all funds	\$110,367,403	\$109,130,010	(\$476,436)	\$108,653,574	\$108,578,574	\$75,000
FTE	904.33	899.33	(3.00)	896.33	895.33	1.00

¹ Human service centers changes include:

	FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL
Northwest Human Service Center - Conference Committee changes No changes, the same as the Senate version.				
North Central Human Service Center - Conference Committee changes No changes, the same as the Senate version.				
Lake Region Human Service Center - Conference Committee changes Removes a vacant position - The center may determine the specific position to remove, the same as the Senate version.	(1.00)	(\$44,534)	(\$40,224)	(\$84,758)
Northeast Human Service Center - Conference Committee changes Reduces general fund support. The Senate had reduced the general fund by \$250,000. A section of legislative intent is added providing that any budget adjustments made as a result of this reduction be made to areas of the budget other than funding for contracts with private providers. (Section 19)		(\$175,000)		(\$175,000)
Southeast Human Service Center - Conference Committee changes Removes a vacant office assistant III, the same as the Senate version.	(1.00)	(\$50,971)	(\$4,326)	(\$55,297)
South Central Human Service Center - Conference Committee changes Removes a vacant addiction counselor, the same as the Senate version.	(1.00)	(\$42,656)	(\$35,629)	(\$78,285)
West Central Human Service Center - Conference Committee changes No changes.				
Badlands Human Service Center - Conference Committee changes Removes funding relating to a vacant human relations counselor II. The Senate had removed the funding and one FTE.		(\$49,444)	(\$33,652)	(\$83,096)

Engrossed HB 1012 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. SVEDJAN MOVED that the conference committee report on Engrossed HB 1012 as printed on HJ pages 1377-1384 be adopted, which motion prevailed.

Engrossed HB 1012, as amended, was placed on the Eleventh order.

REQUEST

REP. KERZMAN REQUESTED a recorded roll call vote on the motion to adopt the conference committee report on Engrossed HB 1012, which request was granted.

ROLL CALL

The question being on the motion to adopt the conference committee report on Engrossed HB 1012, the roll was called and there were 60 YEAS, 36 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Bellew; Belter; Berg; Boehm; Brekke; Brusegaard; Byerly; Carlisle; Carlson; Clark; DeKrey; Delzer; Devlin; Disrud; Dosch; Drovdal; Eckre; Froseth; Galvin; Grande; Grosz; Haas; Herbel; Johnson, D.; Kasper; Keiser; Kelsch, R.; Kempenich; Kingsbury; Klein, F.; Klein, M.; Klemin; Kliniske; Koppang; Koppelman; Kretschmar; Lloyd; Meier; Monson; Nelson; Pietsch; Pollert; Porter; Price; Renner; Rennerfeldt; Ruby; Severson; Skarphol; Svedjan; Thoreson, B.; Thoreson, L.; Tieman; Timm; Wald; Weiler; Weisz; Wikenheiser; Wrangham; Speaker Bernstein

NAYS: Aarsvold; Boucher; Cleary; Delmore; Ekstrom; Fairfield; Froelich; Glassheim; Grumbo; Gulleson; Gunter; Hanson; Hawken; Huether; Hunskor; Johnson, N.; Kelsh, S.; Kerzman; Kroeber; Lemieux; Mahoney; Maragos; Martinson; Metcalf; Mueller; Nicholas; Niemeier; Nottestad; Onstad; Sandvig; Schmidt; Solberg; Thorpe; Warner; Wentz; Winrich

ABSENT AND NOT VOTING: Brandenburg; Jensen

The conference committee report on Engrossed HB 1012 was adopted.

SECOND READING OF HOUSE BILL

HB 1012: A BILL for an Act to provide an appropriation for defraying the expenses of the department of human services; to provide for the transfer of appropriation authority between agencies and institutions; to provide for legislative council studies; to provide an exception to section 54-44.1-06 of the North Dakota Century Code, relating to the preparation of the department of human services appropriations bill for the 2003-05 biennium; to provide statements of legislative intent; to provide an exception to section 54-16-04 of the North Dakota Century Code, relating to emergency commission approval for line item transfers; to provide for basic care facility rates; to create and enact a new subsection to section 50-10-06 of the North Dakota Century Code, relating to eligibility for children's special health services; to amend and reenact subsection 2 of section 25-02-01.1, subsection 3 of section 50-01.2-03.2, and section 50-09-06.1 of the North Dakota Century Code, relating to compensation for members of the state hospital governing body, county reimbursements, and assignment of support rights; 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, and has committee recommendation of DO PASS, the roll was called and there were 74 YEAS, 22 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Bellew; Belter; Berg; Boehm; Brekke; Brusegaard; Byerly; Carlisle; Carlson; Clark; DeKrey; Delmore; Delzer; Devlin; Disrud; Dosch; Drovdal; Eckre; Froseth; Galvin; Grande; Grosz; Gulleson; Gunter; Haas; Hawken; Herbel; Huether; Johnson, D.; Johnson, N.; Kasper; Keiser; Kelsch, R.; Kempenich; Kingsbury; Klein, F.; Klein, M.; Klemin; Kliniske; Koppang; Koppelman; Kretschmar; Lloyd; Maragos; Martinson; Meier; Metcalf; Monson; Mueller; Nelson; Nicholas; Nottestad; Pietsch; Pollert; Porter; Price; Renner; Rennerfeldt; Ruby; Schmidt; Severson; Skarphol; Svedjan; Thoreson, B.; Thoreson, L.; Tieman; Timm; Wald; Weiler; Weisz; Wentz; Wikenheiser; Wrangham; Speaker Bernstein

NAYS: Aarsvold; Boucher; Cleary; Ekstrom; Fairfield; Froelich; Glassheim; Grumbo; Hanson; Hunskor; Kelsh, S.; Kerzman; Kroeber; Lemieux; Mahoney; Niemeier; Onstad; Sandvig; Solberg; Thorpe; Warner; Winrich

ABSENT AND NOT VOTING: Brandenburg; Jensen

Engrossed HB 1012 passed, the title was agreed to, and the emergency clause was declared carried.

REPORT OF CONFERENCE COMMITTEE

SB 2043, as engrossed: Your conference committee (Sens. Krebsbach, Wardner, C. Nelson and Reps. Berg, Skarphol, Lemieux) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1232-1235, adopt amendments as follows, and place SB 2043 on the Seventh order:

That the House recede from its amendments as printed on pages 1232-1235 of the Senate Journal and pages 1360-1362 of the House Journal and that Engrossed Senate Bill No. 2043 be amended as follows:

Page 1, line 1, after "to" insert "create and enact a new section to chapter 54-59 of the North Dakota Century Code, relating to the preparation of an information technology department annual report; to"

Page 1, line 4, after "department" insert "; and to provide a statement of legislative intent"

Page 2, line 19, after the period insert "An agreement to finance the purchase of software, equipment, or implementation services may not exceed a period of three years. The department shall submit any intended financing proposal for the purchase of software, equipment, or implementation services under this subsection, which is in excess of one million dollars, to the budget section of the legislative council before executing a financing agreement. If the budget section does not approve the execution of a financing agreement, the department may not proceed with the proposed financing arrangement. The department may finance the purchase of software, equipment, or implementation services only to the extent the purchase amount does not exceed the amount appropriated to the department during that biennium for equipment."

Page 4, line 1, replace "Section" with "If Senate Bill No. 2251 does not become effective, section"

Page 4, overstrike line 12

Page 4, line 13, overstrike "representing a", remove "workforce training advisory board", and overstrike the comma

Page 4, line 14, remove "one member", overstrike "representing", and remove "city or county"

Page 4, line 15, remove "government; one member representing the greater North Dakota association" and overstrike ", one member"

Page 4, overstrike line 16

Page 4, line 17, overstrike "commission to operate in this state,"

Page 4, line 18, remove "one member representing"

Page 4, line 19, remove "Indian tribes, and one member representing the hospital telemedicine industry" and overstrike the period

Page 5, after line 3, insert:

"SECTION 5. AMENDMENT. If Senate Bill No. 2251 becomes effective, section 54-59-07 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

54-59-07. ~~Statewide wide area network~~ State information technology advisory committee. ~~The statewide wide area network~~ state information technology advisory committee consists of the chief information officer or the officer's designee, who is a nonvoting member; the ~~state court administrator~~ director of the department of economic development and finance or the ~~administrator's~~ designee; ~~with the approval of the chief justice of the supreme court;~~ the commissioner of higher education or the commissioner's designee; the chairman of the information technology council of North Dakota or a designee; the director of the North Dakota workforce development council or a designee; the chairman of the educational technology council or a designee; and ~~nine~~ eight members appointed by the governor. ~~The governor shall appoint two members representing state agencies, one member representing a county, one member representing a city, two members representing elementary and secondary education, one member representing noncommercial public television stations licensed by the federal communications commission to operate in this state, and two members from private industry who are knowledgeable in the deployment of major technology projects. The governor's appointees from private industry serve two year terms, and other appointees of the governor serve at the pleasure of the governor. The governor shall designate the chairman of the committee. The department shall provide staff services to the committee. Except for the commissioner of higher education and the representatives of state agencies who receive compensation for their duties as state officers or employees, members of the committee are entitled to be compensated for time spent in attendance at meetings of the committee and for other travel as approved by the chairman of the committee at the rate of sixty-two dollars and fifty cents per day and are entitled to reimbursement for their actual and necessary expenses incurred in the same manner as other state officials. The compensation and expenses are to be~~

paid from appropriations for the department. The committee shall advise the department ~~with respect to planning and implementation of wide area network services provided by the department~~ regarding statewide information technology planning, including providing electronic government services for citizens and businesses, developing technology infrastructure to support economic development and workforce training, and developing other statewide information technology initiatives and policy."

Page 6, after line 15, insert:

"**SECTION 8.** A new section to chapter 54-59 of the North Dakota Century Code is created and enacted as follows:

Information technology department annual report.The department shall prepare and present an annual report to the information technology committee. In addition to the presentation of the annual report to the information technology committee, the department shall present a summary of the annual report to the budget section and to the legislative audit and fiscal review committee. The report must contain:

1. A list of major projects started, ongoing, and completed during the year including related budgeted and actual costs and the estimated implementation date for each project as well as the actual implementation date for completed projects.
2. A list of all projects for which financing agreements have been executed.
3. Information regarding evaluations of cost-benefit analyses for completed projects.
4. A comparison of the department's rates charged for services compared to rates charged for comparable services in other states and in the private sector.
5. Information regarding the information technology plans including the department's plan review process, the number of plans reviewed, and the number of plans approved.
6. A description of the benefits to the state resulting from its investment in information technology.

SECTION 9. LEGISLATIVE INTENT - PERFORMANCE MEASURES. It is the intent of the legislative assembly that the information technology department develop performance measures to assist the legislative assembly in determining the effectiveness and efficiency of the department's operations during the biennium beginning July 1, 2001, and ending June 30, 2003. Each performance measure must include a benchmark for targeted department performance based on national, other states, or private sector performance. The department shall report to the information technology committee, the budget section, and the legislative audit and fiscal review committee during the 2001-02 interim on the performance measures developed."

Renumber accordingly

Engrossed SB 2043 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. BERG MOVED that the conference committee report on Engrossed SB 2043 as printed on HJ pages 1360-1362 be adopted, which motion prevailed on a voice vote.

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

SECOND READING OF SENATE BILL

SB 2043: A BILL for an Act to create and enact a new section to chapter 54-59 of the North Dakota Century Code, relating to the preparation of an information technology department annual report; to amend and reenact section 54-35-15.2, subsection 4 of section 54-59-05, and sections 54-59-06, 54-59-07, 54-59-11, and 54-59-16 of the North Dakota Century Code, relating to powers, duties, and responsibilities of the information technology committee and the information technology department; and to provide a statement of legislative intent.

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 93 YEAS, 3 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Bellew; Belter; Berg; Boucher; Brekke; Brusegaard; Byerly; Carlisle; Carlson; Clark; Cleary; DeKrey; Delmore; Delzer; Devlin; Disrud; Dosch; Drovdal; Eckre; Ekstrom; Fairfield; Froelich; Froseth; Galvin; Glassheim; Grande; Grosz; Grumbo; Gulleon; Gunter; Haas; Hanson; Hawken; Herbel; Huether; Hunsakor; Johnson, D.; Johnson, N.; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klein, F.; Klein, M.; Klemin; Kliniske; Koppang; Koppelman; Kretschmar; Kroeber; Lemieux; Lloyd; Mahoney; Maragos; Martinson; Meier; Metcalf; Monson; Mueller; Nelson; Nicholas; Niemeier; Nottestad; Onstad; Pietsch; Pollert; Porter; Price; Rennerfeldt; Ruby; Sandvig; Schmidt; Severson; Skarphol; Solberg; Svedjan; Thoreson, B.; Thoreson, L.; Thorpe; Tieman; Timm; Wald; Warner; Weiler; Weisz; Wentz; Wikenheiser; Winrich; Wrangham; Speaker Bernstein

NAYS: Boehm; Kasper; Renner

ABSENT AND NOT VOTING: Brandenburg; Jensen

Engrossed SB 2043 passed and the title was agreed to.

REPORT OF CONFERENCE COMMITTEE

SB 2354, as engrossed: Your conference committee (Sens. Lee, Fischer, Polovitz and Reps. Porter, Kliniske, Metcalf) recommends that the **SENATE ACCEDE** to the House amendments on SJ page 1326 and place SB 2354 on the Seventh order.

Engrossed SB 2354 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. PORTER MOVED that the conference committee report on Engrossed SB 2354 be adopted, which motion prevailed on a voice vote.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

MR. SPEAKER: The President has signed: HB 1009, HB 1413, HB 1415.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

MR. SPEAKER: The President has signed and your signature is respectfully requested on: SB 2004, SB 2229, SB 2380.

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following bills were delivered to the Governor for approval on April 25, 2001: HB 1009, HB 1413, HB 1415.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: SB 2032.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: SB 2043, SB 2354.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

MR. SPEAKER: The President has appointed as a new conference committee to act with a like committee from the House on:

SB 2088: Sens. Stenehjem; Trenbeath; O'Connell

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

MR. SPEAKER: The President has appointed as a conference committee to act with a like committee from the House on:

HB 1013: Sens. Holmberg; Freborg; Robinson

MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK)

MR. PRESIDENT: The House has concurred in the Senate amendments and subsequently passed: HB 1326 and HB 1301.

MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK)
MR. PRESIDENT: The House has adopted the conference committee report and subsequently passed: SB 2021.

MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK)
MR. PRESIDENT: The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2019.

MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK)
MR. PRESIDENT: The Speaker has appointed as a new conference committee to act with a like committee from the Senate on:

SB 2354: Reps. Porter; Kliniske; Metcalf

MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK)
MR. PRESIDENT: The House has not adopted the conference committee report SB 2088 and the Speaker has appointed as a new conference committee to act with a like committee from the Senate on:

SB 2088: Reps. Weisz; Price; Mahoney

MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK)
MR. PRESIDENT: The House has concurred in the Senate amendments and subsequently passed: HB 1479.

MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK)
MR. PRESIDENT: The House has adopted the conference committee report and subsequently passed: SB 2032.

MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK)
MR. PRESIDENT: The Speaker has appointed Rep. Wald to replace Rep. Martinson on the Conference Committee on HB 1020.

MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK)
MR. PRESIDENT: The House has adopted the conference committee report on SB 2361.

MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK)
MR. PRESIDENT: The House has concurred in the Senate amendments and subsequently passed: HB 1293.

MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK)
MR. PRESIDENT: The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1012.

MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK)
MR. PRESIDENT: The House has adopted the conference committee report on SB 2354.

MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK)
MR. PRESIDENT: The House has adopted the conference committee report and subsequently passed: SB 2043.

REPORT OF CONFERENCE COMMITTEE

HB 1020, as engrossed: Your conference committee (Sens. Andrist, Grindberg, Lindaas and Reps. Wald, Boehm, Gulleon) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1164-1165, adopt further amendments as follows, and place HB 1020 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1164 and 1165 of the House Journal and pages 1008 and 1009 of the Senate Journal and that Engrossed House Bill No. 1020 be amended as follows:

Page 1, line 10, replace "4,735,223" with "4,717,780"

Page 1, line 17, replace "1,381,401" with "1,523,844"

Page 1, line 18, replace "12,624,348" with "12,749,348"

Page 1, line 20, replace "7,039,402" with "7,164,402"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:**House Bill No. 1020 - State Historical Society - Conference Committee Action**

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$4,717,780	\$4,735,223	(\$17,443)	\$4,717,780	\$4,717,780	
Operating expenses	1,129,334	1,129,334		1,129,334	1,129,334	
Equipment	185,744	185,744		185,744	185,744	
Capital improvements	1,159,200	1,159,200		1,159,200	1,159,200	
Grants	485,559	485,559		485,559	485,559	
Capital improvements - Fort Buford	3,543,160	3,543,160		3,543,160	3,543,160	
Yellowstone-Missouri- Fort Union Commission	4,727	4,727		4,727	4,727	
Lewis and Clark Bicentennial	<u>1,398,844</u>	<u>1,381,401</u>	<u>142,443</u>	<u>1,523,844</u>	<u>1,398,844</u>	<u>\$125,000</u>
Total all funds	\$12,624,348	\$12,624,348	\$125,000	\$12,749,348	\$12,624,348	\$125,000
Less estimated income	<u>5,584,946</u>	<u>5,584,946</u>		<u>5,584,946</u>	<u>5,614,946</u>	<u>(30,000)</u>
General fund	\$7,039,402	\$7,039,402	\$125,000	\$7,164,402	\$7,009,402	\$155,000
FTE	56.00	55.00	1.00	56.00	56.00	0.00

Dept. 701 - State Historical Society - Detail of Conference Committee Changes

	RESTORE NEW FTE POSITION ¹	ADD FUNDING FOR GRANT TO LEWIS AND CLARK FOUNDATION ²	ADD FUNDING FOR GRANT TO FORT ABRAHAM LINCOLN FOUNDATION ³	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	(\$17,443)			(\$17,443)
Operating expenses				
Equipment				
Capital improvements				
Grants				
Capital improvements - Fort Buford				
Yellowstone-Missouri- Fort Union Commission				
Lewis and Clark Bicentennial	<u>17,443</u>	<u>\$100,000</u>	<u>\$25,000</u>	<u>\$142,443</u>
Total all funds	\$0	\$100,000	\$25,000	\$125,000
Less estimated income				
General fund	\$0	\$100,000	\$25,000	\$125,000
FTE	1.00	0.00	0.00	1.00

¹ The House transferred \$17,443 from the Lewis and Clark line item to salaries and wages, removed one FTE historic site supervisor II position included in the Lewis and Clark line item, and directed the State Historical Society to use the \$17,443 allocated to the position to increase the funding available for the department's historical architect position. The Conference Committee amendment includes the Senate change to restore the historic site supervisor II position and transfer the related funding (for six months of the biennium) from the salaries and wages line item to the Lewis and Clark Bicentennial line item, as included in the Schafer and Hoeven budget recommendations.

² Funding is added for a grant to the North Dakota Lewis and Clark Bicentennial Foundation for expenses of the Lewis and Clark Interpretive Center in Washburn relating to the Lewis and Clark Bicentennial.

³ Funding is added for a grant to the Fort Abraham Lincoln Foundation for expenses relating to the Lewis and Clark Bicentennial.

Engrossed HB 1020 was placed on the Seventh order of business on the calendar.

MOTION

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

MOTION

REP. MONSON MOVED that the House be on the Fifth, Twelfth, and Sixteenth orders of business and at the conclusion of those orders, the House stand adjourned until 8:30 a.m., Thursday, April 26, 2001, which motion prevailed.

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

MARK L. JOHNSON, Chief Clerk