

## JOURNAL OF THE HOUSE

## Fifty-ninth Legislative Assembly

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Bismarck, April 4, 2005

The House convened at 9:00 a.m., with Speaker Klein presiding.

The prayer was offered by Deacon Jim Nistler, Sacred Heart Catholic Church, Wilton.

The roll was called and all members were present except Representatives Gulleeson, S. Meyer, and Nicholas.

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 Sixtieth Day and recommends that it be corrected as follows and when so corrected, recommends that it be approved:

Page 1499, line 30 remove "HB 1230"

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

**MOTION**

**REP. MONSON MOVED** that all the DO NOT CONCURS on the Twelfth Order be adopted, which motion prevailed.

**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. SVEDJAN MOVED** that the House do not concur in the Senate amendments to HB 1008 as printed on HJ pages 1205-1206 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER APPOINTED** as a Conference Committee on HB 1008: Reps. Kempenich, Thoreson, Kroeber.

**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. NICHOLAS MOVED** that the House do not concur in the Senate amendments to HB 1291 as printed on HJ pages 1321-1322 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER APPOINTED** as a Conference Committee on HB 1291: Reps. Nicholas, Brandenburg, Froelich.

**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. DEVLIN MOVED** that the House do not concur in the Senate amendments to HB 1417 as printed on HJ page 1454 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER APPOINTED** as a Conference Committee on HB 1417: Reps. Kretschmar, Dietrich, Ekstrom.

**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. DEVLIN MOVED** that the House do not concur in the Senate amendments to HB 1454 as printed on HJ pages 1454-1455 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER APPOINTED** as a Conference Committee on HB 1454: Reps. Maragos, Pietsch, Kaldor.

**MOTION**

**REP. BERG MOVED** that HB 1023 be laid over one legislative day, which motion prevailed.

**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. BELTER MOVED** that the House do concur in the Senate amendments to HB 1042 as printed on HJ pages 1453-1454, which motion prevailed on a voice vote.

HB 1042, as amended, was placed on the Eleventh order of business.

**SECOND READING OF HOUSE BILL**

**HB 1042:** A BILL for an Act to create and enact a new section to chapter 57-39.4 of the North Dakota Century Code, relating to North Dakota representation on the streamlined sales tax governing board and state and local advisory council.

**ROLL CALL**

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 79 YEAS, 12 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Belter; Berg; Bernstein; Boe; Boehning; Boucher; Brandenburg; Carlisle; Charging; Clark; Conrad; Damschen; DeKrey; Delmore; Devlin; Dietrich; Dosch; Drovda; Ekstrom; Froelich; Froseth; Galvin; Glassheim; Grande; Haas; Hanson; Hawken; Headland; Herbel; Horter; Hunskor; Johnson, D.; Johnson, N.; Kaldor; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Maragos; Martinson; Meier, L.; Metcalf; Monson; Mueller; Nelson; Norland; Nottestad; Onstad; Owens; Pietsch; Pollert; Porter; Potter; Price; Rennerfeldt; Sandvig; Schmidt; Solberg; Svedjan; Thorpe; Timm; Uglem; Vigasaa; Wall; Weiler; Weisz; Wieland; Williams; Zaiser; Speaker Klein

**NAYS:** Bellew; Brusegaard; Carlson; Delzer; Iverson; Kasper; Ruby; Sitte; Skarphol; Thoreson; Wald; Wrangham

**ABSENT AND NOT VOTING:** Gulleson; Meyer, S.; Nicholas

HB 1042 passed and the title was agreed to.

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**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. DEKREY MOVED** that the House do concur in the Senate amendments to HB 1348 as printed on HJ page 1322, which motion prevailed on a voice vote.

HB 1348, as amended, was placed on the Eleventh order of business.

**SECOND READING OF HOUSE BILL**

**HB 1348:** A BILL for an Act to amend and reenact sections 14-07.1-10 and 14-07.1-12 of the North Dakota Century Code, relating to domestic violence arrest procedures and reports.

**ROLL CALL**

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

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Bernstein; Boe; Boehning; Boucher; Brandenburg; Brusegaard; Carlisle; Carlson; Charging; Clark; Conrad; Damschen; DeKrey; Delmore; Delzer; Devlin; Dietrich; Dosch; Drovda; Ekstrom; Froelich; Froseth; Galvin; Glassheim; Grande; Haas; Hanson; Hawken; Headland; Herbel; Horter; Hunskor; Iverson; Johnson, D.; Johnson, N.; Kaldor; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Maragos; Martinson; Meier, L.; Metcalf; Monson; Mueller; Nelson; Norland; Nottestad; Onstad; Owens; Pietsch; Pollert; Porter; Potter; Price; Rennerfeldt; Ruby; Sandvig; Schmidt; Sitte; Skarphol; Solberg; Svedjan; Thoreson; Thorpe; Timm; Uglem; Vigasaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wrangham; Zaiser; Speaker Klein

**ABSENT AND NOT VOTING:** Gulleson; Meyer, S.; Nicholas

Engrossed HB 1348 passed and the title was agreed to.

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**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. PRICE MOVED** that the House do concur in the Senate amendments to HB 1350 as printed on HJ page 1216, which motion prevailed on a voice vote.

HB 1350, as amended, was placed on the Eleventh order of business.

**SECOND READING OF HOUSE BILL**

**HB 1350:** A BILL for an Act to amend and reenact section 23-13-15 of the North Dakota Century Code, relating to rentals to deaf persons.

**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 56 YEAS, 35 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Bernstein; Boe; Boucher; Brusegaard; Charging; Conrad; Damschen; Delmore; Devlin; Dietrich; Drovdal; Ekstrom; Froelich; Froseth; Glassheim; Grande; Haas; Hanson; Hawken; Hunskor; Johnson, D.; Johnson, N.; Kaldor; Kelsch, R.; Kelsh, S.; Kerzman; Kingsbury; Koppelman; Kreidt; Kretschmar; Kroeber; Maragos; Martinson; Metcalf; Monson; Mueller; Nelson; Nottestad; Onstad; Owens; Pietsch; Potter; Price; Sandvig; Schmidt; Svedjan; Thorpe; Vigasaa; Wall; Weisz; Wieland; Williams; Zaiser; Speaker Klein

**NAYS:** Bellew; Belter; Berg; Boehning; Brandenburg; Carlisle; Carlson; Clark; DeKrey; Delzer; Dosch; Galvin; Headland; Herbel; Horter; Iverson; Kasper; Keiser; Kempenich; Klemin; Meier, L.; Norland; Pollert; Porter; Rennerfeldt; Ruby; Sitte; Skarphol; Solberg; Thoreson; Timm; Uglem; Wald; Weiler; Wrangham

**ABSENT AND NOT VOTING:** Gulleeson; Meyer, S.; Nicholas

Engrossed HB 1350 passed and the title was agreed to.

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**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. WEISZ MOVED** that the House do concur in the Senate amendments to HB 1357 as printed on HJ page 955, which motion prevailed on a voice vote.

HB 1357, as amended, was placed on the Eleventh order of business.

**SECOND READING OF HOUSE BILL**

**HB 1357:** A BILL for an Act to amend and reenact subsection 4 of section 39-12-02 of the North Dakota Century Code, relating to longer combination vehicle permits.

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

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Bernstein; Boe; Boehning; Boucher; Brandenburg; Brusegaard; Carlisle; Carlson; Charging; Clark; Conrad; Damschen; DeKrey; Delmore; Devlin; Dietrich; Dosch; Drovdal; Ekstrom; Froelich; Froseth; Galvin; Glassheim; Grande; Haas; Hanson; Hawken; Headland; Herbel; Horter; Hunskor; Iverson; Johnson, D.; Johnson, N.; Kaldor; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Maragos; Martinson; Meier, L.; Metcalf; Monson; Mueller; Nelson; Norland; Nottestad; Onstad; Owens; Pietsch; Pollert; Porter; Potter; Price; Rennerfeldt; Ruby; Sandvig; Schmidt; Sitte; Skarphol; Solberg; Svedjan; Thoreson; Thorpe; Timm; Uglem; Vigasaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Zaiser; Speaker Klein

**NAYS:** Delzer; Wrangham

**ABSENT AND NOT VOTING:** Gulleeson; Meyer, S.; Nicholas

Engrossed HB 1357 passed and the title was agreed to.

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**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. R. KELSCH MOVED** that the House do concur in the Senate amendments to HB 1374 as printed on HJ page 1164, which motion prevailed on a voice vote.

HB 1374, as amended, was placed on the Eleventh order of business.

**SECOND READING OF HOUSE BILL**

**HB 1374:** A BILL for an Act to create and enact a new chapter to title 15.1 of the North Dakota Century Code, relating to school district programs for English language learners.

**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 86 YEAS, 5 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Belter; Berg; Bernstein; Boe; Boehning; Boucher; Brandenburg; Brusegaard; Carlisle; Carlson; Charging; Clark; Conrad; DeKrey; Delmore; Delzer; Devlin; Dietrich; Dosch; Drovda; Ekstrom; Froelich; Galvin; Glassheim; Grande; Haas; Hanson; Hawken; Headland; Herbel; Horter; Hunsakor; Iverson; Johnson, D.; Johnson, N.; Kaldor; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Maragos; Martinson; Meier, L.; Metcalf; Monson; Mueller; Nelson; Norland; Nottestad; Onstad; Owens; Pietsch; Pollert; Porter; Potter; Price; Rennerfeldt; Ruby; Sandvig; Schmidt; Sitte; Solberg; Svedjan; Thoreson; Thorpe; Timm; Uglem; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wrangham; Zaiser; Speaker Klein

**NAYS:** Bellew; Damschen; Froseth; Kasper; Skarphol

**ABSENT AND NOT VOTING:** Gulleeson; Meyer, S.; Nicholas

HB 1374 passed and the title was agreed to.

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**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. PRICE MOVED** that the House do concur in the Senate amendments to HB 1376 as printed on HJ page 1235, which motion prevailed on a voice vote.

HB 1376, as amended, was placed on the Eleventh order of business.

**SECOND READING OF HOUSE BILL**

**HB 1376:** A BILL for an Act to create and enact chapter 26.1-53 of the North Dakota Century Code, relating to duties of providers and marketers of discount medical plans and cards; and to declare an emergency.

**ROLL CALL**

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

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Bernstein; Boe; Boehning; Boucher; Brandenburg; Brusegaard; Carlisle; Carlson; Charging; Clark; Conrad; Damschen; DeKrey; Delmore; Delzer; Devlin; Dietrich; Dosch; Drovda; Ekstrom; Froelich; Froseth; Galvin; Glassheim; Grande; Haas; Hanson; Hawken; Headland; Herbel; Horter; Hunsakor; Iverson; Johnson, D.; Johnson, N.; Kaldor; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Maragos; Martinson; Meier, L.; Metcalf; Monson; Mueller; Nelson; Norland; Nottestad; Onstad; Owens; Pietsch; Pollert; Porter; Potter; Price; Rennerfeldt; Ruby; Sandvig; Schmidt; Sitte; Skarphol; Solberg; Svedjan; Thoreson; Thorpe; Timm; Uglem; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wrangham; Zaiser; Speaker Klein

**ABSENT AND NOT VOTING:** Gulleeson; Meyer, S.; Nicholas

HB 1376 passed and the title was agreed to.

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**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. DEKREY MOVED** that the House do concur in the Senate amendments to HB 1391 as printed on HJ page 1135, which motion prevailed on a voice vote.

HB 1391, as amended, was placed on the Eleventh order of business.

**SECOND READING OF HOUSE BILL**

**HB 1391:** A BILL for an Act to create and enact sections 10-19.1-01.2, 10-19.1-102.1, 10-19.1-104.1, 10-19.1-104.2, 10-19.1-104.3, 10-19.1-104.4, 10-19.1-104.5, 10-19.1-104.6, 10-19.1-148.1, 10-19.1-148.2, 10-32-02.2, 10-32-106.1, 10-32-108.1, 10-32-108.2, 10-32-108.3, 10-32-108.4, 10-32-108.5, 10-32-108.6, 10-32-152.1, 10-32-152.2, 10-33-01.2, 10-33-141.1, 10-33-141.2, 45-13-01.1, 45-21-02.1, 45-21-04.1, 45-21-04.2, 45-21-07.1, 45-22-23.1, and 45-22-23.2 of the North Dakota Century Code, relating to corporations, limited liability companies, limited liability partnerships, and partnerships; to amend and reenact sections 10-19.1-01 and 10-19.1-08, subsections 3 and 4 of section 10-19.1-10, sections 10-19.1-13, 10-19.1-20, 10-19.1-21, 10-19.1-27, and 10-19.1-39, subsections 3 and 5 of section 10-19.1-43, sections 10-19.1-52 and 10-19.1-55, subsection 2 of section 10-19.1-61.1, section 10-19.1-63, subsection 2 of section 10-19.1-70, section 10-19.1-74, subsection 1 of section 10-19.1-75, section 10-19.1-75.1, subsection 7 of section 10-19.1-76.2, subsections 2 and 3 of section 10-19.1-76.3, subsections 4 and 10 of section 10-19.1-84, section 10-19.1-87, subsections 3 and 4 of section 10-19.1-88, subsection 1 of section 10-19.1-91, subsection 1 of section 10-19.1-103, subsection 2 of section 10-19.1-104, subsection 1 of section 10-19.1-110, section 10-19.1-129, subsection 1 of section 10-19.1-141, section 10-19.1-145, subsections 1, 2, 4, and 6 of section 10-19.1-146, sections 10-19.1-147, 10-19.1-148, 10-19.1-149, 10-19.1-149.1, 10-19.1-150, 10-31-07.3 and 10-32-02, subsections 2 and 4 of section 10-32-07, section 10-32-10, subsection 2 of section 10-32-12, subsection 4 of section 10-32-13, sections 10-32-17, 10-32-20, 10-32-24, and 10-32-42, subsection 1 of section 10-32-43, section 10-32-43.1, subsection 2 of section 10-32-51, sections 10-32-53 and 10-32-54, subsections 3 and 4 of section 10-32-55, sections 10-32-56 and 10-32-76, subsections 3 and 5 of section 10-32-80, section 10-32-91, subsection 1 of section 10-32-99, subsections 1 and 2 of section 10-32-100, subsections 1 and 5 of section 10-32-102, subsection 2 of section 10-32-106, subsections 1 and 4 of section 10-32-107, subsection 2 of section 10-32-108, subsection 1 of section 10-32-114, section 10-32-132, subsection 1 of section 10-32-144, section 10-32-148, subsections 1, 2, 3, 4, and 7 of section 10-32-149, sections 10-32-150, 10-32-152, 10-32-153, 10-32-153.1, 10-32-154, and 10-33-01, subsection 3 of section 10-33-06, section 10-33-10, subsection 2 of section 10-33-12, subsection 4 of section 10-33-13, sections 10-33-18, 10-33-22, and 10-33-34, subsections 3 and 5 of section 10-33-39, sections 10-33-47, 10-33-51, 10-33-72, 10-33-73, and 10-33-74, subsections 2, 5, and 7 of section 10-33-80, section 10-33-120, subsections 1 and 2 of section 10-33-123, subsection 1 of section 10-33-134, sections 10-33-138, 10-33-139, 10-33-140, 10-33-141, 10-33-142, 10-33-142.1, and 10-33-143, subsection 2 of section 10-33-145, sections 45-13-01, 45-13-02, and 45-13-04.1, subsections 3 and 4 of section 45-13-04.2, subsection 8 of section 45-13-05, sections 45-21-01, 45-21-02, 45-21-03, 45-21-04, 45-21-05, 45-21-06, 45-21-07, 45-22-01, 45-22-04, 45-22-05, 45-22-17, 45-22-21.1, 45-22-22, 45-22-23, 45-23-01, 45-23-02, 45-23-03, and 45-23-04, subsections 1 and 2 of section 45-23-05, and sections 45-23-06, 45-23-07, 45-23-08, and 45-23-09 of the North Dakota Century Code, relating to corporations, limited liability companies, limited liability partnerships, and partnerships; and to repeal section 45-22-01.1 of the North Dakota Century Code, relating to limited liability partnerships.

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

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Bernstein; Boe; Boehning; Boucher; Brandenburg; Brusegaard; Carlisle; Carlson; Charging; Clark; Conrad; Damschen; DeKrey; Delmore; Devlin; Dietrich; Dosch; Drovda; Ekstrom; Froseth; Galvin; Glassheim; Grande; Haas; Hanson; Hawken; Headland; Herbel; Horter; Hunsakor; Iverson; Johnson, D.; Johnson, N.; Kaldor; Kasper; Keiser; Kelsch, R.; Kelsch, S.; Kempenich; Kerzman; Kingsbury; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Maragos; Martinson; Meier, L.; Metcalf; Monson; Mueller; Nelson; Norland; Nottestad; Onstad; Owens; Pietsch; Pollert; Porter; Potter; Price; Rennerfeldt; Ruby; Sandvig; Schmidt; Sitte; Skarphol; Solberg; Svedjan; Thoreson; Thorpe; Timm; Uglem; Vigasaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wrangham; Zaiser; Speaker Klein

**NAYS:** Delzer; Froelich

**ABSENT AND NOT VOTING:** Gulleeson; Meyer, S.; Nicholas

Engrossed HB 1391 passed and the title was agreed to.

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#### **CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. PRICE MOVED** that the House do concur in the Senate amendments to HB 1408 as printed on HJ pages 1391-1392, which motion prevailed on a voice vote.

HB 1408, as amended, was placed on the Eleventh order of business.

#### **SECOND READING OF HOUSE BILL**

**HB 1408:** A BILL for an Act to provide an appropriation to the department of corrections and rehabilitation for a pilot project for an alternative care program for adults with substance abuse issues; and to provide for a report to the legislative assembly.

#### **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 89 YEAS, 2 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Bernstein; Boe; Boehning; Boucher; Brandenburg; Brusegaard; Carlisle; Carlson; Charging; Clark; Conrad; Damschen; DeKrey; Delmore; Delzer; Devlin; Dietrich; Dosch; Drovdal; Ekstrom; Froelich; Froseth; Galvin; Glassheim; Grande; Haas; Hanson; Hawken; Headland; Herbel; Horter; Hunskor; Iverson; Johnson, D.; Johnson, N.; Kaldor; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Maragos; Martinson; Meier, L.; Metcalf; Monson; Mueller; Norland; Nottestad; Onstad; Owens; Pietsch; Pollert; Porter; Potter; Price; Rennerfeldt; Ruby; Sandvig; Schmidt; Sitte; Skarphol; Solberg; Svedjan; Thoreson; Thorpe; Timm; Uglem; Vigesaa; Wald; Wall; Weiler; Wieland; Williams; Wrangham; Zaiser; Speaker Klein

**NAYS:** Nelson; Weisz

**ABSENT AND NOT VOTING:** Gulleeson; Meyer, S.; Nicholas

Engrossed HB 1408 passed and the title was agreed to.

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#### **CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. PRICE MOVED** that the House do concur in the Senate amendments to HB 1410 as printed on HJ pages 1190-1192, which motion prevailed on a voice vote.

HB 1410, as amended, was placed on the Eleventh order of business.

#### **SECOND READING OF HOUSE BILL**

**HB 1410:** A BILL for an Act to amend and reenact sections 23-07.5-01, 23-07.5-02, 23-07.5-04, 23-07.5-06, and 23-07.5-07, paragraph 1 of subdivision b of subsection 10 of section 65-01-02, and sections 65-01-15 and 65-01-15.1 of the North Dakota Century Code, relating to testing for exposure to bloodborne pathogens; and to repeal chapter 23-07.3 of the North Dakota Century Code, relating to notification of exposure to infectious diseases.

#### **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 90 YEAS, 1 NAY, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Bernstein; Boe; Boehning; Boucher; Brandenburg; Brusegaard; Carlisle; Carlson; Charging; Clark; Conrad; Damschen; DeKrey; Delmore; Delzer; Devlin; Dietrich; Dosch; Drovdal; Ekstrom; Froelich; Froseth; Galvin; Glassheim; Grande; Haas; Hanson; Hawken; Headland; Herbel; Horter; Hunskor; Iverson; Johnson, D.; Johnson, N.; Kaldor; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Maragos; Martinson; Meier, L.; Metcalf; Monson; Mueller; Nelson; Norland; Nottestad; Onstad; Owens; Pietsch; Pollert; Porter; Potter; Price; Rennerfeldt; Ruby;

Sandvig; Schmidt; Sitte; Skarphol; Solberg; Svedjan; Thoreson; Thorpe; Timm; Uglem; Vigasaa; Wald; Wall; Weiler; Wieland; Williams; Wrangham; Zaiser; Speaker Klein

**NAYS:** Weisz

**ABSENT AND NOT VOTING:** Gulleeson; Meyer, S.; Nicholas

Engrossed HB 1410 passed and the title was agreed to.

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#### **CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. NELSON MOVED** that the House do concur in the Senate amendments to HB 1419 as printed on HJ pages 1164-1165, which motion prevailed on a voice vote.

HB 1419, as amended, was placed on the Eleventh order of business.

#### **SECOND READING OF HOUSE BILL**

**HB 1419:** A BILL for an Act to amend and reenact section 20.1-08-04.6 of the North Dakota Century Code, relating to special licenses to take elk.

#### **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 87 YEAS, 4 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Bernstein; Boe; Boehning; Boucher; Brandenburg; Brusegaard; Carlisle; Carlson; Charging; Clark; Conrad; Damschen; DeKrey; Delmore; Devlin; Dosch; Drovdal; Ekstrom; Froelich; Froseth; Galvin; Glassheim; Grande; Haas; Hanson; Hawken; Headland; Herbel; Horter; Hunskor; Iverson; Johnson, D.; Johnson, N.; Kaldor; Kasper; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Maragos; Martinson; Meier, L.; Metcalf; Monson; Mueller; Nelson; Norland; Onstad; Owens; Pietsch; Pollert; Porter; Potter; Price; Rennerfeldt; Ruby; Sandvig; Schmidt; Sitte; Skarphol; Solberg; Svedjan; Thoreson; Thorpe; Timm; Uglem; Vigasaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wrangham; Zaiser; Speaker Klein

**NAYS:** Delzer; Dietrich; Keiser; Nottestad

**ABSENT AND NOT VOTING:** Gulleeson; Meyer, S.; Nicholas

HB 1419 passed and the title was agreed to.

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#### **CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. HAAS MOVED** that the House do concur in the Senate amendments to HB 1433 as printed on HJ page 1264, which motion prevailed on a voice vote.

HB 1433, as amended, was placed on the Eleventh order of business.

#### **SECOND READING OF HOUSE BILL**

**HB 1433:** A BILL for an Act to amend and reenact sections 15.1-09-09, 16.1-01-09.1, 16.1-06-15, 16.1-06-16, 16.1-06-19, 16.1-06-20, 16.1-06-23, 16.1-11-01, 16.1-11-27, 16.1-11-30, 16.1-11-31, 16.1-11-32, 16.1-11-33, 16.1-13-06, 40-21-02, 44-02-05, and 44-02-08 of the North Dakota Century Code, relating to election mechanics; and to repeal sections 16.1-11-23, 16.1-11-34, and 40-21-12 of the North Dakota Century Code, relating to election mechanics.

#### **ROLL CALL**

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

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Bernstein; Boe; Boehning; Boucher; Brandenburg; Brusegaard; Carlisle; Carlson; Charging; Clark; Conrad; Damschen; DeKrey; Delzer; Devlin; Dietrich; Dosch; Drovdal; Ekstrom; Froelich; Froseth; Galvin; Glassheim; Grande; Haas; Hanson; Hawken; Headland; Herbel; Horter; Hunskor; Iverson; Johnson, D.; Johnson, N.; Kaldor; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klemin; Koppelman; Kreidt; Kretschmar;

Kroeber; Maragos; Martinson; Meier, L.; Metcalf; Monson; Mueller; Nelson; Norland; Nottestad; Onstad; Owens; Pietsch; Pollert; Porter; Potter; Price; Rennerfeldt; Ruby; Sandvig; Schmidt; Sitte; Skarphol; Solberg; Svedjan; Thoreson; Thorpe; Timm; Uglem; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wrangham; Zaiser; Speaker Klein

**ABSENT AND NOT VOTING:** Gulleeson; Meyer, S.; Nicholas

Engrossed HB 1433 passed and the title was agreed to.

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#### CONSIDERATION OF MESSAGE FROM THE SENATE

**REP. HAAS MOVED** that the House do concur in the Senate amendments to HB 1439 as printed on HJ page 955, which motion prevailed on a voice vote.

HB 1439, as amended, was placed on the Eleventh order of business.

#### SECOND READING OF HOUSE BILL

**HB 1439:** A BILL for an Act to amend and reenact sections 43-32-01, 43-32-03, 43-32-07, 43-32-08, 43-32-08.1, 43-32-08.2, 43-32-12, 43-32-13, 43-32-14, 43-32-17, 43-32-19, 43-32-20, 43-32-20.1, 43-32-23, 43-32-25, 43-32-26, 43-32-27, 43-32-27.1, 43-32-30, and 43-32-32 of the North Dakota Century Code, relating to North Dakota state board of psychologist examiners licensure of industrial-organizational psychologists; to provide a penalty; 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 90 YEAS, 0 NAYS, 0 EXCUSED, 4 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Bellew; Belter; Berg; Bernstein; Boe; Boehning; Boucher; Brandenburg; Brusegaard; Carlisle; Carlson; Charging; Clark; Conrad; Damschen; DeKrey; Delmore; Delzer; Devlin; Dietrich; Dosch; Drovda; Ekstrom; Froelich; Froseth; Galvin; Glassheim; Grande; Haas; Hanson; Hawken; Headland; Herbel; Horter; Hunskor; Iverson; Johnson, D.; Johnson, N.; Kaldor; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Maragos; Martinson; Meier, L.; Metcalf; Monson; Mueller; Nelson; Norland; Nottestad; Onstad; Owens; Pietsch; Pollert; Porter; Potter; Price; Rennerfeldt; Ruby; Sandvig; Schmidt; Sitte; Skarphol; Solberg; Svedjan; Thoreson; Thorpe; Timm; Uglem; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wrangham; Zaiser; Speaker Klein

**ABSENT AND NOT VOTING:** Amerman; Gulleeson; Meyer, S.; Nicholas

Engrossed HB 1439 passed and the title was agreed to.

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#### CONSIDERATION OF MESSAGE FROM THE SENATE

**REP. HAAS MOVED** that the House do concur in the Senate amendments to HB 1452 as printed on HJ page 1165, which motion prevailed on a voice vote.

HB 1452, as amended, was placed on the Eleventh order of business.

#### SECOND READING OF HOUSE BILL

**HB 1452:** A BILL for an Act to amend and reenact section 16.1-02-02, subsection 1 of section 16.1-02-03, and sections 16.1-02-07, 16.1-02-10, 16.1-02-12, and 16.1-02-13 of the North Dakota Century Code, relating to the central voter file; and to repeal section 16.1-02-08 of the North Dakota Century Code, relating to the central voter file.

#### ROLL CALL

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

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Bernstein; Boe; Boehning; Boucher; Brandenburg; Brusegaard; Carlisle; Carlson; Charging; Clark; Conrad; Damschen; DeKrey; Delmore; Delzer; Devlin; Dietrich; Dosch; Drovda; Ekstrom; Froelich; Froseth; Galvin; Glassheim; Grande; Haas; Hanson; Hawken; Headland; Herbel; Horter; Hunskor; Iverson; Johnson, D.; Johnson, N.; Kaldor; Kasper; Keiser; Kelsch, R.;



Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Maragos; Martinson; Meier, L.; Metcalf; Monson; Mueller; Nelson; Norland; Nottestad; Onstad; Owens; Pietsch; Pollert; Porter; Potter; Price; Rennerfeldt; Ruby; Sandvig; Schmidt; Sitte; Skarphol; Solberg; Svedjan; Thoreson; Thorpe; Timm; Uglem; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wrangham; Zaiser; Speaker Klein

**ABSENT AND NOT VOTING:** Gulleson; Meyer, S.; Nicholas

Engrossed HB 1452 passed and the title was agreed to.

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#### **CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. PRICE MOVED** that the House do concur in the Senate amendments to HB 1460 as printed on HJ page 1346, which motion prevailed on a voice vote.

HB 1460, as amended, was placed on the Eleventh order of business.

#### **SECOND READING OF HOUSE BILL**

**HB 1460:** A BILL for an Act to create and enact a new section to chapter 50-06 of the North Dakota Century Code, relating to a biennial report of certain programs administered or funded by the department of human services; to provide an appropriation; and to provide an expiration 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 88 YEAS, 3 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Bernstein; Boe; Boehning; Boucher; Brandenburg; Brusegaard; Carlisle; Carlson; Charging; Clark; Conrad; Damschen; DeKrey; Delmore; Devlin; Dietrich; Dosch; Ekstrom; Froelich; Froseth; Galvin; Glassheim; Grande; Haas; Hanson; Hawken; Headland; Herbel; Horter; Hunskor; Iverson; Johnson, D.; Johnson, N.; Kaldor; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Maragos; Martinson; Meier, L.; Metcalf; Monson; Mueller; Nelson; Norland; Nottestad; Onstad; Owens; Pietsch; Pollert; Porter; Potter; Price; Rennerfeldt; Ruby; Sandvig; Schmidt; Sitte; Skarphol; Solberg; Svedjan; Thoreson; Thorpe; Timm; Uglem; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wrangham; Zaiser; Speaker Klein

**NAYS:** Delzer; Drovdal; Kasper

**ABSENT AND NOT VOTING:** Gulleson; Meyer, S.; Nicholas

Engrossed HB 1460 passed and the title was agreed to.

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#### **CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. DEKREY MOVED** that the House do concur in the Senate amendments to HB 1473 as printed on HJ page 1320, which motion prevailed on a voice vote.

HB 1473, as amended, was placed on the Eleventh order of business.

#### **SECOND READING OF HOUSE BILL**

**HB 1473:** A BILL for an Act to provide for a commission on alternatives to incarceration; to provide an expiration 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 78 YEAS, 13 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Bernstein; Boe; Boehning; Boucher; Brandenburg; Brusegaard; Carlisle; Charging; Clark; Conrad; Damschen; DeKrey; Delmore; Devlin; Dietrich; Dosch; Ekstrom; Froelich; Froseth; Glassheim; Grande; Haas; Hanson; Hawken; Headland; Herbel; Horter; Hunskor; Iverson; Johnson, D.; Johnson, N.; Kaldor; Kelsch, R.; Kelsh, S.; Kerzman; Kingsbury; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Maragos; Martinson; Meier, L.; Metcalf; Monson; Mueller;

Nelson; Norland; Nottestad; Onstad; Owens; Pietsch; Porter; Potter; Price; Rennerfeldt; Ruby; Sandvig; Schmidt; Sitte; Solberg; Svedjan; Thorpe; Uglem; Vigesaa; Wald; Wall; Weiler; Wieland; Williams; Zaiser; Speaker Klein

**NAYS:** Carlson; Delzer; Drovdal; Galvin; Kasper; Keiser; Kempenich; Pollert; Skarphol; Thoreson; Timm; Weisz; Wrangham

**ABSENT AND NOT VOTING:** Gulleson; Meyer, S.; Nicholas

Reengrossed HB 1473 passed, the title was agreed to, and the emergency clause was declared carried.

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#### CONSIDERATION OF MESSAGE FROM THE SENATE

**REP. BELTER MOVED** that the House do concur in the Senate amendments to HB 1478 as printed on HJ pages 1216-1217, which motion prevailed.

HB 1478, as amended, was placed on the Eleventh order of business.

#### SECOND READING OF HOUSE BILL

**HB 1478:** A BILL for an Act to create and enact a new subsection to section 57-43.1-01 of the North Dakota Century Code, relating to a definition of E85 fuel; to amend and reenact sections 57-43.1-02 and 57-43.1-28 of the North Dakota Century Code, relating to reduced motor vehicle fuels tax rate for sales of E85 fuel, deposit of taxes on that fuel in the township highway aid fund, and to provide for transfer of funds to the highway tax distribution fund; to provide an effective date; and to provide an expiration 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 82 YEAS, 9 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Belter; Berg; Bernstein; Boe; Boehning; Boucher; Brandenburg; Brusegaard; Carlisle; Charging; Clark; Conrad; Damschen; DeKrey; Delmore; Devlin; Dietrich; Dosch; Drovdal; Ekstrom; Froelich; Froseth; Galvin; Glassheim; Haas; Hanson; Hawken; Headland; Herbel; Horter; Hunsakor; Iverson; Johnson, D.; Johnson, N.; Kaldor; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Maragos; Martinson; Meier, L.; Metcalf; Monson; Mueller; Nelson; Norland; Nottestad; Onstad; Owens; Pietsch; Pollert; Potter; Price; Rennerfeldt; Sandvig; Schmidt; Sitte; Solberg; Svedjan; Thoreson; Thorpe; Timm; Uglem; Vigesaa; Wald; Wall; Weiler; Weisz; Williams; Wrangham; Zaiser; Speaker Klein

**NAYS:** Bellew; Carlson; Delzer; Grande; Kasper; Porter; Ruby; Skarphol; Wieland

**ABSENT AND NOT VOTING:** Gulleson; Meyer, S.; Nicholas

Engrossed HB 1478 passed and the title was agreed to.

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#### CONSIDERATION OF MESSAGE FROM THE SENATE

**REP. DEKREY MOVED** that the House do concur in the Senate amendments to HB 1484 as printed on HJ page 1234, which motion prevailed on a voice vote.

HB 1484, as amended, was placed on the Eleventh order of business.

#### SECOND READING OF HOUSE BILL

**HB 1484:** A BILL for an Act to create and enact section 12-60-16.11 of the North Dakota Century Code, relating to obtaining criminal history record information; and to amend and reenact section 12-60-16.6 of the North Dakota Century Code, relating to the dissemination of criminal history record information.

#### ROLL CALL

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

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Bernstein; Boe; Boehning; Boucher; Brandenburg; Brusegaard; Carlisle; Carlson; Charging; Clark; Conrad; Damschen;

DeKrey; Delmore; Delzer; Devlin; Dietrich; Dosch; Drovdal; Ekstrom; Froelich; Froseth; Galvin; Glassheim; Grande; Haas; Hanson; Hawken; Headland; Herbel; Horter; Hunskor; Iverson; Johnson, D.; Johnson, N.; Kaldor; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Maragos; Martinson; Meier, L.; Metcalf; Monson; Mueller; Nelson; Norland; Nottestad; Onstad; Owens; Pietsch; Pollert; Porter; Potter; Price; Rennerfeldt; Ruby; Sandvig; Schmidt; Sitte; Skarphol; Solberg; Svedjan; Thoreson; Thorpe; Timm; Uglem; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wrangham; Zaiser; Speaker Klein

**ABSENT AND NOT VOTING:** Gulleson; Meyer, S.; Nicholas

Engrossed HB 1484 passed and the title was agreed to.

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#### CONSIDERATION OF MESSAGE FROM THE SENATE

**REP. DEKREY MOVED** that the House do concur in the Senate amendments to HB 1486 as printed on HJ pages 1136-1137, which motion prevailed on a voice vote.

HB 1486, as amended, was placed on the Eleventh order of business.

#### SECOND READING OF HOUSE BILL

**HB 1486:** A BILL for an Act to create and enact a new section to chapter 27-20 of the North Dakota Century Code, relating to placement of juveniles in in-state residential care or residential treatment facilities.

#### 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 83 YEAS, 8 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Bernstein; Boe; Boehning; Boucher; Brandenburg; Brusegaard; Carlisle; Carlson; Charging; Clark; Conrad; Damschen; DeKrey; Delmore; Delzer; Devlin; Dietrich; Dosch; Ekstrom; Froelich; Froseth; Galvin; Glassheim; Haas; Hanson; Hawken; Headland; Herbel; Horter; Hunskor; Iverson; Johnson, D.; Johnson, N.; Kaldor; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kerzman; Kingsbury; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Maragos; Martinson; Meier, L.; Metcalf; Monson; Mueller; Nelson; Norland; Onstad; Owens; Pietsch; Porter; Potter; Price; Rennerfeldt; Ruby; Sandvig; Schmidt; Sitte; Skarphol; Solberg; Svedjan; Thoreson; Thorpe; Vigesaa; Wald; Wall; Weisz; Wieland; Williams; Wrangham; Zaiser; Speaker Klein

**NAYS:** Drovdal; Grande; Kempenich; Nottestad; Pollert; Timm; Uglem; Weiler

**ABSENT AND NOT VOTING:** Gulleson; Meyer, S.; Nicholas

Engrossed HB 1486 passed and the title was agreed to.

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#### CONSIDERATION OF MESSAGE FROM THE SENATE

**REP. BELTER MOVED** that the House do concur in the Senate amendments to HB 1496 as printed on HJ page 1283, which motion prevailed on a voice vote.

HB 1496, as amended, was placed on the Eleventh order of business.

#### SECOND READING OF HOUSE BILL

**HB 1496:** A BILL for an Act to create and enact a new subsection to section 57-39.2-04 and a new section to chapter 57-43.2 of the North Dakota Century Code, relating to a sales and use tax exemption for sales of hydrogen and production, storage, and transportation equipment used by a facility engaged in hydrogen generation and a special fuels tax exemption for the sale of hydrogen; to provide an effective date; and provide an expiration 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 91 YEAS, 0 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Bernstein; Boe; Boehning; Boucher; Brandenburg; Brusegaard; Carlisle; Carlson; Charging; Clark; Conrad; Damschen; DeKrey; Delmore; Delzer; Devlin; Dietrich; Dosch; Drovdal; Ekstrom; Froelich; Froseth; Galvin; Glassheim; Grande; Haas; Hanson; Hawken; Headland; Herbel; Horter; Hunskor; Iverson; Johnson, D.; Johnson, N.; Kaldor; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Maragos; Martinson; Meier, L.; Metcalf; Monson; Mueller; Nelson; Norland; Nottestad; Onstad; Owens; Pietsch; Pollert; Porter; Potter; Price; Rennerfeldt; Ruby; Sandvig; Schmidt; Sitte; Skarphol; Solberg; Svedjan; Thoreson; Thorpe; Timm; Uglem; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wrangham; Zaiser; Speaker Klein

**ABSENT AND NOT VOTING:** Gulleeson; Meyer, S.; Nicholas

Engrossed HB 1496 passed and the title was agreed to.

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#### CONSIDERATION OF MESSAGE FROM THE SENATE

**REP. HAAS MOVED** that the House do concur in the Senate amendments to HB 1497 as printed on HJ pages 1454-1455, which motion prevailed on a voice vote.

HB 1497, as amended, was placed on the Eleventh order of business.

#### SECOND READING OF HOUSE BILL

**HB 1497:** A BILL for an Act to amend and reenact sections 15.1-09-11, 16.1-06-04, 16.1-06-05, 16.1-06-06, 16.1-06-07.1, 16.1-06-08, 16.1-06-09, 16.1-06-18, 16.1-11-22, 16.1-11-24, and 16.1-11-35, subsection 1 of section 16.1-12-02.2, and sections 16.1-13-20, 16.1-13-22, 16.1-13-23, 16.1-13-25, and 16.1-15-08 of the North Dakota Century Code, relating to election process administration; and to repeal section 16.1-13-26 of the North Dakota Century Code, relating to election process administration.

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

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Bernstein; Boe; Boehning; Boucher; Brandenburg; Brusegaard; Carlisle; Carlson; Charging; Clark; Conrad; Damschen; DeKrey; Delmore; Delzer; Devlin; Dietrich; Dosch; Drovdal; Ekstrom; Froelich; Froseth; Galvin; Glassheim; Grande; Haas; Hanson; Hawken; Headland; Herbel; Horter; Hunskor; Iverson; Johnson, D.; Johnson, N.; Kaldor; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Maragos; Martinson; Meier, L.; Metcalf; Monson; Mueller; Nelson; Norland; Nottestad; Onstad; Owens; Pietsch; Pollert; Porter; Potter; Price; Rennerfeldt; Ruby; Sandvig; Schmidt; Sitte; Skarphol; Solberg; Svedjan; Thorpe; Timm; Uglem; Vigesaa; Wald; Wall; Weisz; Wieland; Williams; Wrangham; Zaiser; Speaker Klein

**NAYS:** Thoreson; Weiler

**ABSENT AND NOT VOTING:** Gulleeson; Meyer, S.; Nicholas

Engrossed HB 1497 passed and the title was agreed to.

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#### CONSIDERATION OF MESSAGE FROM THE SENATE

**REP. DEKREY MOVED** that the House do concur in the Senate amendments to HB 1505 as printed on HJ page 1346, which motion prevailed on a voice vote.

HB 1505, as amended, was placed on the Eleventh order of business.

#### SECOND READING OF HOUSE BILL

**HB 1505:** A BILL for an Act to amend and reenact subsection 9 of section 12.1-32-02 of the North Dakota Century Code, relating to sentencing alternatives; and to repeal section 62.1-02-12 of the North Dakota Century Code, relating to the purchase of certain firearms from another state.

**ROLL CALL**

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

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Bernstein; Boe; Boehning; Boucher; Brandenburg; Brusegaard; Carlisle; Carlson; Charging; Clark; Conrad; Damschen; DeKrey; Delmore; Delzer; Devlin; Dietrich; Dosch; Drovdal; Ekstrom; Froelich; Froseth; Galvin; Glassheim; Grande; Haas; Hanson; Hawken; Headland; Herbel; Horter; Hunskor; Iverson; Johnson, D.; Johnson, N.; Kaldor; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Maragos; Martinson; Meier, L.; Metcalf; Monson; Mueller; Nelson; Norland; Nottestad; Onstad; Owens; Pietsch; Pollert; Porter; Potter; Price; Rennerfeldt; Ruby; Sandvig; Schmidt; Sitte; Skarphol; Solberg; Svedjan; Thoreson; Thorpe; Timm; Uglem; Vigasaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wrangham; Zaiser; Speaker Klein

**ABSENT AND NOT VOTING:** Gulleson; Meyer, S.; Nicholas

Engrossed HB 1505 passed and the title was agreed to.

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**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. HAAS MOVED** that the House concur in the Senate amendments to HB 1507 as printed on HJ page 1422, which motion prevailed on a voice vote.

HB 1507, as amended, was placed on the Eleventh order of business.

**SECOND READING OF HOUSE BILL**

**HB 1507:** A BILL for an Act to create and enact a new chapter to title 43 of the North Dakota Century Code, relating to the registering of home inspectors; and to provide a penalty.

**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, 21 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Belter; Berg; Bernstein; Boe; Boehning; Boucher; Brandenburg; Brusegaard; Carlisle; Carlson; Charging; Clark; Conrad; Devlin; Dosch; Drovdal; Froelich; Galvin; Glassheim; Grande; Haas; Hanson; Hawken; Headland; Herbel; Horter; Hunskor; Iverson; Johnson, D.; Johnson, N.; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klemin; Kreidt; Kretschmar; Maragos; Martinson; Meier, L.; Metcalf; Monson; Nelson; Norland; Nottestad; Owens; Pietsch; Pollert; Porter; Price; Rennerfeldt; Schmidt; Sitte; Skarphol; Solberg; Svedjan; Thoreson; Timm; Uglem; Vigasaa; Wald; Wall; Wieland; Williams; Zaiser; Speaker Klein

**NAYS:** Aarsvold; Bellew; Damschen; DeKrey; Delmore; Delzer; Dietrich; Ekstrom; Froseth; Kaldor; Koppelman; Kroeber; Mueller; Onstad; Potter; Ruby; Sandvig; Thorpe; Weiler; Weisz; Wrangham

**ABSENT AND NOT VOTING:** Gulleson; Meyer, S.; Nicholas

Reengrossed HB 1507 passed and the title was agreed to.

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**MOTION**

**REP. MONSON MOVED** that the House stand in recess until 1:00 p.m., which motion prevailed.

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

**REPORT OF STANDING COMMITTEE**

**SB 2217, as engrossed: Appropriations Committee (Rep. Svedjan, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (17 YEAS, 0 NAYS, 6 ABSENT AND NOT VOTING). Engrossed SB 2217 was placed on the Sixth order on the calendar.

In lieu of the amendments adopted by the House as printed on pages 1459-1461 of the House Journal, Engrossed Senate Bill No. 2217 is amended as follows:

Page 1, line 1, after "enact" insert "chapter 6-09.17," and after "57-38" insert ", a new subsection to section 57-38-30.3,"

Page 1, line 2, after the second "to" insert "a biodiesel partnership in assisting community expansion program," and after "corporate" insert "and individual"

Page 1, line 3, after "credits" insert a comma

Page 1, line 4, after "equipment" insert "; to amend and reenact section 7 of chapter 531 of the 2003 Session Laws, relating to extending the time special fuels tax reductions are available for biodiesel fuel", replace "and" with "to provide an appropriation; to provide a continuing appropriation;", and after "date" insert "; and to provide an expiration date"

Page 1, after line 5, insert:

**"SECTION 1.** Chapter 6-09.17 of the North Dakota Century Code is created and enacted as follows:

6-09.17-01. Definitions. In this chapter, unless the context or subject matter otherwise requires:

1. "Biodiesel partnership in assisting community expansion fund" or "fund" means a fund established to buy down the interest rate on loans to biodiesel production facilities as provided under this chapter.
2. "Biodiesel production facility" means a corporation, limited liability company, partnership, individual, or association involved in production of diesel fuel containing at least five percent biodiesel meeting the specifications adopted by the American society for testing and materials.
3. "Community" means the city or county in which an eligible biodiesel production facility is located, or a local development corporation, community organization, or any other group whose interest is in the economic growth of the area.

6-09.17-02. Biodiesel partnership in assisting community expansion fund - Continuing appropriation - Administration. A biodiesel partnership in assisting community expansion fund is hereby established. All moneys transferred into the fund, interest on fund moneys, and payments to the fund are hereby appropriated for the purposes of this chapter. This fund is subject to section 54-44.1-11 and any unexpended and unobligated balance in the fund at the end of the biennium must be transferred to the state general fund. The Bank of North Dakota shall administer the fund.

6-09.17-03. Fund - Purpose - Interest rate buydown. Moneys in the biodiesel partnership in assisting community expansion fund must be used for the purpose of buying down the interest rate on loans made by a lead financial institution in participation with the Bank of North Dakota. The Bank of North Dakota's participation may not exceed eighty percent nor be less than fifty percent of the total loans. If the loan is approved by the lenders and there is evidence of the community's commitment and ability to fund its portion of the buydown, the fund's participation in the buydown must automatically be approved.

6-09.17-04. Fund moneys - Eligible uses.

1. The fund moneys may be used to participate in an interest rate buydown on a loan to a biodiesel production facility for the following eligible uses:
  - a. Purchase of real property and equipment.
  - b. Expansion of facilities.
  - c. Working capital.
  - d. Inventory.

The loan funds cannot be used to refinance any existing debt or for the relocation of the business within North Dakota.

2. The community shall determine the amount of the interest rate buydown and apply to the Bank of North Dakota for participation from the biodiesel partnership in assisting community expansion fund. The funds for the community's portion of the buydown may come from a local development corporation, contributions, community funds, future dedicated tax programs, or any other community source. Any community funds provided for a buydown under chapter 6-09.14 for a biodiesel production facility may be considered as funds for the community's portion of the buydown under this chapter for that facility.
3. The fund participation portion in the buydown must be determined by the Bank of North Dakota based on economic conditions in the city or county in which the business is located.
4. The maximum amount from the fund in the interest rate buydown may not exceed two hundred fifty thousand dollars per loan and not more than one loan may be provided to any single biodiesel production facility under this chapter. However, if the partnership in assisting community expansion fund does not have adequate funds on hand for an interest rate buydown for a biodiesel production facility, the maximum amount from the fund under this subsection is increased to five hundred thousand dollars per loan and, in that event, the community funds required for participation in the interest rate buydown must be limited to the amount required when the fund provides two hundred fifty thousand dollars per loan. The fund participation must be limited to the amount required to buy down the interest to five hundred basis points below the national prime interest rate.
5. The Bank of North Dakota shall adopt rules to implement this chapter."

Page 1, line 8, replace "Corporate income" with "Income"

Page 1, line 10, after "section" insert "57-38-29," and after "57-38-30" insert ", or 57-38-30.3"

Page 1, after line 15, insert:

"A partnership, subchapter S corporation, limited partnership, limited liability company, or any other passthrough entity entitled to the credit under this section must be considered to be the taxpayer for purposes of this section, and the amount of the credit allowed with respect to the entity's investments must be determined at the passthrough entity level. The amount of the total credit determined at the entity level must be passed through to the partners, shareholders, or members in proportion to their respective interests in the passthrough entity."

Page 1, line 18, replace "Corporate income" with "Income" and replace "taxpayer" with "seller of biodiesel fuel"

Page 1, line 19, after "section" insert "57-38-29," and after "57-38-30" insert ", or 57-38-30.3"

Page 1, line 20, replace "taxpayer's" with "biodiesel fuel seller's"

Page 2, line 1, replace the first "the" with "a"

Page 2, line 2, replace "taxpayer" with "biodiesel fuel seller"

Page 2, line 4, replace "taxpayer" with "biodiesel fuel seller"

Page 2, after line 8, insert:

"A partnership, subchapter S corporation, limited partnership, limited liability company, or any other passthrough entity entitled to the credit under this section must be considered to be the taxpayer for purposes of this section, and the amount of the credit allowed with respect to the entity's investments must be determined at the passthrough entity level. The amount of the total credit determined at the entity level must be passed through to the partners, shareholders, or members in proportion to their respective interests in the passthrough entity."

**SECTION 4.** A new subsection to section 57-38-30.3 of the North Dakota Century Code is created and enacted as follows:

A taxpayer filing a return under this section is entitled to the credits provided under sections 2 and 3 of this Act."

Page 2, after line 15, insert:

**"SECTION 6. AMENDMENT.** Section 7 of chapter 531 of the 2003 Session Laws is amended and reenacted as follows:

**SECTION 7. EXPIRATION DATE.** Sections 1, 3, 4, and 5 of this Act are effective for taxable events occurring from the effective date of this Act through June 30, ~~2005~~ 2007, and are thereafter ineffective.

**SECTION 7. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,200,000, or so much of the sum as may be necessary, to the Bank of North Dakota for deposit in the biodiesel partnership in assisting community expansion fund for use as provided in chapter 6-09.17, for the biennium beginning July 1, 2005, and ending June 30, 2007."

Page 2, line 16, replace "1 and 2" with "2, 3, and 4"

Page 2, line 17, replace "1" with "31" and replace "3" with "5"

Renumber accordingly

#### SIXTH ORDER OF BUSINESS

**SB 2217: REP. BRANDENBURG (Appropriations Committee) MOVED** that the amendments be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed.

#### SECOND READING OF SENATE BILL

**SB 2217:** A BILL for an Act to create and enact chapter 6-09.17, two new sections to chapter 57-38, a new subsection to section 57-38-30.3, and a new subsection to section 57-39.2-04 of the North Dakota Century Code, relating to a biodiesel partnership in assisting community expansion program, corporate and individual income tax credits, and a sales tax exemption for blending of biodiesel fuel and purchase of biodiesel production equipment; to amend and reenact section 7 of chapter 531 of the 2003 Session Laws, relating to extending the time special fuels tax reductions are available for biodiesel fuel; to provide an appropriation; to provide a continuing appropriation; to provide an effective date; and to provide an expiration 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 91 YEAS, 0 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Bernstein; Boe; Boehning; Boucher; Brandenburg; Brusegaard; Carlisle; Carlson; Charging; Clark; Conrad; Damschen; DeKrey; Delmore; Delzer; Devlin; Dietrich; Dosch; Drovda; Ekstrom; Froelich; Froseth; Galvin; Glassheim; Grande; Haas; Hanson; Hawken; Headland; Herbel; Horter; Hunsakor; Iverson; Johnson, D.; Johnson, N.; Kaldor; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Maragos; Martinson; Meier, L.; Metcalf; Monson; Mueller; Nelson; Nicholas; Norland; Nottestad; Onstad; Owens; Pietsch; Pollert; Porter; Potter; Price; Rennerfeldt; Ruby; Sandvig; Schmidt; Sitte; Skarphol; Solberg; Svedjan; Thoreson; Thorpe; Timm; Uglem; Vigasaa; Wald; Wall; Weiler; Wieland; Williams; Wrangham; Zaiser; Speaker Klein

**ABSENT AND NOT VOTING:** Gulleeson; Meyer, S.; Weisz

Engrossed SB 2217 passed and the title was agreed to.

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#### SECOND READING OF SENATE BILL

**SB 2270:** A BILL for an Act to create and enact sections 4-14.1-07.1 and 4-14.1-07.2 of the North Dakota Century Code, relating to ethanol plant production incentives; to amend and reenact sections 4-14.1-08 and 4-14.1-10 of the North Dakota Century Code, relating to the ethanol production incentive fund; and to provide a continuing appropriation.



**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 84 YEAS, 6 NAYS, 0 EXCUSED, 4 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Belter; Berg; Bernstein; Boe; Boehning; Boucher; Brandenburg; Brusegaard; Carlisle; Carlson; Charging; Clark; Conrad; Damschen; DeKrey; Delmore; Devlin; Dietrich; Drovdal; Ekstrom; Froelich; Froseth; Galvin; Glassheim; Grande; Haas; Hanson; Hawken; Headland; Herbel; Horter; Hunskor; Iverson; Johnson, D.; Johnson, N.; Kaldor; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Monson; Mueller; Nelson; Nicholas; Norland; Nottestad; Onstad; Owens; Pietsch; Pollert; Potter; Price; Rennerfeldt; Sandvig; Schmidt; Sitte; Solberg; Svedjan; Thoreson; Thorpe; Timm; Uglem; Vigasaa; Wald; Wall; Weiler; Wieland; Williams; Wrangham; Zaiser; Speaker Klein

**NAYS:** Bellew; Delzer; Dosch; Porter; Ruby; Skarphol

**ABSENT AND NOT VOTING:** Gulleson; Maragos; Meyer, S.; Weisz

Reengrossed SB 2270 passed and the title was agreed to.

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**SECOND READING OF HOUSE BILL**

**HB 1530:** A BILL for an Act to create and enact a new subsection to section 57-51.1-01 and a new subsection to section 57-51.1-03 of the North Dakota Century Code, relating to an oil extraction tax exemption for oil from new wells; to amend and reenact section 57-51.1-02 and subsection 3 of section 57-51.1-03 of the North Dakota Century Code, relating to an oil extraction tax rate reduction and exemption for oil from new wells; 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 67 YEAS, 24 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Bellew; Belter; Berg; Bernstein; Boehning; Brandenburg; Brusegaard; Carlisle; Carlson; Charging; Clark; Damschen; DeKrey; Delzer; Devlin; Dietrich; Dosch; Drovdal; Froseth; Galvin; Grande; Haas; Hawken; Headland; Herbel; Horter; Iverson; Johnson, D.; Johnson, N.; Kasper; Keiser; Kelsch, R.; Kempenich; Kingsbury; Klemin; Koppelman; Kreidt; Kretschmar; Maragos; Martinson; Meier, L.; Monson; Nelson; Nicholas; Norland; Nottestad; Owens; Pietsch; Pollert; Porter; Price; Rennerfeldt; Ruby; Sitte; Skarphol; Svedjan; Thoreson; Timm; Uglem; Vigasaa; Wald; Wall; Weiler; Wieland; Williams; Wrangham; Speaker Klein

**NAYS:** Aarsvold; Amerman; Boe; Boucher; Conrad; Delmore; Ekstrom; Froelich; Glassheim; Hanson; Hunskor; Kaldor; Kelsh, S.; Kerzman; Kroeber; Metcalf; Mueller; Onstad; Potter; Sandvig; Schmidt; Solberg; Thorpe; Zaiser

**ABSENT AND NOT VOTING:** Gulleson; Meyer, S.; Weisz

Engrossed HB 1530 passed and the title was agreed to.

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**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER ANNOUNCED** the following appointments to a Conference Committee on SB 2372: Reps. Nelson, Uglem, Sandvig.

**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. NICHOLAS MOVED** that the House do concur in the Senate amendments to HB 1518 as printed on HJ pages 1346-1347, which motion prevailed on a voice vote.

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

**SECOND READING OF HOUSE BILL**

**HB 1518:** A BILL for an Act to create and enact a new section to chapter 4-28 of the North Dakota Century Code, relating to the wheat tax levy; to amend and reenact sections 4-28-06 and 4-28-07 of the North Dakota Century Code, relating to the North Dakota

wheat commission; to repeal section 4-28-07 of the North Dakota Century Code, relating to the wheat tax levy; 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 60 YEAS, 31 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Belter; Berg; Bernstein; Boe; Boehning; Boucher; Brandenburg; Carlson; Conrad; Damschen; DeKrey; Delmore; Dosch; Drovda; Ekstrom; Froelich; Froseth; Galvin; Glassheim; Grande; Hawken; Headland; Herbel; Iverson; Johnson, D.; Johnson, N.; Keiser; Kelsch, R.; Kelsch, S.; Kempenich; Kerzman; Kingsbury; Klemin; Kreidt; Kretschmar; Maragos; Monson; Nelson; Nicholas; Norland; Nottestad; Owens; Pietsch; Pollert; Price; Rennerfeldt; Schmidt; Solberg; Svedjan; Thorpe; Timm; Uglem; Vigasaa; Wald; Wall; Wieland; Williams; Wrangham; Zaiser; Speaker Klein

**NAYS:** Aarsvold; Amerman; Bellew; Brusegaard; Carlisle; Charging; Clark; Delzer; Devlin; Dietrich; Haas; Hanson; Horter; Hunskor; Kaldor; Kasper; Koppelman; Kroeber; Martinson; Meier, L.; Metcalf; Mueller; Onstad; Porter; Potter; Ruby; Sandvig; Sitte; Skarphol; Thoreson; Weiler

**ABSENT AND NOT VOTING:** Gulleeson; Meyer, S.; Weisz

Reengrossed HB 1518 passed and the title was agreed to.

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#### CONSIDERATION OF MESSAGE FROM THE SENATE

**REP. NELSON MOVED** that the House do concur in the Senate amendments to HCR 3002 as printed on HJ page 1189, which motion prevailed on a voice vote.

HCR 3002, as amended, was placed on the Eleventh order of business.

#### SECOND READING OF HOUSE CONCURRENT RESOLUTION

**HCR 3002:** A concurrent resolution urging Congress and the United States Fish and Wildlife Service to repeal the regulations restricting the hunting of migratory waterfowl on agricultural crops that have not been harvested and subsequently manipulated.

#### ROLL CALL

The question being on the final passage of the amended resolution, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 90 YEAS, 0 NAYS, 0 EXCUSED, 4 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Bernstein; Boe; Boehning; Boucher; Brandenburg; Brusegaard; Carlisle; Carlson; Charging; Clark; Conrad; Damschen; DeKrey; Delmore; Delzer; Devlin; Dietrich; Dosch; Drovda; Ekstrom; Froelich; Froseth; Galvin; Glassheim; Grande; Haas; Hanson; Hawken; Headland; Herbel; Horter; Hunskor; Iverson; Johnson, D.; Johnson, N.; Kaldor; Kasper; Keiser; Kelsch, R.; Kelsch, S.; Kempenich; Kerzman; Kingsbury; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Monson; Mueller; Nelson; Nicholas; Norland; Nottestad; Onstad; Owens; Pietsch; Pollert; Porter; Potter; Price; Rennerfeldt; Ruby; Sandvig; Schmidt; Sitte; Skarphol; Solberg; Svedjan; Thoreson; Thorpe; Timm; Uglem; Vigasaa; Wald; Wall; Weiler; Wieland; Williams; Wrangham; Zaiser; Speaker Klein

**ABSENT AND NOT VOTING:** Gulleeson; Maragos; Meyer, S.; Weisz

Engrossed HCR 3002 passed and the title was agreed to.

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#### CONSIDERATION OF MESSAGE FROM THE SENATE

**REP. NICHOLAS MOVED** that the House do concur in the Senate amendments to HCR 3005 as printed on HJ page 1137, which motion prevailed on a voice vote.

HCR 3005, as amended, was placed on the Eleventh order of business.

#### SECOND READING OF HOUSE CONCURRENT RESOLUTION

**HCR 3005:** A concurrent resolution directing the Legislative Council to seek information identifying state-owned real estate and study the utilization of real estate owned by

state agencies and institutions, the best use of state-owned real estate, and whether the state should establish and maintain an inventory of state-owned real estate.

### ROLL CALL

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

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Bernstein; Boe; Boehning; Boucher; Brandenburg; Brusegaard; Carlisle; Carlson; Charging; Clark; Conrad; Damschen; DeKrey; Delmore; Delzer; Devlin; Dietrich; Dosch; Drovdal; Ekstrom; Froelich; Froseth; Galvin; Glassheim; Grande; Haas; Hanson; Hawken; Headland; Herbel; Horter; Hunsford; Iverson; Johnson, D.; Johnson, N.; Kaldor; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Maragos; Martinson; Meier, L.; Metcalf; Monson; Mueller; Nelson; Nicholas; Norland; Nottestad; Onstad; Owens; Pietsch; Pollert; Porter; Potter; Price; Rennerfeldt; Ruby; Sandvig; Schmidt; Sitte; Skarphol; Solberg; Svedjan; Thoreson; Thorpe; Timm; Uglem; Vigesaa; Wald; Wall; Weiler; Wieland; Williams; Wrangham; Zaiser; Speaker Klein

**ABSENT AND NOT VOTING:** Gulleeson; Meyer, S.; Weisz

Engrossed HCR 3005 passed and the title was agreed to.

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### CONSIDERATION OF MESSAGE FROM THE SENATE

**REP. KOPPELMAN MOVED** that the House do concur in the Senate amendments to HCR 3017 as printed on HJ page 1320, which motion prevailed on a voice vote.

HCR 3017, as amended, was placed on the Eleventh order of business.

### SECOND READING OF HOUSE CONCURRENT RESOLUTION

**HCR 3017:** A concurrent resolution urging Congress to pass a human life amendment to the Constitution of the United States.

### ROLL CALL

The question being on the final passage of the amended resolution, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 84 YEAS, 7 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Bernstein; Boe; Boehning; Boucher; Brandenburg; Brusegaard; Carlisle; Carlson; Charging; Clark; Damschen; DeKrey; Delzer; Devlin; Dietrich; Dosch; Drovdal; Froelich; Froseth; Galvin; Grande; Haas; Hanson; Headland; Herbel; Horter; Hunsford; Iverson; Johnson, D.; Johnson, N.; Kaldor; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Maragos; Martinson; Meier, L.; Metcalf; Monson; Mueller; Nelson; Nicholas; Norland; Nottestad; Onstad; Owens; Pietsch; Pollert; Porter; Price; Rennerfeldt; Ruby; Sandvig; Schmidt; Sitte; Skarphol; Solberg; Svedjan; Thoreson; Timm; Uglem; Vigesaa; Wald; Wall; Weiler; Wieland; Williams; Wrangham; Zaiser; Speaker Klein

**NAYS:** Conrad; Delmore; Ekstrom; Glassheim; Hawken; Potter; Thorpe

**ABSENT AND NOT VOTING:** Gulleeson; Meyer, S.; Weisz

Engrossed HCR 3017 passed and the title was agreed to.

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### CONSIDERATION OF MESSAGE FROM THE SENATE

**REP. DEKREY MOVED** that the House do concur in the Senate amendments to HCR 3031 as printed on HJ pages 1116-1117, which motion prevailed on a voice vote.

HCR 3031, as amended, was placed on the Eleventh order of business.

### SECOND READING OF HOUSE CONCURRENT RESOLUTION

**HCR 3031:** A concurrent resolution directing the Legislative Council to study issues relating to tribal-state relations, including methods for encouraging greater tribal-state cooperation; the promotion of economic development on Indian reservations in the state; the

identification and study of health care, child welfare services, social services, environmental protection, education, and law enforcement issues on the reservations; the identification and study of the social and fiscal impact of providing social services in counties within and adjacent to the reservations; and the identification and proposals for the resolution of the water issues affecting the state and the tribes.

#### ROLL CALL

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

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Bernstein; Boe; Boehning; Boucher; Brandenburg; Brusegaard; Carlisle; Carlson; Charging; Clark; Conrad; Damschen; DeKrey; Delmore; Delzer; Devlin; Dietrich; Dosch; Drovda; Ekstrom; Froelich; Froseth; Galvin; Glassheim; Grande; Haas; Hanson; Hawken; Headland; Herbel; Horter; Hunskor; Iverson; Johnson, D.; Johnson, N.; Kaldor; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Maragos; Martinson; Meier, L.; Metcalf; Monson; Mueller; Nelson; Nicholas; Norland; Nottestad; Onstad; Owens; Pietsch; Pollert; Porter; Potter; Price; Rennerfeldt; Ruby; Sandvig; Schmidt; Sitte; Skarphol; Solberg; Svedjan; Thoreson; Thorpe; Timm; Uglem; Vigasaa; Wald; Wall; Weiler; Wieland; Williams; Wrangham; Zaiser; Speaker Klein

**ABSENT AND NOT VOTING:** Gulleeson; Meyer, S.; Weisz

Engrossed HCR 3031 passed and the title was agreed to.

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#### CONSIDERATION OF MESSAGE FROM THE SENATE

**REP. KOPPELMAN MOVED** that the House do concur in the Senate amendments to HCR 3055 as printed on HJ pages 1347-1348, which motion prevailed on a voice vote.

HCR 3055, as amended, was placed on the Eleventh order of business.

#### SECOND READING OF HOUSE CONCURRENT RESOLUTION

**HCR 3055:** A concurrent resolution for the amendment of sections 1, 2, and 6 of article XII of the Constitution of North Dakota, relating to regulation of corporations and to cumulative voting by corporate members or shareholders; to repeal sections 3, 4, 7, 8, 9, 11, 12, 13, 14, 15, and 17 of article XII of the Constitution of North Dakota, relating to regulation of business corporations; and to provide an effective date.

#### ROLL CALL

The question being on the final passage of the amended resolution, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 88 YEAS, 3 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Bernstein; Boe; Boehning; Boucher; Brandenburg; Brusegaard; Carlisle; Carlson; Charging; Clark; Conrad; Damschen; DeKrey; Delmore; Delzer; Devlin; Dietrich; Dosch; Drovda; Ekstrom; Froseth; Galvin; Glassheim; Grande; Haas; Hanson; Hawken; Headland; Herbel; Horter; Hunskor; Iverson; Johnson, D.; Johnson, N.; Kaldor; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Maragos; Martinson; Meier, L.; Metcalf; Monson; Nelson; Nicholas; Norland; Nottestad; Onstad; Owens; Pietsch; Pollert; Porter; Potter; Price; Rennerfeldt; Ruby; Sandvig; Schmidt; Sitte; Skarphol; Solberg; Svedjan; Thoreson; Timm; Uglem; Vigasaa; Wald; Wall; Weiler; Wieland; Williams; Wrangham; Zaiser; Speaker Klein

**NAYS:** Froelich; Mueller; Thorpe

**ABSENT AND NOT VOTING:** Gulleeson; Meyer, S.; Weisz

Engrossed HCR 3055 passed and the title was agreed to.

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#### MOTION

**REP. MONSON MOVED** that the House stand in recess until 4:30 p.m., which motion prevailed.

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

**REPORT OF STANDING COMMITTEE**

**HB 1531: Industry, Business and Labor Committee (Rep. Keiser, Chairman)** recommends **DO PASS** (13 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). HB 1531 was placed on the Eleventh order on the calendar.

**SECOND READING OF HOUSE BILL**

**HB 1531:** A BILL for an Act to amend and reenact section 65-04-02 of the North Dakota Century Code, relating to workforce safety and insurance fund reserve balance and rate of discount.

**ROLL CALL**

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 79 YEAS, 11 NAYS, 0 EXCUSED, 4 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Bernstein; Boe; Boehning; Boucher; Brandenburg; Brusegaard; Carlisle; Carlson; Charging; Clark; Damschen; DeKrey; Delmore; Delzer; Devlin; Dietrich; Dosch; Drovda; Froelich; Froseth; Galvin; Grande; Gulleson; Haas; Hanson; Hawken; Headland; Herbel; Horter; Iverson; Johnson, D.; Johnson, N.; Kaldor; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kerzman; Kingsbury; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Maragos; Martinson; Meier, L.; Monson; Nelson; Nicholas; Norland; Nottestad; Owens; Pietsch; Pollert; Porter; Potter; Price; Rennerfeldt; Ruby; Sitte; Svedjan; Thoreson; Thorpe; Timm; Uglem; Vigasaa; Wald; Wall; Weiler; Wieland; Williams; Wrangham; Speaker Klein

**NAYS:** Conrad; Ekstrom; Glassheim; Hunsakor; Metcalf; Mueller; Onstad; Sandvig; Schmidt; Solberg; Zaiser

**ABSENT AND NOT VOTING:** Kempenich; Meyer, S.; Skarphol; Weisz

HB 1531 passed and the title was agreed to.

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**SIXTH ORDER OF BUSINESS**

**SB 2015: REP. POLLERT (Appropriations Committee) MOVED** that the amendments be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed on a verification vote.

**SECOND READING OF SENATE BILL**

**SB 2015:** 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 12-44.1 of the North Dakota Century Code, relating to the incarceration of female inmates in grade one correctional facilities; to amend and reenact subsection 2 of section 12.1-32-07 of the North Dakota Century Code, relating to supervision fees for a probationer; to provide a statement of legislative intent; to provide for a legislative council study; and to provide an expiration 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 71 YEAS, 21 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Bellew; Belter; Berg; Bernstein; Boehning; Brandenburg; Brusegaard; Carlisle; Carlson; Clark; Damschen; DeKrey; Delzer; Devlin; Dietrich; Dosch; Drovda; Froelich; Froseth; Galvin; Grande; Haas; Hawken; Headland; Herbel; Horter; Hunsakor; Iverson; Johnson, D.; Johnson, N.; Kasper; Keiser; Kelsch, R.; Kempenich; Kingsbury; Klemin; Koppelman; Kreidt; Kretschmar; Maragos; Martinson; Meier, L.; Metcalf; Monson; Mueller; Nelson; Nicholas; Norland; Nottestad; Owens; Pietsch; Pollert; Porter; Potter; Price; Rennerfeldt; Ruby; Schmidt; Sitte; Skarphol; Svedjan; Thoreson; Timm; Uglem; Vigasaa; Wald; Wall; Weiler; Wieland; Wrangham; Speaker Klein

**NAYS:** Aarsvold; Amerman; Boe; Boucher; Charging; Conrad; Delmore; Ekstrom; Glassheim; Gulleson; Hanson; Kaldor; Kelsh, S.; Kerzman; Kroeber; Onstad; Sandvig; Solberg; Thorpe; Williams; Zaiser

**ABSENT AND NOT VOTING:** Meyer, S.; Weisz

Engrossed SB 2015 passed and the title was agreed to.

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**MOTION**

**REP. BERG MOVED** that the House reconsider its action whereby HB 1507 passed, which motion prevailed on a verification vote.

**MOTION**

**REP. BERG MOVED** that the House reconsider its action whereby the amendments to HB 1507 were adopted, which motion prevailed.

**MOTION**

**REP. MONSON MOVED** that all the DO NOT CONCURS be adopted on the Twelfth Order, which motion prevailed.

**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. SVEDJAN MOVED** that the House do not concur in the Senate amendments to HB 1003 as printed on HJ page 1523 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER APPOINTED** as a Conference Committee on HB 1003: Reps. Carlisle, Thoreson, Williams.

**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. SVEDJAN MOVED** that the House do not concur in the Senate amendments to HB 1009 as printed on HJ pages 1524-1526 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER APPOINTED** as a Conference Committee on HB 1009: Reps. Kempenich, Carlisle, Kroeber.

**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. PRICE MOVED** that the House do not concur in the Senate amendments to HB 1172 as printed on HJ page 1344 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER APPOINTED** as a Conference Committee on HB 1172: Reps. Porter, Nelson, Kaldor.

**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. SVEDJAN MOVED** that the House do not concur in the Senate amendments to HB 1181 as printed on HJ page 1526 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER APPOINTED** as a Conference Committee on HB 1181: Reps. Bellew, Pollert, Kerzman.

**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. NELSON MOVED** that the House do not concur in the Senate amendments to HB 1189 as printed on HJ page 1526 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER APPOINTED** as a Conference Committee on HB 1189: Reps. Porter, Nelson, Hanson.

**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. DEKREY MOVED** that the House do not concur in the Senate amendments to HB 1346 as printed on HJ page 941 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER APPOINTED** as a Conference Committee on HB 1346: Reps. Klemin, DeKrey, Delmore.

**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. WEISZ MOVED** that the House do not concur in the Senate amendments to HB 1370 as printed on HJ page 1453 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER APPOINTED** as a Conference Committee on HB 1370: Reps. Owens, Weisz, Schmidt.

**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. DEKREY MOVED** that the House do not concur in the Senate amendments to HB 1500 as printed on HJ pages 1455-1457 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER APPOINTED** as a Conference Committee on HB 1500: Reps. Galvin, Koppelman, Onstad.

**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. PRICE MOVED** that the House do not concur in the Senate amendments to Engrossed HB 1522 as printed on HJ pages 1260-1262 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER APPOINTED** as a Conference Committee on Engrossed HB 1522: Reps. Weisz, Price, Sandvig.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER ANNOUNCED** the following appointments to a Conference Committee on SB 2002: Reps. Carlisle, Thoreson, Kroeber.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER ANNOUNCED** the following appointments to a Conference Committee on SB 2008: Reps. Kempenich, Timm, Williams.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER ANNOUNCED** the following appointments to a Conference Committee on SB 2009: Reps. Rennerfeldt, Brusegaard, Aarsvold.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER ANNOUNCED** the following appointments to a Conference Committee on SB 2010: Reps. Wieland, Bellew, Kerzman.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER ANNOUNCED** the following appointments to a Conference Committee on SB 2011: Reps. Kempenich, Timm, Williams.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER ANNOUNCED** the following appointments to a Conference Committee on SB 2016: Reps. Wald, Rennerfeldt, Gulleon.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER ANNOUNCED** the following appointments to a Conference Committee on SB 2019: Reps. Wald, Rennerfeldt, Gulleon.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER ANNOUNCED** the following appointments to a Conference Committee on SB 2020: Reps. Brusegaard, Rennerfeldt, Gulleon.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER ANNOUNCED** the following appointments to a Conference Committee on SB 2021: Reps. Skarphol, Monson, Glassheim.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER ANNOUNCED** the following appointments to a Conference Committee on SB 2023: Reps. Carlson, Skarphol, Glassheim.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER ANNOUNCED** the following appointments to a Conference Committee on SB 2031: Reps. Carlisle, Timm, Kroeber.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER ANNOUNCED** the following appointments to a Conference Committee on SB 2059: Reps. Galvin, Froseth, Potter.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER ANNOUNCED** the following appointments to a Conference Committee on SB 2133: Reps. Carlson, Klein, Glassheim.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER ANNOUNCED** the following appointments to a Conference Committee on SB 2204: Reps. Porter, Nelson, Kaldor.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER ANNOUNCED** the following appointments to a Conference Committee on SB 2274: Reps. Dosch, Hawken, Thorpe.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER ANNOUNCED** the following appointments to a Conference Committee on SB 2341: Reps. Pollert, Wieland, Kerzman.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER ANNOUNCED** the following appointments to a Conference Committee on SB 2373: Reps. Wieland, Pollert, Metcalf.

**MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)**

**MR. PRESIDENT:** The House has amended and subsequently passed: SB 2217, SB 2270.

**MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)**

**MR. PRESIDENT:** The House has passed and your favorable consideration is requested on: HB 1530.

**MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)**

**MR. PRESIDENT:** The House has amended and subsequently passed: SB 2267.

**MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)**

**MR. PRESIDENT:** The House does not concur in the Senate amendments to HB 1258 and HB 1437 and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

**HB 1258:** Reps. Nottestad; Kasper; Amerman

**HB 1437:** Reps. Dietrich; Keiser; Boe

**MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)**

**MR. PRESIDENT:** The House has concurred in the Senate amendments and subsequently passed: HB 1042, HB 1348, HB 1350, HB 1357, HB 1374, HB 1376, HB 1391, HB 1410, HB 1419, HB 1433, HB 1439, HB 1452, HB 1460, HB 1473, HB 1478, HB 1484, HB 1486, HB 1496, HB 1497, and HB 1505.

**MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)**

**MR. PRESIDENT:** The House does not concur in the Senate amendments to HB 1008, HB 1291, HB 1417, and HB 1454 and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

**HB 1008:** Reps. Kempenich; Thoreson; Kroeber

**HB 1291:** Reps. Nicholas; Brandenburg; Froelich

**HB 1417:** Reps. Kretschmar; Dietrich; Ekstrom

**HB 1454:** Reps. Maragos; Pietsch; Kaldor

**MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)**

**MR. PRESIDENT:** The Speaker has appointed as a conference committee to act with a like committee from the Senate on:

**SB 2372:** Reps. Nelson; Uglem; Sandvig

**MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)**

**MR. PRESIDENT:** The Speaker has signed: SCR 4013.

**MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)**

**MR. PRESIDENT:** Your signature is respectfully requested on: HCR 3037, HCR 3057, HCR 3058.



**MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)**

**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1061, HB 1062, HB 1069, HB 1076, HB 1094, HB 1104, HB 1105, HB 1136.

**MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)**

**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1005, HB 1007, HB 1014, HB 1022, HB 1024, HB 1043, HB 1163, HB 1204, HB 1206, HB 1235, HB 1238, HB 1239, HB 1266, HB 1272, HB 1273, HB 1276, HB 1311, HB 1312, HB 1313.

**DELIVERY OF ENROLLED BILLS AND RESOLUTIONS**

The following resolution was delivered to the Secretary of State for filing on April 4, 2005: HCR 3056.

**DELIVERY OF ENROLLED BILLS AND RESOLUTIONS**

The following resolutions were delivered to the Secretary of State for filing on April 4, 2005: HCR 3042, HCR 3047.

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

**MR. SPEAKER:** The Senate has failed to pass: HB 1223.

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

**MR. SPEAKER:** The Senate has amended, subsequently passed, and the emergency clause carried: HB 1018.

**SENATE AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1018**

In lieu of the amendments adopted by the Senate as printed on pages 1266 and 1267 of the Senate Journal, Engrossed House Bill No. 1018 is amended as follows:

Page 1, line 2, replace "section" with "sections" and after "20.1-02-16.1" insert "and 20.1-04-15"

Page 1, line 3, after "fund" insert "and establishing a youth pheasant hunting season; to provide statements of legislative intent; to provide an expiration date"

Page 1, line 23, replace "1,431,668" with "1,414,443"

Page 2, line 2, replace "1,812,072" with "2,312,072"

Page 2, line 3, replace "47,683" with "46,564"

Page 2, line 6, replace "191,480" with "190,854"

Page 2, after line 6, insert:  
"Wildlife services

130,000"

Page 2, line 8, replace "5,829,291" with "6,440,321"

Page 2, line 15, replace "16,805,250" with "16,788,025"

Page 2, line 18, replace "5,414,122" with "5,914,122"

Page 2, line 19, replace "10,229,098" with "10,227,979"

Page 2, line 23, replace "1,529,033" with "1,528,407"

Page 2, line 24, replace "550,000" with "680,000"

Page 2, line 26, replace "49,195,054" with "49,806,084"

Page 3, line 9, replace "\$550,000" with "\$680,000"

Page 3, after line 19, insert:

**"SECTION 8. LEGISLATIVE INTENT - GRAHAMS ISLAND ROAD.** It is the intent of the fifty-ninth legislative assembly that if the bids for the Grahams Island road construction project are less than the amount budgeted, then \$100,000 of the \$500,000 grant provided by the game and fish department for the road project must be returned to the game and fish fund."

Page 3, after line 29, insert:

**"SECTION 10. AMENDMENT.** Section 20.1-04-15 of the North Dakota Century Code is amended and reenacted as follows:

**20.1-04-15. Pheasant season - Opening.** The open or lawful season on pheasant and the open or lawful season on duck may not commence on the same weekend. The Except as otherwise provided in this section for the opening of pheasant season for youth, the open or lawful season on pheasant may not open earlier than one-half hour before sunrise and the season may not commence earlier than the first Saturday of October of any given year. The governor, in the governor's proclamation, may provide a pheasant hunting season for youth ages twelve through sixteen on the Saturday and Sunday preceding the opening of the regular pheasant season.

**SECTION 11. EXPIRATION DATE.** Section 10 of this Act is effective through July 31, 2007, and after that date is ineffective."

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### House Bill No. 1018 - Game and Fish Department - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$16,870,147	\$16,805,250	(\$17,225)	\$16,788,025
Operating expenses	9,736,435	9,736,435		9,736,435
Capital assets	2,961,116	2,961,116		2,961,116
Grants	5,414,122	5,414,122	500,000	5,914,122
Land habitat and deer depredation	10,232,286	10,229,098	(1,119)	10,227,979
Noxious weed control	350,000	350,000		350,000
Grants, gifts, and donations	700,000	700,000		700,000
Nongame wildlife conservation	120,000	120,000		120,000
Lonetree Reservoir	1,531,060	1,529,033	(626)	1,528,407
Wildlife services	550,000	550,000	130,000	680,000
Ramp improvements and marina development		800,000		800,000
Total all funds	\$48,465,166	\$49,195,054	\$611,030	\$49,806,084
Less estimated income	48,465,166	49,195,054	611,030	49,806,084
General fund	\$0	\$0	\$0	\$0
FTE	152.00	152.00	0.00	152.00

#### Dept. 720 - Game and Fish Department - Detail of Senate Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE <sup>1</sup>	ADDS FUNDING FOR GRAHAMS ISLAND ROAD <sup>2</sup>	INCREASES FUNDING FOR WILDLIFE SERVICES <sup>3</sup>	TOTAL SENATE CHANGES
Salaries and wages	(\$17,225)			(\$17,225)
Operating expenses				
Capital assets				
Grants		\$500,000		500,000
Land habitat and deer depredation	(1,119)			(1,119)
Noxious weed control				
Grants, gifts, and donations				
Nongame wildlife conservation				
Lonetree Reservoir	(626)			(626)
Wildlife services			\$130,000	130,000
Ramp improvements and marina development				
Total all funds	(\$18,970)	\$500,000	\$130,000	\$611,030
Less estimated income	(18,970)	500,000	130,000	611,030
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

<sup>1</sup> This amendment reduces funding for state employee health insurance premiums from \$559.15 to \$553.95 per month.

<sup>2</sup> This amendment adds \$500,000 of special funds spending authority to the grants line item for the Game and Fish Department to provide a grant toward the construction costs of the Grahams Island road. This amendment also adds a section of legislative intent that if the bids for the road construction project are less than the amount budgeted, then \$100,000 of the \$500,000 is to be returned to the game and fish fund.

<sup>3</sup> This amendment adds \$130,000 from the game and fish fund for wildlife services, for a total of \$680,000 available to provide to the Agriculture Commissioner to pay for services provided by the United States Department of Agriculture Wildlife Services Agency to alleviate wildlife depredation and damage in North Dakota.

This amendment also amends North Dakota Century Code Section 20.1-04-15 relating to the opening of pheasant hunting season for youth and provides an expiration date.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**  
**MR. SPEAKER:** The Senate has amended, subsequently passed, and the emergency clause carried: HB 1459.

**SENATE AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1459**

Page 1, line 1, after "chapter" insert "50-06 and a new section to chapter"

Page 1, line 2, after the first "to" insert "creation of a prescription drug monitoring program and" and replace "a report" with "reports to the legislative council; to provide for a legislative council study; to provide an expiration date"

Page 1, after line 4, insert:

**"SECTION 1.** A new section to chapter 50-06 of the North Dakota Century Code is created and enacted as follows:

**Prescription drug monitoring program.** The department of human services shall seek federal grant funds for the planning and implementing of a prescription drug monitoring program. Upon receipt of federal grant funds, the department of human services shall adopt rules necessary to implement the prescription drug monitoring program and shall implement the program. State agencies shall cooperate with the department to ensure the success of the program."

Page 1, line 9, replace "for neonates and the two" with "to include a concentrated, but not an exclusive, emphasis for the two thousand medical assistance recipients with the highest cost for treatment of chronic diseases and the families of neonates that can benefit from case management services"

Page 1, remove line 10

Page 1, line 11, remove "chronic diseases"

Page 1, replace lines 15 through 18 with:

- "2. Review and develop recommendations to identify any instances in which a provider of services is not properly reporting diagnosis or reason and procedure codes when submitting claims for medical assistance reimbursement."

Page 2, after line 19, insert:

**"SECTION 3. PRESCRIPTION DRUG MONITORING PROGRAM WORKING GROUP - REPORT TO LEGISLATIVE COUNCIL.**

1. The department of human services shall form a prescription drug monitoring program working group of interested individuals to:
  - a. Identify problems relating to the abuse and diversion of controlled substances and how a prescription drug monitoring program may address these problems.
  - b. Identify a strategy and propose a prescription drug monitoring program through which to address the identified problems, including consideration of how the program would fit into the overall strategy. Factors to be addressed in the program must include:
    - (1) Determination of what types of prescription drugs will be monitored.
    - (2) Determination of what types of drug dispensers will be required to participate in the program.
    - (3) Determination of what data will be required to be reported.
    - (4) Determination of what persons will be allowed to access data, what types of data will be accessible, and how to ensure appropriate protection of data.
    - (5) Determination of the entity that will implement and sustain the program.

- c. Establish how the program will be implemented, the fiscal requirements for implementation, and the timelines for implementation. In establishing how the program will be implemented, the working group shall consider the feasibility and desirability of formal or informal educational outreach to North Dakota communities and interested persons.
  - d. Consider possible performance measures the state may use to assess the impact of the program and whether special data collection instruments would be required to effectively monitor the impact of the program.
  - e. Provide to the department of human services a draft of proposed administrative rules to implement the proposed program.
- 2. The membership of the working group may include representatives from the private and public sectors, including representatives from the North Dakota medical association; the North Dakota nurses association; the North Dakota pharmacists association; the North Dakota society of health-system pharmacists; the North Dakota board of pharmacy; the North Dakota dental association; the North Dakota veterinary medical association; the North Dakota healthcare association; the North Dakota long term care association; the university of North Dakota school of medicine and health sciences; law enforcement agencies, appointed by the attorney general; the department of human services; the state department of health; workforce safety and insurance; the information technology department; and the federally designated state peer review organization.
  - 3. During the 2005-06 interim, the department of human services and the prescription drug monitoring program working group shall provide the legislative council with periodic status reports on the activities of the working group and the implementation of the program.
  - 4. The department shall designate the chairman and vice chairman of the working group."

Page 2, line 22, replace "1" with "2"

Page 2, after line 22, insert:

**"SECTION 5. LEGISLATIVE COUNCIL STUDY.** The legislative council shall consider studying, during the 2005-06 interim, the medicaid medical reimbursement system, including costs of providing services, fee schedules, parity among provider groups, and access. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixtieth legislative assembly.

**SECTION 6. EXPIRATION DATE.** Section 3 of this Act is effective through December 31, 2006, and after that date is ineffective."

ReNUMBER accordingly

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**  
**MR. SPEAKER:** The Senate has amended and subsequently passed: HB 1016, HB 1252.

**SENATE AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1016**

Page 1, line 2, after "management" insert "and a division of homeland security and state radio communications" and replace "911 services; to provide" with "the division of emergency management; to provide a statement of legislative intent"

Page 1, line 3, remove "authorization for a loan from the Bank of North Dakota"

Page 1, line 4, replace "and to require political subdivision financial participation in the state radio" with "to create and enact a new section to chapter 54-23.2 of the North Dakota Century Code, relating to a division of homeland security and state radio communications advisory commission; and to amend and reenact sections 54-23.2-01, 54-23.2-04.1, 54-23.2-09, 57-40.6-11, and 57-40.6-12 of the North Dakota Century Code, relating to a division of homeland security and state radio communications."

Page 1, remove line 5

Page 1, line 21, replace "3,760,579" with "3,540,596"

Page 2, line 1, replace "23,457,783" with "23,237,800"

Page 2, line 2, replace "19,733,090" with "19,519,635"

Page 2, line 3, replace "3,724,693" with "3,718,165"

Page 2, line 10, replace "6,798,138" with "6,578,155"

Page 2, line 14, replace "62,043,959" with "61,823,976"

Page 2, line 15, replace "56,950,231" with "56,736,776"

Page 2, line 16, replace "5,093,728" with "5,087,200"

Page 2, after line 16, insert:

**"SECTION 4. LEGISLATIVE INTENT - FULL-TIME EQUIVALENT POSITIONS.** It is the intent of the fifty-ninth legislative assembly that the total full-time equivalent authorization includes 35 full-time equivalent positions for the division of homeland security and state radio communications, consisting of 29 positions relating to state radio communications, 5 positions authorized during the 2003-05 biennium by the emergency commission for homeland security, and 1 deputy director position from the division of emergency management."

Page 2, replace lines 22 through 31 with:

**"SECTION 6. PERFORMANCE AUDIT - DIVISION OF EMERGENCY MANAGEMENT.** The state auditor shall conduct a performance audit of the division of emergency management, including a review of fees collected for 911 services and the utilization of the fees during the biennium beginning July 1, 2005, and ending June 30, 2007. The audit must include a recommendation by the state auditor of the appropriate method of funding costs incurred by the division of emergency management for providing 911 services, including the costs incurred by the division for answering calls from counties not under contract with the division for 911 services. The state auditor must be granted access to all county and county consortium records pertaining to 911 information. The results of the audit must be presented to the legislative audit and fiscal review committee and filed with the appropriations committee of the sixtieth legislative assembly."

Page 3, remove lines 1 through 7

Page 3, replace lines 18 through 22 with:

**"SECTION 8. AMENDMENT.** Section 54-23.2-01 of the North Dakota Century Code is amended and reenacted as follows:

**54-23.2-01. Definitions.** ~~Wherever the word "director" is hereinafter used, it shall mean the director of the office of management and budget. The word "system" hereinafter used shall mean~~ As used in this chapter, unless the context otherwise requires:

1. "Director" means the adjutant general.
2. "Division" means the division of homeland security and state radio communications.
3. "System" means the state radio broadcasting system.

**SECTION 9. AMENDMENT.** Section 54-23.2-04.1 of the North Dakota Century Code is amended and reenacted as follows:

**54-23.2-04.1. Lost or runaway children and missing persons.** ~~The state radio department~~ division shall:

1. Establish and maintain a statewide file system for the purpose of effecting an immediate law enforcement response to reports of lost or runaway children and missing persons. ~~The state radio department shall implement~~
2. Implement a data exchange system to compile, to maintain, and to make available for dissemination to North Dakota and to out-of-state law enforcement agencies, descriptive information ~~which~~ that can assist appropriate agencies in recovering lost or runaway children and missing persons.
2. 3. Establish contacts and exchange information regarding lost or runaway children and missing persons with the national crime information center.
3. 4. Notify all enforcement agencies that reports of lost or runaway children and missing persons ~~shall~~ must be entered as soon as the minimum level of data specified by the ~~state radio department~~ division is available to the reporting agency and that no waiting period for entry of such data exists. If the enforcement agency is unable to enter the data, ~~the state radio department shall~~ the division immediately upon notification shall enter the information into the national crime information center file.
4. 5. Compile and retain information regarding lost or runaway children or missing persons in a separate file, in a manner that allows the information to be used by law enforcement and other agencies ~~deemed~~ considered appropriate by the ~~state radio department~~ division, for investigative purposes. The enforcement agency is responsible for maintaining the disposition of the case and ~~shall~~ periodically shall review the case with the reporting party and the ~~state radio department~~ division to ensure all available information is included and to determine the current status of the case.
5. 6. Provide prompt confirmation of the receipt and entry of the lost or runaway children and missing persons report into the file system to the enforcement agency providing the report or to the parent, guardian, or identified family member as provided in subsection 6 7.
6. 7. Allow any parent, guardian, or identified family member to submit a missing persons report to the ~~state radio department~~ division which will be included in the ~~state radio department~~ division file system and transmitted to the national crime information center, if they are unable to receive services from the local law enforcement agency.
7. 8. Compile and maintain a historical data repository relating to missing persons for all of the following purposes:
  - a. To develop and improve techniques utilized by law enforcement agencies when responding to reports of missing persons.
  - b. To provide a factual and statistical base for research ~~that~~ which would address the problem of lost or runaway children and missing persons.

**SECTION 10. AMENDMENT.** Section 54-23.2-09 of the North Dakota Century Code is amended and reenacted as follows:

**54-23.2-09. Mobile data terminal and 911 service fees.** ~~State radio communications~~

1. The division shall establish and charge fees to provide mobile data terminal service to interested local law enforcement agencies. The fees must be based on actual costs incurred by ~~state radio communications~~ the division for providing the service.

~~State radio communications~~

2. The division may provide 911 services to a political subdivision with a population of fewer than twenty thousand and shall charge at least twenty cents per telephone access line and wireless access line for 911 services provided to political subdivisions. The fee for 911 wireless services must be charged to and paid by the political subdivision receiving services from ~~state radio communications~~ the division under this section from and after

the date of the agreement entered into by the political subdivision or its designee under section 57-40.6-05, whether the date of that agreement is before or after April 4, 2003. Each county currently receiving 911 services from ~~state radio communications~~ the division shall abide by the standards established by law.

**SECTION 11.** A new section to chapter 54-23.2 of the North Dakota Century Code is created and enacted as follows:

Advisory commission. The division of homeland security and state radio communications advisory commission consists of five members appointed by the governor. Each member must be appointed for a term of four years. Each member of the advisory commission is entitled to be paid a per diem of sixty-two dollars and fifty cents per day and is entitled to be reimbursed for the member's actual and necessary expenses at the rates and in the manner provided by law for other state officers. The compensation and expenses must be paid out of division appropriations. The advisory commission shall advise the division regarding collaboration with political subdivisions and potential efficiencies with state radio communications.

**SECTION 12. AMENDMENT.** Section 57-40.6-11 of the North Dakota Century Code is amended and reenacted as follows:

**57-40.6-11. Annual report to legislative council.**~~State radio~~ The division of homeland security and state radio communications, in cooperation with entities affected by this section and section 57-40.6-10, shall facilitate the review of emergency 911 telephone system standards and guidelines and shall report annually to the legislative council on the operation of and any recommended changes in the standards and guidelines.

**SECTION 13. AMENDMENT.** Section 57-40.6-12 of the North Dakota Century Code is amended and reenacted as follows:

**57-40.6-12. Reports of coordination of public safety answering points coverage.** The governing body of a city or county, which adopted a fee on telephone exchange access service and wireless service under this chapter, shall make an annual report of the income, expenditures, and status of its emergency services communication system. The annual report must be submitted to the ~~state radio~~ division of homeland security and state radio communications and to the public safety answering points coordinating committee. The committee is composed of three members, one appointed by the North Dakota 911 association, one appointed by the North Dakota association of counties, and one appointed by the ~~office of management and budget~~ adjutant general to represent the ~~state radio~~ division of homeland security and state radio communications. The public safety answering points coordinating committee shall file its report with the legislative council by November first of each even-numbered year."

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### House Bill No. 1016 - Division of Emergency Management - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$6,821,939	\$6,798,138	(\$219,983)	\$6,578,155
Operating expenses	3,325,844	3,325,844		3,325,844
Capital assets	4,957,923	4,957,923		4,957,923
Grants	<u>46,962,054</u>	<u>46,962,054</u>		<u>46,962,054</u>
Total all funds	\$62,067,760	\$62,043,959	(\$219,983)	\$61,823,976
Less estimated income	<u>56,961,521</u>	<u>56,950,231</u>	<u>(213,455)</u>	<u>56,736,776</u>
General fund	\$5,106,239	\$5,093,728	(\$6,528)	\$5,087,200
FTE	54.00	54.00	0.00	54.00

#### Dept. 512 - Division of Emergency Management - Detail of Senate Changes

REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE <sup>1</sup>	REDUCES FUNDING FOR SALARIES AND WAGES <sup>2</sup>	TOTAL SENATE CHANGES
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Salaries and wages	(\$6,490)	(\$213,493)	(\$219,983)
Operating expenses			
Capital assets			
Grants			
Total all funds	(\$6,490)	(\$213,493)	(\$219,983)
Less estimated income	(2,939)	(210,516)	(213,455)
General fund	(\$3,551)	(\$2,977)	(\$6,528)
FTE	0.00	0.00	0.00

<sup>1</sup> This amendment reduces funding for state employee health insurance premiums from \$559.15 to \$553.95 per month.

<sup>2</sup> This amendment reduces funding for salaries and wages by \$213,493, of which \$2,977 is from the general fund to remove funding related to continuing salary increases provided to Division of Emergency Management employees not directly affiliated with homeland security and state radio responsibilities during the 2003-05 biennium.

### SENATE AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1252

Page 1, line 1, after "to" insert "create and enact a new section to chapter 50-24.1 of the North Dakota Century Code, relating to developmental disabilities service providers; to"

Page 1, after line 6, insert:

**"SECTION 1.** A new section to chapter 50-24.1 of the North Dakota Century Code is created and enacted as follows:

Operating costs for developmental disabilities service providers. The department of human services shall determine the budget for private, licensed developmental disability providers by inflating historical costs by the annual percentage developed for long-term care facilities. Any additional funds appropriated by the legislative assembly must be in addition to the annual inflator."

Page 1, line 22, remove the overstrike over "~~The department shall maintain access to national and state economic change~~"

Page 1, remove the overstrike over lines 23 and 24

Page 2, line 1, remove the overstrike over "~~3~~."

Page 2, line 4, remove the overstrike over "~~4~~." and remove "3."

Page 2, line 17, remove "most recent" and after "report" insert "used for the base period"

Page 2, line 18, remove the overstrike over "~~using the appropriate~~"

Page 2, line 19, remove the overstrike over "~~economic change indices established in subsection 5~~" and remove "by the inflation rate for"

Page 2, remove line 20

Page 2, line 21, remove "department"

Page 3, remove the overstrike over line 8

Page 3, line 9, remove the overstrike over "~~of the increase in the~~", after the second overstruck comma insert "Global Insight", and remove the overstrike over "~~nursing home input price~~"

Page 3, remove the overstrike over lines 10 through 12

Page 3, line 13, remove the overstrike over "~~6~~." and remove "4."

Page 3, line 20, remove the overstrike over "~~4~~" and remove "3"

Page 3, line 26, remove the overstrike over "~~7~~." and remove "5."

Page 3, line 27, remove the overstrike over "~~4~~" and remove "3"

Page 4, line 3, remove the overstrike over "~~8~~." and remove "6."

Page 4, line 7, replace "7." with "9." and replace "three" with "four"

Page 4, line 31, remove the overstrike over "~~a percentage amount equal to~~"



Page 5, remove the overstrike over line 1

Page 5, line 2, remove the overstrike over "~~section 50-24.4-10~~" and remove "the inflation rate for nursing home services used to develop the legislative"

Page 5, line 3, remove "appropriation for the department"

Renumber accordingly

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

**MR. SPEAKER:** The Senate has concurred in the House amendments and subsequently passed: SB 2208.

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

**MR. SPEAKER:** The Senate has concurred in the House amendments and subsequently passed: SB 2022, SB 2304, SB 2336, and SB 2368.

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

**MR. SPEAKER:** The Senate does not concur in the House amendments to SB 2002, SB 2008, SB 2009, SB 2010, SB 2011, SB 2016, SB 2019, SB 2020, SB 2021, SB 2023, SB 2031, SB 2059, SB 2133, SB 2341, and SB 2373 and the President has appointed as a conference committee to act with a like committee from the House on:

**SB 2002:** Sens. Kilzer; Schobinger; Tallackson  
**SB 2008:** Sens. Andrist; Christmann; Lindaas  
**SB 2009:** Sens. Schobinger; Thane; Lindaas  
**SB 2010:** Sens. Thane; Andrist; Mathern  
**SB 2011:** Sens. Christmann; Bowman; Tallackson  
**SB 2016:** Sens. Fischer; Thane; Mathern  
**SB 2019:** Sens. Thane; Grindberg; Mathern  
**SB 2020:** Sens. Bowman; Holmberg; Lindaas  
**SB 2021:** Sens. Christmann; Fischer; Robinson  
**SB 2023:** Sens. Kringstad; Grindberg; Krauter  
**SB 2031:** Sens. Holmberg; Christmann; Tallackson  
**SB 2059:** Sens. Kringstad; Holmberg; Tallackson  
**SB 2133:** Sens. Schobinger; Christmann; Krauter  
**SB 2341:** Sens. Lyson; Brown; Warner  
**SB 2373:** Sens. Trenbeath; Traynor; Triplett

**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 1017:** Sens. Thane; Andrist; Lindaas  
**HB 1019:** Sens. Andrist; Schobinger; Tallackson  
**HB 1020:** Sens. Andrist; Schobinger; Tallackson  
**HB 1222:** Sens. Cook; G. Lee; Fairfield  
**HB 1231:** Sens. Dever; J. Lee; Warner  
**HB 1275:** Sens. Kringstad; Christmann; Robinson  
**HB 1434:** Sens. G. Lee; Erbele; Taylor  
**HB 1465:** Sens. Brown; J. Lee; Warner

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

**MR. SPEAKER:** Your signature is respectfully requested on: SB 2005, SB 2117, SB 2227, SB 2281, SB 2343, SCR 4030.

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

**MR. SPEAKER:** The President has signed: HB 1120, HB 1151, HB 1168, HB 1174, HB 1177, HB 1274, HB 1305, HB 1409, HB 1418, HB 1475, HB 1525, HB 1528, HCR 3042, HCR 3047.

**MOTION**

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

**MOTION**

**REP. MONSON MOVED** that the House be on the Fifth, Thirteenth, Fourteenth, and Sixteenth orders of business and at the conclusion of those orders, the House stand adjourned until 8:00 a.m., Tuesday, April 5, 2005, which motion prevailed.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1284, as engrossed:** Your conference committee (Sens. Syverson, Traynor, Nelson and Reps. Klemin, Koppelman, Zaiser) recommends that the **SENATE RECEDE** from the Senate amendments on HJ page 1321, adopt further amendments as follows, and place HB 1284 on the Seventh order:

That the Senate recede from its amendments as printed on page 1321 of the House Journal and page 1018 of the Senate Journal and that Engrossed House Bill No. 1284 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact section 51-12-01 of the North Dakota Century Code, relating to false and misleading advertising; and to provide a penalty.

**SECTION 1. AMENDMENT.** Section 51-12-01 of the North Dakota Century Code is amended and reenacted as follows:

**51-12-01. False and misleading advertising prohibited.**

1. ~~No person, firm, corporation, limited liability company, or association~~ with intent to sell, dispose of, increase the consumption of, or induce the public to enter ~~into~~ an obligation relative to; or to acquire title or interest in any food, drug, medicine, patent and proprietary product, merchandise, security, service, performance, medical treatment, paint, varnish, oil, clothing, wearing apparel, machinery, or anything offered to the public; may make, publish, disseminate, circulate, or place before the public, or directly or indirectly shall cause to be made, published, disseminated, circulated, or placed before the public in a newspaper, or other publication, or in the form of a book, notice, handbill, poster, bill, circular, pamphlet, tab, label, letter, or in any other way, an advertisement ~~which~~ that contains any assertion, representation, or statement of fact, including the price thereof, which is untrue, deceptive, or misleading regarding such food, drug, medicine, patent and proprietary product, merchandise, security, service, performance, medical treatment, paint, varnish, oil, clothing, wearing apparel, machinery, or anything offered to the public.
2. It is not a violation of this section to advertise a performance by a performing group if at least one member of the performing group was a member of the recording group, the performance is identified as a "salute" or "tribute" to the recording group, the performance is expressly authorized in the advertising by the recording group, the advertising does not relate to a live music performance taking place in this state, or the advertising contains a disclaimer that the performing group is not the recording group or is not affiliated with the recording group."

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**SB 2004, as engrossed:** Appropriations Committee (Rep. Svedjan, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (18 YEAS, 0 NAYS, 5 ABSENT AND NOT VOTING). Engrossed SB 2004 was placed on the Sixth order on the calendar.

Page 1, line 2, after "health" insert "; to create and enact a new subsection to section 23-01-05 of the North Dakota Century Code, relating to the state health officer's duty to establish an environmental review process for commercial buildings"

Page 1, line 10, after "campgrounds" insert "; to provide for a report to the legislative council; to provide legislative intent"

Page 2, line 7, replace "2,712,149" with "2,206,994"

Page 2, line 8, replace "1,288,653" with "1,395,366"

Page 2, line 10, replace "5,901,038" with "5,136,538"

Page 2, line 11, replace "903,645" with "902,898"

Page 2, line 14, replace "7,085,117" with "5,921,428"

Page 2, line 15, replace "6,826,931" with "5,685,998"

Page 2, line 16, replace "258,186" with "235,430"

Page 2, line 22, replace "32,685,078" with "32,179,923"

Page 2, line 23, replace "25,439,910" with "25,546,623"

Page 2, line 25, replace "42,591,666" with "41,827,166"

Page 2, line 26, replace "8,686,742" with "8,685,995"

Page 2, line 28, replace "126,667,865" with "125,504,176"

Page 2, line 29, replace "113,308,587" with "112,167,654"

Page 2, line 30, replace "13,359,278" with "13,336,522"

Page 3, line 13, replace "\$280,000" with "\$340,000"

Page 4, after line 26, insert:

**"SECTION 13.** A new subsection to section 23-01-05 of the North Dakota Century Code is created and enacted as follows:

Establish a review process for commercial buildings for instances in which the department is requested to conduct an environmental review or environmental assessment of a commercial building. The environmental review or environmental assessment must include:

- a. An environmental assessment;
- b. Identification of whether a health risk exists, what the health risk is, and how the health risk can be remediated or mitigated; and
- c. Once the health risk is identified, remediated, or mitigated a reevaluation of the risk which determines whether the risk has been addressed."

Page 7, line 22, remove "funded by grants, fees, and increases in tobacco taxes"

Page 7, after line 27, insert:

**"SECTION 21. LEGISLATIVE COUNCIL STUDY - TOBACCO SETTLEMENT COLLECTIONS.** The legislative council shall consider studying, during the 2005-06 interim, whether to change guidelines for funding programs as a result of additional tobacco settlement collections that are anticipated to be received and deposited in the community health trust fund from 2008 through 2017. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixtieth legislative assembly.

**SECTION 22. LEGISLATIVE INTENT - WORKSITE WELLNESS PILOT PROJECT.** It is the intent of the fifty-ninth legislative assembly that the state department of health may use federal funding to match nonstate funding and contract with a nonstate entity for a worksite wellness pilot project during the 2005-07 biennium. The state department of health shall provide a report on the pilot project to the sixtieth legislative assembly.

**SECTION 23. LEGISLATIVE INTENT - FUNDING FOR ABSTINENCE PROGRAMS.** It is the intent of the fifty-ninth legislative assembly that the state department of health use \$220,000 of federal maternal and child health funding for abstinence programs.

**SECTION 24. LEGISLATIVE INTENT - FEDERAL BIOTERRORISM FUNDING.** It is the intent of the fifty-ninth legislative assembly that the full-time equivalent employee positions funded with federal bioterrorism grants be discontinued when the funding for the programs end.

**SECTION 25. BASIC CARE SURVEY PILOT PROJECT - LEGISLATIVE COUNCIL REPORT.** The state department of health shall develop a pilot project to test

an announced basic care survey process. The pilot project must begin with fifty percent of the state-licensed basic care providers surveyed receiving an announced survey and the remaining receiving an unannounced survey. The state department of health shall evaluate the survey pilot project and submit a report to the legislative council during the 2005-06 interim. The report must include a recommendation of whether the unannounced survey process should continue for all basic care facilities. The pilot project must include standard basic care surveys and all complaint investigations must be unannounced."

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### Senate Bill No. 2004 - State Department of Health - House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$32,816,481	\$32,685,078	(\$505,155)	\$32,179,923
Operating expenses	25,322,640	25,439,910	106,713	25,546,623
Capital assets	1,514,469	1,514,469		1,514,469
Grants	42,466,666	42,591,666	(764,500)	41,827,166
Tobacco prevention and control	8,689,062	8,686,742	(747)	8,685,995
WIC food payments	<u>15,750,000</u>	<u>15,750,000</u>		<u>15,750,000</u>
Total all funds	\$126,559,318	\$126,667,865	(\$1,163,689)	\$125,504,176
Less estimated income	<u>112,120,210</u>	<u>113,308,587</u>	<u>(1,140,933)</u>	<u>112,167,654</u>
General fund	\$14,439,108	\$13,359,278	(\$22,756)	\$13,336,522
FTE	317.00	317.00	(4.50)	312.50

#### Dept. 301 - State Department of Health - Detail of House Changes

	REMOVES FUNDING FOR PHYSICIAN LOAN REPAYMENT PROGRAM <sup>1</sup>	CHANGES FUNDING SOURCE FOR FOOD AND LODGING INSPECTIONS <sup>2</sup>	DECREASES OPERATIONS FOR FOOD AND LODGING INSPECTIONS <sup>3</sup>	REMOVES 1 FTE FOOD AND LODGING INSPECTOR POSITION <sup>4</sup>	REMOVES FUNDING FOR THE NURSE SCHOLARSHIP AND GRANT PROGRAM <sup>5</sup>	REDUCES FUNDING FOR QUICK RESPONSE UNIT PILOT PROJECT <sup>6</sup>
Salaries and wages				(\$90,077)		
Operating expenses			(\$117,270)			
Capital assets						
Grants	(\$100,000)				(\$489,500)	(\$100,000)
Tobacco prevention and control						
WIC food payments						
Total all funds	(\$100,000)	\$0	(\$117,270)	(\$90,077)	(\$489,500)	(\$100,000)
Less estimated income		<u>(114,116)</u>	<u>(117,270)</u>	<u>(63,054)</u>	<u>(489,500)</u>	<u>(100,000)</u>
General fund	(\$100,000)	\$114,116	\$0	(\$27,023)	\$0	\$0
FTE	0.00	0.00	0.00	(1.00)	0.00	0.00
	ADDS FUNDING FOR ARSENIC PROGRAM <sup>7</sup>	DECREASES FUNDING FOR HEALTHY NORTH DAKOTA PROGRAM <sup>8</sup>	REMOVES 1 FTE POSITION AND FUNDING FOR ASTHMA PROGRAM <sup>9</sup>	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE <sup>10</sup>	ADDS FUNDING FOR DOMESTIC VIOLENCE PREVENTION GRANTS <sup>11</sup>	TOTAL HOUSE CHANGES
Salaries and wages		(\$282,240)	(\$93,774)	(\$39,064)		(\$505,155)
Operating expenses	\$700,000	34,474	(510,491)			106,713
Capital assets						
Grants		(135,000)			\$60,000	(764,500)
Tobacco prevention and control				(747)		(747)
WIC food payments						
Total all funds	\$700,000	(\$382,766)	(\$604,265)	(\$39,811)	\$60,000	(\$1,163,689)
Less estimated income	<u>700,000</u>	<u>(382,766)</u>	<u>(604,265)</u>	<u>(29,962)</u>	<u>60,000</u>	<u>(1,140,933)</u>
General fund	\$0	\$0	\$0	(\$9,849)	\$0	(\$22,756)
FTE	0.00	(2.50)	(1.00)	0.00	0.00	(4.50)

<sup>1</sup> The House removed \$100,000 from the general fund for the state-community matching physician loan repayment program and the state-community matching loan repayment program for nurse practitioners, physician assistants, and certified nurse midwives.

<sup>2</sup> The House further adjusted food and lodging inspections funding to provide \$100,000 from the general fund for the program. The anticipated fee increase necessary to fund food and lodging inspections will be \$141,242.

<sup>3</sup> The House adjusted operating expenses for food and lodging inspections to what was included in the executive recommendation.

- 4 The House remove 1 FTE environmental health inspector position, which was included in the executive recommendation to conduct additional food and lodging inspections.
- 5 The House removed funding from the health care trust fund for the scholarship and nurses' student loan repayment grant program.
- 6 The House decreased funding from the health care trust fund for the quick response unit pilot project from \$225,000 to \$125,000.
- 7 The House increased the other funds spending authority for the department to receive a grant to address arsenic issues in southeastern North Dakota.
- 8 The House remove 2.5 FTE positions and decreased funding for the Healthy North Dakota program by \$382,766. The remaining Healthy North Dakota funding authority is for contract services related to a worksite wellness pilot project (\$135,000).
- 9 The House removed 1 FTE program administrator position and decreased the funding for the asthma program. The department is to request approval from the Emergency Commission and Budget Section if federal funding for this program is authorized.
- 10 This amendment reduces the funding for state employee health insurance premiums from \$559.15 to \$553.95 per month.
- 11 The House increased funding from the domestic violence prevention fund for grants. Additional revenues of approximately \$60,000 are anticipated to be generated for the fund if 2005 Senate Bill No. 2361 is approved by the Legislative Assembly.

The House provided for a study to determine the funding guidelines for additional tobacco settlement funds that are anticipated to be received during the 2007-09 biennium.

The House provided intent for additional spending on abstinence education programs.

The House provided intent that positions funded with federal bioterrorism grants not be continued by the department when the funding stops.

The House provided for a pilot project for the State Department of Health to conduct announced basic care surveys.

The House provided for the State Department of Health to establish an environmental review process for commercial buildings.

#### REPORT OF STANDING COMMITTEE

**SB 2018, as engrossed: Appropriations Committee (Rep. Svedjan, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (21 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). Engrossed SB 2018 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide an appropriation for defraying the expenses of the department of commerce; to provide exemptions; to provide appropriations to various agencies; to authorize the office of management and budget to borrow funds from the Bank of North Dakota; to provide a statement of legislative intent; to create and enact two new sections to chapter 54-34.3 and three new sections to chapter 54-60 of the North Dakota Century Code, relating to a division of economic development and finance international business and trade office, a division of economic development and finance local economic developer certification program, department of commerce target industry requirements, a department of commerce state employee image training program, and a department of commerce business hotline program; to amend and reenact sections 4-41.1-10 and 54-34.3-03, subsection 1 of section 54-34.3-06, and section 57-51.1-07.2 of the North Dakota Century Code, relating to the ethanol production incentive fund, the structure of the division of economic development and finance, the division of economic development and finance North Dakota American Indian business development office, and the permanent oil tax trust fund; and to provide for state agency studies and reports to the legislative council.

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

**SECTION 1. BASE LEVEL FUNDING INFORMATION.** The amounts identified in this section represent the base level funding component appropriated to the department of commerce in section 3 of this Act as follows:

Salaries and wages	\$6,713,340
Operating expenses	8,237,247
Grants	46,585,026
North Dakota development fund	1,550,000
Agricultural products utilization	2,983,179
Discretionary grants	1,447,127
Lewis and Clark bicentennial	3,851,911
Total all funds - Base level	\$71,367,830
Less estimated income - Base level	<u>52,353,107</u>
Total general fund - Base level	\$19,014,723

**SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION.** The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the department of commerce which are included in the appropriation in section 3 of this Act as follows:

Salaries and wages	\$986,030
Operating expenses	1,094,721
Capital assets	25,000
Grants	3,517,844
North Dakota development fund	(1,550,000)
Agricultural products utilization	3,092,821
Discretionary funds	(7,000)
Economic development initiatives	644,568
Economic development grants	125,000
Lewis and Clark bicentennial	80,733
Total all funds - Adjustments/enhancements	\$8,009,717
Less estimated income - Adjustments/enhancements	<u>7,921,887</u>
Total general fund - Adjustments/enhancements	\$87,830

**SECTION 3. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of commerce for the purpose of defraying the expenses of its various divisions for the biennium beginning July 1, 2005, and ending June 30, 2007, as follows:

Salaries and wages	\$7,699,370
Operating expenses	9,331,968
Capital assets	25,000
Grants	50,102,870
Agricultural products utilization	6,076,000
Discretionary funds	1,440,127
Economic development initiatives	644,568
Economic development grants	125,000
Lewis and Clark bicentennial	<u>3,932,644</u>
Total all funds	\$79,377,547
Less estimated income	<u>60,274,994</u>
Total general fund appropriation	\$19,102,553

**SECTION 4. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$150,000, or so much of the sum as may be necessary, to the office of management and budget for the purpose of establishing and maintaining procurement information on the internet and for performing the procurement assistance study, for the biennium beginning July 1, 2005, and ending June 30, 2007. The office of management and budget is authorized one full-time equivalent position.

**SECTION 5. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$50,000, or so much of the sum as may be necessary, to the state board of higher education for the purpose of performing the technology commercialization study provided for in Senate Bill No. 2032, for the biennium beginning July 1, 2005, and ending June 30, 2007.

**SECTION 6. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$360,000, or so much of the sum as may be necessary, to the upper great plains transportation

institute for the purpose of performing the transportation study provided for in Senate Bill No. 2032, for the biennium beginning July 1, 2005, and ending June 30, 2007.

**SECTION 7. CENTERS OF EXCELLENCE - OFFICE OF MANAGEMENT AND BUDGET - BORROWING AUTHORITY - APPROPRIATION - REPAYMENT FROM PERMANENT OIL TAX TRUST FUND.** As requested by the centers of excellence commission, the office of management and budget shall borrow the sum of \$15,000,000, or so much of the sum as may be necessary, from the Bank of North Dakota, which is appropriated for the purpose of providing funding to centers of excellence as directed by the centers of excellence commission, for the biennium beginning July 1, 2005, and ending June 30, 2007. By June 30, 2007, the office of management and budget shall repay any loan obtained pursuant to provisions of this section, including accrued interest, from funds available in the permanent oil tax trust fund. Repayment may be made from transfers into the permanent oil tax trust fund after a total of \$77,000,000 of oil tax revenues has been received by the general fund during the 2005-07 biennium, including the \$71,000,000 deposited in the general fund in accordance with section 57-51.1-07.2.

**SECTION 8. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET - PERMANENT OIL TAX TRUST FUND - LOAN REPAYMENT.** There is appropriated out of any moneys in the permanent oil tax trust fund in the state treasury, not otherwise appropriated, the sum of \$16,000,000, or so much of the sum as may be necessary, to the office of management and budget for the purpose of repaying the Bank of North Dakota for loans and accrued interest relating to funds borrowed for centers of excellence, for the biennium beginning July 1, 2005, and ending June 30, 2007. The appropriation made under this section is limited to 50 percent or \$16,000,000, whichever is less, of the revenues deposited in the permanent oil tax trust fund that exceed \$6,000,000 for the 2005-07 biennium.

**SECTION 9. LEGISLATIVE INTENT - FUTURE FUNDING FOR CENTERS OF EXCELLENCE.** It is the intent of the fifty-ninth legislative assembly that the centers of excellence program be a continuing program for economic development in North Dakota and that the legislative assembly intends to make available an additional \$35,000,000 for centers of excellence in future bienniums using similar funding mechanisms which will provide a total of \$50,000,000 for centers of excellence.

**SECTION 10. AGRICULTURE FUEL TAX REFUNDS.** The less estimated income line item in section 3 of this Act includes \$575,000 from refunds of tax for fuel used for agricultural purposes, to be used by the agricultural products utilization commission, for the biennium beginning July 1, 2005, and ending June 30, 2007.

**SECTION 11. ESTIMATED INCOME - ETHANOL PRODUCTION INCENTIVE FUND.** The less estimated income line item in section 3 of this Act includes \$3,285,000 from the ethanol production incentive fund.

**SECTION 12. EXEMPTION.** The funds appropriated in the agricultural products utilization line item in section 3 of this Act are not subject to section 54-44.1-11 and any unexpended funds from this line item for grants are available for grants during the biennium beginning July 1, 2007, and ending June 30, 2009.

**SECTION 13. EXEMPTION.** The funds appropriated in the discretionary funds line item in section 3 of this Act are not subject to section 54-44.1-11 and any unexpended funds from this line item may be spent during the biennium beginning July 1, 2007, and ending June 30, 2009.

**SECTION 14. ECONOMIC DEVELOPMENT INITIATIVES.** The economic development initiatives line item in section 3 of this Act includes \$394,568 from the general fund and \$250,000 of special funds raised by the department of commerce for the following economic development initiatives recommended by the primary sector business congress for the biennium beginning July 1, 2005, and ending June 30, 2007:

- Target industry identification and report
- Image information program
- Business hotline program
- Local economic developer certification and training program
- Dakota manufacturing initiative
- Intellectual property rights study and report
- Economic development incentives study and report
- Business climate initiative study

**SECTION 15. LIFE SCIENCES SECTOR DEVELOPMENT GRANT.** The department of commerce shall provide a \$100,000 grant from funds appropriated in the economic development grants line item in section 3 of this Act to an economic development corporation in the Red River valley research corridor by June 30, 2006, to increase opportunities in the state for expanded research and business development in the life sciences sector for the biennium beginning July 1, 2005, and ending June 30, 2007.

**SECTION 16. WIND TO HYDROGEN DEMONSTRATION PROJECT GRANT.** The department of commerce shall provide a \$25,000 grant from funds appropriated in the economic development grants line item in section 3 of this Act to a North Dakota city with a population exceeding 75,000 for a wind to hydrogen demonstration project for the biennium beginning July 1, 2005, and ending June 30, 2007.

**SECTION 17. LEWIS AND CLARK BICENTENNIAL - ADDITIONAL SALES TAX ON LODGING.** The Lewis and Clark bicentennial line item in section 3 of this Act includes \$3,041,511, or such lesser amount as is generated from the separate and additional tax imposed under section 57-39.2-03.8 of the North Dakota Century Code.

**SECTION 18. STATE TAX COMMISSIONER - AUDIT OF ETHANOL PRODUCTION INCENTIVE PROGRAM.** The state tax commissioner shall conduct an audit of the ethanol production incentive program during the biennium beginning July 1, 2005, and ending June 30, 2007.

**SECTION 19. RED RIVER VALLEY RESEARCH CORRIDOR MARKETING - BUDGET SECTION REPORT.** An amount up to \$400,000 from the general fund in section 3 of this Act must be made available through a grant to the Red River valley research corridor for the purpose of matching federal funds. The funds are available for the period beginning July 1, 2005, and ending June 30, 2007. The department of commerce shall report to the budget section after July 1, 2006, on the use of this funding.

**SECTION 20. CENTER FOR TECHNOLOGY - BUDGET SECTION REPORT.** An amount up to \$50,000 from the general fund in section 3 of this Act must be made available through a grant to the North Dakota center for technology program. The department of commerce shall report to the budget section after July 1, 2006, on the use of this funding.

**SECTION 21. PARTNERS IN MARKETING - BUDGET SECTION REPORT.** An amount up to \$250,000 from the general fund in section 3 of this Act must be made available for grants in the partners in marketing grant program. The department of commerce shall report to the budget section after July 1, 2006, on the use of this funding.

**SECTION 22. NORTH DAKOTA DEVELOPMENT FUND - INTERNATIONAL BUSINESS AND TRADE OFFICE.** Notwithstanding chapter 10-30.5, during the 2005-07 biennium the North Dakota development fund shall provide the division of economic development and finance with grant funds of up to \$500,000 for the purpose of funding the international business and trade office. The North Dakota development fund shall distribute funds to the division of economic development and finance upon proof of the division securing one dollar of matching funds from other public or private sources for every two dollars from the development fund.

**SECTION 23. AMENDMENT.** Section 4-14.1-10 of the North Dakota Century Code is amended and reenacted as follows:

**4-14.1-10. Ethanol production incentive fund ~~—Continuing appropriation.~~** There is created in the state treasury a special fund known as the ethanol production incentive fund. The fund consists of transfers made in accordance with section 39-04-39 and deposits made in accordance with section 57-43.1-03.1. All moneys in the fund are ~~appropriated on a continuing basis~~ available to the agricultural products utilization commission for use in paying ethanol production incentives under sections 4-14.1-07, 4-14.1-08, and 4-14.1-09 and may be spent pursuant to legislative appropriations.

**SECTION 24. AMENDMENT.** Section 54-34.3-03 of the North Dakota Century Code is amended and reenacted as follows:

**54-34.3-03. Division structure.** The division consists of:



1. A finance office;
2. An international business and trade office; ~~and~~
3. ~~Other offices that~~ Offices established by statute; and
4. Offices the director organizes and establishes as necessary to carry out most efficiently and effectively the mission and duties of the division.

**SECTION 25. AMENDMENT.** Subsection 1 of section 54-34.3-06 of the North Dakota Century Code is amended and reenacted as follows:

1. A North Dakota American Indian business development office to assist North Dakota American Indian tribal and individual economic development representatives, businesses, and North Dakota American Indian entrepreneurs with access to state and federal programs designed to assist them these business interests. The office shall provide services to assist in the formation of partnerships between American Indian and non-American Indian businesses.

**SECTION 26.** A new section to chapter 54-34.3 of the North Dakota Century Code is created and enacted as follows:

International business and trade office - Advisory board.

1. The director shall administer the international business and trade office. The purpose of the office is to assist North Dakota businesses expand exports to international markets by:
  - a. Advocating for exporters;
  - b. Offering export educational opportunities to North Dakota businesses;
  - c. Researching and raising awareness of export opportunities, issues, and challenges impacting North Dakota businesses;
  - d. Assisting North Dakota businesses in identifying, developing, and cultivating international markets for products; and
  - e. Organizing and carrying out trade missions that seek to facilitate contact and communication between North Dakota businesses and international markets.
2. The director may contract with a third party for the provision of services for the international business and trade office. If the director contracts with a third party under this subsection, all data and data bases collected and created by the third party in performing services for the office are the property of the department and the third party.
3. The division may seek and accept any gift, grant, or donation of funds, property, services, or other assistance from public or private sources for the purpose of furthering the objectives of the office of international business and trade.
4. The director may establish an international business and trade office advisory board with which the director may consult in administering the international business and trade office. Each member of the advisory board created under this subsection is entitled to receive per diem compensation at a rate established by the director not exceeding sixty-two dollars and fifty cents, and reimbursement of expenses as provided by law for state officers, while attending meetings or performing duties directly related to board membership, except that per diem compensation under this section may not be paid to any member who receives compensation or salary as a regular state employee or official.

**SECTION 27.** A new section to chapter 54-34.3 of the North Dakota Century Code is created and enacted as follows:

Local economic developer certification program. The director shall implement a certification program through which the division provides training to assist local

economic developers in meeting the needs of businesses. The director may contract with a third-party service provider to assist in implementing the program. The director may set and charge a fee for the receipt of services under this program.

**SECTION 28.** A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

Target industries - Report to legislative council. The commissioner shall identify target industries on which the commissioner shall focus economic development efforts. The commissioner shall designate one of these target industries as a special focus target industry. In identifying and updating target industries, the commissioner shall solicit the advice of the foundation and the North Dakota university system. The commissioner may contract for the services of a third party in identifying target industries. The commissioner shall report biennially to the legislative council. This report must include information regarding the process used and factors considered in identifying and updating the target industries, the specific tactics the department has used to specifically address the needs of the target industries, the unique tactics and the specific incentives the department has used to support the growth of the special focus target industry, and any recommended legislative changes necessary to better focus economic development services on these industries.

**SECTION 29.** A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

North Dakota image information program. The commissioner shall implement a program for use by state agencies to assist state agencies and state agencies' employees to present to the public a positive image of the state. The commissioner may expand the program to include use of the program by the private sector.

**SECTION 30.** A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

Business hotline. The commissioner shall create and implement a business hotline program. The program must provide for a telephone number through which the department shall provide, during regular business hours, in-state and out-of-state callers with information regarding how to do business in the state, the services and assistance available to businesses, the advantages of doing business in the state, and information on state and other resources that provide assistance to businesses in the state. In addition to directly providing information, the department may use the business hotline as a clearinghouse through which to refer callers to other federal, state, local, or private sector economic developers. The program must include an in-state and out-of-state marketing campaign in support of the program. The commissioner shall follow up on business leads gained through the program and shall gather data on the results of calls, including business expansion, location, and startup.

**SECTION 31. AMENDMENT.** Section 57-51.1-07.2 of the North Dakota Century Code is amended and reenacted as follows:

**57-51.1-07.2. Permanent oil tax trust fund - Deposits - Interest - Adjustment of distribution formula.** ~~At the end of any biennium beginning after June 30, 1997, all~~ All revenue deposited in the general fund during ~~that a~~ a biennium ~~and derived from taxes imposed on oil and gas under chapters 57-51 and 57-51.1 which exceeds seventy-one million dollars must be transferred by the state treasurer to a special fund in the state treasury known as the permanent oil tax trust fund. The state treasurer shall transfer interest earnings of the permanent oil tax trust fund to the general fund at the end of each fiscal year. The principal of the permanent oil tax trust fund may not be expended except upon a two-thirds vote of the members elected to each house of the legislative assembly.~~

If the distribution formulas under chapter 57-51 or 57-51.1 are amended effective after June 30, 1997, the director of the budget shall adjust the seventy-one million dollar amount in this section by the same percentage increase or decrease in the amount of revenue allocable to the general fund after the change in the allocation formula, and transfers to the permanent oil tax trust fund shall thereafter be made using that adjusted figure so that the dollar amount of the transfers to the permanent oil tax trust fund is not increased or decreased merely because of changes in the distribution formulas.

~~Notwithstanding section 54-27.2-02, the state treasurer shall make the transfers required by this section before calculating any general fund revenue balance available~~

~~for transfer to the budget stabilization fund under chapter 54-27.2. In this section, "at the end of any biennium" has the same meaning as in section 54-27.2-02.~~

**SECTION 32. DAKOTA MANUFACTURING INITIATIVE.** The department of commerce shall seek to contract with the Dakota manufacturing extension partnership, incorporated, to implement the Dakota manufacturing initiative. The initiative includes building a membership association of manufacturers in North Dakota and South Dakota, complementing existing national, regional, and local manufacturing entities; providing nonduplicative services to the association's manufacturing members which address critical needs, including identifying and developing private procurement opportunities; and developing a consortium of major manufacturers in North Dakota and South Dakota to design and support overall supply chain development and supplier development. Under the initiative, state funds must be leveraged with additional public and private funds, which may include federal funding sources, South Dakota state funding, and funding from manufacturers.

**SECTION 33. NORTH DAKOTA AMERICAN INDIAN BUSINESS DEVELOPMENT OFFICE AND INTERNATIONAL BUSINESS AND TRADE OFFICE - REPORT TO LEGISLATIVE COUNCIL.** During the 2005-06 interim, the commissioner of commerce shall report to the legislative council on the status of the North Dakota American Indian business development office and the status of the international business and trade office; whether the North Dakota American Indian business development office and international business and trade office should continue; whether the division of economic development and finance should continue to contract with a third party for international business and trade office services; and whether there are potential changes that could be made to enhance the support of American Indian businesses and to enhance the support of international trade by North Dakota businesses.

**SECTION 34. LOCAL ECONOMIC DEVELOPERS CERTIFICATION PROGRAM - REPORT TO LEGISLATIVE COUNCIL.** During the 2005-06 interim, the commissioner of commerce shall report to the legislative council on the status of the certification program through which the division of economic development and finance provides training services to local economic developers. The report must include information regarding what services have been provided under the program to assist local economic developers, to whom the services were provided, local economic developer level of satisfaction with the program, whether the program should continue, and whether there are changes that could be made to better assist local economic developers.

**SECTION 35. IMAGE INFORMATION PROGRAM - REPORT TO LEGISLATIVE COUNCIL.** During the 2005-06 interim, the commissioner of commerce shall report to the legislative council on the status of the image information program. The report must include information regarding what information the program provides to state agencies and state agencies' employees, the manner in which the information is provided, the state agencies reached through the program, whether the program has been expanded to provide information to the private sector, whether the program should continue, and whether there are potential changes that could be made to better enhance the state's and private sector's ability to present a positive image of the state.

**SECTION 36. BUSINESS HOTLINE PROGRAM - REPORT TO LEGISLATIVE COUNCIL.** During the 2005-06 interim, the commissioner of commerce shall report to the legislative council on the status of the business hotline program. This report must include information regarding what information the program provides to callers; the number of calls made to the business hotline number; the manner in which the information is provided to callers; followup data; how the program is marketed; whether the program should continue; and whether there are potential changes that could be made to improve the dissemination of business information to businesses in the state, to persons planning on starting a business in the state, and to businesses wishing to do business in the state.

**SECTION 37. DAKOTA MANUFACTURING INITIATIVE - REPORT TO LEGISLATIVE COUNCIL.** During the 2005-06 interim, the commissioner of commerce shall report to the legislative council on the status of the Dakota manufacturing initiative. This report must include information regarding how the initiative has been established and regarding the activities of the Dakota manufacturing extension partnership, incorporated. The commissioner shall include in the report whether the state should continue this initiative or whether the goal of assisting manufacturers would be better served by alternative means. The commissioner shall report whether there are potential

changes that could be made to improve the networking of manufacturing businesses and other suppliers in this state.

**SECTION 38. INTELLECTUAL PROPERTY RIGHTS STUDY - REPORT TO LEGISLATIVE COUNCIL.** During the 2005-06 interim, the department of commerce, in consultation with the state board of higher education, shall conduct a study of the state's intellectual property laws as they relate to the protection of intellectual property rights. The study must include a review of the state's intellectual property laws, including barriers that may inhibit research and development in the state, and must include consideration of successful actions taken by other states to improve the protection of intellectual property rights. The department shall contract with a third party in performing this study. Before July 1, 2006, the commissioner of commerce shall report to the legislative council the outcome of the study and identify proposed legislative changes necessary to implement any recommendations to improve the protection of intellectual property rights.

**SECTION 39. ECONOMIC DEVELOPMENT INCENTIVES STUDY - REPORT TO LEGISLATIVE COUNCIL.** During the 2005-06 interim, the department of commerce shall conduct a study of the state's economic development incentives. The study must include an inventory of all of the state's economic development incentives, a review of the nature of each incentive, an indication of the targeted class of recipients of each incentive, an indication of the stage of business targeted by each incentive, an analysis of possible barriers to using the incentives, an analysis of possible gaps and overlaps in the state's economic development incentive system, a review of the effectiveness of each incentive and how to gauge the effectiveness of each incentive, and a review of economic development incentive best practices and how the state's incentives compare to best practices. The department of commerce may contract with a third party in performing this study. Before July 1, 2006, the commissioner of commerce shall report to the legislative council the outcome of the study and identify proposed legislative changes necessary to implement any recommended changes to the state's economic development incentive system to make the state's business environment more effective, efficient, and competitive.

**SECTION 40. ACCOUNTABILITY MEASURES - REPORTING.** The commissioner of the department of commerce shall monitor and report annually during the 2005-06 interim to either the budget section or an interim committee designated by the legislative council regarding the following North Dakota economic goals and associated benchmarks:

1. Develop unified efforts for economic development based on collaboration and accountability:
  - a. Site selection ranking of the North Dakota department of commerce.
  - b. Share of local economic development organizations participating in statewide marketing strategy.
2. Strengthen cooperation between the university system, economic development organizations, and private businesses:
  - a. Academic research and development expenditures as percentage of gross state product.
  - b. Industry research and development expenditures as percentage of gross state product.
3. Create quality jobs that retain North Dakota's workforce and attract new high-skilled labor:
  - a. Net job growth.
  - b. New private sector businesses per one hundred thousand residents.
  - c. Average annual wage.
  - d. Net migration.
4. Create a strong marketing image that builds on the state's numerous strengths, including workforce, education, and quality of life:

- a. Positive national and out-of-state media exposure (favorable mentions).
  - b. Number of North Dakota department of commerce web site hits per months.
  - c. Number of leads generated by the North Dakota department of commerce.
5. Accelerate job growth in sustainable, diversified industry clusters to provide opportunities for the state's economy:
    - a. Net job growth in manufacturing.
    - b. Net job growth in business services.
    - c. New private sector businesses in manufacturing.
    - d. New private sector businesses in business services.
    - e. Number of utility patents per one hundred thousand residents.
  6. Strengthen North Dakota's business climate to increase international competitiveness:
    - a. Gross state product (annual growth rate).
    - b. Venture capital investments (thousands).
    - c. Merchandise export value (per capita).

The department, in cooperation with job service North Dakota, the department of human services, and the university system, shall include in its report the number of individuals trained and the number who became employed as a result of each department's workforce development and training programs, including the state's investment, the areas of occupational training, the average annual salary of those employed, and the average increase in earnings twelve months after completion of training."

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### Senate Bill No. 2018 - Summary of House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Office of Management and Budget				
Total all funds	\$0	\$50,000	\$31,100,000	\$31,150,000
Less estimated income			<u>31,000,000</u>	<u>31,000,000</u>
General fund	<u>\$0</u>	<u>\$50,000</u>	<u>\$100,000</u>	<u>\$150,000</u>
University System office				
Total all funds	\$0	\$0	\$50,000	\$50,000
Less estimated income				
General fund	<u>\$0</u>	<u>\$0</u>	<u>\$50,000</u>	<u>\$50,000</u>
Department of Commerce				
Total all funds	\$128,561,660	\$76,491,020	\$2,886,527	\$79,377,547
Less estimated income	<u>105,432,496</u>	<u>55,423,044</u>	<u>4,851,950</u>	<u>60,274,994</u>
General fund	\$23,129,164	\$21,067,976	(\$1,965,423)	\$19,102,553
Transportation Institute				
Total all funds	\$0	\$0	\$360,000	\$360,000
Less estimated income				
General fund	<u>\$0</u>	<u>\$0</u>	<u>\$360,000</u>	<u>\$360,000</u>
Bill Total				
Total all funds	\$128,561,660	\$76,541,020	\$34,396,527	\$110,937,547
Less estimated income	<u>105,432,496</u>	<u>55,423,044</u>	<u>35,851,950</u>	<u>91,274,994</u>
General fund	\$23,129,164	\$21,117,976	(\$1,455,423)	\$19,662,553

#### Senate Bill No. 2018 - Office of Management and Budget - House Action

EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
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Operating expenses		\$50,000	\$100,000	\$150,000
Centers of excellence			15,000,000	15,000,000
Loan repayments			<u>16,000,000</u>	<u>16,000,000</u>
Total all funds	\$0	\$50,000	\$31,100,000	\$31,150,000
Less estimated income			<u>31,000,000</u>	<u>31,000,000</u>
General fund	\$0	\$50,000	\$100,000	\$150,000
FTE	0.00	0.00	1.00	1.00

**Dept. 110 - Office of Management and Budget - Detail of House Changes**

	ADDS FUNDING FOR PROCUREMENT WEB SITE <sup>1</sup>	ADDS CENTERS OF EXCELLENCE FUNDING <sup>2</sup>	TOTAL HOUSE CHANGES
Operating expenses	\$100,000		\$100,000
Centers of excellence		15,000,000	15,000,000
Loan repayments		<u>16,000,000</u>	<u>16,000,000</u>
Total all funds	\$100,000	\$31,000,000	\$31,100,000
Less estimated income		<u>31,000,000</u>	<u>31,000,000</u>
General fund	\$100,000	\$0	\$100,000
FTE	1.00	0.00	1.00

<sup>1</sup> Funding is increased by \$100,000 from the general fund to provide a total of \$150,000 for the Office of Management and Budget to establish and maintain a state procurement web site. Statutory changes added by the Senate relating to state procurement are removed.

<sup>2</sup> Sections are added providing funding for the centers of excellence program. The Office of Management and Budget is authorized to borrow up to \$15,000,000 from the Bank of North Dakota and to distribute the funds to centers of excellence as directed by the Centers of Excellence Commission. The loans and accrued interest are to be repaid from funds transferred to the permanent oil tax trust fund during the 2005-07 biennium. Repayments may not begin until a total of \$77,000,000 of oil tax revenues has been received by the general fund, of which \$71,000,000 will be retained in the general fund and \$6,000,000 transferred to the permanent oil tax trust fund. As additional amounts in excess of the \$6,000,000 are transferred into the fund, the Office of Management and Budget may use 50 percent of any additional transfers for repaying the Bank loans and interest, the total of which may not exceed \$16,000,000. A section is added providing that transfers from the general fund to the permanent oil tax trust fund may occur before the end of each biennium.

A section of legislative intent is added providing that the Legislative Assembly intends to provide a total of \$50,000,000 for centers of excellence during the 2005-07 and future bienniums.

**Senate Bill No. 2018 - University System Office - House Action**

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Operating expenses			<u>\$50,000</u>	<u>\$50,000</u>
Total all funds	\$0	\$0	\$50,000	\$50,000
Less estimated income				
General fund	\$0	\$0	\$50,000	\$50,000
FTE	0.00	0.00	0.00	0.00

**Dept. 215 - University System Office - Detail of House Changes**

	ADDS FUNDING FOR STUDY <sup>1</sup>	TOTAL HOUSE CHANGES
Operating expenses	<u>\$50,000</u>	<u>\$50,000</u>
Total all funds	\$50,000	\$50,000
Less estimated income		
General fund	\$50,000	\$50,000
FTE	0.00	0.00

<sup>1</sup> Funding is provided for conducting a technology commercialization study.

**Senate Bill No. 2018 - Department of Commerce - House Action**

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$7,169,321	\$7,139,998	\$559,372	\$7,699,370
Operating expenses	8,722,128	8,722,128	609,840	9,331,968
Capital assets	25,000	25,000		25,000
Grants	49,479,748	49,479,748	623,122	50,102,870
Centers of excellence	5,000,000	2,500,000	(2,500,000)	
Agricultural products utilization	2,792,124	2,791,250	3,284,750	6,076,000
Discretionary funds	1,440,127	1,900,127	(460,000)	1,440,127
Lewis and Clark Bicentennial	3,933,212	3,932,769	(125)	3,932,644
Centers of excellence -	50,000,000			

Borrowing			125,000	125,000
Economic development grants			644,568	644,568
Economic development initiatives				
Total all funds	\$128,561,660	\$76,491,020	\$2,886,527	\$79,377,547
Less estimate income	<u>105,432,496</u>	<u>55,423,044</u>	<u>4,851,950</u>	<u>60,274,994</u>
General fund	\$23,129,164	\$21,067,976	(\$1,965,423)	\$19,102,553
FTE	59.00	59.00	3.00	62.00

## Dept. 601 - Department of Commerce - Detail of House Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE	CHANGES FUNDING FOR ECONOMIC INITIATIVES <sup>1</sup>	CHANGES FUNDING FOR ECONOMIC GRANTS <sup>2</sup>	ADDS FUNDING FOR SALARIES <sup>3</sup>	ADDS FUNDING FOR DEVELOPMENT FUND FTE <sup>4</sup>	ADDS FUNDING FOR LEARNING VACATIONS <sup>5</sup>
Salaries and wages	(\$6,364)	\$105,432		\$120,000	\$118,994	\$80,000
Operating expenses						45,000
Capital assets						
Grants						
Centers of excellence						
Agricultural products utilization	(250)					
Discretionary funds		(460,000)				
Lewis and Clark Bicentennial	(125)					
Centers of excellence - Borrowing						
Economic development grants			\$125,000			
Economic development initiatives		<u>644,568</u>				
Total all funds	(\$6,739)	\$290,000	\$125,000	\$120,000	\$118,994	\$125,000
Less estimated income	<u>(2,044)</u>	<u>250,000</u>			<u>118,994</u>	
General fund	(\$4,695)	\$40,000	\$125,000	\$120,000	\$0	\$125,000
FTE	0.00	1.00	0.00	0.00	0.00	1.00
	ADDS FUNDING FOR INDIAN BUSINESS DEVELOPMENT <sup>6</sup>	ADDS FUNDING FOR TRADE OFFICE <sup>7</sup>	ADDS FUNDING FOR WORKFORCE DEVELOPMENT <sup>8</sup>	REMOVES FUNDING FOR CENTERS OF EXCELLENCE <sup>9</sup>	ADDS FUNDING FOR ETHANOL INCENTIVE PAYMENTS <sup>10</sup>	TOTAL HOUSE CHANGES
Salaries and wages	\$105,432		\$35,878			\$559,372
Operating expenses	23,840	\$500,000	41,000			609,840
Capital assets						
Grants			623,122			623,122
Centers of excellence				(\$2,500,000)		(2,500,000)
Agricultural products utilization					\$3,285,000	3,284,750
Discretionary funds						(460,000)
Lewis and Clark Bicentennial						(125)
Centers of excellence - Borrowing						
Economic development grants						125,000
Economic development initiatives						644,568
Total all funds	\$129,272	\$500,000	\$700,000	(\$2,500,000)	\$3,285,000	\$2,886,527
Less estimated income		<u>500,000</u>	<u>700,000</u>		<u>3,285,000</u>	<u>4,851,950</u>
General fund	\$129,272	\$0	\$0	(\$2,500,000)	\$0	(\$1,965,423)
FTE	1.00	0.00	0.00	0.00	0.00	3.00

<sup>1</sup> A total of \$750,000, of which \$500,000 is from the general fund and \$250,000 from funds to be raised by the department, is provided for the economic development initiatives listed below which were recommended by the Primary Sector Business Congress. The funding is increased from the \$460,000 provided by the Senate. Funding from the general fund for 1 FTE position is included in the salaries and wages line item and the remainder is included in a separate line item. The Senate had included funding in the discretionary funds line item and specified amounts for each initiative. In this amendment, specific amounts are not identified for each initiative.

- Target industry identification and report.
- Image information program.
- Business hotline program.
- Local economic developer certification and training program.
- Dakota manufacturing initiative.
- Intellectual property rights study and report.

- Economic development incentives study and report.
  - Business climate initiative study.
- 2 A separate line item is added providing funding from the general fund for the life sciences sector development grant (\$100,000) and the wind-to-hydrogen demonstration project grant (\$25,000). The Senate had designated funding from the discretionary funds line item for these grants.
- 3 The salaries and wages line item is increased by \$120,000 from the general fund to provide funding for a vacant FTE position.
- 4 Funding is added for the 1 FTE position recommended in the executive budget to be paid for from the Development Fund pursuant to a continuing appropriation. This amendment includes the funding and the FTE position in the Department of Commerce budget.
- 5 This amendment adds \$125,000 from the general fund and 1 FTE position for the Tourism Division to develop, market, and implement learning-based vacations, including development of a learning-based vacation web site which will allow individuals to create individualized learning-based vacations.
- 6 Funding and 1 FTE position are added for operating costs of the American Indian Business Development Office within the Department of Commerce. Sections are added making statutory changes and providing for a report to the Legislative Council relating to the American Indian Business Development Office.
- 7 The operating expenses line item is increased by \$500,000 from the Development Fund for costs associated with the International Business and Trade Office. The funds are not transferred from the Development Fund until 50 percent matching funds are available. Sections are added changing statutory provisions relating to the office, including establishing the purpose of the office and authorizing an advisory board.
- 8 This amendment adds funding available from a federal technical skills training grant for additional workforce training.
- 9 This amendment removes funding and related statutory and reporting provisions relating to centers of excellence.
- 10 The Agricultural Products Utilization Commission line item is increased to appropriate funding from the ethanol production incentive fund for paying ethanol production incentives. A section is added removing the continuing appropriation for making these payments.

A section is added providing for an economic development incentives study and report to the Legislative Council.

Sections added by the Senate relating to the following items are removed:

- Changes to the seed capital investment tax credit - Moved to Senate Bill No. 2032.
- Directing a tax study - Moved to Senate Bill No. 2032.
- Directing a Legislative Council business climate initiative study - Moved to Senate Bill No. 2032.
- Requiring the Agricultural Products Utilization Commission to provide a \$100,000 wheat scab research grant to a private company.

#### Senate Bill No. 2018 - Transportation Institute - House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Operating expenses			<u>\$360,000</u>	<u>\$360,000</u>
Total all funds	\$0	\$0	\$360,000	\$360,000
Less estimated income				
General fund	\$0	\$0	\$360,000	\$360,000
FTE	0.00	0.00	0.00	0.000

#### Dept. 627 - Transportation Institute - Detail of House Changes

	ADDS FUNDING FOR TRANSPORTATION STUDY <sup>1</sup>	TOTAL HOUSE CHANGES
Operating expenses	<u>\$360,000</u>	<u>\$360,000</u>
Total all funds	\$360,000	\$360,000
Less estimated income		
General fund	\$360,000	\$360,000
FTE	0.00	0.00

<sup>1</sup> Funding is added for conducting a transportation study.



**REPORT OF STANDING COMMITTEE**

**SB 2032, as reengrossed: Appropriations Committee (Rep. Svedjan, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (21 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). Reengrossed SB 2032 was placed on the Sixth order on the calendar.

In lieu of the amendments adopted by the House as printed on pages 1139 and 1140 of the House Journal, Reengrossed Senate Bill No. 2032 is amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new chapter to title 15, a new section to chapter 54-44.4, and a new section to chapter 57-38.5 of the North Dakota Century Code, relating to a centers of excellence program, an office of management and budget procurement information program, and seed capital investment tax credit treatment of investments in excess of caps on credits; to amend and reenact sections 6-09-15, 10-04-05, 10-30.5-04, and 54-16-01, subsection 1 of section 57-38-01.2, subsection 1 of section 57-38-71, and sections 57-38.5-01, 57-38.5-02, 57-38.5-03, 57-38.5-04, and 57-38.5-05 of the North Dakota Century Code, relating to the authority of the Bank of North Dakota to invest funds, cross-references affected by the repeal of the venture capital corporation law, the authority of the North Dakota development fund to invest and manage funds, emergency commission membership, and the seed capital investment tax credit; to repeal chapters 10-30.1 and 10-30.2 and section 15-10-41 of the North Dakota Century Code, relating to venture capital corporations, the Myron G. Nelson Fund, Incorporated, and the centers of excellence program; to provide for state agency studies, reports to the legislative council, and legislative council studies; to provide an effective date; and to provide an expiration date.

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

**SECTION 1. AMENDMENT.** Section 6-09-15 of the North Dakota Century Code is amended and reenacted as follows:

**6-09-15. (Effective through July 31, ~~2007~~ 2009) Powers.** The Bank of North Dakota may:

1. Make, purchase, guarantee, or hold loans:
  - a. To state or federally chartered lending agencies or institutions, or any other financial institutions.
  - b. To holders of Bank of North Dakota certificates of deposit and savings accounts up to ninety percent of the value of the certificates and savings accounts offered as security.
  - c. To actual farmers who are residents of this state, if the loans are secured by recorded mortgages giving the Bank of North Dakota a first lien on real estate in North Dakota in amounts not to exceed eighty percent of the value of the security.
  - d. That are insured or guaranteed in whole or in part by the United States, its agencies, or instrumentalities.
  - e. That are eligible to be guaranteed under chapter 15-62.1. Loans made pursuant to this subdivision may provide for interest that remains unpaid at the end of any period specified in the loan to be added to the principal amount of the debt and thereafter accumulate interest.
  - f. To individuals or bank holding companies for the purpose of purchasing or refinancing the purchase of bank stock of a bank located in the state.
  - g. To nonprofit organizations that are exempt from federal taxation under section 501(c)(3) of the Internal Revenue Code [26 U.S.C. 501(c)(3)], the proceeds of the loans to be used for construction, reconstruction, repair, renovation, maintenance, and associated costs on property under the control of the parks and recreation department.

- h. Under Public Law No. 99-198 [99 Stat. 1534; 7 U.S.C. 1932 et seq.], as amended through December 31, 1996, to nonprofit corporations for the purpose of relending loan funds to rural businesses.
  - i. Under title 7, Code of Federal Regulations, part 1948, subpart C; part 1951, subparts F and R; and part 1955, subparts A, B, and C, as amended through December 31, 1996, to finance businesses and community development projects in rural areas.
  - j. Obtained as security pledged for or originated in the restructuring of any other loan properly originated or participated in by the Bank.
  - k. To instrumentalities of this state.
  - l. As otherwise provided by this chapter or other statutes.
  - m. If the Bank is participating in the loan and the Bank deems it is in the best interests of the Bank to do so, it may purchase the remaining portion of the loan from a participating lender that is closed by regulatory action, or from the receiver of the participating lender's assets.
  - n. To an investment company created for completing a trust preferred securities transaction for the benefit of a financial institution located in this state.
- 2. Make agricultural real estate loans in order to participate in the agricultural mortgage secondary market program established pursuant to the Agricultural Credit Act [Pub. L. 100-233; 101 Stat. 1686; 12 U.S.C. 2279aa-2279aa-14], as amended through December 31, 1996.
  - 3. Purchase participation interests in loans made or held by banks, bank holding companies, state or federally chartered lending agencies or institutions, any other financial institutions, or any other entity that provides financial services and that meets underwriting standards that are generally accepted by state or federal financial regulatory agencies.
  - 4. Invest its funds:
    - a. In conformity with policies of the industrial commission.
    - b. In a public venture capital corporation organized and doing business in this state through the purchase of shares of stock.
    - c. In North Dakota alternative and venture capital investments and early-stage capital funds including the North Dakota development fund, incorporated, not to exceed five ten million dollars, for the purpose of providing funds for investment in North Dakota alternative and venture capital investments and early-stage capital funds. The Bank may allow for third-party management of the funds invested under this subdivision if the management is provided by North Dakota development fund, incorporated, or a third party that is located in the state and that has demonstrated fund management experience.
  - 5. Buy and sell federal funds.
  - 6. Lease, assign, exchange, transfer, convey, grant, pledge, or mortgage all real and personal property, title to which has been acquired in any manner.
  - 7. Acquire real or personal property or property rights by purchase, lease, or the exercise of the right of eminent domain and may construct, remodel, and repair buildings.
  - 8. Receive deposits from any source and deposit its funds in any bank or other financial institution.
  - 9. Perform all acts and do all things necessary, convenient, advisable, or desirable to carry out the powers expressly granted or necessarily implied in this chapter through or by means of its president, officers, agents, or employees or by contracts with any person, firm, or corporation.

10. Purchase mortgage loans on residential real property originated by financial institutions.

**(Effective after July 31, ~~2007~~ 2009) Powers.** The Bank of North Dakota may:

1. Make, purchase, or hold loans:
  - a. To state or federally chartered lending agencies or institutions, or any other financial institutions.
  - b. To holders of Bank of North Dakota certificates of deposit and savings accounts up to ninety percent of the value of the certificates and savings accounts offered as security.
  - c. To actual farmers who are residents of this state, if the loans are secured by recorded mortgages giving the Bank of North Dakota a first lien on real estate in North Dakota in amounts not to exceed eighty percent of the value of the security.
  - d. That are insured or guaranteed in whole or in part by the United States, its agencies, or instrumentalities.
  - e. That are eligible to be guaranteed under chapter 15-62.1. Loans made pursuant to this subdivision may provide for interest that remains unpaid at the end of any period specified in the loan to be added to the principal amount of the debt and thereafter accumulate interest.
  - f. To individuals or bank holding companies for the purpose of purchasing or refinancing the purchase of bank stock of a bank located in the state.
  - g. To nonprofit organizations that are exempt from federal taxation under section 501(c)(3) of the Internal Revenue Code [26 U.S.C. 501(c)(3)], the proceeds of the loans to be used for construction, reconstruction, repair, renovation, maintenance, and associated costs on property under the control of the parks and recreation department.
  - h. Under Public Law No. 99-198 [99 Stat. 1534; 7 U.S.C. 1932 et seq.], as amended through December 31, 1996, to nonprofit corporations for the purpose of relending loan funds to rural businesses.
  - i. Under title 7, Code of Federal Regulations, part 1948, subpart C; part 1951, subparts F and R; and part 1955, subparts A, B, and C, as amended through December 31, 1996, to finance businesses and community development projects in rural areas.
  - j. Obtained as security pledged for or originated in the restructuring of any other loan properly originated or participated in by the Bank.
  - k. To instrumentalities of this state.
  - l. As otherwise provided by this chapter or other statutes.
  - m. If the Bank is participating in the loan and the Bank deems it is in the best interests of the Bank to do so, it may purchase the remaining portion of the loan from a participating lender that is closed by regulatory action, or from the receiver of the participating lender's assets.
  - n. To an investment company created for completing a trust preferred securities transaction for the benefit of a financial institution located in this state.
2. Make agricultural real estate loans in order to participate in the agricultural mortgage secondary market program established pursuant to the Agricultural Credit Act [Pub. L. 100-233; 101 Stat. 1686; 12 U.S.C. 2279aa-2279aa-14], as amended through December 31, 1996.

3. Purchase participation interests in loans made or held by banks, bank holding companies, state or federally chartered lending agencies or institutions, any other financial institutions, or any other entity that provides financial services and that meets underwriting standards that are generally accepted by state or federal financial regulatory agencies.
4. Invest its funds:
  - a. In conformity with policies of the industrial commission.
  - b. In a public venture capital corporation organized and doing business in this state through the purchase of shares of stock.
5. Buy and sell federal funds.
6. Lease, assign, exchange, transfer, convey, grant, pledge, or mortgage all real and personal property, title to which has been acquired in any manner.
7. Acquire real or personal property or property rights by purchase, lease, or the exercise of the right of eminent domain and may construct, remodel, and repair buildings.
8. Receive deposits from any source and deposit its funds in any bank or other financial institution.
9. Perform all acts and do all things necessary, convenient, advisable, or desirable to carry out the powers expressly granted or necessarily implied in this chapter through or by means of its president, officers, agents, or employees or by contracts with any person, firm, or corporation.
10. Purchase mortgage loans on residential real property originated by financial institutions.

**SECTION 2. AMENDMENT.** Section 10-04-05 of the North Dakota Century Code is amended and reenacted as follows:

**10-04-05. Exempt securities.** Sections 10-04-04, 10-04-07, 10-04-07.1, 10-04-08, and 10-04-08.4 do not apply to any of the following securities:

1. Securities issued or guaranteed by the United States of America, or by any state, territory, or insular possession thereof, or by any political subdivision of any such state, territory, or insular possession, or by the District of Columbia, or by any public agency or instrumentality of one or more of any of the foregoing, or payable from assessments for improvements or revenues of publicly owned utilities therein; or a certificate of deposit for any of the foregoing, but this exemption does not include any security payable solely from revenues to be received from a nongovernmental industrial or commercial enterprise unless the security is insured or unconditionally guaranteed by, or the revenues are derived from, a person whose securities are exempt from registration under this section.
2. Securities issued by and representing an interest in or a debt of, or guaranteed by, a national bank or a national bank and trust company or bank or credit or loan or savings association or savings and loan association or credit union organized pursuant to an Act of Congress and supervised by the United States, or any agency thereof, or issued or guaranteed as to both principal and interest by an international bank of which the United States is a member, or issued by and representing an interest in or a debt of, or guaranteed by, a state bank, trust company, savings bank, savings institution, or credit union organized and supervised under the laws of any state, and securities of any person subject to examination by the commissioner of financial institutions of North Dakota.
3. Securities issued by a building and loan association subject to supervision by an agency of the state of North Dakota, or policy contracts, including variable annuity contracts, of an insurance company subject to supervision by an agency of the state of North Dakota.
4. Securities issued or guaranteed as to principal, interest, or dividends by a corporation or limited liability company owning or operating a railroad or

other public service utility, if the corporation or limited liability company is subject to regulation or supervision either as to its rates and charges or as to the issue of its securities by a public service commission, or by a board, body, or official having like powers, of the United States or of any state, territory, or insular possession thereof, or of any municipality located therein, or of the District of Columbia, or of the Dominion of Canada, or any province thereof.

5. Any security issued by any person organized and operated not for private profit but exclusively for religious, educational, benevolent, fraternal, charitable, social, or reformatory purposes; provided that prior to any offer of such security each person must meet the following conditions:
  - a. Apply for and obtain the written approval of the commissioner.
  - b. File an application, offering disclosure document, and pay a nonrefundable filing fee of one hundred fifty dollars, which document and fee must accompany the application.
  - c. File a notice identifying the basis of its qualification under this exemption with such additional information as the commissioner may require.
  - d. Provide a copy of the offering disclosure document to each person to whom an offer to sell or sale is made.

The approval is effective for a period of one year from the date of approval. At least thirty days prior to the expiration date, there must be filed an application, offering disclosure document, and a nonrefundable fee of one hundred dollars for the renewal of the filing for additional periods of one year.

6. Any note, draft, bill of exchange, or bankers' acceptance which arises out of a current transaction or the proceeds of which have been or are to be used for current transactions, is not the subject of a public offering, is prime quality negotiable commercial paper which has at the time of issuance a definite maturity of not exceeding nine months, is payable in cash only, and is not convertible into and does not carry an option or right to receive payment or any bonus in any other security.
7. Securities, other than common stock, providing for a fixed return, which have been outstanding and in the hands of the public for not less than five years and upon which no default has occurred during the five years next preceding the date of sale.
8. Securities, including patronage dividends or refunds, issued by any cooperative organized under the statutes of this state.
9. Any equipment security based on a chattel mortgage, lease, or agreement for the conditional sale of cars, motive power, or other rolling stock mortgaged, leased, sold to, or furnished for the use of a railroad or other public service utility corporation or limited liability company, and any equipment security when the ownership of or title to such equipment is pledged or retained in accordance with the provisions of the laws of the United States or of any state thereof, or of the Dominion of Canada, to secure the payments of such equipment security whether it be an equipment trust certificate, bond, or note.
10. Any bond, note, or other evidence of debt issued by a holding corporation or limited liability company and secured by collateral consisting of any of the securities described in subsections 4 and 9, if the collateral securities equal in fair value at least one hundred twenty-five percent of the par value of the bonds, notes, or other evidences of debts secured thereby.
11. The execution of orders for purchase of securities by a registered dealer provided such dealer acts as agent for the purchaser, has made no solicitation of the order to purchase such securities, has no direct material interest in the sale or distribution of the securities ordered, receives no commission, profit, or other compensation other than the commissions involved in the purchase and sale of the securities and delivery to the

purchaser of written confirmation of the order which clearly itemizes the commissions paid to the registered dealer. Clear and complete records of all transactions exempted under this subsection shall be maintained by the registered dealer or broker.

12. ~~Any security issued by a venture capital corporation or limited liability company organized under and operating in compliance with chapter 10-30.1; provided that prior to any offer of such security, the issuer must meet the following conditions:~~

- ~~a. Apply for and obtain written approval by the commissioner.~~
- ~~b. File an application, offering disclosure document, and pay a nonrefundable filing fee of one hundred fifty dollars. The document and fee must accompany the application.~~
- ~~c. File such additional information as the commissioner requires by rule or order or may subsequently request.~~
- ~~d. Provide a copy of the offering disclosure document to each person to whom an offer to sell or sale is made.~~
- ~~e. Not use public advertising matter or general solicitation, except tombstone advertisements approved by the commissioner, in connection with any offer or sale.~~
- ~~f. File a report of all offers and sales made in this state within thirty days after the completion of the offering.~~

~~The approval is effective for a period of one year from the date of approval. There must be filed, at least thirty days prior to the expiration date, an application, disclosure document, and a nonrefundable fee of one hundred dollars for the renewal of the filing for additional periods of one year.~~

13. Any security issued or guaranteed by Canada, any Canadian province, any political subdivision of any such province, or any agency or corporate or other instrumentality of one or more of the foregoing, or any other foreign government with which the United States currently maintains diplomatic relations, if the security is recognized as a valid obligation by the issuer or guarantor. This exemption does not include any security payable solely from revenues to be received from a nongovernmental industrial or commercial enterprise.
44. 13. a. Any security, other than a security that is a federal covered security pursuant to section 18(b)(1) of the Securities Act of 1933 and therefore not subject to any filing or registration requirements under this chapter, listed or designated, or approved for listing or designation upon notice of issuance on:
- (1) The New York stock exchange;
  - (2) The American stock exchange;
  - (3) The national association of securities dealers automated quotation national market system;
  - (4) Tier I of the Philadelphia stock exchange;
  - (5) Tier I of the Pacific stock exchange;
  - (6) Chicago board options exchange; or
  - (7) Any other stock exchange or automated quotation system which the commissioner approves by rule;
- b. Any other security of the same issuer which is of senior or substantially equal rank;
- c. Any security called for by subscription rights or warrants so listed or approved; or

d. Any warrant or right to purchase or subscribe to any of the foregoing.

The commissioner may withdraw this exemption by order as to any exchange or system, or any particular security, if the commissioner determines that it would be in the public interest.

- ~~15.~~ 14. Securities issued by the North Dakota education association dues credit trust to members of the North Dakota education association.

**SECTION 3. AMENDMENT.** Section 10-30.5-04 of the North Dakota Century Code is amended and reenacted as follows:

**10-30.5-04. (Effective through July 31, 2007~~2009~~) Powers.** The corporation must be organized as a nonprofit corporation. In addition to the powers in chapter 10-33, the corporation may:

1. Cooperate and contract with any private or public entity.
2. Receive appropriations from the legislative assembly and other public moneys as well as contributions from other private or public contributors.
3. Borrow funds not to exceed ~~five~~ ten million dollars from the Bank of North Dakota for the purpose of investing in North Dakota alternative and venture capital investments and early-stage capital funds. The corporation may provide management services for the Bank's alternative and venture capital investments and early-stage capital funds.

**(Effective after July 31, 2007~~2009~~) Powers.** The corporation must be organized as a nonprofit corporation. In addition to the powers in chapter 10-33, the corporation may:

1. Cooperate and contract with any private or public entity.
2. Receive appropriations from the legislative assembly and other public moneys as well as contributions from other private or public contributors.

**SECTION 4.** A new chapter to title 15 of the North Dakota Century Code is created and enacted as follows:

Definitions. In this chapter, unless the context otherwise requires:

1. "Board" means the state board of higher education.
2. "Center" means a center of excellence relating to economic development which has been designated or named under this chapter.
3. "Commission" means the centers of excellence commission.
4. "Foundation" means the North Dakota economic development foundation.
5. "Industry cluster" means one of the following industries:
  - a. Advanced manufacturing;
  - b. Energy;
  - c. Information and technology;
  - d. Tourism;
  - e. Value-added agriculture; or
  - f. An industry, including the aerospace industry, specifically identified by the department of commerce as an industry that will contribute to the gross state product.

Centers of excellence.

1. The board shall establish a centers of excellence program relating to economic development. Through the program the commission shall make funding award recommendations for commission-approved applications to the board, the foundation, and the budget section of the legislative council. A center must be an institution of higher education under the control of the board or a nonprofit university-related or college-related foundation of an institution of higher education under the control of the board. In order to be considered for center designation, the institution of higher education or nonprofit foundation must be working in partnership with the private sector. In addition to any center designated under this chapter, the North Dakota state university center for technology enterprise and the university of North Dakota center for innovation are centers.
2. A commission funding award recommendation must be for a specified amount. Designation of a center occurs upon board, foundation, and budget section approval of a commission funding award recommendation. In considering whether to designate a center, the board, foundation, and budget section may not modify the commission recommendation. The budget section may not make a determination of whether to approve or reject a commission funding award recommendation until the emergency commission reviews the commission recommendation and makes a recommendation to the budget section.
3. A center that receives funds distributed under this chapter is not qualified to receive subsequent designations as a center until the biennium following the center's most recent designation.
4. The board rules adopted under subsection 9 of section 15-10-17, relating to ownership of intellectual property, inventions, and discoveries, must address activities and issues unique to centers.

Centers of excellence commission. The centers of excellence commission consists of six members. The foundation shall appoint three of the foundation's members to serve on the commission and the board shall appoint three of the board's members to serve on the commission. The commission members shall designate a chairman and a vice chairman of the commission. Each member of the commission shall serve for a term of three years, beginning July first; may be reappointed for additional terms; and serves at the pleasure of the appointing entity. If a commission member ceases to serve as a member of the appointing entity, that member's membership on the commission ceases immediately and the appointing entity shall appoint a new member for the remainder of the term. Terms of initial commission members begin on the effective date of this Act and must be staggered. On a meeting-by-meeting basis, an appointing entity may substitute a member of that appointing entity to serve in place of one of the regular members appointed by that entity. If the commission chairman and vice chairman are not present at a meeting, the commission members present at that meeting shall select a commission member to serve as chairman for that meeting. A commission member may receive compensation and travel and expense reimbursement from the appointing entity. The board shall provide the commission with appropriate staff services as may be requested by the commission.

Application - Eligibility requirements.

1. The board shall provide center application forms, accept applications, review applications for completeness and compliance with board policy, and forward complete applications to the commission in accordance with guidelines established by the commission.
2. The commission shall meet as necessary to review all complete applications; approve or disapprove complete applications; make funding award recommendations for commission-approved proposed centers; distribute funds to the centers; monitor centers for compliance with award requirements; and review changes in assertions made in center applications.
3. In considering whether to approve or disapprove an application, the commission shall consider whether the center will:
  - a. Use university or college research to promote private sector job growth and expansion of knowledge-based industries or use university



or college research to promote the development of new products, high-tech companies, or skilled jobs in this state;

- b. Create high-value private sector employment opportunities in this state;
- c. Provide for public-private sector involvement and partnerships;
- d. Leverage other funding;
- e. Increase research and development activities that may involve federal funding from the national science foundation experimental program to stimulate competitive research;
- f. Foster and practice entrepreneurship;
- g. Promote the commercialization of new products and services in industry clusters;
- h. Become financially self-sustaining; and
- i. Establish and meet a deadline for acquiring and expending all public and private funds specified in the application.

Use of funds - Terms of funds - Distribution of funds.

- 1. A center shall use funds awarded under this chapter to enhance capacity; enhance infrastructure; and leverage state, federal, and private sources of funding. A center awarded funds under this chapter may not use the funds to supplant funding for current operations or academic instructions or to pay indirect costs.
- 2. As a condition for receipt of funds under this chapter, a center shall agree to provide the board, foundation, and budget section of the legislative council with annual audits on all funds distributed to the center under this chapter. The annual audits must be provided until the completion of four years following the final distribution of funds under this chapter.
- 3. Before the commission distributes funds awarded under this chapter, the center shall provide the commission with detailed documentation of private sector participation and the availability of two dollars of matching funds for each dollar of state funds to be distributed under this chapter. The matching funds may include funds facilitated through the collaboration of the private sector participants with other funding entities. The matching funds may include a combination of cash and in-kind assets with itemized value. Private sector participation may be established through equity investments or through contracts for services with private sector entities. In making funding recommendations and designation determinations, the commission, board, foundation, and budget section shall give major consideration to the portion of the matching funds provided in cash by the private sector.
- 4. If, before funds are distributed by the commission, a center undergoes a change in the terms of or assertions made in its application, the commission may withhold all or a portion of any undistributed funds pending commission review of the changes.

**SECTION 5. AMENDMENT.** Section 54-16-01 of the North Dakota Century Code is amended and reenacted as follows:

**54-16-01. Emergency commission - Members - Organization - Quorum - Meetings.** The emergency commission consists of the governor, the ~~chairman~~ majority leaders of the senate and house of representatives of the legislative council, the secretary of state, and the chairmen of the senate and house of representatives appropriations committees. If the chairman of an appropriations committee ceases to be a member of the legislative assembly, the vice chairman of that committee succeeds to that position on the commission. An appropriations committee vice chairman may serve in the place of the appropriations committee chairman as a member of the commission at the request of the appropriate appropriations committee chairman, if the appropriations committee chairman is unable to attend a commission meeting. ~~The vice~~

~~chairman of the legislative council~~ If a majority leader ceases to be a member of the legislative assembly, the respective house's assistant majority leader succeeds to that position on the commission. A majority leader's assistant majority leader may serve as a member of the commission in the place of the ~~chairman of the legislative council~~ majority leader at the request of the ~~chairman of the legislative council~~ majority leader if that ~~individual~~ majority leader is serving on the commission in another capacity or is unable to attend a commission meeting. Four members of the commission constitute a quorum. The governor is the chairman and the secretary of state is the secretary of the commission. The commission shall meet at the call of the chairman.

**SECTION 6.** A new section to chapter 54-44.4 of the North Dakota Century Code is created and enacted as follows:

Procurement information - Web site.

1. The office of management and budget shall establish and maintain a procurement information web site on the internet. This procurement information web site must provide current information regarding North Dakota government procurement opportunities in order to inform potential vendors of the commodities and services sought by state agencies and institutions. Notwithstanding section 54-44.4-09, for each purchase of services or commodities over the amount established for small purchases, the office of management and budget and every purchasing agency shall provide procurement information on the web site. The time period and manner of providing procurement information on the web site must be in accordance with rules adopted by the office of management and budget. The office of management and budget may contract with a third party to assist in providing or maintaining the procurement information web site.
2. A state agency or institution may elect to use the procurement information web site for the purchase of services and commodities that are not subject to the procurement requirements of this chapter, including:
  - a. Commodities and services exempted under section 54-44.4-02;
  - b. Public improvements under title 48;
  - c. Architect, engineer, construction management, and land surveying services under chapter 54-44.7; and
  - d. Concessions under chapter 48-09.

**SECTION 7. AMENDMENT.** Subsection 1 of section 57-38-01.2 of the North Dakota Century Code is amended and reenacted as follows:

1. The taxable income of an individual, estate, or trust as computed pursuant to the provisions of the United States Internal Revenue Code of 1954, as amended, shall be:
  - a. Reduced by any interest received from obligations of the United States that is included in taxable income or in the computation thereof on the federal return.
  - b. Reduced by any other income included in the taxable income, or in the computation thereof, on the federal return which is exempt from taxation by this state because of the provisions of the Constitution of North Dakota or the Constitution of the United States.
  - c. Reduced by the amount of federal income tax liability, but not social security and self-employment taxes, as computed under chapter 1 of the Internal Revenue Code of 1954, as amended, for the same taxable year for which the North Dakota return is being filed, to the extent that such taxes are computed upon income which becomes a part of the North Dakota taxable income. Provided, that no adjustment to federal income taxes, paid or accrued, is required because of allowable deductions to federal taxable income made under the cost recovery provisions of subdivision b of subsection 5 of section 57-38-01. However, such federal income tax liability must be reduced by all credits thereon except credits for federal income tax withholding payments, estimates of federal income tax, and income

taxes of foreign countries. Federal income taxes for prior periods assessed against the taxpayer by reason of audit or other adjustment by the internal revenue service, or voluntary disclosure by the taxpayer, are not deductible except in the period in which income so taxed was reported or reportable or in which an adjustment was required but only after an adjustment is made by or with the office of the state tax commissioner. A refund of federal income tax must be reported and included in North Dakota taxable income in the year in which the tax was originally deducted.

- d.
  - (1) Reduced by three hundred dollars if the return filed is a joint return by husband and wife. If separate returns are filed by husband and wife, no deduction can be taken under this subdivision. This subdivision shall not be applicable to estates or trusts.
  - (2) Reduced by three hundred dollars if the return filed is the return of a "head of household" as defined by the United States Internal Revenue Code of 1954, as amended; provided, that the term "head of household" shall also include a "surviving spouse" as defined by said code.
  - (3) Reduced by seven hundred fifty dollars for each adopted child who is under the age of twenty-one years and who is either irreversibly mentally retarded or, on the basis of the annual findings of a licensed physician, is blind or disabled as determined pursuant to the provisions of title XVI of the United States Social Security Act, provided the return filed is the return of the parent of an adopted child and such child qualifies as a dependent of such parent for federal income tax purposes.
  - (4) Reduced, up to a maximum of one thousand dollars, by the amount of filing fees, attorney's fees, and travel costs incurred in connection with an adoption and by the actual costs paid to a licensed child-placing agency in making the adoptive study and in supervising and evaluating the adoptive placement. Provided, however, that the reduction allowed under this paragraph shall apply only to such adoption expenses of a child who qualifies under the provisions of paragraph 3.
  - (5) Reduced by one thousand seven hundred fifty dollars for each child under the age of twenty-one years adopted by the taxpayer. The reduction under this paragraph may be claimed only by an adoptive parent of an adopted child and the child must qualify as a dependent of the adoptive parent for federal income tax purposes. The reduction may be claimed by only one spouse, for spouses filing separately under this chapter. The reduction provided by this paragraph may be claimed for the taxable year in which the adoption becomes final and any unused portion of the reduction may be carried forward by the taxpayer for up to five taxable years. The reduction does not apply to the adoption of children of the taxpayer's spouse.
- e. Reduced by the actual amount of the medical expenses that were incurred but not allowed on the federal return by reason of the federal medical deduction limitation.
- f. Increased by the amount of any income taxes, or franchise or privilege taxes measured by income, to the extent that such taxes were deducted to determine federal taxable income.
- g. Increased by the amount of any interest and dividends from foreign securities and from securities of state and their political subdivisions exempt from federal income tax; provided, that interest upon obligations of the state of North Dakota or any of its political subdivisions shall not be included.
- h. Except for residents, reduced by the amount of net income not allocated and apportioned to this state under the provisions of chapter 57-38.1, but only to the extent that the amount of net income not

allocated and apportioned to this state under the provisions of that chapter is not included in any adjustment made pursuant to the preceding subdivisions.

- i. ~~Repealed by S.L. 2003, ch. 529, § 3.~~
- j. Reduced by any amount, up to a maximum of five thousand dollars, received pursuant to the firefighters relief associations authorized by chapters 18-05 and 18-11, policemen's pension funds authorized by chapter 40-45, or the highway patrolmen's retirement system authorized by chapter 39-03.1; provided, however, that the adjustment provided in this subdivision shall be reduced by any amount received pursuant to the federal Social Security Act.
- ~~k.~~ j. Reduced by any amount, up to a maximum of one thousand dollars, received by any person as payment for services performed while on active duty in the armed forces of the United States or as payment for attending periodic training meetings for drill and instruction as a member of the national guard or of a reserve unit of the armed forces of the United States. However, persons serving in the armed forces of the United States, except field grade and general officers, who are stationed outside of any state of the United States or the District of Columbia for not less than thirty days during the tax year shall be allowed an additional reduction of up to three hundred dollars per month for each month or portion of a month received as payment for services performed while on active duty at such location.
- ~~l.~~ k. Reduced by any amount, up to a maximum of five thousand dollars, received by any person fifty years of age or older as retired military personnel pay for service in the United States army, navy, air force, coast guard, or marine corps or reserve components thereof; provided, however, that the adjustment provided in this subdivision shall be reduced by any amount received pursuant to the federal Social Security Act.
- ~~m.~~ l. Reduced by the amount of interest received during that taxable year on a contract for deed on the sale of eighty or more acres [32.37 or more hectares] of agricultural land to a beginning farmer. The contract for deed must extend for not less than ten years and have an annual interest rate equal to or less than the minimum rate allowed by the internal revenue service before interest is imputed. In order for an individual, estate, or trust to qualify for this reduction, the taxpayer must obtain a statement from the buyer stating that the buyer meets all requirements of the beginning farmer definition, together with such other information as the state tax commissioner may require. The value placed on any real property located in North Dakota and owned by the buyer must be the amount listed as the true and full value on the most recent real estate tax statement for that particular piece of property. In determining the net worth of any person, including the person's dependents and spouse, if any, for purposes of this subdivision, the value of their equity in their principal residence, the value of one personal or family motor vehicle, and the value of their household goods, including furniture, appliances, musical instruments, clothing, and other personal belongings may not be included. This statement must be filed along with the income tax return. For the purposes of this subdivision, "beginning farmer" means any person who is:
  - (1) A resident of this state.
  - (2) Receiving more than one-half of that person's gross annual income from farming, unless the person initially commences farming during the tax year for which an adjustment will be claimed under this subdivision.
  - (3) Intending to use any farmland to be purchased or rented for agricultural purposes.
  - (4) Except for contracts for deed entered into prior to July 1, 1985, having adequate training by education in the type of farming

operation which the person wishes to begin through satisfactory participation in the adult farm management education program of the state board for career and technical education or an equivalent program approved by the agriculture commissioner.

- (5) Having, including the net worth of any dependents and spouse, a net worth of less than one hundred thousand dollars.

~~m.~~ m. Reduced by the amount of interest received during that taxable year on a contract on the sale of any land, buildings, improvements, and equipment associated with the land, buildings, or improvements, used or useful in connection with a revenue-producing enterprise to a beginning businessman, excluding beginning farmers as defined in subdivision ~~m~~ l. The contract must extend for not less than ten years and have an annual interest rate equal to or less than the minimum rate allowed by the internal revenue service before interest is imputed. In order for an individual, estate, or trust to qualify for this reduction, the taxpayer must obtain a statement from the buyer containing a list of the buyer's assets and debts and giving the buyer's net worth, together with any other information required by the state tax commissioner. The value placed on any real property located in North Dakota and owned by the buyer shall be the amount listed as the current market value on the most recent real estate tax statement for that particular piece of property. In determining the net worth of any person, including that person's dependents and spouse, if any, the value of their equity in their principal residence, the value of one personal or family motor vehicle, and the value of their household goods, including furniture, appliances, musical instruments, clothing, and other personal belongings is not to be included. This statement is to be filed along with the income tax return. For the purposes of this subdivision, "beginning businessman", excluding beginning farmers as defined in subdivision ~~m~~ l, means any person who is:

- (1) A resident of this state.
- (2) Receiving more than one-half of that person's gross annual income from a revenue-producing enterprise, unless the person initially commences business during the tax year for which an adjustment will be claimed under this subdivision.
- (3) Intending to use any revenue-producing enterprise purchased or rented for business purposes.
- (4) Adequately trained, by experience or education, in the type of revenue-producing enterprise which that person wishes to begin.
- (5) The owner of property with a net worth, including the net worth of property of that person's dependents and spouse, if any, of less than one hundred thousand dollars.

~~n.~~ n. Reduced by any amount, up to a maximum of three hundred dollars received by any person or six hundred dollars if a joint return is filed, as interest earned from a financial institution located in this state. For purposes of this subdivision, "financial institution" means any organization authorized to do business under state or federal laws relating to financial institutions, including banks and trust companies, savings banks, building and loan associations, savings and loan companies or associations, and credit unions.

~~p.~~ Repealed by S.L. 1999, ch. 487, § 3.

~~q.~~ Reduced by the amount, up to a maximum of five thousand dollars for any person or ten thousand dollars if a joint return is filed, of investment made after January 1, 1989, in a venture capital corporation organized pursuant to chapter 10-30.1. This deduction may only be taken in the tax year in which the taxpayer qualifies for a credit pursuant to chapter 10-30.1. However, a taxpayer that makes an investment in a venture capital corporation on or after July 1, 1989, is only entitled to a deduction if the venture capital corporation uses

~~the funds it receives from the taxpayer to invest or provide financing to qualified entities, which entities do not include a business or an affiliate of a business that owns tax exempt securities.~~

- f. o. Reduced by any amount, up to a maximum of five thousand dollars, received as retirement benefits paid by the United States, a territory or possession or political subdivision thereof, the government of the District of Columbia, or an agency or instrumentality of one or more of the foregoing, other than retired military personnel pay, as exempted in subdivision ~~l~~ k; provided, however, that the adjustment provided in this subdivision must be reduced by any amount received pursuant to the federal Social Security Act.
- g. p. Reduced by 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; provided the amount of the distribution excluded under this subdivision is included in federal taxable income.
- h. q. Reduced by 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.
- i. r. Reduced by the amount received by the taxpayer as payment for services performed when called or ordered to title 10 United States Code federal service as a member of the national guard or reserve member of the armed forces of the United States. An individual claiming the reduction under this subdivision may not also claim the reduction under subdivision ~~k~~ j for the time the individual was under federal orders for active duty and may not claim a reduction on income already excluded from federal taxation due to service in a combat or hazardous duty zone. This subdivision does not apply to federal service while attending annual training, basic military training, professional military education, or active guard and reserve tours for which the member has volunteered.

Provided, however, that each adjustment in the above subdivisions authorized under law shall be allowed only to the extent that the adjustment is allocated and apportioned to North Dakota income.

**SECTION 8. AMENDMENT.** Subsection 1 of section 57-38-71 of the North Dakota Century Code is amended and reenacted as follows:

1. "Beginning entrepreneur", excluding beginning farmers as defined in subdivision ~~m~~ l of subsection 1 of section 57-38-01.2, means any person who:
  - a. Is a resident of this state.
  - b. Receives more than one-half of that person's gross annual income from a revenue-producing enterprise, unless the person initially commences business during the tax year for which a deduction will be claimed under sections 57-38-71 through 57-38-74.
  - c. Intends to use any revenue-producing enterprise purchased or rented for business purposes.
  - d. Has had adequate training, by experience or education, in the type of revenue-producing enterprise which that person wishes to begin.
  - e. Has, including the net worth of that person's dependents and spouse, if any, a net worth of less than one hundred thousand dollars, not including the value of their equity in their principal residence, the value of one personal or family motor vehicle, and the value of their household goods, including furniture, appliances, musical instruments, clothing, and other personal belongings.

**SECTION 9. AMENDMENT.** Section 57-38.5-01 of the North Dakota Century Code is amended and reenacted as follows:

**57-38.5-01. Definitions.** As used in this chapter, unless the context otherwise requires:

1. "Director" means the director of the department of commerce division of economic development and finance.
2. "New wealth" means revenues to a North Dakota business which are generated by sales of products or services to customers outside of the state. "New wealth" also includes revenues to a qualified business the customers of which previously were unable to acquire, or had limited availability of, the product or service from a North Dakota provider.
3. "Passthrough entity" means a corporation that for the applicable tax year is treated as an S corporation or a general partnership, limited partnership, limited liability partnership, trust, or limited liability company and which for the applicable tax year is not taxed as a corporation under chapter 57-38.
4. "Primary sector business" means a qualified business that through the employment of knowledge or labor adds value to a product, process, or service and which results in the creation of new wealth but does not include an agricultural commodity processing facility as defined under section 57-38.6-01.
4. 5. "Qualified business" means:
  - a. A a business other than a real estate investment trust which is a primary sector business that:
  - (1) a. Is incorporated or its satellite operation is incorporated as a for-profit corporation or is a partnership, limited partnership, limited liability company, limited liability partnership, or joint venture;
  - (2) b. Is in compliance with the requirements for filings with the securities commissioner under the securities laws of this state;
  - (3) c. Has North Dakota residents as a majority of its employees in the North Dakota principal office or the North Dakota satellite operation; and
  - (4) d. Has its principal office in this state and has the majority of its business activity performed in this state, except sales activity, or has a significant operation in North Dakota that has or is projected to have more than ten employees or one hundred fifty thousand dollars of sales annually; or
  - b. An organization that:
    - (1) Is in compliance with the requirements for filings with the securities commissioner under the securities laws of this state; and
    - (2) Attracts investments to build and own a value added agricultural processing facility that it leases with an option to purchase to a primary sector business that qualifies under subdivision a and
  - e. Relies on innovation, research, or the development of new products and processes in its plans for growth and profitability.
5. 6. "Taxpayer" means an individual, estate, or trust or a corporation or passthrough entity. The term does not include a real estate investment trust.

**SECTION 10. AMENDMENT.** Section 57-38.5-02 of the North Dakota Century Code is amended and reenacted as follows:

**57-38.5-02. Certification - Investment reporting by qualified businesses -** Maximum investments in qualified businesses. The director shall certify whether a

business that has requested to become a qualified business meets the requirements of subsection 4 of section 57-38.5-01 and the certification must include the period of time the certification covers. The director shall establish the necessary forms and procedures for certifying qualified businesses. For investments made after December 31, 2004, the maximum aggregate amount of qualified investments a qualified business may receive is limited to five hundred thousand dollars under this chapter. The limitation on investments under this section may not be interpreted to limit additional investment by a taxpayer for which that taxpayer is not applying for a credit.

**SECTION 11. AMENDMENT.** Section 57-38.5-03 of the North Dakota Century Code is amended and reenacted as follows:

**57-38.5-03. Seed capital investment tax credit.** If a taxpayer makes a qualified investment in a qualified business, the taxpayer is entitled to a credit against state income tax liability under section 57-38-29, 57-38-30, or 57-38-30.3. The amount of the credit to which a taxpayer is entitled is forty-five percent of the amount invested by the taxpayer in qualified businesses during the taxable year, subject to the following:

1. The aggregate annual investment for which a taxpayer may obtain a tax credit under this section is ~~not less than five thousand dollars and not more than two hundred fifty thousand dollars.~~ This subsection may not be interpreted to limit additional investment by a taxpayer for which that taxpayer is not applying for a credit.
2. In any taxable year, a taxpayer may claim no more than one-third of the credit under this section which is attributable to investments in a single taxable year.
3. Any amount of credit under this section not allowed because of the limitations in this section may be carried forward for up to four taxable years after the taxable year in which the investment was made.
4. ~~A partnership passthrough entity~~ that invests in a qualified business must be considered to be the taxpayer for purposes of the investment limitations in this section and the amount of the credit allowed with respect to a ~~partnership's passthrough entity's~~ investment in a qualified business must be determined at the ~~partnership~~ partnership passthrough entity level. The amount of the total credit determined at the ~~partnership~~ partnership passthrough entity level must be allowed to the ~~partners, limited to individuals, estates, and trusts, members~~ in proportion to their respective interests in the ~~partnership passthrough entity~~.
5. The investment must be at risk in the business. An investment for which a credit is received under this section must remain in the business for at least three years. Investments placed in escrow do not qualify for the credit.
6. The entire amount of an investment for which a credit is claimed under this section must be expended by the qualified business for plant, equipment, research and development, marketing and sales activity, or working capital for the qualified business.
7. A taxpayer who owns a controlling interest in the qualified business or whose full-time professional activity is the operation of the business is not entitled to a credit under this section. A member of the immediate family of a taxpayer disqualified by this subsection is not entitled to the credit under this section. For purposes of this subsection, "immediate family" means the taxpayer's spouse, parent, sibling, or child or the spouse of any such person.
8. The tax commissioner may disallow any credit otherwise allowed under this section if any representation by a business in the application for certification as a qualified business proves to be false or if the taxpayer or qualified business fails to satisfy any conditions under this section or any conditions consistent with this section otherwise determined by the tax commissioner. The amount of any credit disallowed by the tax commissioner that reduced the taxpayer's income tax liability for any or all applicable tax years, plus penalty and interest as provided under section 57-38-45, must be paid by the taxpayer.



**SECTION 12. AMENDMENT.** Section 57-38.5-04 of the North Dakota Century Code is amended and reenacted as follows:

**57-38.5-04. Taxable year for seed capital investment tax credit.** The tax credit under section 57-38.5-03 must be credited against the taxpayer's income tax liability for the taxable year in which ~~full consideration for~~ the investment in the qualified business was received by the qualified business.

**SECTION 13. AMENDMENT.** Section 57-38.5-05 of the North Dakota Century Code is amended and reenacted as follows:

**57-38.5-05. Seed capital investment tax credit limits.** The aggregate amount of seed capital investment tax credit allowed for investments under this chapter ~~through calendar year 2002 is limited to one million dollars and after calendar year 2002 is limited to two million five hundred thousand dollars for each calendar year.~~ If investments in qualified businesses reported to the commissioner under section 57-38.5-07 exceed the limits on tax credits for investments imposed by this section, the credit must be allowed to taxpayers in the chronological order of their investments in qualified businesses as determined from the forms filed under section 57-38.5-07.

**SECTION 14.** A new section to chapter 57-38.5 of the North Dakota Century Code is created and enacted as follows:

Credit for investments made before 2005. An investment made before January 1, 2005, which did not qualify for the tax credit under this chapter because of the two million five hundred thousand dollar credit limitation in effect before the effective date of this Act is entitled to a credit against state income tax liability under section 57-38-29 or 57-38-30.3 in the amount of forty-five percent of the amount invested by the taxpayer in a qualified business subject to the following:

1. The aggregate investment for which a taxpayer may obtain a credit under this section is not less than five thousand dollars and not more than two hundred fifty thousand dollars.
2. In any taxable year, a taxpayer may claim no more than one-fourth of the credit under this section which is attributable to investments made before January 1, 2005.
3. Any amount of credit under this section not allowed because of the limitations in this section may be carried forward for up to five taxable years after the taxable year in which the investment was made.
4. This section does not apply to investments made in an agricultural processing facility as defined under section 57-38.6-01.

**SECTION 15. REPEAL.** Chapters 10-30.1 and 10-30.2 of the North Dakota Century Code are repealed.

**SECTION 16. REPEAL.** Section 15-10-41 of the North Dakota Century Code is repealed.

**SECTION 17. NORTH DAKOTA BUSINESS CLIMATE INITIATIVE - LEGISLATIVE COUNCIL STUDY.** During the 2005-06 and 2007-08 interims, the legislative council shall study the state's business climate through a business climate initiative. The business climate initiative must include receipt of agency reports regarding economic development legislation introduced by the legislative council during previous legislative sessions, active participation in business climate focus groups across the state, and active participation in biennial business congresses. The focus groups shall discuss ways to enhance the state's business climate to stimulate job growth and enhance economic prosperity for employers and employees by encouraging the growth of existing businesses in the state, creating new businesses in the state, and encouraging expansion or relocation of businesses to this state. Each business congress must receive a report on the activities of the focus group discussions, shall identify methods to enhance the state's business climate to stimulate job growth and enhance economic prosperity, shall identify methods to prepare the state for the high-growth and high-demand jobs of the future, and shall evaluate the impact of existing state economic development programs. The department of commerce shall organize the business climate focus groups and the business congresses. Before each business congress, which must be held before June 1, 2006, and before June 1, 2008, the department shall hold a minimum of six focus group discussions, two of which

specifically focus on local economic developers and four of which specifically focus on private business needs. The department shall consult with the legislative council in compiling focus group and business congress participant invitation lists and drafting and distributing invitations, establishing focus group and business congress dates and locations, and preparing agendas for focus groups and business congresses. The legislative council shall contract with a third party to provide professional services to plan, facilitate, report on, and coordinate followup for the focus groups and business congresses. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixtieth and sixty-first legislative assemblies.

**SECTION 18. VENTURE AND RISK CAPITAL - LEGISLATIVE COUNCIL STUDY.** During the 2005-06 interim, the legislative council shall study issues relating to venture and risk capital and whether and how some of these issues may be negatively impacting business development in the state. The study must address how to define venture and risk capital for purposes of the study; real and perceived issues regarding gaps in the availability of venture and risk capital in the state; whether state programs adequately address the venture and risk capital needs of businesses in the state and whether these programs should be changed to increase availability to venture and risk capital, including whether the partnership in assisting community expansion program might be used as a model to address possible venture and risk capital availability issues and whether the state could effectively play a role as facilitator in improving access to venture and risk capital; how the state could assist in creating an environment more conducive to attracting private venture and risk capital in the state; and how other states have attempted to address venture and risk capital concerns of businesses. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixtieth legislative assembly.

**SECTION 19. ALTERNATIVE AND VENTURE CAPITAL INVESTMENTS - EARLY-STAGE CAPITAL FUNDS - REPORT TO LEGISLATIVE COUNCIL.** During the 2005-06 interim, the president of the Bank of North Dakota shall report to the legislative council on the status of the Bank's investments in alternative and venture capital investments and early-stage capital funds under subdivision c of subsection 4 of section 6-09-15. The president shall inform the legislative council whether this investment program should continue and whether there are potential changes that could be made to improve the state's venture capital and early-stage capital investment structure.

**SECTION 20. CENTERS OF EXCELLENCE - REPORT TO LEGISLATIVE COUNCIL.** During the 2005-06 interim, the state board of higher education and the centers of excellence commission shall report to the legislative council on the status of the centers of excellence program under section 4 of this Act. The report must include information regarding approved and rejected applications; funding; private sector participation; accomplishments of each center of excellence, including information regarding how each center of excellence is meeting, or will meet, the criteria under section 4 of this Act; and whether there are potential changes that could be made to improve the centers of excellence program.

**SECTION 21. INSURANCE AND LIABILITY DATA - REPORT TO LEGISLATIVE COUNCIL.** During the 2005-06 interim, the insurance commissioner shall compile existing data regarding the state's liability insurance marketplace. The data must include information regarding issues that may result in barriers for businesses seeking to obtain affordable liability insurance coverage, with specific focus on the travel and tourism industry, and must include information regarding successful actions taken by other states to improve the availability and affordability of liability insurance. Before July 1, 2006, the insurance commissioner shall report to the legislative council the data compiled and identify proposed legislative changes necessary to implement any recommendations to make the state's laws and availability of liability insurance more attractive to businesses in this state.

**SECTION 22. TECHNOLOGY COMMERCIALIZATION STUDY - REPORT TO LEGISLATIVE COUNCIL.** During the 2005-06 interim, the state board of higher education shall conduct a study of incentives the state could adopt to serve as catalysts for stimulating more efficient commercialization of new technologies. The study must include roundtable discussions; include consideration of leveraging research, capital, and entrepreneurs; include consideration of successful actions taken by other states to increase technology commercialization; and focus on approaches that are specifically tailored to the state's unique circumstances. The board may contract with a third party to conduct the study. Before July 1, 2006, the chancellor of the North Dakota university

system shall report to the legislative council the outcome of the study and identify proposed legislative changes necessary to implement any recommendations to stimulate technology commercialization in this state.

**SECTION 23. TRANSPORTATION STUDY - REPORT TO LEGISLATIVE COUNCIL.** During the 2005-06 interim, the upper great plains transportation institute shall conduct a study of how improvements to the transportation infrastructure of this state might enhance the business climate and the state's competitive position in economic development, with a focus on the potential to expand the sale of goods to markets outside the state by strengthening the state's transportation infrastructure. In conducting this study, the upper great plains transportation institute shall consult with the department of transportation and the department shall cooperate in the study. The study must include consideration of how to improve the load-carrying limits of the state's highways and associated costs and benefits; consideration of what enhancements must be made to the state's highways to allow load limits to be raised to more efficiently move goods to market and associated costs and benefits; exploration of the phenomenon of the decline of freight service by rail, including the prospects for offering incentives to rail providers to expand the availability of rail for transportation of goods to market and the associated costs and benefits; recommendations on how to enhance the state's transportation infrastructure; whether it is feasible to identify and assist airports that are specially situated in order to assist in economic development; and an analysis of the projected economic development impacts associated with the recommended infrastructure improvements. Before July 1, 2006, the upper great plains transportation institute shall report to the legislative council the outcome of the study and identify proposed legislative changes necessary to implement any recommended changes to the state's transportation infrastructure.

**SECTION 24. PROCUREMENT ASSISTANCE STUDY - REPORT TO LEGISLATIVE COUNCIL.** During the 2005-06 interim, the director of the office of management and budget shall report to the legislative council on the status of providing procurement information through the internet under section 6 of this Act; perform a study on the most effective manner in which to provide for a procurement assistance center; and report to the legislative council on the outcome of the procurement assistance center study, including what services might be provided by such a center, how services might be provided by such a center, and what legislative changes would be required to implement such a center.

**SECTION 25. TAX STUDY - REPORT TO LEGISLATIVE COUNCIL.** During the 2005-06 interim, the tax commissioner shall conduct a study of the corporate taxing system and tax incentives to stimulate business. The study must include consideration of gaps in tax incentives, include consideration of successful actions taken by other states to improve their tax environment for doing business, and focus on approaches that are specifically tailored to the state's unique circumstances. The tax commissioner may contract with a third party to conduct the study. Before July 1, 2006, the tax commissioner shall report to the legislative council the outcome of the study and identify proposed legislative changes necessary to implement any recommendations to stimulate the state's business climate.

**SECTION 26. EFFECTIVE DATE - EXPIRATION DATE.** Sections 9 through 13 of this Act are effective for taxable years beginning after December 31, 2004. Section 15 of this Act becomes effective on August 1, 2007. Sections 2, 7, and 8 of this Act are effective for taxable years beginning after December 31, 2008. Section 10 of this Act is effective for a business certified as a qualified business after December 31, 2004. Section 14 of this Act is effective for taxable year 2004 and is thereafter ineffective, except any unused credit may be carried forward as provided in section 13 of this Act. Section 4 of this Act is effective through July 31, 2011, and after that date is ineffective."

Renumber accordingly

#### **REPORT OF STANDING COMMITTEE**

**SB 2228, as engrossed: Appropriations Committee (Rep. Svedjan, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 7 NAYS, 2 ABSENT AND NOT VOTING). Engrossed SB 2228 was placed on the Sixth order on the calendar.

Page 1, line 2, after "camp" insert "; and to declare an emergency"

Page 1, line 4, after "**APPROPRIATION**" insert "**- MATCHING REQUIREMENT**"

Page 1, line 5, replace "general" with "permanent oil tax trust" and replace "\$50,000" with "\$500,000"

Page 1, line 9, replace "biennium beginning July 1, 2005," with "period beginning with the effective date of this Act" and after the period insert "A total of \$200,000 is available upon the effective date of this Act, and the remaining \$300,000 may only be awarded when the international music camp has received commitments totaling \$700,000 from other sources. The funding for this project is subject to the building project being awarded to a contractor pursuant to procedures set forth in chapter 48-01.1."

**SECTION 2. EMERGENCY.** This Act is declared to be an emergency measure."

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### Senate Bill No. 2228 - Parks and Recreation Department - House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Grants		<u>\$50,000</u>	<u>\$450,000</u>	<u>\$500,000</u>
Total all funds	\$0	\$50,000	\$450,000	\$500,000
Less estimated income			<u>500,000</u>	<u>500,000</u>
General fund	\$0	\$50,000	(\$50,000)	\$0
FTE	0.00	0.00	0.00	0.00

#### Dept. 750 - Parks and Recreation Department - Detail of House Changes

	INCREASES FUNDING AND CHANGES FUNDING SOURCE <sup>1</sup>	TOTAL HOUSE CHANGES
Grants	<u>\$450,000</u>	<u>\$450,000</u>
Total all funds	\$450,000	\$450,000
Less estimated income	<u>500,000</u>	<u>500,000</u>
General fund	(\$50,000)	(\$50,000)
FTE	0.00	0.00

<sup>1</sup> This amendment increases the appropriation for the grant to the International Music Camp to assist with the construction costs of an international arts center at the International Peace Garden by \$450,000, from \$50,000 to \$500,000, and changes the funding source from the general fund to the permanent oil tax trust fund. A total of \$200,000 may be granted upon approval of the bill and the remaining \$300,000 may be awarded subject to the International Music Camp receiving commitments totaling \$700,000 from other sources. The amendment also adds an emergency clause to the bill.

#### REPORT OF STANDING COMMITTEE

**SB 2247, as reengrossed: Appropriations Committee (Rep. Svedjan, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 9 NAYS, 1 ABSENT AND NOT VOTING). Reengrossed SB 2247 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide a statement of legislative intent regarding state employee compensation adjustments; to amend and reenact section 54-52.1-06 of the North Dakota Century Code, relating to state employee contributions for participation in the uniform group insurance program; to provide for application; and to declare an emergency."

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

**SECTION 1. LEGISLATIVE INTENT - STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES.** It is the intent of the fifty-ninth legislative assembly that 2005-07 biennium compensation adjustments for permanent state employees are to be increases of four percent with a minimum increase of \$80 beginning with the month of July 2005, to be paid in August 2005, and of four percent beginning with the month of July 2006, to be paid in August 2006. Employees are to contribute five percent of the monthly cost of the uniform group insurance program under section

54-52.1-06. Of the four percent increase beginning with the month of July 2006, two percent is to be distributed for the following adjustments:

1. Equity increases to address a documented and serious internal agency inequity affecting the agency's ability to retain an employee.
2. Market adjustments to address a documented external salary disparity identified by comparison with generally recognized market data. Appropriate documentation supporting all market adjustments must be maintained. Market adjustments may not be provided in situations where serious internal inequities will result.
3. Merit and performance increases in recognition of documented performance which is consistently superior or which consistently exceeds performance and accountability standards.
4. Discretionary salary adjustments at the discretion of the appointing authority based on changes in workload, promotion, reclassification, or other permanent job reassignment. Appropriate documentation and justification must be maintained by the appointing authority.

Employees whose documented performance levels do not meet standards are not eligible for the general increases.

Probationary employees are not entitled to the general increases. However, probationary employees may be given all or a portion of the increases upon completion of probation, at the discretion of the appointing authority.

During the biennium, no salary increase other than the four percent with a minimum of \$80 in July 2005 and the four percent in July 2006 may be given to an employee whose salary exceeds or would exceed the salary range maximum.

Each agency appropriation for salaries and wages is increased by four percent with a minimum of \$80 the first year and four percent the second year of the 2005-07 biennium for these compensation adjustments.

**SECTION 2. AGENCY SALARY INCREASE INFORMATION.** State agencies shall report to the human resources management services division of the office of management and budget in the format developed by the division information regarding the state employee salary increases provided pursuant to section 1 of this Act. The human resources management services division shall analyze the impact of the increases on the classified employee system and include this analysis in the division's presentation to the appropriations committees of the sixtieth legislative assembly.

**SECTION 3. AMENDMENT.** Section 54-52.1-06 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.1-06. State contribution - State employee contribution.** Each department, board, or agency shall pay to the board each month from its funds appropriated for payroll and salary amounts a state contribution in the amount as determined by the primary carrier of the group contract less employee contributions as required by this section for the full single rate monthly premium for each of its eligible employees enrolled in the uniform group insurance program and the full rate monthly premium, in an amount equal to that contributed under the alternate family contractless employee contributions as required by this section, including major medical coverage, for hospital and medical benefits coverage for spouses and dependent children of its eligible employees enrolled in the uniform group insurance program pursuant to section 54-52.1-07. An eligible employee employed by a state department, board, or agency who is participating in the uniform group insurance program and for whom that eligible employee's employer is paying a premium must be assessed and required to pay monthly five percent of the total premium for uniform group insurance program coverage under this section. The assessment must be deducted and retained out of the eligible employee's salary. The board shall then pay the necessary and proper premium amount for the uniform group insurance program to the proper carrier or carriers on a monthly basis. Any refund, rebate, dividend, experience rating allowance, discount, or other reduction of premium amount must be credited at least annually to a separate fund of the uniform group insurance program to be used by the board to reimburse the administrative expense and benefit fund of the public employees retirement program for the costs of administration of the uniform group insurance program. In the event an enrolled eligible employee is not entitled to receive salary,

wages, or other compensation for a particular calendar month, that employee may make direct payment of the required premium to the board to continue the employee's coverage, and the employing department, board, or agency shall provide for the giving of a timely notice to the employee of that person's right to make such payment at the time the right arises.

**SECTION 4. APPLICATION OF ACT.** Section 3 of this Act applies to health insurance premiums paid for health insurance coverage after June 30, 2005.

**SECTION 5. EMERGENCY.** Section 3 of this Act is declared to be an emergency measure."

Renumber accordingly

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

**Bradley C. Fay, Chief Clerk**