

JOURNAL OF THE SENATE

Sixtieth Legislative Assembly

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Bismarck, April 25, 2007

The Senate convened at 9:00 a.m., with President Dalrymple presiding.

The prayer was offered by Senator Nelson.

The roll was called and all members were present.

A quorum was declared by the President.

CORRECTION AND REVISION OF THE JOURNAL

MR. PRESIDENT: Your **Committee on Correction and Revision of the Journal (Sen. Andrist, Chairman)** has carefully examined the Journal of the Seventy-seventh Day and recommends that it be corrected as follows and when so corrected, recommends that it be approved:

Page 1,693, line 38, replace "685,145" with "815,145"

Page 1,693, line 39, replace "(\$27,912,012)" with "(\$27,782,012)"

Page 1,693, line 40, replace "1,156,564" with "1,286,564"

Page 1,693, line 41, replace "2,186,130" with "2,456,130"

Page 1,693, line 44, replace "94,404,026" with "102,286,592"

Page 1,693, line 45, replace "132,371,143" with "140,523,709"

Page 1,693, line 46, replace "67,943,796" with "75,226,362"

Page 1,693, line 47, replace "64,427,347" with "65,297,347"

Page 1,694, line 15, replace "94,587,102" with "95,587,102"

Page 1,694, line 16, replace "43,347,709" with "54,130,275"

Page 1,694, line 17, replace "137,934,811" with "149,717,377"

Page 1,694, line 18, replace "11,393,883" with "11,523,883"

Page 1,694, line 19, replace "43,768,190" with "43,898,190"

Page 1,694, line 20, replace "20,683,025" with "20,813,025"

Page 1,694, line 21, replace "24,998,611" with "25,268,611"

Page 1,694, line 24, replace "1,100,760,364" with "1,108,642,930"

Page 1,694, line 25, replace "1,534,192,961" with "1,542,345,527"

Page 1,694, line 26, replace "1,103,082,243" with "1,110,364,809"

Page 1,694, line 27, replace "431,110,718" with "431,980,718"

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

APPOINTMENT OF CONFERENCE COMMITTEE

SEN. CHRISTMANN MOVED that the President appoint a committee of three to act with a like committee from the House as a new Conference Committee on Reengrossed SB 2032, which motion prevailed.

THE PRESIDENT APPOINTED as a new Conference Committee on:

Reengrossed SB 2032: Sens. Urlacher, Cook, Triplett

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. FISCHER MOVED that the conference committee report on Engrossed SB 2012 as printed on SJ pages 1693-1701 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2012, as amended, was placed on the Eleventh order.

SECOND READING OF SENATE BILL

SB 2012: A BILL for an Act to provide an appropriation for defraying the expenses of the department of human services; to provide statements of legislative intent; to provide for a legislative council report; to provide for legislative council studies; to authorize a Bank of North Dakota loan; to provide a contingent appropriation; to provide for transfers; to create and enact a new section to chapter 23-01 and chapter 23-39 of the North Dakota Century Code, relating to programs for children with special health care needs; to amend and reenact sections 25-17-02, 25-17-03, 50-06-01.2, 50-06-01.4, 50-06-24, and 50-24.4-15 of the North Dakota Century Code, relating to rulemaking and to the provision of medical food for individuals with metabolic disorders, the structure of the department of human services, guardianship services, and to nursing home property-related costs; and to repeal chapter 50-10 of the North Dakota Century Code, relating to aid to crippled children.

ROLL CALL

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

YEAS: Anderson; Andrist; Bakke; Behm; Bowman; Christmann; Cook; Dever; Erbele; Fiebiger; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heckaman; Heitkamp; Holmberg; Horne; Kilzer; Klein; Krauter; Krebsbach; Lee, G.; Lee, J.; Lindaas; Lyson; Marcellais; Mathern; Nelson; Nething; O'Connell; Oehlke; Olafson; Pomeroy; Potter; Robinson; Seymour; Stenehjelm; Tallackson; Taylor; Tollefson; Triplett; Urlacher; Wanzek; Wardner; Warner

Reengrossed SB 2012 passed and the title was agreed to.

MOTION

SEN. CHRISTMANN MOVED that the Senate stand at ease for a few minutes, which motion prevailed.

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

MOTION

SEN. CHRISTMANN MOVED that Engrossed SB 2013 be moved to the top of the Seventh order, which motion prevailed.

REPORT OF CONFERENCE COMMITTEE

SB 2013, as engrossed: Your conference committee (Sens. Holmberg, Wardner, Robinson and Reps. Monson, R. Kelsch, Aarsvold) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1143-1148, adopt amendments as follows, and place SB 2013 on the Seventh order:

That the House recede from its amendments as printed on pages 1143-1148 of the Senate Journal and pages 1291-1295 of the House Journal and that Engrossed Senate Bill No. 2013 be amended as follows:

Page 1, line 3, after "library" insert "; to provide an appropriation relating to teachers' retirement contributions"

Page 1, line 4, after "transfers" insert "; to provide for a legislative council study; to provide for legislative intent; to provide an exemption" and remove "and subsection 5 of section 15.1-27-07"

Page 1, line 5, after "Code" insert ", section 28 of chapter 167 of the 2005 Session Laws, and section 52 of Senate Bill No. 2200, as approved by the sixtieth legislative assembly"

Page 1, line 6, replace "and per student payments for kindergarten students" with ", contingent distributions of per student payments, and teacher compensation payments"

Page 3, line 10, replace "1,350,102" with "1,370,102"

Page 3, line 11, replace "6,075,986" with "4,845,986"

Page 3, line 21, replace "104,969,811" with "103,759,811"

Page 3, line 23, replace "75,193,139" with "73,983,139"

Page 4, line 3, replace "\$105,779" with "(\$272,221)"

Page 4, line 6, replace "\$113,302" with "(\$264,698)"

Page 4, line 7, replace "(363,103)" with "(288,103)"

Page 4, line 8, replace "476,405" with "23,405"

Page 4, line 17, replace "76,533,765" with "74,870,765"

Page 4, line 18, replace "29,633,567" with "29,708,567"

Page 4, line 19, replace "106,167,332" with "104,579,332"

Page 4, line 29, replace "11,407,054" with "11,427,054"

Page 4, line 30, replace "20,968,294" with "19,738,294"

Page 5, line 6, replace "1,037,313,033" with "1,036,103,033"

Page 5, line 8, replace "711,636,726" with "710,426,726"

Page 5, line 19, replace "5,141,381" with "4,763,381"

Page 5, line 22, replace "6,805,664" with "6,427,664"

Page 5, line 23, replace "964,162" with "1,039,162"

Page 5, line 24, replace "5,841,502" with "5,388,502"

Page 6, after line 1, insert:

Total general fund appropriation - Section 3	\$722,711,140
Total estimated income appropriation - Section 3	\$329,441,186
Total all funds appropriation - Section 3	\$1,052,152,326"

Page 6, line 2, replace "724,374,140" with "722,725,758"

Page 6, line 3, replace "329,366,186" with "329,449,048"

Page 6, line 4, replace "1,053,740,326" with "1,052,174,806"

Page 6, after line 4, insert:

"SECTION 4. 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 other funds derived from federal funds and other income, to the following departments for the purpose of funding the additional employer retirement contribution for teachers' fund for retirement members required by Senate Bill No. 2046, as approved by the sixtieth legislative assembly, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

DEPARTMENT	GENERAL FUND	OTHER FUNDS	TOTAL
Division of independent study		\$7,560	\$7,560
School for the deaf	\$4,760		4,760
North Dakota vision services - School for the blind	2,600		2,600
Department of Corrections and	7,258	302	7,560

Rehabilitation			
Total	\$14,618	\$7,862	\$22,480"

Page 7, remove lines 3 through 8

Page 7, after line 25, insert:

"SECTION 13. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-FIRST LEGISLATIVE ASSEMBLY. The total general fund appropriation line item in section 3 of this Act includes \$100,000 for the one-time funding item identified in this section. This amount is not a part of the agency's base budget to be used in preparing the 2009-11 executive budget. The school for the deaf shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

Deferred maintenance - School for the deaf	\$100,000
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SECTION 14. LEGISLATIVE COUNCIL STUDY - SERVICES TO STUDENTS WHO ARE DEAF OR HEARING-IMPAIRED. The legislative council shall consider studying, during the 2007-08 interim, the provision of services to children and adults who are deaf or hearing-impaired, including the role of the North Dakota school for the deaf in the provision of educational and rehabilitative services, the short-term and long-term viability of existing state facilities, and alternative approaches that might enhance the scope and breadth of service availability. The study, if conducted, must include the feasibility of combining the administration and delivery of services of the school for the deaf with other area school districts, educational associations governed by joint powers agreements, special education units, and North Dakota vision services - school for the blind. The study should examine alternative uses for the buildings on the school for the deaf campus beyond the scope of the school's present mission. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

SECTION 15. LEGISLATIVE INTENT - REPORT TO THE SIXTY-FIRST LEGISLATIVE ASSEMBLY. It is the intent of the legislative assembly that the school for the deaf collaborate with Lake Region state college on the college's wind energy project and determine the feasibility of the school for the deaf accessing any available energy, including identifying any related costs. The school for the deaf should provide a report on the status of this collaboration to the appropriations committees of the sixty-first legislative assembly.

SECTION 16. ADULT EDUCATION PER STUDENT FUNDING STUDY. The commission on education improvement shall consider studying, during the 2007-08 interim, changes to the state school aid formula to provide per student payments to school districts offering an adult education program.

SECTION 17. EXEMPTION. Any amounts distributed pursuant to section 18 of this Act that will not be expended before June 30, 2007, are not subject to the provisions of section 54-44.1-11 and may be expended during the biennium beginning July 1, 2007, and ending June 30, 2009, for the purposes provided in section 18 of this Act.

SECTION 18. AMENDMENT. Section 28 of chapter 167 of the 2005 Session Laws is amended and reenacted as follows:

SECTION 28. CONTINGENCY. If any moneys appropriated for per student payments and transportation payments in the grants - state school aid line item in House Bill No. 1013, as approved by the fifty-ninth legislative assembly, remain after payment of all statutory obligations for per student and transportation payments during the biennium beginning July 1, 2005, and ending June 30, 2007, and after the superintendent of public instruction has fulfilled any directives contained in section 27 of this Act, the superintendent shall distribute the remaining moneys as follows:

1. The superintendent of public instruction shall use the first \$450,000, or so much of that amount as may be necessary, to provide additional payments to school districts serving English language learners in accordance with section 15.1-27-12.

2. The superintendent of public instruction shall use the next \$1,000,000, or so much of that amount as may be necessary, for the purpose of providing additional ~~per student~~ payments to school districts participating in eligible educational associations in accordance with section 32 of this Act.
 - a. The superintendent of public instruction shall distribute during the 2007-09 biennium \$45,000, or so much of that amount as may be necessary, as grants in the amount of \$5,000 each to any educational association that commits to the development and implementation of a teacher mentoring program for first-year, second-year, and third-year teachers employed by school districts participating in the association. If any of this amount remains after meeting the requirements of this subdivision, the superintendent shall distribute those funds as additional per student payments on a prorated basis to school districts participating in educational associations.
 - b. The superintendent of public instruction shall distribute \$955,000, or so much of that amount as may be necessary, as additional per student payments to school districts participating in eligible educational associations as provided in section 32 of chapter 167 of the 2005 Session Laws.
3. The superintendent of public instruction shall use the next \$600,000, or so much of that amount as may be necessary, to provide for increases over the established baselines in the minimum percentage of state aid payable to a district per weighted student unit during the 2007-09 biennium. If any of this amount remains after meeting the requirements of this subsection, the superintendent shall distribute that remaining amount as additional per student payments on a prorated basis according to the latest available average daily membership of each school district.
4. The superintendent of public instruction shall use the next \$2,000,000, or so much of that amount as may be necessary, for the purpose of providing additional transportation grants to school districts as provided in Senate Bill No. 2200, as approved by the sixtieth legislative assembly. If any of this amount remains after meeting the requirements of this subsection, the superintendent shall distribute that remaining amount as per student payments on a prorated basis according to the latest available average daily membership of each school district.
5.
 - a. The superintendent of public instruction shall use the next \$1,000,000, or so much of that amount as may be necessary, for the purpose of providing payments to school districts that are members of regional education associations, for the biennium beginning July 1, 2007, and ending June 30, 2009.
 - b. Each year of the biennium, the superintendent of public instruction shall distribute fifty percent of the payments under this subsection to the school districts that are members of regional education associations on a per student basis. The superintendent shall make the distribution at the same time and in the same manner as other state aid payments under section 15.1-27-01.
6. The superintendent of public instruction shall use the next \$30,000, or so much of that amount as may be necessary, for the purpose of providing a grant to the division of independent study for enhancing civic education.
7. The superintendent of public instruction shall use the next \$15,000, or so much of that amount as may be necessary, for the purpose of providing a one-time grant to the North Dakota museum of art for enhancing the snow country prisons travel exhibit.
8. The superintendent of public instruction shall use the next \$200,000, or so much of that amount as may be necessary, to pay for the services of professionals and experts with whom the commission on education improvement contracts, during the 2007-08 interim, for assistance with its study of educational adequacy. If any of this amount remains after meeting the requirements of this subsection, the superintendent shall distribute that remaining amount as additional per student payments on a prorated basis

according to the latest available average daily membership of each school district.

9. The superintendent of public instruction shall use the next \$77,000, or so much of that amount as may be necessary, for providing funding to the education standards and practices board for providing payments to recipients of national board certification and scholarships to individuals seeking national board certification in accordance with Senate Bill No. 2057, as approved by the sixtieth legislative assembly.
10. The superintendent of public instruction shall use the next \$200,000, or so much of that amount as may be necessary, for the purpose of providing additional payments to school districts offering an adult education program during the 2005-07 biennium.
11. The superintendent of public instruction shall use the next \$400,000, or so much of that amount as may be necessary, to purchase and distribute to school districts automated external defibrillators. If any of this amount remains after meeting the requirements of this subsection, the superintendent shall distribute that remaining amount as additional per student payments on a prorated basis according to the latest available average daily membership of each school district.
12. The superintendent of public instruction shall use the next \$395,000, or so much of that amount as may be necessary, for the purpose of providing a grant to the north central council of school television for licensing of education television programs for classroom use by North Dakota elementary and secondary schools, assisting with the North Dakota studies project, and other operating expenses.
13. The superintendent of public instruction shall use the next \$500,000, or so much of that amount as may be necessary, for the purpose of funding the rewrite of the state school aid computer system. If any of this amount remains after meeting the requirements of this subsection, the superintendent shall distribute that remaining amount as additional per student payments on a prorated basis according to the latest available average daily membership of each school district.
14. The superintendent of public instruction shall use the next \$650,000, or so much of that amount as may be necessary, for the purpose of funding the rewrite of the teacher licensure application used by the superintendent of public instruction and the education standards and practices board. The education standards and practices board shall pay the remaining \$80,000 of the anticipated total project cost. If any of this amount remains after meeting the requirements of this subsection, the superintendent shall distribute that remaining amount as additional per student payments on a prorated basis according to the latest available average daily membership of each school district.
15. The superintendent of public instruction shall use the next \$25,748, or so much of that amount as may be necessary, for the purpose of reimbursing eligible school districts that received reduced amounts of state aid. For the purposes of this subsection, an eligible school district is one that received a reduction in state aid during the 2005-07 biennium because the district's general fund levy fell below one hundred forty mills as the result of an accounting oversight.
16. a. The superintendent of public instruction shall use the next \$90,000, or so much of that amount as may be necessary, for the purpose of providing grants in the amount of \$1,000 to North Dakota residents who:
 - (1) Are licensed to teach by the education standards and practices board;
 - (2) Have taught in this state during each of the last five school years; and

- (3) Are enrolled in either a master of education program in educational leadership or a program leading to a specialist diploma in educational leadership.
- b. If any of this amount remains after meeting the requirements of this subsection, the superintendent of public instruction shall distribute that amount as additional per student payments on a prorated basis, according to the latest available average daily membership of each school district.
17. The superintendent of public instruction shall use the next \$50,000, or so much of that amount as may be necessary, for the purpose of providing a grant for the Atlantik-Brucke teacher exchange program.
18. The superintendent of public instruction shall use the remainder of the moneys to provide additional per student payments on a prorated basis according to the latest available average daily membership of each school district.

SECTION 19. AMENDMENT. Section 52 of Senate Bill No. 2200, as approved by the sixtieth legislative assembly, is amended and reenacted as follows:

SECTION 52. USE OF NEW MONEY - TEACHER COMPENSATION INCREASES - REPORTS TO LEGISLATIVE COUNCIL.

1. During the 2007-09 biennium, the board of each school district shall use an amount equal to at least seventy percent of all new money received by the district for per student payments to increase the compensation paid to teachers and to provide compensation to teachers who begin employment with the district on or after July 1, 2007.
2. For purposes of this section, the superintendent of public instruction shall calculate the amount of new money received by a district during the 2007-09 biennium by:
 - a. Determining the total amount of state dollars received by each district during the 2005-07 biennium as per student payments, tuition apportionment payments, special education per student payments, ~~and~~ English language learner payments, extended educational program payments, summer education program payments, migrant summer program payments, payments for home-based education programs monitored by the school district, and teacher compensation payments;
 - b. Determining the total amount of state dollars received by each district during the 2007-09 biennium as per student payments, provided that neither equity payments under section 15.1-27-11 nor contingency distributions are to be included in the total; and
 - c. Subtracting the amount arrived at under subdivision a from the amount arrived at under subdivision b.
3. School districts providing educational services under a cooperative agreement approved by the superintendent of public instruction must, for purposes of this section, be treated as a single district.
4.
 - a. The provisions of this section do not apply to a school district if the board of the school district, after a public hearing at which public testimony and documentary evidence are accepted, determines in its discretion and by an affirmative vote of two-thirds of the members of the board that complying with the provisions of subsection 1 would place the school district in the position of having insufficient fiscal resources to meet the school district's other obligations.
 - b. Within ten days of the vote required by subdivision a, the school board shall notify the superintendent of public instruction of its action and shall file a report detailing the grounds for its determination and action.

- c. The superintendent of public instruction shall report all notices received under this subsection to an interim committee designated by the legislative council."

Page 8, remove lines 1 through 28

Page 8, line 29, replace "Section 4" with "Sections 5 and 18" and replace "is" with "are"

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2013 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Information Technology Department						
Total all funds	\$0	\$0	\$7,560	\$7,560	\$0	\$7,560
Less estimated income			<u>7,560</u>	<u>7,560</u>		<u>\$7,560</u>
General fund	\$0	\$0	\$0	\$0	\$0	\$0
Department of Public Instruction						
Total all funds	\$1,037,666,173	\$1,037,313,033	(\$1,210,000)	\$1,036,103,033	\$1,036,083,033	\$20,000
Less estimated income	<u>326,080,447</u>	<u>325,676,307</u>		<u>325,676,307</u>	<u>325,676,307</u>	
General fund	\$711,585,726	\$711,636,726	(\$1,210,000)	\$710,426,726	\$710,406,726	\$20,000
State Library						
Total all funds	\$5,861,312	\$5,861,312	\$0	\$5,861,312	\$5,861,312	\$0
Less estimated income	<u>1,881,600</u>	<u>1,881,600</u>		<u>1,881,600</u>	<u>1,881,600</u>	
General fund	\$3,979,712	\$3,979,712	\$0	\$3,979,712	\$3,979,712	\$0
School for the Deaf						
Total all funds	\$6,805,664	\$6,805,664	(\$373,240)	\$6,432,424	\$6,407,664	\$24,760
Less estimated income	<u>964,162</u>	<u>964,162</u>	<u>75,000</u>	<u>1,039,162</u>	<u>1,039,162</u>	
General fund	\$5,841,502	\$5,841,502	(\$448,240)	\$5,393,262	\$5,368,502	\$24,760
Vision Services - School for the Blind						
Total all funds	\$3,636,873	\$3,760,317	\$2,600	\$3,762,917	\$3,760,317	\$2,600
Less estimated income	<u>844,117</u>	<u>844,117</u>		<u>844,117</u>	<u>844,117</u>	
General fund	\$2,792,756	\$2,916,200	\$2,600	\$2,918,800	\$2,916,200	\$2,600
Department of Corrections and Rehabilitation						
Total all funds	\$0	\$0	\$7,560	\$7,560	\$0	\$7,560
Less estimated income			<u>302</u>	<u>302</u>		<u>302</u>
General fund	\$0	\$0	\$7,258	\$7,258	\$0	\$7,258
Bill Total						
Total all funds	\$1,053,970,022	\$1,053,740,326	(\$1,565,520)	\$1,052,174,806	\$1,052,112,326	\$62,480
Less estimated income	<u>329,770,326</u>	<u>329,366,186</u>	<u>82,862</u>	<u>329,449,048</u>	<u>329,441,186</u>	<u>7,862</u>
General fund	\$724,199,696	\$724,374,140	(\$1,648,382)	\$722,725,758	\$722,671,140	\$54,618

Senate Bill No. 2013 - Information Technology Department - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Division of Independent Study			<u>\$7,560</u>	<u>\$7,560</u>		<u>\$7,560</u>
Total all funds	\$0	\$0	\$7,560	\$7,560	\$0	\$7,560
Less estimated income			<u>7,560</u>	<u>7,560</u>		<u>7,560</u>
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Dept. 112 - Information Technology Department - Detail of Conference Committee Changes

	ADDS FUNDING RELATING TO TEACHERS' RETIREMENT CHANGES ¹	TOTAL CONFERENCE COMMITTEE CHANGES
Division of Independent Study	<u>\$7,560</u>	<u>\$7,560</u>
Total all funds	\$7,560	\$7,560
Less estimated income	<u>7,560</u>	<u>7,560</u>
General fund	\$0	\$0
FTE	0.00	0.00

¹ This amendment provides funding of \$7,560 from special funds for funding the additional employer retirement contribution for teachers' fund for retirement members required by Senate Bill No. 2046, as approved by the 60th Legislative Assembly.

Senate Bill No. 2013 - Department of Public Instruction - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	\$11,811,194	\$11,407,054	\$20,000	\$11,427,054	\$11,407,054	\$20,000
Operating expenses	21,088,294	20,968,294	(1,230,000)	19,738,294	19,738,294	
Grants - State school aid	724,165,879	726,165,879		726,165,879	726,165,879	
Grants - Special education contracts	17,500,000	17,500,000		17,500,000	17,500,000	
Grants - Transportation	33,500,000	33,500,000		33,500,000	33,500,000	
Grants - Other grants	227,530,806	227,701,806		227,701,806	227,701,806	
JPA incentives	2,000,000					
Transportation efficiency	30,000	30,000		30,000	30,000	
National board certification	40,000	40,000		40,000	40,000	
Total all funds	\$1,037,666,173	\$1,037,313,033	(\$1,210,000)	\$1,036,103,033	\$1,036,083,033	\$20,000
Less estimated income	<u>326,080,447</u>	<u>325,676,307</u>		<u>325,676,307</u>	<u>325,676,307</u>	
General fund	\$711,585,726	\$711,636,726	(\$1,210,000)	\$710,426,726	\$710,406,726	\$20,000
FTE	98.25	94.75	0.00	94.75	94.75	0.00

Dept. 201 - Department of Public Instruction - Detail of Conference Committee Changes

	INCREASES FUNDING FOR SALARIES AND WAGES 1	REMOVES FUNDING FOR COMPUTER SYSTEM REWRITE PROJECTS 2	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	\$20,000		\$20,000
Operating expenses		(\$1,230,000)	(\$1,230,000)
Grants - State school aid			
Grants - Special education contracts			
Grants - Transportation			
Grants - Other grants			
JPA incentives			
Transportation efficiency			
National board certification			
Total all funds	\$20,000	(\$1,230,000)	(\$1,210,000)
Less estimated income			
General fund	\$20,000	(\$1,230,000)	(\$1,210,000)
FTE	0.00	0.00	0.00

¹ This amendment increases funding for salaries and wages by \$20,000 from the general fund to provide funding for administration of the state English language learner program. This increase was not included in either the Senate or House version.

² This amendment removes funding from the general fund for the state school aid rewrite project (\$500,000) and the teachers' licensure application rewrite project (\$730,000) and provides that those projects be funded from the 2005-07 per student and transportation aid contingent distributions, same as the House version.

This amendment also:

- Adds a section providing that the Commission on Education Improvement consider studying changes to the state school aid formula to provide per student payments to school districts offering an adult education program, same as the House version.
- Adds a section amending Section 28 of Chapter 167 of the 2005 Session Laws relating to contingent distributions of per student payments for the 2005-07 biennium. This section was also amended in the House version of the bill.
- Adds a section providing an exemption for contingent distributions of per student payments for the 2005-07 biennium.
- Removes Section 8 of the engrossed bill relating to English language learners, same as the House version.
- Removes Section 14 of the engrossed bill relating to full-day kindergarten, same as the House version.

Senate Bill No. 2013 - School for the Deaf - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	\$5,141,381	\$5,141,381	(\$373,240)	\$4,768,141	\$4,743,381	\$24,760
Operating expenses	1,514,283	1,514,283		1,514,283	1,514,283	

Capital assets	<u>150,000</u>	<u>150,000</u>	_____	<u>150,000</u>	<u>150,000</u>	_____
Total all funds	\$6,805,664	\$6,805,664	(\$373,240)	\$6,432,424	\$6,407,664	\$24,760
Less estimated income	<u>964,162</u>	<u>964,162</u>	<u>75,000</u>	<u>1,039,162</u>	<u>1,039,162</u>	_____
General fund	\$5,841,502	\$5,841,502	(\$448,240)	\$5,393,262	\$5,368,502	\$24,760
FTE	48.44	48.44	(4.50)	43.94	43.94	0.00

Dept. 252 - School for the Deaf - Detail of Conference Committee Changes

	REMOVES VACANT FTE POSITIONS ¹	REDUCES FUNDING FOR SALARIES AND WAGES ²	FUNDING SOURCE CHANGE ³	ADDS FUNDING RELATING TO TEACHERS' RETIREMENT CHANGES ⁴	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	(\$323,000)	(\$55,000)		\$4,760	(\$373,240)
Operating expenses					
Capital assets					
Total all funds	(\$323,000)	(\$55,000)	\$0	\$4,760	(\$373,240)
Less estimated income			<u>75,000</u>		<u>75,000</u>
General fund	(\$323,000)	(\$55,000)	(\$75,000)	\$4,760	(\$448,240)
FTE	(4.50)	0.00	0.00	0.00	(4.50)

¹ This amendment removes 4.5 vacant FTE positions, same as the House version.

² This amendment reduces funding for the salaries and wages line item by \$55,000 from the general fund relating to anticipated attrition. The House version reduced funding for the salaries and wages line item by \$75,000 from the general fund.

³ This change was also included in the House version.

⁴ This amendment provides funding of \$4,760 from the general fund for funding the additional employer retirement contribution for teachers' fund for retirement members required by Senate Bill No. 2046, as approved by the 60th Legislative Assembly.

This amendment also:

- Adds a section to the bill identifying one-time funding for the 2007-09 biennium, same as the House version.
- Adds a section to the bill to provide for a Legislative Council study of services to students who are deaf or hearing-impaired, same as the House version.
- Adds a section to the bill to provide legislative intent that the School for the Deaf collaborate with Lake Region State College on the college's wind energy project, same as the House version.

Senate Bill No. 2013 - Vision Services - School for the Blind - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	\$2,874,015	\$2,977,419	\$2,600	\$2,980,019	\$2,977,419	\$2,600
Operating expenses	620,758	640,798		640,798	640,798	
Capital assets	<u>142,100</u>	<u>142,100</u>	_____	<u>142,100</u>	<u>142,100</u>	_____
Total all funds	\$3,636,873	\$3,760,317	\$2,600	\$3,762,917	\$3,760,317	\$2,600
Less estimated income	<u>844,117</u>	<u>844,117</u>	_____	<u>844,117</u>	<u>844,117</u>	_____
General fund	\$2,792,756	\$2,916,200	\$2,600	\$2,918,800	\$2,916,200	\$2,600
FTE	27.00	28.00	0.00	28.00	28.00	0.00

Dept. 253 - Vision Services - School for the Blind - Detail of Conference Committee Changes

	ADDS FUNDING RELATING TO TEACHERS' RETIREMENT CHANGES ¹	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	\$2,600	\$2,600
Operating expenses		
Capital assets		
Total all funds	\$2,600	\$2,600
Less estimated income		
General fund	\$2,600	\$2,600

FTE 0.00 0.00

¹ This amendment provides funding of \$2,600 from the general fund for funding the additional employer retirement contribution for teachers' fund for retirement members required by Senate Bill No. 2046, as approved by the 60th Legislative Assembly.

Senate Bill No. 2013 - Department of Corrections and Rehabilitation - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Youth services			\$7,560	\$7,560		\$7,560
Total all funds	\$0	\$0	\$7,560	\$7,560	\$0	\$7,560
Less estimated income			302	302		302
General fund	\$0	\$0	\$7,258	\$7,258	\$0	\$7,258
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Dept. 530 - Department of Corrections and Rehabilitation - Detail of Conference Committee Changes

	ADDS FUNDING RELATING TO TEACHERS' RETIREMENT CHANGES ¹	TOTAL CONFERENCE COMMITTEE CHANGES
Youth services	\$7,560	\$7,560
Total all funds	\$7,560	\$7,560
Less estimated income	302	302
General fund	\$7,258	\$7,258
FTE	0.00	0.00

¹ This amendment provides funding of \$7,560, of which \$7,258 is from the general fund, for funding the additional employer retirement contribution for teachers' fund for retirement members required by Senate Bill No. 2046, as approved by the 60th Legislative Assembly.

Engrossed SB 2013 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. HOLMBERG MOVED that the conference committee report on Engrossed SB 2013 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2013, as amended, was placed on the Eleventh order.

SECOND READING OF SENATE BILL

SB 2013: A BILL for an Act to provide an appropriation for defraying the expenses of the department of public instruction, the school for the deaf, North Dakota vision services - school for the blind, and the state library; to provide an appropriation relating to teachers' retirement contributions; to provide for the distribution of special education payments; to provide for transfers; to provide for a legislative council study; to provide for legislative intent; to provide an exemption; to amend and reenact section 15.1-02-02 of the North Dakota Century Code, section 28 of chapter 167 of the 2005 Session Laws, and section 52 of Senate Bill No. 2200, as approved by the sixtieth legislative assembly, relating to the salary of the superintendent of public instruction, contingent distributions of per student payments, and teacher compensation payments; and to declare an emergency.

ROLL CALL

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

YEAS: Anderson; Andrist; Bakke; Behm; Bowman; Christmann; Cook; Dever; Erbele; Fiebigger; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heckaman; Heitkamp; Holmberg; Horne; Kilzer; Klein; Krauter; Krebsbach; Lee, G.; Lee, J.; Lindaas; Lyson; Marcellais; Mathern; Nelson; Nething; O'Connell; Oehlke; Olafson; Pomeroy; Potter; Robinson; Seymour; Stenehjelm; Tallackson; Taylor; Tollefson; Triplett; Urlacher; Wanzek; Wardner; Warner

Reengrossed SB 2013 passed, the title was agreed to, and the emergency clause was declared carried.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. BOWMAN MOVED that the conference committee report on Engrossed HB 1020 as printed on SJ pages 1704-1710 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1020, as amended, was placed on the Fourteenth order.

SECOND READING OF HOUSE BILL

HB 1020: A BILL for an Act to provide an appropriation for defraying the expenses of the extension service, northern crops institute, upper great plains transportation institute, main research center, branch research centers, and agronomy seed farm; to amend and reenact sections 4-41-02 and 24-02-03.3 of the North Dakota Century Code, relating to industrial hemp licenses and the central motor pool; to provide for transfer of funds; to provide legislative intent; to provide for a report to the sixty-first legislative assembly; to provide an exemption; and to declare an emergency.

ROLL CALL

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

YEAS: Anderson; Andrist; Bakke; Behm; Bowman; Christmann; Cook; Dever; Erbele; Fiebiger; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heckaman; Heitkamp; Holmberg; Horne; Kilzer; Klein; Krauter; Krebsbach; Lee, G.; Lee, J.; Lindaas; Lyson; Marcellais; Mathern; Nelson; Nething; O'Connell; Oehlke; Olafson; Pomeroy; Potter; Robinson; Seymour; Stenehjem; Tallackson; Taylor; Tollefson; Triplett; Urlacher; Wanzek; Wardner; Warner

Engrossed HB 1020, as amended, passed, the title was agreed to, and the emergency clause was declared carried.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. LYSON MOVED that the conference committee report on SB 2260 as printed on SJ pages 1702-1704 be adopted.

REQUEST

SEN. FIEBIGER REQUESTED a recorded roll call vote on the motion to adopt the conference committee report on SB 2260, which request was granted.

ROLL CALL

The question being on the motion to adopt the conference committee report on SB 2260, the roll was called and there were 27 YEAS, 20 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Andrist; Bowman; Christmann; Cook; Dever; Erbele; Fischer; Flakoll; Freborg; Grindberg; Hacker; Holmberg; Kilzer; Klein; Krebsbach; Lee, G.; Lee, J.; Lyson; Nething; Oehlke; Olafson; Seymour; Stenehjem; Tollefson; Urlacher; Wanzek; Wardner

NAYS: Anderson; Bakke; Behm; Fiebiger; Heckaman; Heitkamp; Horne; Krauter; Lindaas; Marcellais; Mathern; Nelson; O'Connell; Pomeroy; Potter; Robinson; Tallackson; Taylor; Triplett; Warner

The conference committee report on SB 2260 was adopted.

SB 2206, as amended, was placed on the Eleventh order.

SECOND READING OF SENATE BILL

SB 2260: A BILL for an Act to create and enact a new subdivision to subsection 2 of section 12-60-24, a new section to chapter 19-03.1, a new section to chapter 43-12.1, a new subsection to section 43-15-10, a new section to chapter 43-23, and a new section to chapter 43-41 of the North Dakota Century Code, relating to criminal history record checks; to amend and reenact sections 12-60-16.5, 12-60-16.6, 12-60-24, 15.1-06-06, 15.1-13-14, 32-28-02, 50-11-01, 50-11-02.4, 50-11-06.8, 50-11-06.9, 50-11.3-01, and 50-12-03.2, subsection 4 of section 53-06.2-05, and section 54-59-20 of the North Dakota Century Code, relating to criminal history record checks; to provide for limitations on correctional facility construction or remodeling; 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, the roll was called and there were 43 YEAS, 4 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Anderson; Andrist; Bakke; Behm; Bowman; Christmann; Cook; Dever; Erbele; Fiebiger; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heckaman; Heitkamp; Holmberg; Horne; Kilzer; Klein; Krauter; Krebsbach; Lee, G.; Lee, J.; Lindaas; Lyson; Marcellais; Nelson; Nething; O'Connell; Oehlke; Olafson; Pomeroy; Robinson; Seymour; Stenehjem; Taylor; Tollefson; Urlacher; Wanzek; Wardner; Warner

NAYS: Mathern; Potter; Tallackson; Triplett

Engrossed SB 2260 passed, the title was agreed to, and the emergency clause was declared carried.

SENATE INTERIM COMMITTEES

PRESIDENT PRO TEM J. LEE ANNOUNCED the following Senate Interim Committees:

Legislative Council

Sen. Holmberg

Sen. Wardner

Sen. Flakoll

Sen. Dever

Sen. Robinson

Sen. Heitkamp

Capitol Grounds Planning Commission

Sen. Christmann

Sen. Horne

State Council for Interstate Adult Offender Supervision

Sen. Lyson

MOTION

SEN. CHRISTMANN MOVED that memorial money received by the Senate in memory of Senator C. Warner Litton be deposited in the Legislative Services Fund, which motion prevailed.

MOTION

SEN. FREBORG MOVED that Sen. G. Lee be elected to the position of member of the Education Commission of the States, which motion prevailed.

MOTION

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

NOMINATIONS FOR INTERIM PRESIDENT PRO TEM

SEN. WARDNER: I nominate Senator Dwight Cook as our next President Pro Tem. Senator Cook was elected to the North Dakota Senate in 1997 and has served on Education, Finance and Taxation, Political Subdivisions, and on the Legislative Council. Currently Senator Cook is the Chair of Political Subs and has served in that position for the last four sessions. He is representing the State of North Dakota on the Streamline Sales Tax Commission and is currently serving his second year as Chairman of this national group. Dwight is noted for his hard work and relentless drive when dealing with an issue. Senator Cook has served with distinction, demonstrated a high degree of moral character, and is well respected as a leader. He has a "never give up" attitude that has served the State of North Dakota well. Dwight will be an effective and strong President Pro Tem. I am honored to place the name of Dwight Cook in nomination as President Pro Tem.

SEN. WARNER: Madam President, It is my pleasure to nominate Senator Ryan Taylor to be the next President Pro Tem. I first met Ryan more than 15 years ago at a forum on the future of agriculture in Minot. I was immediately impressed with this young man, a rancher, a veterinary pharmaceutical salesman, and a journalist. To top it all off, he did rope tricks. Ryan had every qualification necessary to be a Senator of the Great State of North Dakota. A bachelor when he first ran for the Senate, he proposed to his wife Nikki on election day so they would have something to celebrate no matter how the vote went. Since that happy day Ryan and Nikki have contributed two young sons to North Dakota's future and Senator Taylor has become one of the principal spokesmen in the Senate for that future through his work on primary and secondary education and agriculture. Ryan has earned the respect of both sides

of the aisle through his hard work and gentle common sense. He has served this body with distinction and is recognized for his leadership all across North Dakota. Madam President, I am pleased to place in nomination for President Pro Tem the name of Senator Ryan Taylor of District 7.

ANNOUNCEMENT

PRESIDENT PRO TEM J. LEE ANNOUNCED that the vote for the office of Interim President Pro Tem showed that the Senate was in favor of electing Sen. Cook as Interim President Pro Tem.

REMARKS BY SENATOR TAYLOR

Madam President, I'd like to thank the Senator from the Fourth District his very kind remarks and nomination on my behalf. A scholarly man of letters and music and agriculture, I've always considered him a bit of a Renaissance farmer who the good Lord placed on his family's homestead near Ryder. Senator Warner is a fine example of the caliber and quality of men and women we are so fortunate to have serving here in the Senate Chambers. It's an honor to be a part of this group of 47 from across our great state; it's humbling to be nominated for this position and it is my pleasure to ask the members of this thoughtful and deliberate body to cast a unanimous ballot for Senator Cook from Mandan to be our Interim President Pro Tem.

MOTION

The motion by Sen. Taylor to cast a unanimous ballot in favor of Sen. Cook for Interim President Pro Tem prevailed.

OATH OF OFFICE

SEN. STENEHJEM MOVED that a committee of two be appointed to escort Interim President Pro Tem Cook to the rostrum, which motion prevailed.

PRESIDENT PRO TEM J. LEE APPOINTED Sens. Freborg and Triplett to escort Sen. Cook to the rostrum for the Oath of Office, which was administered by President Pro Tem J. Lee.

REMARKS OF INTERIM PRESIDENT PRO TEM COOK

Madam President, Members of the Senate: Serving as your President Pro Tem is a tremendous honor and privilege, and I do thank each and every one of you for your confidence. As I stand here today, I can't help but think back to that night I first got elected. I had no idea what to expect. I had no idea if I could handle the challenge or if I would ever regret the decision to run. Friends, I'm sure the memory I just shared is a memory much like one that all of you also have had. Let there be no doubt, I have no regrets. Today, as I accept this honor, I make the same pledge I made the night I got elected. That is simply to do my best. I pledge to respect each and every one of you and to defend the honor and integrity of this chamber. Thank you again for this great honor.

MOTION

SEN. CHRISTMANN MOVED that the remarks of Sens. Wardner, Warner, Taylor, and Cook be printed in the Journal, which motion prevailed.

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: SB 2012, SB 2013, SB 2260.

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: HB 1020.

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

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

SB 2032: Sens. Urlacher; Cook; Triplett

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)

MR. PRESIDENT: The House has adopted the conference committee report and subsequently passed: HB 1009, HB 1015.

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

MR. SPEAKER: Your signature is respectfully requested on: SB 2003, SB 2020, SB 2186.

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

MR. SPEAKER: The President has signed: HB 1433.

Dept. 665 - State Fair Association - Detail of Conference Committee Changes

	PROVIDES STARTUP FUNDING FOR CONSTRUCTION OF A NEW GRANDSTAND ¹	TOTAL CONFERENCE COMMITTEE CHANGES
Capital assets	\$250,000	\$250,000
Premiums		
Total all funds	\$250,000	\$250,000
Less estimated income		
General fund	\$250,000	\$250,000
FTE	0.00	0.00

¹ This amendment provides funding of \$250,000 from the general fund for startup funding for the construction of a new grandstand. The House version of the bill did not include funding for the construction of a new grandstand, and the Senate version of the bill included funding of \$10 million, of which \$5 million was from the general fund, for the construction of a new grandstand.

This amendment also adds a section providing for a report to the Budget Section regarding the status of constructing a new grandstand, including the status of developing a business plan and the progress of fundraising efforts.

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

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

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

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

SECOND READING OF HOUSE BILL

HB 1009: A BILL for an Act to provide an appropriation for defraying the expenses of the state fair association; and to provide for a report to the budget section.

ROLL CALL

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

YEAS: Anderson; Andrist; Bakke; Behm; Bowman; Christmann; Cook; Dever; Erbele; Fiebiger; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heckaman; Heitkamp; Holmberg; Horne; Kilzer; Klein; Krauter; Krebsbach; Lee, G.; Lee, J.; Lindaas; Lyson; Marcellais; Mathern; Nelson; Nething; O'Connell; Oehlke; Olafson; Pomeroy; Potter; Robinson; Seymour; Stenehjerm; Tallackson; Taylor; Tollefson; Triplett; Urlacher; Wanzek; Wardner; Warner

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

REPORT OF CONFERENCE COMMITTEE

HB 1015, as reengrossed: Your conference committee (Sens. Fischer, Grindberg, Krauter and Reps. Pollert, Wieland, Metcalf) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1494-1498, adopt amendments as follows, and place HB 1015 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1494-1498 in the House Journal and pages 1291-1295 and page 1343 of the Senate Journal and that Reengrossed House Bill No. 1015 be amended as follows:

Page 1, line 2, replace the third "and" with a comma

Page 1, line 3, after "12.1-32-07" insert ", and section 19-03.1-45"

Page 1, line 4, replace "and" with a comma and after "fees" insert ", and drug treatment"

Page 1, line 5, remove "and" and after "approval" insert "; to provide for a transfer; to provide an appropriation; to provide for a correctional facility review committee; to provide for a report to the budget section; to provide for a legislative council study; and to declare an emergency"

Page 1, line 22, replace "\$8,138,211" with "(\$27,075,150)"

Page 1, line 23, replace "99,780,064" with "(79,551,714)"

Page 1, line 24, replace "964,482" with "(7,930,658)"

Page 2, line 1, replace "1,712,416" with "(12,843,309)"

Page 2, after line 1, insert:

"Adult services	131,143,936
Youth services	23,450,865"

Page 2, line 3, replace "109,095,173" with "25,693,970"

Page 2, line 5, replace "112,930,827" with "29,529,624"

Page 2, line 12, replace "Field" with "Adult" and replace "35,213,361" with "131,143,936"

Page 2, line 13, replace "Prisons division" with "Youth services" and replace "179,331,778" with "23,450,865"

Page 2, remove lines 14 and 15

Page 2, line 16, replace "237,996,004" with "154,594,801"

Page 2, line 18, replace "214,066,511" with "130,665,308"

Page 3, after line 17, insert:

"SECTION 6. AMENDMENT. Section 19-03.1-45 of the North Dakota Century Code is amended and reenacted as follows:

19-03.1-45. ~~Mandatory drug~~ Drug abuse assessment and treatment - Presentence investigation - Certified drug abuse treatment programs.

1. ~~When~~ If a person located in Walsh, Pembina, or Grand Forks Counties has pled guilty or has been found guilty of a felony violation of subsection 6 of section 19-03.1-23 ~~and, if~~ that person has not previously pled guilty or been found guilty of any offense involving the use, possession, manufacture, or delivery of a controlled substance or of any other felony offense of this or another state or the federal government, and if the court imposes probation, the court shall impose a period of probation of not less than eighteen months in conjunction with a suspended execution of a sentence of imprisonment, a sentence to probation, or an order deferring imposition of sentence.
2. Upon a plea or finding of guilt of a person subject to the provisions of subsection 1, the court shall order a presentence investigation to be conducted by the department. The presentence investigation shall include a drug and alcohol evaluation conducted by a licensed addiction counselor.
3. If the licensed addiction counselor recommends treatment, the court shall require the person to participate in an addiction program licensed by the department of human services as a condition of the probation. The court shall commit the person to treatment through a licensed addiction program until determined suitable for discharge by the court. The term of treatment shall not exceed eighteen months and may include an aftercare plan. During the commitment and while subject to probation, the person shall be supervised by the department.
4. If the person fails to participate in, or has a pattern of intentional conduct that demonstrates the person's refusal to comply with or participate in the treatment program, as established by judicial finding, the person shall be subject to revocation of the probation. Notwithstanding subsection 2 of section 12.1-32-02, the amount of time participating in the treatment program under this section is not "time spent in custody" and will not be a credit against any sentence to term of imprisonment.

5. ~~The cost for all drug abuse assessments and certified drug abuse treatment programs shall be initially paid by the department. The court shall order the person to reimburse the department for the assessment and treatment expenses in accordance with the procedures of section 12.1 32-08. The department shall handle the collection of costs from the offenders in the same manner as it collects court costs, fees, and supervision fees.~~
6. In this section:
 - a. "Department" means the department of corrections and rehabilitation; and
 - b. "Licensed addiction counselor" is a person licensed pursuant to section 43-45-05.1.
7. ~~The provisions of this section shall be implemented as a pilot project in Pembina, Walsh, and Grand Forks Counties effective three months from the date of receipt of a federal grant for methamphetamine treatment being applied for by the department of human services. The department shall collaborate management of the pilot project with the department of human services to ensure services under the federal grant program for one half of the offenders mandated by the court to submit to mandatory treatment, not to exceed twenty three individuals. The department shall hire a program manager to manage the pilot project, collect statistics regarding the operation of the program, track participants in the program, and provide a report to the attorney general, the legislative council for distribution during the November 2006 legislative council meeting, and the sixtieth legislative assembly detailing the number of participants in the program, the cost of the program, relapse statistics, and other data concerning the effectiveness of the program."~~

Page 3, replace lines 23 through 31 with:

"SECTION 8. TRANSFER TO THE STATE PENITENTIARY LAND FUND - CONTINGENT APPROPRIATION. The director of the office of management and budget shall transfer on July 1, 2007, \$41,000,000 from the general fund to the state penitentiary land fund established in North Dakota Century Code section 54-23.3-04 to be used for correctional facilities. The funds are appropriated to the department of corrections and rehabilitation for a project authorized and approved under section 10 of this Act and are available for construction, for the biennium beginning July 1, 2007, and ending June 30, 2009. All income earned on the fund must be deposited in the state penitentiary land fund.

SECTION 9. APPROPRIATION - LEGISLATIVE COUNCIL. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$250,000, or so much of the sum as may be necessary, to the legislative council for prison facility alternative concepts and preliminary design development, as provided for in section 10 of this Act for the period beginning with the effective date of this Act and ending June 30, 2009.

SECTION 10. CORRECTIONAL FACILITY REVIEW COMMITTEE - MEMBERSHIP - DUTIES - RECOMMENDATIONS.

1. During the 2007-08 interim, the legislative council shall appoint a correctional facility review committee to address the immediate and future needs of the state penitentiary. The membership of the committee must include six members of the legislative assembly selected by the legislative council. The membership of the committee must include:
 - a. Three members of the house of representatives, two of whom must represent the majority faction of the house of representatives and one of whom must represent the minority faction of the house of representatives; and
 - b. Three members of the senate, two of whom must represent the majority faction of the senate and one of whom must represent the minority faction of the senate.

2. The legislative council chairman shall designate the committee chairman and vice chairman.
3. The committee shall operate according to the statutes and procedures governing the operation of other legislative council interim committees.
4. The committee shall engage consultant and architectural services, subject to legislative council approval, for the development of the following three correctional facility concepts:
 - a. The construction of a new correctional facility on the existing state penitentiary site;
 - b. The construction of a new correctional facility at a site other than the state penitentiary site; and
 - c. The remodeling of the existing state penitentiary facility.
5. Each of the three correctional facility concepts developed by the consultant and architect must:
 - a. Include a master plan, staffing plan, a cost-benefit analysis, and project cost estimate;
 - b. Be based upon housing a population of approximately nine hundred to one thousand inmates;
 - c. Include options for expansion;
 - d. Take into consideration the transfer of the inmates at the Missouri River correctional center to the new or remodeled facility; and
 - e. Take into consideration the facility and staffing needs of the James River correctional center.
6. In developing the concepts, the committee shall seek the input of the department of corrections and rehabilitation.
7. Before June 1, 2008, the committee shall forward the three concepts along with a recommendation for one of the three concepts to the emergency commission for the commission's consideration and authorization.
8. If the emergency commission authorizes one of the three concepts, the emergency commission shall forward the authorized concept to the budget section of the legislative council. The budget section may approve or reject the concept as authorized by the emergency commission."

Page 4, remove lines 1 through 16

Page 5, line 3, replace "\$88,332,091" with "\$3,559,391"

Page 5, remove line 8

Page 5, line 9, replace "70,000" with "\$70,000"

Page 5, line 10, replace "1,498,091" with "1,725,391"

Page 5, line 12, replace "88,332,091" with "3,559,391"

Page 5, after line 15, insert:

"SECTION 15. INTENT - TEMPORARY SALARIES - FIELD SERVICES. It is the intent of the sixtieth legislative assembly that the department of corrections and rehabilitation may use \$250,000 of its 2007-09 biennium appropriation for temporary salaries for the field services division for supervision of offenders.

SECTION 16. LEGISLATIVE COUNCIL STUDY - RETIREMENT CRITERIA FOR STATE CORRECTIONAL OFFICERS AND PEACE OFFICERS. The legislative council shall consider studying, during the 2007-08 interim, retirement program criteria and benefits for correctional officers and peace officers employed by state agencies,

including the feasibility and desirability of allowing these employees to retire with full retirement benefits at age fifty-five or the "rule of 85". The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

SECTION 17. SPACE, OPERATIONAL, AND STAFFING PLAN - BUDGET SECTION REPORT. The department of corrections and rehabilitation shall prepare a space, operational, and staffing plan for the state penitentiary and James River correctional center. The plan must be based on the state penitentiary building project authorized by the sixtieth legislative assembly and the current facilities at the James River correctional center and the Missouri River correctional center. The plan must be presented at the first budget section meeting after March 1, 2008.

SECTION 18. LEGISLATIVE INTENT - CORRECTIONAL FACILITIES. It is the intent of the sixtieth legislative assembly that the correctional facility concepts to be developed pursuant to this Act not include any consideration of closure of the James River correctional center or the Dakota women's correctional and rehabilitation center in New England.

SECTION 19. EMERGENCY. Sections 9, 10, and 11 of this Act are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1015 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Office of Management and Budget						
Total all funds	\$0	\$0	\$41,000,000	\$41,000,000	\$42,000,000	(\$1,000,000)
Less estimated income						
General fund	\$0	\$0	\$41,000,000	\$41,000,000	\$42,000,000	(\$1,000,000)
Legislative Council						
Total all funds	\$0	\$0	\$250,000	\$250,000	\$0	\$250,000
Less estimated income						
General fund	\$0	\$0	\$250,000	\$250,000	\$0	\$250,000
Department of Corrections and Rehabilitation						
Total all funds	\$199,549,688	\$237,996,004	(\$83,401,203)	\$154,594,801	\$162,171,312	(\$7,576,511)
Less estimated income	26,853,489	23,929,493		23,929,493	23,929,493	
General fund	\$172,696,199	\$214,066,511	(\$83,401,203)	\$130,665,308	\$138,241,819	(\$7,576,511)
Bill Total						
Total all funds	\$199,549,688	\$237,996,004	(\$42,151,203)	\$195,844,801	\$204,171,312	(\$8,326,511)
Less estimated income	26,853,489	23,929,493		23,929,493	23,929,493	
General fund	\$172,696,199	\$214,066,511	(\$42,151,203)	\$171,915,308	\$180,241,819	(\$8,326,511)

House Bill No. 1015 - Office of Management and Budget - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Transfer to State Penitentiary land fund			\$41,000,000	\$41,000,000	\$42,000,000	(\$1,000,000)
Total all funds	\$0	\$0	\$41,000,000	\$41,000,000	\$42,000,000	(\$1,000,000)
Less estimated income						
General fund	\$0	\$0	\$41,000,000	\$41,000,000	\$42,000,000	(\$1,000,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Dept. 110 - Office of Management and Budget - Detail of Conference Committee Changes

	TRANSFER TO STATE PENITENTIARY LAND FUND ¹	TOTAL CONFERENCE COMMITTEE CHANGES
Transfer to State Penitentiary land fund	\$41,000,000	\$41,000,000
Total all funds	\$41,000,000	\$41,000,000

Less estimated income	_____	_____
General fund	\$41,000,000	\$41,000,000
FTE	0.00	0.00

¹ This amendment adds a section to transfer \$41 million from the general fund to the State Penitentiary land fund to be used for future correctional facilities accepted and approved under Senate Bill No. 2260.

House Bill No. 1015 - Legislative Council - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Operating expenses	_____	_____	<u>\$250,000</u>	<u>\$250,000</u>	_____	<u>\$250,000</u>
Total all funds	\$0	\$0	\$250,000	\$250,000	\$0	\$250,000
Less estimated income	_____	_____	_____	_____	_____	_____
General fund	\$0	\$0	\$250,000	\$250,000	\$0	\$250,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Dept. 160 - Legislative Council - Detail of Conference Committee Changes

	ALTERNATIVE CONCEPTS AND PRELIMINARY DESIGN DEVELOPMENT ¹	TOTAL CONFERENCE COMMITTEE CHANGES
Operating expenses	<u>\$250,000</u>	<u>\$250,000</u>
Total all funds	\$250,000	\$250,000
Less estimated income	_____	_____
General fund	\$250,000	\$250,000
FTE	0.00	0.00

¹ This amendment provides an appropriation to the Legislative Council for prison facility alternative concepts and preliminary design development as provided for in Senate Bill No. 2260.

House Bill No. 1015 - Department of Corrections and Rehabilitation - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Field Services	\$35,953,086	\$35,213,361	(\$35,213,361)		\$38,657,169	(\$38,657,169)
Prisons Division	140,093,278	179,331,778	(179,331,778)		100,063,278	(100,063,278)
Juvenile Community Services	8,895,140	8,895,140	(8,895,140)		8,895,140	(8,895,140)
Youth Correctional Center	14,608,184	14,555,725	(14,555,725)		14,555,725	(14,555,725)
Adult Services	_____	_____	131,143,936	131,143,936	_____	131,143,936
Youth Services	_____	_____	<u>23,450,865</u>	<u>23,450,865</u>	_____	<u>23,450,865</u>
Total all funds	\$199,549,688	\$237,996,004	(\$83,401,203)	\$154,594,801	\$162,171,312	(\$7,576,511)
Less estimated income	<u>26,853,489</u>	<u>23,929,493</u>	_____	<u>23,929,493</u>	<u>23,929,493</u>	_____
General fund	\$172,696,199	\$214,066,511	(\$83,401,203)	\$130,665,308	\$138,241,819	(\$7,576,511)
FTE	706.79	700.29	11.00	711.29	708.29	3.00

Dept. 530 - Department of Corrections and Rehabilitation - Detail of Conference Committee Changes

	REMOVES FUNDING FOR PRISON EXPANSION ¹	RESTORES FUNDING FOR CHAPLAINS ²	RESTORES PAROLE AND PROBATION OFFICERS ³	RESTORES FUNDING FOR DEFERRED MAINTENANCE ⁴	PROVIDES FUNDING FOR TEEN CHALLENGE ⁵	PROVIDES FUNDING AND FTE POSITION FOR INTERAGENCY AGREEMENT ⁶
Field Services			\$423,447		\$100,000	
Prisons Division	(\$85,000,000)	\$64,000		\$227,300		\$118,500
Juvenile Community Services						
Youth Correctional Center						
Adult Services						
Youth Services						
Total all funds	(\$85,000,000)	\$64,000	\$423,447	\$227,300	\$100,000	\$118,500
Less estimated income	_____	_____	_____	_____	_____	_____
General fund	(\$85,000,000)	\$64,000	\$423,447	\$227,300	\$100,000	\$118,500
FTE	0.00	2.00	3.00	0.00	0.00	1.00

	PROVIDES FUNDING FOR COMMUNITY SERVICE SUPERVISION GRANTS ⁷	TRANSITION MEDICAL CARE ⁸	ADDS 5 FTE POSITIONS TO REDUCE CASELOAD ⁹	COMBINES PRISONS DIVISION AND FIELD SERVICES INTO ADULT SERVICES ¹⁰	COMBINES YCC AND JUVENILE COMMUNITY SERVICES INTO YOUTH SERVICES ¹¹	TOTAL CONFERENCE COMMITTEE CHANGES
Field Services	\$100,000		\$465,550	(\$36,302,358)		(\$35,213,361)
Prisons Division		\$100,000		(94,841,578)		(179,331,778)
Juvenile Community Services					(\$8,895,140)	(8,895,140)
Youth Correctional Center					(14,555,725)	(14,555,725)
Adult Services				131,143,936		131,143,936
Youth Services					<u>23,450,865</u>	<u>23,450,865</u>
Total all funds	\$100,000	\$100,000	\$465,550	\$0	\$0	(\$83,401,203)
Less estimated income						
General fund	\$100,000	\$100,000	\$465,550	\$0	\$0	(\$83,401,203)
FTE	0.00	0.00	5.00	0.00	0.00	11.00

¹ This amendment removes funding for the new building and demolition projects.

² This amendment restores funding removed by the House to convert 2 temporary chaplains to full-time equivalent positions.

³ This amendment restores funding removed by the House for 3 FTE parole and probation officers, including operating expenses.

⁴ This amendment restores \$227,300 of the \$667,500 removed by the House for deferred maintenance.

⁵ This amendment adds funding for Teen Challenge.

⁶ This amendment provides funding for 1 FTE position and related operating expenses for the interagency agreement with the Department of Human Services provided for in Senate Bill No. 2136.

⁷ This amendment provides funding for community service supervision grants as provided for in Senate Bill No. 2243.

⁸ This amendment provides funding for transition medical care for inmates.

⁹ This amendment provides funding to add 5 FTE positions to reduce the caseload for Adult Services.

¹⁰ This amendment combines the Prisons Division and Field Services line items into the Adult Services line item.

¹¹ This amendment combines the Youth Correctional Center and Juvenile Community Services line items into the Youth Services line item.

A section is added directing the Legislative Council to consider a study of the retirement criteria for state correctional officers and peace officers.

A section is added that amends North Dakota Century Code Section 19-03.1-45 relating to drug abuse assessment and treatment.

A section is added providing for a transfer from the general fund of \$41,000,000 to the State Penitentiary land fund.

A section is added providing an appropriation to the Legislative Council for prison facility alternative concepts and preliminary design.

A section is added to provide for a space, operational, and staffing plan and a report to the Budget Section regarding the plan.

A section is added authorizing Field Services to use \$250,000 of the 2007-09 biennium appropriation for temporary salaries for supervision.

A section is added providing for an emergency for Sections 9, 10, and 11.

This amendment combines the Prisons Division and Field Services line items into the Adult Services line item and combines the Youth Correctional Center and Juvenile Community Services line items into the Youth Services line item.

Reengrossed HB 1015 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. FISCHER MOVED that the conference committee report on Reengrossed HB 1015 be adopted.

REQUEST

SEN. TAYLOR REQUESTED a recorded roll call vote on the motion to adopt the conference committee report on Reengrossed HB 1015, which request was granted.

ROLL CALL

The question being on the motion to adopt the conference committee report on Reengrossed HB 1015, the roll was called and there were 27 YEAS, 20 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Andrist; Bowman; Christmann; Cook; Dever; Erbele; Fischer; Flakoll; Freborg; Grindberg; Hacker; Holmberg; Kilzer; Klein; Krebsbach; Lee, G.; Lee, J.; Lyson; Nething; Oehlke; Olafson; Seymour; Stenehjem; Tollefson; Urlacher; Wanzek; Wardner

NAYS: Anderson; Bakke; Behm; Fiebiger; Heckaman; Heitkamp; Horne; Krauter; Lindaas; Marcellais; Mathern; Nelson; O'Connell; Pomeroy; Potter; Robinson; Tallackson; Taylor; Triplett; Warner

The conference committee report on Reengrossed HB 1015 was adopted.

Reengrossed HB 1015, as amended, was placed on the Fourteenth order.

SECOND READING OF HOUSE BILL

HB 1015: A BILL for an Act to provide an appropriation for defraying the expenses of the department of corrections and rehabilitation; to amend and reenact subsection 1 of section 12-65-08, subsection 2 of section 12.1-32-07, and section 19-03.1-45 of the North Dakota Century Code, relating to fees for the interstate transfer or travel of probationers, supervision fees, and drug treatment; to provide an exemption; to provide legislative intent; to provide for budget section approval; to provide for a transfer; to provide an appropriation; to provide for a correctional facility review committee; to provide for a report to the budget section; and to provide for a legislative council study.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 45 YEAS, 2 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Anderson; Andrist; Bakke; Behm; Bowman; Christmann; Cook; Dever; Erbele; Fiebiger; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heckaman; Heitkamp; Holmberg; Horne; Kilzer; Klein; Krauter; Krebsbach; Lee, G.; Lee, J.; Lindaas; Lyson; Marcellais; Nelson; Nething; O'Connell; Oehlke; Olafson; Pomeroy; Potter; Robinson; Seymour; Stenehjem; Tallackson; Taylor; Tollefson; Urlacher; Wanzek; Wardner; Warner

NAYS: Mathern; Triplett

Reengrossed HB 1015, as amended, passed and the title was agreed to.

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: HB 1009, HB 1015.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)

MR. PRESIDENT: The House has adopted the conference committee report and subsequently passed: SB 2012, SB 2013, SB 2260.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)

MR. PRESIDENT: The House has adopted the conference committee report and subsequently passed: HB 1003, HB 1012.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)

MR. PRESIDENT: The House has adopted the conference committee report on: HB 1017.

MOTION

SEN. CHRISTMANN MOVED that the Senate stand in recess until 3:00 p.m., which motion prevailed.

THE SENATE RECONVENED pursuant to recess taken, with President Dalrymple presiding.

MOTION

SEN. HACKER MOVED that the Senate reconsider its action whereby the conference committee report on Engrossed HB 1460 was rejected.

REQUEST

SEN. HEITKAMP REQUESTED a verification vote on the motion to reconsider the action whereby the conference committee report on Engrossed HB 1460 was rejected, which request was granted.

REQUEST

SEN. HACKER REQUESTED a recorded roll call vote on the motion to reconsider the action whereby the conference committee report on Engrossed HB 1460 was rejected, which request was granted.

ROLL CALL

The question being on the motion to reconsider the action whereby the conference committee report on Engrossed HB 1460 was rejected, the roll was called and there were 30 YEAS, 17 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Andrist; Bowman; Christmann; Cook; Dever; Erbele; Fiebiger; Fischer; Flakoll; Freborg; Grindberg; Hacker; Holmberg; Horne; Kilzer; Klein; Krebsbach; Lee, G.; Lee, J.; Lyson; Nething; Oehlke; Olafson; Potter; Stenehjem; Tollefson; Urlacher; Wanzek; Wardner; Warner

NAYS: Anderson; Bakke; Behm; Heckaman; Heitkamp; Krauter; Lindaas; Marcellais; Mathern; Nelson; O'Connell; Pomeroy; Robinson; Seymour; Tallackson; Taylor; Triplett

So the motion to reconsider the action whereby the conference committee report on Engrossed HB 1460 was rejected, failed.

REPORT OF CONFERENCE COMMITTEE

HB 1003, as engrossed: Your conference committee (Sens. Holmberg, Krebsbach, Robinson and Reps. Wald, Monson, Aarsvold) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1346-1357, adopt amendments as follows, and place HB 1003 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1346-1357 of the House Journal and pages 1025-1035 of the Senate Journal and that Engrossed House Bill No. 1003 be amended as follows:

Page 1, line 3, remove "to provide for"

Page 1, line 4, remove "a transfer;"

Page 1, line 6, replace "sections 1 and 2 of House Bill No. 1031, as" with "section 15-12-27 of the North Dakota Century Code, relating to North Dakota state university's eighteenth street development fund"

Page 1, line 7, remove "approved by the sixtieth legislative assembly, relating to the budgeting process"

Page 5, replace lines 5 through 31 with:

"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 North Dakota university system office and to the various entities and institutions under the supervision of the state board of higher education which are included in the appropriation in section 3 of this Act as follows:

Subdivision 1.

NORTH DAKOTA UNIVERSITY SYSTEM OFFICE AND INSTITUTIONS

Capital assets	\$2,225,971
Competitive research program	460,000
Board initiatives	(1,486,500)
System governance	314,972
Common information services	10,914,000
Operations pool	(388,559)
Equity pool	(2,000,000)
Contingency and capital emergency	(436,923)

Professional liability insurance	(250,000)
Student financial assistance grants	2,483,095
Professional student exchange program	595,666
Scholars program	616,489
Native American scholarships	128,638
Education incentive programs	<u>512,412</u>
Total all funds - Adjustments/enhancements	\$13,689,261
Less estimated income - Adjustments/enhancements	<u>2,817,754</u>
Total general fund - Adjustments/enhancements	\$10,871,507

Subdivision 2.

BISMARCK STATE COLLEGE

Operations	\$2,868,132
Capital assets	<u>2,707,161</u>
Total all funds - Adjustments/enhancements	\$5,575,293
Less estimated income - Adjustments/enhancements	<u>1,988,750</u>
Total general fund - Adjustments/enhancements	\$3,586,543

Subdivision 3.

LAKE REGION STATE COLLEGE

Operations	\$1,121,359
Capital assets	<u>2,745,667</u>
Total all funds - Adjustments/enhancements	\$3,867,026
Less estimated income - Adjustments/enhancements	<u>3,007,600</u>
Total general fund - Adjustments/enhancements	\$859,426

Subdivision 4.

WILLISTON STATE COLLEGE

Operations	\$869,507
Capital assets	<u>(5,879,277)</u>
Total all funds - Adjustments/enhancements	(\$5,009,770)
Less estimated income - Adjustments/enhancements	<u>(5,660,000)</u>
Total general fund - Adjustments/enhancements	\$650,230

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

Operations	\$14,460,228
Capital assets	<u>(18,303,224)</u>
Total all funds - Adjustments/enhancements	(\$3,842,996)
Less estimated income - Adjustments/enhancements	<u>(23,911,554)</u>
Total general fund - Adjustments/enhancements	\$20,068,558

Subdivision 6.

NORTH DAKOTA STATE UNIVERSITY

Operations	\$13,788,980
Capital assets	<u>4,016,935</u>
Total all funds - Adjustments/enhancements	\$17,805,915
Less estimated income - Adjustments/enhancements	<u>(3,000,000)</u>
Total general fund - Adjustments/enhancements	\$20,805,915

Subdivision 7.

NORTH DAKOTA STATE COLLEGE OF SCIENCE

Operations	\$2,753,540
Capital assets	<u>1,198,613</u>
Total all funds - Adjustments/enhancements	\$3,952,153
Less estimated income - Adjustments/enhancements	<u>565,500</u>
Total general fund - Adjustments/enhancements	\$3,386,653

Subdivision 8.

DICKINSON STATE UNIVERSITY

Operations	\$2,144,483
Capital assets	<u>(465,484)</u>
Total all funds - Adjustments/enhancements	\$1,678,999
Less estimated income - Adjustments/enhancements	<u>(1,100,557)</u>
Total general fund - Adjustments/enhancements	\$2,779,556

Subdivision 9.

MAYVILLE STATE UNIVERSITY

Operations	\$1,111,435
Capital assets	<u>130,969</u>

Total all funds - Adjustments/enhancements	\$1,242,404
Less estimated income - Adjustments/enhancements	<u>(600,000)</u>
Total general fund - Adjustments/enhancements	\$1,842,404

Subdivision 10.

MINOT STATE UNIVERSITY

Operations	\$2,879,273
Capital assets	<u>367,024</u>
Total all funds - Adjustments/enhancements	\$3,246,297
Less estimated income - Adjustments/enhancements	<u>(7,128,385)</u>
Total general fund - Adjustments/enhancements	\$10,374,682

Subdivision 11.

VALLEY CITY STATE UNIVERSITY

Operations	\$1,543,611
Capital assets	<u>2,487,819</u>
Total all funds - Adjustments/enhancements	\$4,031,430
Less estimated income - Adjustments/enhancements	<u>2,200,000</u>
Total general fund - Adjustments/enhancements	\$1,831,430

Subdivision 12.

MINOT STATE UNIVERSITY - BOTTINEAU

Operations	\$425,088
Capital assets	<u>(5,699,023)</u>
Total all funds - Adjustments/enhancements	(\$5,273,935)
Less estimated income - Adjustments/enhancements	<u>(5,748,000)</u>
Total general fund - Adjustments/enhancements	\$474,065

Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE
AND HEALTH SCIENCES

Operations	\$3,127,499
Total general fund - Adjustments/enhancements	\$3,127,499

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

Operations	\$427,182
Capital assets	<u>78,566</u>
Total all funds - Adjustments/enhancements	\$505,748
Less estimated income - Adjustments/enhancements	<u>22,485</u>
Total general fund - Adjustments/enhancements	\$483,263
Total general fund - Section 2	\$81,141,731
Total estimated income - Section 2	(\$36,546,407)
Total all funds - Section 2	\$44,595,324

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 North Dakota university system office and the various entities and institutions under the supervision of the state board of higher education for the purpose of defraying the expenses of those entities and institutions, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

Subdivision 1.

NORTH DAKOTA UNIVERSITY SYSTEM OFFICE AND INSTITUTIONS

Capital assets	\$16,504,112
Competitive research program	5,650,000
Board initiatives	398,500
System governance	5,883,394
Title II	695,600
Common information services	31,477,093
Professional liability insurance	1,100,000
Student financial assistance grants	5,987,497
Professional student exchange program	2,722,946
Scholars program	1,478,566
Native American scholarships	380,626
Education incentive programs	<u>1,740,314</u>
Total all funds	\$74,018,648

Less estimated income	5,417,530
Total general fund appropriation	\$68,601,118

Subdivision 2.

BISMARCK STATE COLLEGE

Operations	\$19,733,680
Capital assets	6,695,942
Total all funds	\$26,429,622
Less estimated income	5,734,050
Total general fund appropriation	\$20,695,572

Subdivision 3.

LAKE REGION STATE COLLEGE

Operations	\$6,511,348
Capital assets	3,133,204
Total all funds	\$9,644,552
Less estimated income	3,007,600
Total general fund appropriation	\$6,636,952

Subdivision 4.

WILLISTON STATE COLLEGE

Operations	\$6,622,504
Capital assets	2,257,198
Total all funds	\$8,879,702
Less estimated income	2,300,000
Total general fund appropriation	\$6,579,702

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

Operations	\$107,011,830
Capital assets	81,828,875
Total all funds	\$188,840,705
Less estimated income	73,920,000
Total general fund appropriation	\$114,920,705

Subdivision 6.

NORTH DAKOTA STATE UNIVERSITY

Operations	\$89,593,630
Capital assets	43,209,161
Total all funds	\$132,802,791
Less estimated income	34,500,000
Total general fund appropriation	\$98,302,791

Subdivision 7.

NORTH DAKOTA STATE COLLEGE OF SCIENCE

Operations	\$27,740,368
Capital assets	4,756,865
Total all funds	\$32,497,233
Less estimated income	3,370,420
Total general fund appropriation	\$29,126,813

Subdivision 8.

DICKINSON STATE UNIVERSITY

Operations	\$16,856,110
Capital assets	9,018,763
Total all funds	\$25,874,873
Less estimated income	8,000,000
Total general fund appropriation	\$17,874,873

Subdivision 9.

MAYVILLE STATE UNIVERSITY

Operations	\$10,115,065
Capital assets	1,989,963
Total all funds	\$12,105,028
Less estimated income	900,000
Total general fund appropriation	\$11,205,028

Subdivision 10.

MINOT STATE UNIVERSITY

Operations	\$30,095,122
Capital assets	<u>9,578,894</u>
Total all funds	\$39,674,016
Less estimated income	<u>1,406,615</u>
Total general fund appropriation	\$38,267,401

Subdivision 11.

VALLEY CITY STATE UNIVERSITY

Operations	\$13,350,137
Capital assets	<u>2,996,235</u>
Total all funds	\$16,346,372
Less estimated income	<u>2,200,000</u>
Total general fund appropriation	\$14,146,372

Subdivision 12.

MINOT STATE UNIVERSITY - BOTTINEAU

Operations	\$4,759,548
Capital assets	<u>410,702</u>
Total all funds	\$5,170,250
Less estimated income	<u>252,000</u>
Total general fund appropriation	\$4,918,250

Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE
AND HEALTH SCIENCES

Operations	<u>\$34,488,501</u>
Total general fund appropriation	\$34,488,501

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

Operations	\$3,352,828
Capital assets	<u>180,204</u>
Total all funds	\$3,533,032
Less estimated income	<u>997,486</u>
Total general fund appropriation	\$2,535,546
Total general fund appropriation - Section 3	\$468,299,624
Total estimated income appropriation - Section 3	\$142,005,701
Total all funds appropriation - Section 3	\$610,305,325
Grand total general fund appropriation - H.B. 1003	\$468,449,624
Grand total estimated income appropriation - H.B. 1003	\$164,719,701
Grand total all funds appropriation - H.B. 1003	\$633,169,325

SECTION 4. APPROPRIATION. There is appropriated out of any moneys in the general fund, not otherwise appropriated, the sum of \$150,000, or so much of the sum as may be necessary, to Dickinson state university for the purpose of providing one-time startup funding for establishing a Theodore Roosevelt center, for the biennium beginning July 1, 2007, and ending June 30, 2009."

Page 6, remove lines 1 through 31

Page 7, remove lines 1 through 30

Page 8, remove lines 1 through 30

Page 9, remove lines 1 through 30

Page 10, remove lines 1 through 31

Page 11, remove lines 1 through 30

Page 12, remove lines 1 through 23

Page 12, line 24, after "INITIATIVES" insert "- **REPORT TO THE SIXTY-FIRST LEGISLATIVE ASSEMBLY**", after "The" insert "board initiatives line item in subdivision 1 of section 3 of this Act includes the", and remove "of the funding included in"

Page 12, line 25, remove "the board initiatives line item in subdivision 1 of section 3 of this Act must be used"

Page 12, line 26, after "funds" insert "and the sum of \$98,500 for a recruiting initiative for Minot state university - Bottineau. The funding for the initiative is provided for a two-year pilot basis. Minot state university - Bottineau shall report on the effectiveness of the initiative to the appropriations committees of the sixty-first legislative assembly"

Page 13, remove lines 1 through 4

Page 13, line 5, replace "\$28,652,267" with "\$31,477,093"

Page 13, remove lines 14 through 18

Page 13, line 20, replace "\$1,000,000" with "\$750,000"

Page 13, line 25, replace "\$317,460" with "\$523,380"

Page 13, line 29, replace "\$900,000" with "\$7,783,315"

Page 13, line 30, after "fund" insert "of which \$2,773,800 is for northern tier network infrastructure, \$4,109,515 is for steamline projects at the state college of science, Valley City state university, and Minot state university - Bottineau, and \$900,000 is"

Page 16, remove lines 27 through 31

Page 17, line 1, after "LIMIT" insert "- BUDGET SECTION APPROVAL"

Page 17, line 4, after "year" insert "unless the board receives prior budget section approval"

Page 17, replace lines 5 through 31 with:

"SECTION 19. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY. The grand total appropriation in section 3 of this Act includes \$28,382,068 from the general fund and \$7,583,315 from the permanent oil tax trust fund for one-time funding items identified in this section. This amount is not part of the institutions' base budgets to be used in preparing the 2009-11 executive budget. The North Dakota university system shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

Northern tier network infrastructure from permanent oil tax trust fund	\$2,773,800
ConnectND system support	2,300,000
Common information system pool parity funding	420,000
Deferred maintenance	10,893,033
Capital projects	13,808,235
Capital projects from permanent oil tax trust fund	4,809,515
Campus initiatives	960,800
Total	\$35,965,383"

Page 18, remove lines 1 through 15

Page 18, line 17, replace "make available" with "use"

Page 18, line 19, replace "the payment of any consulting services relating to the legislative" with "completing and furnishing the thatcher hall renovation and addition at Minot state university - Bottineau"

Page 18, line 20, remove "council study of higher education"

Page 18, after line 21, insert:

"SECTION 21. LEGISLATIVE INTENT - NORTHERN TIER NETWORK. It is the intent of the sixtieth legislative assembly that higher education institutions utilizing the northern tier network be responsible for funding the related ongoing maintenance costs for the network.

SECTION 22. NORTH DAKOTA STATE UNIVERSITY - COLLEGE OF BUSINESS BUILDING. The state board of higher education may enter an agreement or agreements with the North Dakota state university foundation or other private entity and do all things necessary and proper to authorize construction by the foundation or other private entity of a college of business building off the North Dakota state university campus, using donations, gifts, or other private funds.

SECTION 23. LEGISLATIVE COUNCIL STUDY - HIGHER EDUCATION.

1. The legislative council shall consider appointing a higher education committee for the 2007-08 interim. If appointed, the committee shall spend a majority of time studying the means by which the North Dakota university system can further contribute to developing and attracting the human capital to meet North Dakota's economic and workforce needs, and if time allows, the committee may visit select higher education institutions.
2. The study must focus on ways to increase postsecondary access, improve the quality of education, contain costs and other means, including productivity, to maximize the usage of the North Dakota university system in meeting the human capital needs of the state.
3. The study must include a review of policy recommendations, as appropriate, which address the postsecondary delivery system, including the mix of institutions, educational attainment gaps, degree production gaps, recruitment and retention of students, and workforce training needs.
4. The study must include a review of the impact of the state's changing demographics on the university system long-term financing plan.
5. The study must recommend goals for each of the higher education cornerstones.
6. The study may include the use of a higher education roundtable format.
7. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.
8. The state board of higher education also shall take the recommendations into account and make appropriate changes to practices, board policy, and budget needs and allocation.

SECTION 24. LEGISLATIVE COUNCIL STUDY - PROFESSIONAL STUDENT EXCHANGE PROGRAMS. The legislative council shall consider studying, during the 2007-08 interim, higher education professional student exchange programs. The study should include review of:

1. The amount of annual tuition and fees paid by students for health care-related professional education programs.
2. The amount of annual support fees paid by the state for health care-related professional education programs.
3. The number of state-supported slots funded and demand for state-supported slots, including the consideration of basing the number of slots on the estimated workforce needs to fill positions due to retirements, geographic, and professional specific service needs.
4. The present repayment provisions and loan forgiveness programs to determine cost-effectiveness, equality issues, and development of program enhancements that would aid in the recruitment of professional students to return to the state to practice their chosen profession.
5. Discontinuation of the contracts with the western interstate commission on higher education for access to veterinary medicine programs and consideration of negotiating contracts for veterinary medicine with Kansas, Iowa, and Minnesota.

The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

SECTION 25. LEGISLATIVE INTENT - BISMARCK FAMILY PRACTICE CENTER. It is the intent of the sixtieth legislative assembly that the university of North Dakota school of medicine and health sciences may construct, renovate, remodel, purchase, or lease a building for the Bismarck family practice center."

Page 20, line 9, replace "Sections 1 and 2 of House Bill No. 1031, as approved by the" with "Section 15-12-27 of the North Dakota Century Code is"

Page 20, line 10, remove "sixtieth legislative assembly, are"

Page 20, line 11, replace "25" with "27"

Page 20, line 14, replace the comma with "and"

Page 20, line 15, remove ", and contingency and capital emergency"

Page 20, line 16, replace "9" with "4, 8, 15, 16," and replace "15" with "22"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1003 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
University System office						
Total all funds	\$73,348,533	\$72,080,990	\$1,937,658	\$74,018,648	\$74,718,648	(\$700,000)
Less estimated income	2,437,810	2,686,810	2,730,720	5,417,530	2,643,730	2,773,800
General fund	\$70,910,723	\$69,394,180	(\$793,062)	\$68,601,118	\$72,074,918	(\$3,473,800)
Bismarck State College						
Total all funds	\$20,799,330	\$20,587,433	\$5,842,189	\$26,429,622	\$26,479,080	(\$49,458)
Less estimated income	27,805	27,805	5,706,245	5,734,050	5,707,555	26,495
General fund	\$20,771,525	\$20,559,628	\$135,944	\$20,695,572	\$20,771,525	(\$75,953)
Lake Region State College						
Total all funds	\$9,660,871	\$9,607,299	\$37,253	\$9,644,552	\$9,660,871	(\$16,319)
Less estimated income	3,007,600	2,007,600	1,000,000	3,007,600	3,007,600	
General fund	\$6,653,271	\$7,599,699	(\$962,747)	\$6,636,952	\$6,653,271	(\$16,319)
Williston State College						
Total all funds	\$7,996,300	\$8,830,366	\$49,336	\$8,879,702	\$8,896,300	(\$16,598)
Less estimated income	1,400,000	2,300,000		2,300,000	2,300,000	
General fund	\$6,596,300	\$6,530,366	\$49,336	\$6,579,702	\$6,596,300	(\$16,598)
University of North Dakota						
Total all funds	\$193,608,905	\$191,861,920	\$978,785	\$192,840,705	\$193,108,905	(\$268,200)
Less estimated income	78,200,000	74,100,000	3,820,000	77,920,000	77,700,000	220,000
General fund	\$115,408,905	\$117,761,920	(\$2,841,215)	\$114,920,705	\$115,408,905	(\$488,200)
UND Medical Center						
Total all funds	\$33,874,938	\$34,238,963	\$249,538	\$34,488,501	\$34,574,938	(\$86,437)
Less estimated income						
General fund	\$33,874,938	\$34,238,963	\$249,538	\$34,488,501	\$34,574,938	(\$86,437)
North Dakota State University						
Total all funds	\$119,527,336	\$133,439,378	\$11,363,413	\$144,802,791	\$145,027,336	(\$224,545)
Less estimated income	20,500,000	35,500,000	11,000,000	46,500,000	46,000,000	500,000
General fund	\$99,027,336	\$97,939,378	\$363,413	\$98,302,791	\$99,027,336	(\$724,545)
State College of Science						
Total all funds	\$38,830,758	\$38,917,159	\$294,074	\$39,211,233	\$39,280,758	(\$69,525)
Less estimated income	8,414,000	8,414,000	1,670,420	10,084,420	8,414,000	1,670,420
General fund	\$30,416,758	\$30,503,159	(\$1,376,346)	\$29,126,813	\$30,866,758	(\$1,739,945)
Dickinson State University						
Total all funds	\$25,917,119	\$25,729,961	\$294,912	\$26,024,873	\$25,917,119	\$107,754
Less estimated income	8,000,000	8,000,000		8,000,000	8,000,000	
General fund	\$17,917,119	\$17,729,961	\$294,912	\$18,024,873	\$17,917,119	\$107,754
Mayville State University						
Total all funds	\$11,736,719	\$12,208,021	(\$102,993)	\$12,105,028	\$11,879,752	\$225,276
Less estimated income	900,000	900,000		900,000	900,000	
General fund	\$10,836,719	\$11,308,021	(\$102,993)	\$11,205,028	\$10,979,752	\$225,276
Minot State University						
Total all funds	\$39,698,842	\$39,445,085	\$228,931	\$39,674,016	\$39,749,442	(\$75,426)
Less estimated income	5,575,550	1,239,150	167,465	1,406,615	1,239,150	167,465
General fund	\$34,123,292	\$38,205,935	\$61,466	\$38,267,401	\$38,510,292	(\$242,891)
Valley City State University						
Total all funds	\$15,979,831	\$15,851,252	\$495,120	\$16,346,372	\$16,379,831	(\$33,459)
Less estimated income			2,200,000	2,200,000		2,200,000
General fund	\$15,979,831	\$15,851,252	(\$1,704,880)	\$14,146,372	\$16,379,831	(\$2,233,459)
Minot State University - Bottineau						
Total all funds	\$5,182,179	\$5,138,046	\$32,204	\$5,170,250	\$5,182,179	(\$11,929)
Less estimated income	12,905	12,905	239,095	252,000	12,905	239,095
General fund	\$5,169,274	\$5,125,141	(\$206,891)	\$4,918,250	\$5,169,274	(\$251,024)
Forest Service						
Total all funds	\$3,538,935	\$3,513,993	\$19,039	\$3,533,032	\$3,538,935	(\$5,903)
Less estimated income	997,486	997,486		997,486	997,486	
General fund	\$2,541,449	\$2,516,507	\$19,039	\$2,535,546	\$2,541,449	(\$5,903)
Bill Total						
Total all funds	\$599,700,596	\$611,449,866	\$21,719,459	\$633,169,325	\$634,394,094	(\$1,224,769)

Less estimated income	129,473,156	136,185,756	28,533,945	164,719,701	156,922,426	7,797,275
General fund	\$470,227,440	\$475,264,110	(\$6,814,486)	\$468,449,624	\$477,471,668	(\$9,022,044)

House Bill No. 1003 - General Fund Summary

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
University System office	\$70,910,723	\$69,394,180	(\$793,062)	\$68,601,118	\$72,074,918	(\$3,473,800)
Bismarck State College	20,771,525	20,559,628	135,944	20,695,572	20,771,525	(75,953)
Lake Region State College	6,653,271	7,599,699	(962,747)	6,636,952	6,653,271	(16,319)
Williston State College	6,596,300	6,530,366	49,336	6,579,702	6,596,300	(16,598)
University of North Dakota	115,408,905	117,761,920	(2,841,215)	114,920,705	115,408,905	(488,200)
UND Medical Center	33,874,938	34,238,963	249,538	34,488,501	34,574,938	(86,437)
North Dakota State University	99,027,336	97,939,378	363,413	98,302,791	99,027,336	(724,545)
State College of Science	30,416,758	30,503,159	(1,376,346)	29,126,813	30,866,758	(1,739,945)
Dickinson State University	17,917,119	17,729,961	294,912	18,024,873	17,917,119	107,754
Mayville State University	10,836,719	11,308,021	(102,993)	11,205,028	10,979,752	225,276
Minot State University	34,123,292	38,205,935	61,466	38,267,401	38,510,292	(242,891)
Valley City State University	15,979,831	15,851,252	(1,704,880)	14,146,372	16,379,831	(2,233,459)
Minot State University - Bottineau	5,169,274	5,125,141	(206,891)	4,918,250	5,169,274	(251,024)
Forest Service	2,541,449	2,516,507	19,039	2,535,546	2,541,449	(5,903)
Total general fund	\$470,227,440	\$475,264,110	(\$6,814,486)	\$468,449,624	\$477,471,668	(\$9,022,044)

Detail of Conference Committee Changes to the General Fund

	RESTORES COMPENSATION PACKAGE TO 5/5 ¹	ALLOCATES FUNDING FOR MAYVILLE STATE UNIVERSITY MASTER PLAN TO OPERATIONS ²	INCREASES FUNDING FOR THE COMPETITIVE RESEARCH PROGRAM ³	INCREASES FUNDING FOR BOARD INITIATIVES ⁴	DECREASES FUNDING FOR SYSTEM GOVERNANCE ⁵	INCREASES FUNDING FOR SUPPORT OF THE CONNECTND SYSTEM ⁶
University System office	\$199,479	(\$250,000)	\$150,000	\$98,500	(\$200,000)	\$2,300,000
Bismarck State College	211,897					
Lake Region State College	53,572					
Williston State College	65,934					
University of North Dakota	1,246,985					
UND Medical Center	335,975					
North Dakota State University	1,087,958					
State College of Science	263,599					
Dickinson State University	187,158					
Mayville State University	88,198	250,000				
Minot State University	304,357					
Valley City State University	128,579					
Minot State University - Bottineau	44,133					
Forest Service	24,942					
Total general fund	\$4,242,766	\$0	\$150,000	\$98,500	(\$200,000)	\$2,300,000
	INCREASES FUNDING FOR THE NORTHERN TIER NETWORK AND CHANGES FUNDING SOURCE ⁷	REMOVES FUNDING FOR THE OPERATIONS POOL ⁸	REMOVES FUNDING FOR CONTINGENCY AND CAPITAL EMERGENCY ⁹	DECREASES FUNDING FOR PROFESSIONAL LIABILITY INSURANCE ¹⁰	INCREASES FUNDING FOR THE KANSAS STATE UNIVERSITY VETERINARY MEDICINE PROGRAM ¹¹	REMOVES FUNDING FOR EDUCATION INCENTIVE PROGRAMS ¹²
University System office	(\$2,400,000)	(\$144,559)	(\$296,482)	(\$250,000)		
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total general fund	(\$2,400,000)	(\$144,559)	(\$296,482)	(\$250,000)	\$0	\$0
	PROVIDES .25 PERCENT OPERATING REDUCTION	ADJUSTS FUNDING FOR OPERATIONS ¹³	ADJUSTS FUNDING FOR CAPITAL ASSETS ¹⁴	TOTAL GENERAL FUND CHANGES		
University System office				(\$793,062)		
Bismarck State College	(\$49,458)		(\$26,495)	135,944		
Lake Region State College	(16,319)		(1,000,000)	(962,747)		
Williston State College	(16,598)			49,336		
University of North Dakota	(268,200)		(3,820,000)	(2,841,215)		
UND Medical Center	(86,437)			249,538		
North Dakota State University	(224,545)		(500,000)	363,413		
State College of Science	(69,525)	\$100,000	(1,670,420)	(1,376,346)		
Dickinson State University	(42,246)	150,000		294,912		
Mayville State University	(24,724)		(416,467)	(102,993)		
Minot State University	(75,426)		(167,465)	61,466		
Valley City State University	(33,459)	400,000	(2,200,000)	(1,704,880)		
Minot State University - Bottineau	(11,929)		(239,095)	(206,891)		
Forest Service	(5,903)			19,039		

Total general fund (\$924,769) \$650,000 (\$10,039,942) (\$6,814,486)

House Bill No. 1003 - Other Funds Summary

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
University System office	\$2,437,810	\$2,686,810	\$2,730,720	\$5,417,530	\$2,643,730	\$2,773,800
Bismarck State College	27,805	27,805	5,706,245	5,734,050	5,707,555	26,495
Lake Region State College	3,007,600	2,007,600	1,000,000	3,007,600	3,007,600	
Williston State College	1,400,000	2,300,000		2,300,000	2,300,000	
University of North Dakota	78,200,000	74,100,000	3,820,000	77,920,000	77,700,000	220,000
UND Medical Center						
North Dakota State University	20,500,000	35,500,000	11,000,000	46,500,000	46,000,000	500,000
State College of Science	8,414,000	8,414,000	1,670,420	10,084,420	8,414,000	1,670,420
Dickinson State University	8,000,000	8,000,000		8,000,000	8,000,000	
Mayville State University	900,000	900,000		900,000	900,000	
Minot State University	5,575,550	1,239,150	167,465	1,406,615	1,239,150	167,465
Valley City State University			2,200,000	2,200,000		2,200,000
Minot State University - Bottineau	12,905	12,905	239,095	252,000	12,905	239,095
Forest Service	997,486	997,486		997,486	997,486	
Total other funds	\$129,473,156	\$136,185,756	\$28,533,945	\$164,719,701	\$156,922,426	\$7,797,275

Detail of Conference Committee Changes to Other Funds

	RESTORES COMPENSATION PACKAGE TO 5/5 ¹	ALLOCATES FUNDING FOR MAYVILLE STATE UNIVERSITY MASTER PLAN TO OPERATIONS ²	INCREASES FUNDING FOR THE COMPETITIVE RESEARCH PROGRAM ³	INCREASES FUNDING FOR BOARD INITIATIVES ⁴	DECREASES FUNDING FOR SYSTEM GOVERNANCE ⁵	INCREASES FUNDING FOR SUPPORT OF THE CONNECTND SYSTEM ⁶
University System office						
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total other funds	\$0	\$0	\$0	\$0	\$0	\$0

	INCREASES FUNDING FOR THE NORTHERN TIER NETWORK AND CHANGES FUNDING SOURCE ⁷	REMOVES FUNDING FOR THE OPERATIONS POOL ⁸	REMOVES FUNDING FOR CONTINGENCY AND CAPITAL EMERGENCY ⁹	DECREASES FUNDING FOR PROFESSIONAL LIABILITY INSURANCE ¹⁰	INCREASES FUNDING FOR THE KANSAS STATE UNIVERSITY VETERINARY MEDICINE PROGRAM ¹¹	REMOVES FUNDING FOR EDUCATION INCENTIVE PROGRAMS ¹²
University System office	\$2,773,800				\$205,920	(\$249,000)
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total other funds	\$2,773,800	\$0	\$0	\$0	\$205,920	(\$249,000)

	PROVIDES .25 PERCENT OPERATING REDUCTION	ADJUSTS FUNDING FOR OPERATIONS ¹³	ADJUSTS FUNDING FOR CAPITAL ASSETS ¹⁴	TOTAL OTHER FUNDS CHANGES
University System office				\$2,730,720
Bismarck State College			\$5,706,245	5,706,245
Lake Region State College			1,000,000	1,000,000
Williston State College				
University of North Dakota			3,820,000	3,820,000
UND Medical Center				
North Dakota State University			11,000,000	11,000,000
State College of Science			1,670,420	1,670,420
Dickinson State University				
Mayville State University				
Minot State University			167,465	167,465
Valley City State University			2,200,000	2,200,000
Minot State University - Bottineau			239,095	239,095
Forest Service				
Total other funds	\$0	\$0	\$25,803,225	\$28,533,945

House Bill No. 1003 - All Funds Summary

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
University System office	\$73,348,533	\$72,080,990	\$1,937,658	\$74,018,648	\$74,718,648	(\$700,000)
Bismarck State College	20,799,330	20,587,433	5,842,189	26,429,622	26,479,080	(49,458)
Lake Region State College	9,660,871	9,607,299	37,253	9,644,552	9,660,871	(16,319)
Williston State College	7,996,300	8,830,366	49,336	8,879,702	8,896,300	(16,598)
University of North Dakota	193,608,905	191,861,920	978,785	192,840,705	193,108,905	(268,200)
UND Medical Center	33,874,938	34,238,963	249,538	34,488,501	34,574,938	(86,437)
North Dakota State University	119,527,336	133,439,378	11,363,413	144,802,791	145,027,336	(224,545)
State College of Science	38,830,758	38,917,159	294,074	39,211,233	39,280,758	(69,525)
Dickinson State University	25,917,119	25,729,961	294,912	26,024,873	25,917,119	107,754
Mayville State University	11,736,719	12,208,021	(102,993)	12,105,028	11,879,752	225,276
Minot State University	39,698,842	39,445,085	228,931	39,674,016	39,749,442	(75,426)
Valley City State University	15,979,831	15,851,252	495,120	16,346,372	16,379,831	(33,459)
Minot State University - Bottineau	5,182,179	5,138,046	32,204	5,170,250	5,182,179	(11,929)
Forest Service	<u>3,538,935</u>	<u>3,513,993</u>	<u>19,039</u>	<u>3,533,032</u>	<u>3,538,935</u>	<u>(5,903)</u>
Total all funds	\$599,700,596	\$611,449,866	\$21,719,459	\$633,169,325	\$634,394,094	(\$1,224,769)
FTE	2134.59	2136.59	0.00	2136.59	2136.59	0.00

Detail of Conference Committee Changes to All Funds

	RESTORES COMPENSATION PACKAGE TO 5/1	ALLOCATES FUNDING FOR MAYVILLE STATE UNIVERSITY MASTER PLAN TO OPERATIONS 2	INCREASES FUNDING FOR THE COMPETITIVE RESEARCH PROGRAM 3	INCREASES FUNDING FOR BOARD INITIATIVES 4	DECREASES FUNDING FOR SYSTEM GOVERNANCE 5	INCREASES FUNDING FOR SUPPORT OF THE CONNECTND SYSTEM 6
University System office	\$199,479	(\$250,000)	\$150,000	\$98,500	(\$200,000)	\$2,300,000
Bismarck State College	211,897					
Lake Region State College	53,572					
Williston State College	65,934					
University of North Dakota	1,246,985					
UND Medical Center	335,975					
North Dakota State University	1,087,958					
State College of Science	263,599					
Dickinson State University	187,158					
Mayville State University	88,198	250,000				
Minot State University	304,357					
Valley City State University	128,579					
Minot State University - Bottineau	44,133					
Forest Service	<u>24,942</u>					
Total all funds	\$4,242,766	\$0	\$150,000	\$98,500	(\$200,000)	\$2,300,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	INCREASES FUNDING FOR THE NORTHERN TIER NETWORK AND CHANGES FUNDING SOURCE 7	REMOVES FUNDING FOR THE OPERATIONS POOL 8	REMOVES FUNDING FOR CONTINGENCY AND CAPITAL EMERGENCY 9	DECREASES FUNDING FOR PROFESSIONAL LIABILITY INSURANCE 10	INCREASES FUNDING FOR THE KANSAS STATE UNIVERSITY VETERINARY MEDICINE PROGRAM 11	REMOVES FUNDING FOR EDUCATION INCENTIVE PROGRAMS 12
University System office	\$373,800	(\$144,559)	(\$296,482)	(\$250,000)	\$205,920	(\$249,000)
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total all funds	\$373,800	(\$144,559)	(\$296,482)	(\$250,000)	\$205,920	(\$249,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	PROVIDES .25 PERCENT OPERATING REDUCTION	ADJUSTS FUNDING FOR OPERATIONS 13	ADJUSTS FUNDING FOR CAPITAL ASSETS 14	TOTAL ALL FUNDS CHANGES
University System office				\$1,937,658
Bismarck State College	(\$49,458)		\$5,679,750	5,842,189
Lake Region State College	(16,319)		37,253	49,336
Williston State College	(16,598)		49,336	978,785
University of North Dakota	(268,200)		249,538	249,538
UND Medical Center	(86,437)		11,363,413	11,363,413
North Dakota State University	(224,545)		10,500,000	10,500,000
State College of Science	(69,525)	\$100,000	294,074	294,074
Dickinson State University	(42,246)	150,000	294,912	294,912
Mayville State University	(24,724)		(416,467)	(102,993)
Minot State University	(75,426)		228,931	228,931
Valley City State University	(33,459)	400,000	495,120	495,120
Minot State University - Bottineau	(11,929)		32,204	32,204
Forest Service	<u>(5,903)</u>		<u>19,039</u>	<u>19,039</u>
Total all funds	(\$924,769)	\$650,000	\$15,763,283	\$21,719,459

FTE 0.00 0.00 0.00 0.00

- 1 This amendment restores funding for salary increases of 5 percent for each year of the 2007-09 biennium, same as the Senate version.
- 2 This amendment allocates \$250,000 of the \$1 million from the general fund included in the executive budget recommendation for Mayville State University for deferred maintenance and developing a long-range master plan to the university for support of campus operations. This allocation was not included in either the House or Senate version.
- 3 This amendment increases funding for competitive research by \$150,000 from the general fund, from \$5,550,000 as provided for in the executive budget recommendation to \$5,650,000, same as the Senate version.
- 4 This amendment increases funding for board initiatives by \$98,500 from the general fund, from \$300,000 to \$398,500. The funding of \$98,500 is to be used for a recruiting initiative for Minot State University - Bottineau. The initiative is a pilot project and Minot State University - Bottineau is to report to the 61st Legislative Assembly on the effectiveness of the initiative. This increase was also included in the Senate version although in the Senate version it was a shared initiative between Minot State University - Bottineau and Minot State University.
- 5 This amendment decreases funding for system governance by \$200,000 from the general fund. This decrease was not included in either the House or Senate version.
- 6 This amendment increases one-time funding provided for support of the ConnectND system by \$2,300,000 from the general fund, from \$3,700,000 as provided for in the executive budget to \$6,000,000, same as the Senate version.
- 7 This amendment increases funding for the Northern Tier Network project by \$373,800, from \$2,400,000 to \$2,773,800, and changes the funding source from the general fund to the permanent oil tax trust fund. The following is a summary of funding for the Northern Tier Network project:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund	\$1,000,000	\$2,400,000	\$2,773,800	
Permanent oil tax trust fund				\$2,773,800
Total	\$1,000,000	\$2,400,000	\$2,773,800	\$2,773,800

- 8 This amendment removes funding of \$144,559 from the general fund for the operations pool, same as the Senate version.
- 9 This amendment removes funding of \$296,482 from the general fund for contingency and capital emergency, same as the Senate version.
- 10 This amendment decreases funding for professional liability insurance by \$250,000 from the general fund. This decrease was not included in either the House or Senate version.
- 11 This amendment increases funding for the Kansas State University veterinary medicine program by \$205,920, from \$317,460 to \$523,380 from the student loan trust fund, to fund five new students per year in the 2007-09 biennium, same as the Senate version.
- 12 This amendment decreases funding for the education incentive programs by \$249,000, from \$1,989,314, as provided for by the House, to \$1,227,902. The additional funding of \$249,000 was related to increases in the teacher shortage loan forgiveness program as provided in House Bill No. 1249. House Bill No. 1249 was defeated by the Senate; therefore, the additional funding provided for in House Bill No. 1003 is removed. This decrease was also included in the Senate version.
- 13 Dickinson State University - This amendment provides funding of \$150,000 from the general fund for one-time startup funding for establishing a Theodore Roosevelt Center. This funding was not included in the House or Senate version.

State College of Science and Valley City State University - This amendment provides funding of \$500,000 from the general fund to support campus operations at the State College of Science (\$100,000) and Valley City State University (\$400,000), same as the Senate version.

- 14 Bismarck State College - This amendment appropriates funding of \$5,679,750 from special funds for reauthorization of the college's student housing project.

This amendment also requires an additional local match for the college's Schafer Hall renovation of \$26,495. The following is a summary of funding for the project:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund	\$515,195	\$515,195	\$515,195	\$488,700
Special funds	<u>27,805</u>	<u>27,805</u>	<u>27,805</u>	<u>54,300</u>
Total	\$543,000	\$543,000	\$543,000	\$543,000

Lake Region State College - This amendment changes the funding source for the college's wind energy project as follows:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund		\$1,000,000		
Special funds	<u>\$3,007,600</u>	<u>2,007,600</u>	<u>\$3,007,600</u>	<u>\$3,007,600</u>
Total	\$3,007,600	\$3,007,600	\$3,007,600	\$3,007,600

University of North Dakota - This amendment changes the funding source of the UND School of Medicine and Health Sciences new Bismarck family medicine residency facility as follows:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund		\$3,600,000		
Special funds	<u>\$4,500,000</u>	<u>400,000</u>	<u>\$4,000,000</u>	<u>\$4,000,000</u>

Total	\$4,500,000	\$4,000,000	\$4,000,000	\$4,000,000
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This amendment also requires a local match for the university's O'Kelly Hall and Ireland laboratory renovation of \$220,000. The following is a summary of funding for the project:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund	\$2,200,000	\$2,200,000	\$2,200,000	\$1,980,000
Special funds				<u>220,000</u>
Total	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000

North Dakota State University - This amendment increases the special funds appropriation to the university to reauthorize the Bison Sports Arena renovation project by \$10,500,000, from \$15,000,000 to \$25,500,000, same as the Senate version.

This amendment also requires a local match for the university's Minard Hall renovation of \$500,000. The following is a summary of funding for the project:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund	\$500,000	\$500,000	\$500,000	\$4,500,000
Special funds				<u>500,000</u>
Total	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000

State College of Science - This amendment changes the funding source for the college's steamline project from the general fund to the permanent oil tax trust fund. The following is a summary of funding for the project:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund	\$1,670,420	\$1,670,420	\$1,670,420	
Permanent oil tax trust fund				<u>\$1,670,420</u>
Total	\$1,670,420	\$1,670,420	\$1,670,420	\$1,670,420

Mayville State University - This amendment decreases funding added by the House for the payoff of special assessments and other deferred maintenance issues by \$416,467 from the general fund, from \$559,500 to \$143,033, same as the Senate version.

Minot State University - This amendment requires an additional local match for the university's Swain Hall renovation and addition of \$167,465. The following is a summary of funding for the project:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund	\$2,500,000	\$6,500,000	\$6,500,000	\$6,332,535
Special funds	<u>4,536,150</u>	<u>536,150</u>	<u>536,150</u>	<u>703,615</u>
Total	\$7,036,150	\$7,036,150	\$7,036,150	\$7,036,150

Valley City State University - This amendment changes the funding source for the university's steamline project from the general fund to the permanent oil tax trust fund. The following is a summary of funding for the project:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund	\$2,200,000	\$2,200,000	\$2,200,000	
Permanent oil tax trust fund				<u>\$2,200,000</u>
Total	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000

Minot State University - Bottineau - This amendment changes the funding source for the university's steamline project from the general fund to the permanent oil tax trust fund. The following is a summary of funding for the project:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund	\$239,095	\$239,095	\$239,095	
Permanent oil tax trust fund				\$230,095
Special funds	<u>12,905</u>	<u>12,905</u>	<u>12,905</u>	<u>12,905</u>
Total	\$252,000	\$252,000	\$252,000	\$252,000

House Bill No. 1003 - Other Changes - Conference Committee Action

This amendment also:

- Amends Section 17 of the engrossed bill to provide that the State Board of Higher Education shall limit any annual tuition increase for the 2007-08 and 2008-09 academic years to not more than 5 percent for each year unless the board receives prior Budget Section approval, same as the Senate version.
- Adds a section to provide that participating higher education institutions are responsible for funding maintenance costs associated with the Northern Tier Network, same as the Senate version.

- Adds a section to allow the State Board of Higher Education to authorize construction of a College of Business building off the North Dakota State University campus, same as the Senate version.
- Adds sections to provide for a study of higher education and professional student exchange programs and removes study language added by the House, same as the Senate version.
- Amends Section 23 of the engrossed bill relating to the use of unspent 2005-07 general fund appropriations to provide that the State Board of Higher Education shall use \$200,000 of the unspent 2005-07 general fund appropriation for completing and furnishing the Thatcher Hall renovation and addition at Minot State University - Bottineau, same as the Senate version.
- Amends Section 26 of the engrossed bill to remove the repeal of Sections 1 and 2 of House Bill No. 1031 and to repeal Section 15-12-27 of the North Dakota Century Code relating to North Dakota State University's 18th Street Development Fund, same as the Senate version.
- Adds a section of legislative intent regarding the UND School of Medicine Bismarck family practice center.
- Amends the one-time funding section and emergency clause for the bill as appropriate.
- Provides a total of \$7,783,315 from the permanent oil tax trust fund, \$4,109,515 for steamline projects, \$2,773,800 for the Northern Tier Network infrastructure, and \$900,000 for the Williston State College service rig program.

Engrossed HB 1003 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. HOLMBERG MOVED that the conference committee report on Engrossed HB 1003 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1003, as amended, was placed on the Fourteenth order.

SECOND READING OF HOUSE BILL

HB 1003: A BILL for an Act to provide an appropriation for defraying the expenses of the North Dakota university system; to provide for transfer of funds; to authorize the state board of higher education to issue and sell bonds for capital projects; to limit student tuition rates; to provide for a legislative council study; to amend and reenact section 15-10-43 of the North Dakota Century Code, relating to the contract with the Kansas state university veterinary medical education program; to repeal section 15-12-27 of the North Dakota Century Code, relating to North Dakota state university's eighteenth street development fund; to provide for retroactive application; and to declare an emergency.

ROLL CALL

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

YEAS: Anderson; Andrist; Bakke; Behm; Bowman; Christmann; Cook; Dever; Erbele; Fiebiger; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heckaman; Heitkamp; Holmberg; Horne; Kilzer; Klein; Krauter; Krebsbach; Lee, G.; Lee, J.; Lindaas; Lyson; Marcellais; Mathern; Nelson; Nething; O'Connell; Oehlke; Olafson; Pomeroy; Potter; Robinson; Seymour; Stenehjem; Tallackson; Taylor; Tollefson; Triplett; Urlacher; Wanzek; Wardner; Warner

Engrossed HB 1003, as amended, passed, the title was agreed to, and the emergency clause was declared carried.

REPORT OF CONFERENCE COMMITTEE

HB 1012, as engrossed: Your conference committee (Sens. Wardner, Krebsbach, Tallackson and Reps. Carlson, Vigesaa, Kroeber) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1479-1480, adopt amendments as follows, and place HB 1012 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1479-1480 of the House Journal and pages 1262-1264 of the Senate Journal, and that Engrossed House Bill No. 1012 be amended as follows:

Page 1, line 2, replace the first "and" with "to provide for legislative council studies; to provide for transfers; to provide a contingent continuation of the single state registration system; to create and enact a new section to chapter 8-11.1 and a new section to chapter 24-02 of the North Dakota Century Code, relating to midwest interstate passenger rail commission dues and authority of the director of the department of transportation to join the multistate highway transportation agreement;" and replace "section" with "sections 39-04.2-04 and 39-29-10, the new subsection to section 57-40.3-04 of the North Dakota Century Code as created by section 4 of House Bill No. 1393, as approved by the sixtieth legislative assembly, and section"

Page 1, line 3, after "to" insert "distribution of public transportation funds, the operation of off-highway vehicles, motor vehicle excise tax exemptions for tribal members, and" and after "collections" insert "; to provide an expiration date; and to declare an emergency"

Page 1, line 18, replace "17,591,177" with "31,160,647"

Page 1, line 19, replace "(109,558,341)" with "(108,147,421)"

Page 1, line 20, replace "9,054,000" with "10,054,000"

Page 1, line 21, replace "(\$67,713,282)" with "(\$51,732,892)"

Page 2, line 4, replace "161,128,193" with "174,697,663"

Page 2, line 5, replace "547,310,178" with "548,721,098"

Page 2, line 6, replace "51,412,500" with "52,412,500"

Page 2, line 7, replace "887,295,066" with "903,275,456"

Page 2, after line 14, insert:

"SECTION 5. LEGISLATIVE COUNCIL STUDY - TRAFFIC FINES. The legislative council shall consider studying, during the 2007-08 interim, the traffic fines imposed by state and local governments. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

SECTION 6. LEGISLATIVE COUNCIL STUDY - HIGHWAY FUNDING AND INFRASTRUCTURE NEEDS. The legislative council shall study, during the 2007-08 interim, highway funding and transportation infrastructure needs, including those needs resulting from energy and economic development in the state. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

SECTION 7. Single state insurance registration system. If the Congress of the United States authorizes a continuation of state participation in the single state insurance registration system for motor carriers, the director of the department of transportation may continue to collect registration fees until the extension authorization expires.

SECTION 8. A new section to chapter 8-11.1 of the North Dakota Century Code is created and enacted as follows:

Amount of dues assessed by commission - Negotiation. North Dakota's commission members may negotiate a lower amount of any dues imposed by the commission based upon anticipated North Dakota commission-related activities. If the commission does not approve a lower amount of dues, the department of transportation may withhold the dues payment until the next legislative assembly addresses the issue.

SECTION 9. A new section to chapter 24-02 of the North Dakota Century Code is created and enacted as follows:

Multistate highway transportation agreement. The director may join the multistate highway transportation agreement to promote uniformity among participating jurisdictions in vehicle size and weight standards. The legislative council shall review the guidelines for eligible voting members of the cooperating committee formed by the agreement and appoint a member of the house standing transportation committee and a member of the senate standing transportation committee or their designees as the

legislative members representing this state to the cooperating committee formed by the agreement.

SECTION 10. AMENDMENT. Section 39-04.2-04 of the North Dakota Century Code is amended and reenacted as follows:

39-04.2-04. Distribution of funds.

1. Moneys appropriated by the legislative assembly to the public transportation fund must be disbursed under guidelines issued by the director. The funds must be used by transportation providers to establish and maintain public transportation, especially for the elderly and handicapped, and may be used to contract to provide public transportation, as matching funds to procure money from other sources for public transportation and for other expenditures authorized by the director.
2. ~~Following authorization of the director, the state treasurer shall pay the public transportation funds to transportation providers in each county. Each county shall receive eighteen thousand three hundred dollars a base amount of four-tenths of one percent of the appropriation for the program plus one dollar and fifty cents per capita of population in the county, based upon the latest regular or special official federal census. Each year the director shall increase or decrease the one dollar and fifty cents per capita amount in order to distribute all funds appropriated for the biennium. If there are multiple transportation providers in one county, then the base amount of eighteen thousand three hundred dollars must be divided equally among the providers and the additional per capita amount must be based upon the percentage of elderly and handicapped ridership provided by each transportation provider within the county.~~
3. ~~Unless otherwise provided by law, any moneys remaining in the fund at the end of each biennium must be retained in the public transportation fund for redistribution.~~

SECTION 11. AMENDMENT. Section 39-29-10 of the North Dakota Century Code is amended and reenacted as follows:

39-29-10. Operation by persons under age sixteen. Except as otherwise provided in this section, ~~a person~~ an individual under sixteen years of age who is not in possession of a valid operator's license or permit to operate an ~~all-terrain off-highway~~ vehicle may not, except upon the lands of the ~~person's individual's~~ parent or guardian or ~~as a participant in an organized sporting event that involves the use of off-highway vehicles,~~ operate an ~~all-terrain off-highway~~ vehicle. ~~A person~~ An individual at least twelve years of age may operate an ~~all-terrain off-highway~~ vehicle if the ~~person~~ individual has completed an ~~all-terrain off-highway~~ vehicle safety training course prescribed by the director of the parks and recreation department ~~and,~~ has received the appropriate ~~all-terrain off-highway~~ vehicle safety certificate issued by the director of the department of transportation. The failure of an operator to exhibit an ~~all-terrain off-highway~~ vehicle safety certificate on demand to any official authorized to enforce this chapter is presumptive evidence that that person does not hold ~~such~~ a certificate. Fees collected from each ~~person~~ individual receiving certification must be deposited in the ~~all-terrain off-highway~~ vehicle trail tax fund for ~~all-terrain off-highway~~ vehicle safety education and training programs.

SECTION 12. The new subsection to section 57-40.3-04 of the North Dakota Century Code, as created by section 4 of House Bill No. 1393, as approved by the sixtieth legislative assembly, is amended and reenacted as follows:

A motor vehicle acquired at any location within this state by an individual who ~~resides within the boundaries of any reservation in this state and who~~ is an enrolled member of a federally recognized Indian tribe."

Page 2, replace lines 21 through 24 with:

- "1. Ten percent to the highway fund.
2. Ninety percent to the state general fund.

SECTION 14. TRANSFER. The director of the department of transportation shall transfer the sum of \$1,000,000 from the highway fund to the public transportation fund for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 15. EXPIRATION DATE. Section 13 of this Act is effective through June 30, 2009, and after that date is ineffective.

SECTION 16. EMERGENCY. Of the funds appropriated in the capital improvements line item in section 3 of this Act, \$25,098,000 relating to fleet services motor vehicle purchases is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1012 - Department of Transportation - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$127,444,195	\$127,444,195		\$127,444,195	\$127,444,195	
Operating expenses	179,717,273	161,128,193	\$13,569,470	174,697,663	174,697,663	
Capital assets	548,721,098	547,310,178	1,410,920	548,721,098	548,721,098	
Grants	51,412,500	51,412,500	1,000,000	52,412,500	51,412,500	\$1,000,000
Nelson County grant					550,000	(550,000)
Total all funds	\$907,295,066	\$887,295,066	\$15,980,390	\$903,275,456	\$902,825,456	\$450,000
Less estimated income	<u>887,295,066</u>	<u>887,295,066</u>	<u>15,980,390</u>	<u>903,275,456</u>	<u>902,275,456</u>	<u>1,000,000</u>
General fund	\$20,000,000	\$0	\$0	\$0	\$550,000	(\$550,000)
FTE	1052.50	1052.50	0.00	1052.50	1052.50	0.00

Dept. 801 - Department of Transportation - Detail of Conference Committee Changes

	RESTORES FUNDING ¹	ADDS PUBLIC TRANSPORTATION GRANTS ²	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages			
Operating expenses	\$13,569,470		\$13,569,470
Capital assets	1,410,920		1,410,920
Grants		\$1,000,000	1,000,000
Nelson County grant			
Total all funds	\$14,980,390	\$1,000,000	\$15,980,390
Less estimated income	<u>14,980,390</u>	<u>1,000,000</u>	<u>15,980,390</u>
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

¹ This amendment restores funding for the items listed below which were removed by the House. The executive budget had provided funding for these items from the general fund. The conference committee is providing funding for these items from the highway fund, the same as the Senate version.

	HIGHWAY FUND
Information technology projects	\$1,788,558
Equipment	2,021,860
Road patching maintenance and materials	11,169,972
Total	\$14,980,390

² The conference committee provided an additional \$1 million from the public transportation fund, to provide a total of \$5.7 million from this fund for public transportation grants. This amendment also changes the public transportation grants formula.

The section added by the House providing that the first \$120 million of motor vehicle excise tax collections each biennium be deposited in the general fund and any additional amounts in the highway fund is changed to provide that 10 percent of these collections be deposited in the highway fund and 90 percent in the general fund. This provision is anticipated to reduce 2007-09 biennium general fund revenues by \$12.6 million. This section is effective only for the 2007-09 biennium and does not affect amounts deposited in the state aid distribution fund. The Senate provided that the first \$14 million be deposited in the highway fund and any additional amounts in the general fund.

A section is added by the conference committee transferring \$1 million from the highway fund to the public transportation fund.

A section is added authorizing the department to join the Multistate Highway Transportation Agreement. A similar section was added by the Senate.

The emergency clause section added by the Senate is included allowing Fleet Services to begin purchasing new vehicles prior to July 1, 2007. The Senate also added this section.

This amendment does not include the \$550,000 general fund appropriation approved by the Senate for providing a grant to Nelson County for critical road projects.

The following sections were added by the conference committee:

- Providing for Legislative Council studies of traffic fines and highway funding and infrastructure needs.
- Allowing the department to continue the single state insurance registration system until discontinued by Congress.
- Allowing the state to negotiate lower dues for membership in the Midwest Interstate Passenger Rail Commission.
- Exempting tribal members from paying motor vehicle excise taxes.
- Allowing children under 16 years of age to be involved in organized off-highway vehicle sporting events.

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

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. WARDNER MOVED that the conference committee report on Engrossed HB 1012 be adopted, which motion prevailed on a voice vote.

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

SECOND READING OF HOUSE BILL

HB 1012: A BILL for an Act to provide an appropriation for defraying the expenses of the department of transportation; to provide for legislative council studies; to provide for transfers; to provide a contingent continuation of the single state registration system; to create and enact a new section to chapter 8-11.1 and a new section to chapter 24-02 of the North Dakota Century Code, relating to midwest interstate passenger rail commission dues and authority of the director of the department of transportation to join the multistate highway transportation agreement; to amend and reenact sections 39-04.2-04 and 39-29-10, the new subsection to section 57-40.3-04 of the North Dakota Century Code as created by section 4 of House Bill No. 1393, as approved by the sixtieth legislative assembly, and section 57-40.3-10 of the North Dakota Century Code, relating to distribution of public transportation funds, the operation of off-highway vehicles, motor vehicle excise tax exemptions for tribal members, and motor vehicle excise tax collections; 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, the roll was called and there were 47 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Anderson; Andrist; Bakke; Behm; Bowman; Christmann; Cook; Dever; Erbele; Fiebiger; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heckaman; Heitkamp; Holmberg; Horne; Kilzer; Klein; Krauter; Krebsbach; Lee, G.; Lee, J.; Lindaas; Lyson; Marcellais; Mathern; Nelson; Nething; O'Connell; Oehlke; Olafson; Pomeroy; Potter; Robinson; Seymour; Stenehjerm; Tallackson; Taylor; Tollefson; Triplett; Urlacher; Wanzek; Wardner; Warner

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

REPORT OF CONFERENCE COMMITTEE

HB 1017, as engrossed: Your conference committee (Sens. Wardner, Krebsbach, Tallackson and Reps. Carlson, Ruby, Glassheim) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1485-1494 and place HB 1017 on the Seventh order.

Engrossed HB 1017 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. WARDNER MOVED that the conference committee report on Engrossed HB 1017 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1017 was placed on the Fourteenth order.

SECOND READING OF HOUSE BILL

HB 1017: A BILL for an Act to provide an appropriation for defraying the expenses of the office of administrative hearings.

ROLL CALL

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

YEAS: Anderson; Andrist; Bakke; Behm; Bowman; Christmann; Cook; Dever; Erbele; Fiebiger; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heckaman; Heitkamp; Holmberg; Horne; Kilzer; Klein; Krauter; Krebsbach; Lee, G.; Lee, J.; Lindaas; Lyson; Marcellais; Mathern; Nelson; Nothing; O'Connell; Oehlke; Olafson; Pomeroy; Potter; Robinson; Seymour; Stenehjem; Tallackson; Taylor; Tollefson; Triplett; Urlacher; Wanzek; Wardner; Warner

Engrossed HB 1017 passed and the title was agreed to.

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: HB 1003, HB 1012, HB 1017.

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

MR. SPEAKER: The Senate is returning: HB 1460.

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

MR. SPEAKER: Your signature is respectfully requested on: SB 2012, SB 2013, SB 2260.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)

MR. PRESIDENT: Your signature is respectfully requested on: HB 1009, HB 1015.

MOTION

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

THE SENATE RECONVENED pursuant to recess taken, with President Dalrymple presiding.

APPOINTMENT OF CONFERENCE COMMITTEE

SEN. CHRISTMANN MOVED that the President appoint a committee of three to act with a like committee from the House as a new Conference Committee on Engrossed HB 1460, which motion prevailed.

THE PRESIDENT APPOINTED as a new Conference Committee on:

Engrossed HB 1460: Sens. Klein, Hacker, Potter

REPORT OF STANDING COMMITTEE

HB 1014, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1014 was placed on the Sixth order on the calendar.

In lieu of the amendments to Engrossed House Bill No. 1014, as printed on pages 1087-1092 of the Senate Journal, Engrossed House Bill No. 1014 is amended as follows:

Page 1, line 3, after the second "to" insert "provide for prioritization of carbon sequestration and storage projects; to"

Page 1, line 5, replace the second "and" with a comma

Page 1, line 6, after "6-09.17-02" insert ", and subdivision d of subsection 2 of section 57-39.4-10"

Page 1, line 7, replace "and" with a comma and after "fund" insert ", and sourcing rules for sales and use tax purposes; to provide legislative intent; to provide an appropriation"

Page 1, line 8, after "appropriation" insert "; to provide an appropriation reduction"

Page 6, line 4, replace "22,362,790" with "22,144,184"

Page 6, line 5, replace "166,850,430" with "171,667,931"

Page 6, line 6, replace "189,213,220" with "193,812,115"

Page 6, after line 27, insert:

"SECTION 7. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET. There is appropriated out of any moneys in the permanent oil tax trust fund, not otherwise appropriated, the sum of \$5,300,000, 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 during the 2005-07 biennium for centers of excellence, for the period beginning with the effective date of this Act and ending June 30, 2009."

Page 7, after line 22, insert:

"SECTION 13. LANDS AND MINERALS TRUST FUND TRANSFER TO THE GENERAL FUND. During the biennium beginning July 1, 2007, and ending June 30, 2009, the director of the office of management and budget may transfer special funds from the lands and minerals trust fund to the general fund in the amount of \$15,000,000.

SECTION 14. BANK OF NORTH DAKOTA TRANSFERS TO STATE GENERAL FUND. During the biennium beginning July 1, 2007, and ending June 30, 2009, the industrial commission shall transfer to the state general fund \$60,000,000 from the current earnings and the accumulated undivided profits of the Bank of North Dakota. The moneys must be transferred in the amounts and at the times requested by the director of the office of management and budget. A transfer authorized may be made only to the extent the transfer does not reduce the Bank's capital structure below \$175,000,000.

SECTION 15. STUDENT LOAN TRUST FUND TRANSFER TO THE GENERAL FUND. The industrial commission shall transfer to the general fund in the state treasury the sum of \$3,100,000 of earnings from the North Dakota student loan trust fund. The moneys must be transferred in the amounts and at the times requested by the director of the office of management and budget during the biennium beginning July 1, 2007, and ending June 30, 2009, and upon certification by the student loan trust trustee that sufficient moneys remain available to pay all debt service on student loan trust bonds, all required rebate payments to the United States treasury, and all program operating expenses.

SECTION 16. TRANSFER. The state industrial commission shall transfer to the general fund in the state treasury the sum of \$5,000,000 from the North Dakota mill and elevator association. The moneys must be transferred in amounts and at such times as requested by the director of the office of management and budget during the biennium beginning July 1, 2007, and ending June 30, 2009."

Page 8, line 10, replace "project" with "program" and after the semicolon insert "for litigation that may be necessary to protect and promote the continued development of lignite resources;"

Page 8, after line 15, insert:

"SECTION 19. LEGISLATIVE INTENT - BANK PROPERTY. It is the intent of the sixtieth legislative assembly that real estate property owned by the Bank of North Dakota at 1205-1215 west main street in Bismarck not be sold by the Bank of North Dakota during the 2007-09 biennium."

Page 9, remove lines 17 through 21

Page 10, after line 11, insert:

"SECTION 26. AMENDMENT. Subdivision d of subsection 2 of section 57-39.4-10 of the North Dakota Century Code as amended by Senate Bill No. 2380, as approved by the sixtieth legislative assembly, is amended and reenacted as follows:

- d. Until December 31, ~~2007~~ 2009, florist sales as defined by each member state. Prior to this date, these items must be sourced according to the requirements of each member state.

SECTION 27. Carbon sequestration and storage projects - Priority. Notwithstanding any other provision of law, the industrial commission, department of mineral resources, public service commission, or any other state entity that approves a carbon sequestration or storage project shall give priority to an operation located in this state for the expected life of the operation."

Page 10, after line 18, insert:

"SECTION 29. APPROPRIATION - STATE CONTINGENCY FUND. In addition to the amount appropriated to the office of management and budget in House Bill No. 1522, there is appropriated from the general fund in the state treasury, not otherwise appropriated, the sum of \$200,000, or so much of the sum as may be necessary, to the office of management and budget for state contingencies for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 30. APPROPRIATIONS REDUCTIONS. The amounts listed reduce the general fund and special funds appropriation authority enacted by the sixtieth legislative assembly of the state of North Dakota for the various agencies and institutions for the biennium beginning July 1, 2007, and ending June 30, 2009:

AGENCY OR INSTITUTION	GENERAL FUND REDUCTION	SPECIAL FUNDS REDUCTION	TOTAL REDUCTION
Governor's office	\$2,694		\$2,694
Secretary of state	2,522	\$108	2,630
Office of management and budget	5,133	1,245	6,378
Information technology department	2,743	40,947	43,690
State auditor	5,291	2,333	7,624
State treasurer	722		722
Attorney general	18,953	3,853	22,806
Tax commissioner	14,845		14,845
Office of administrative hearings		1,228	1,228
Legislative council	5,288		5,288
Judicial branch	52,634	1,394	54,028
Commission on legal council for indigents	2,820		2,820
Retirement and investment office		2,396	2,396
Public employees retirement		3,562	3,562
Department of public instruction	3,451	8,069	11,520
Land department		2,564	2,564
State library	2,199	347	2,546
School for the deaf	2,824	144	2,968
North Dakota vision services - School for the blind	864	260	1,124
Department of career and technical education	1,057	83	1,140
Department of health	11,930	26,844	38,774

Veterans' home	2,212	5,194	7,406
Indian affairs commission	496		496
Department of veterans affairs	576		576
Department of human services	132,310	77,339	209,649
Protection and advocacy project	623	2,549	3,172
Job service North Dakota	125	27,920	28,045
Insurance commissioner		5,855	5,855
Industrial commission	6,786	786	7,572
Labor commissioner	893	357	1,250
Public service commission	3,981	2,073	6,054
Aeronautics commission		808	808
Department of financial institutions		4,438	4,438
Securities department	1,278		1,278
Bank of North Dakota		20,492	20,492
Housing finance agency		4,812	4,812
Mill and elevator association		15,228	15,228
Workforce safety and insurance		32,577	32,577
Highway patrol	15,949	8,215	24,164
Department of corrections and rehabilitation	65,693	3,843	69,536
Adjutant general	9,033	18,719	27,752
Department of commerce	7,579	2,777	10,356
Agriculture commissioner	4,129	3,645	7,774
State seed department		3,284	3,284
Upper great plains transportation institute	115	955	1,070
Branch research centers	2,576	920	3,496
North Dakota state university extension service	2,518	1,902	4,420
Northern crops institute	80	62	142
Main research center	4,167	1,933	6,100
Agronomy seed farm		184	184
Racing commission	48	226	274
State historical society	5,576	696	6,272
Council on the arts	508		508
Game and fish department		20,072	20,072
Parks and recreation department	5,126	272	5,398
State water commission	10,259	1,033	11,292
Department of transportation		<u>117,956</u>	<u>117,956</u>
Total	\$418,606	\$482,499	\$901,105"

Page 10, line 20, after "fund" insert "; the appropriation in section 7 of this Act for the office of management and budget" and replace "15" with "21"

Page 10, line 21, remove "and" and replace "16" with "22"

Page 10, line 23, after "fund" insert "; and section 23 of this Act"

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1014 - Summary of Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Office of Management and Budget				
Total all funds	\$0	\$0	\$5,500,000	\$5,500,000
Less estimated income			<u>5,300,000</u>	<u>5,300,000</u>
General fund	\$0	\$0	\$200,000	\$200,000
Industrial Commission				
Total all funds	\$58,870,922	\$59,155,922	\$0	\$59,155,922
Less estimated income	50,108,132	50,393,132		50,393,132
General fund	\$8,762,790	\$8,762,790	\$0	\$8,762,790
Bank of North Dakota				
Total all funds	\$48,242,359	\$51,742,359	\$0	\$51,742,359
Less estimated income	38,142,359	38,142,359		38,142,359
General fund	\$10,100,000	\$13,600,000	\$0	\$13,600,000
Housing Finance Agency				

Total all funds	\$41,534,102	\$41,534,102	\$0	\$41,534,102
Less estimated income	<u>41,534,102</u>	<u>41,534,102</u>		<u>41,534,102</u>
General fund	\$0	\$0	\$0	\$0
Mill and Elevator				
Total all funds	\$36,780,837	\$36,780,837	\$0	\$36,780,837
Less estimated income	<u>36,780,837</u>	<u>36,780,837</u>		<u>36,780,837</u>
General fund	\$0	\$0	\$0	\$0
Appropriation reductions				
Total all funds	\$0	\$0	(\$901,105)	(\$901,105)
Less estimated income			<u>(482,499)</u>	<u>(482,499)</u>
General fund	\$0	\$0	(\$418,606)	(\$418,606)
Bill Total				
Total all funds	\$185,428,220	\$189,213,220	\$4,598,895	\$193,812,115
Less estimated income	<u>166,565,430</u>	<u>166,850,430</u>	<u>4,817,501</u>	<u>171,667,931</u>
General fund	\$18,862,790	\$22,362,790	(\$218,606)	\$22,144,184

House Bill No. 1014 - Office of Management and Budget - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Loan repayment			<u>\$5,500,000</u>	<u>\$5,500,000</u>
Total all funds	\$0	\$0	\$5,500,000	\$5,500,000
Less estimated income			<u>5,300,000</u>	<u>5,300,000</u>
General fund	\$0	\$0	\$200,000	\$200,000
FTE	0.00	0.00	0.00	0.00

Dept. 110 - Office of Management and Budget - Detail of Senate Changes

	LOAN REPAYMENT AND STATE CONTINGENCIES ¹	TOTAL SENATE CHANGES
Loan repayment	<u>\$5,500,000</u>	<u>\$5,500,000</u>
Total all funds	\$5,500,000	\$5,500,000
Less estimated income	<u>5,300,000</u>	<u>5,300,000</u>
General fund	\$200,000	\$200,000
FTE	0.00	0.00

¹ Sections are added to provide an appropriation to the Office of Management and Budget from the permanent oil tax trust fund to repay the centers of excellence loan and interest, and to provide additional funding for state contingencies from \$500,000 to \$700,000.

House Bill No. 1014 - Industrial Commission - Senate Action

This amendment declares Section 23 of this Act to be an emergency.

A section is added to provide a transfer from the lands and minerals trust fund to the general fund.

A section is added to provide a transfer from the Bank of North Dakota to the general fund.

A section is added to provide a transfer from the student loan trust fund to the general fund.

A section is added to provide a transfer from the Mill and Elevator Association to the general fund.

A section is added providing an additional \$200,000 to the Office of Management and Budget for state contingencies.

A section is added that reduces appropriations included in the executive budget relating to Senate Bill No. 2050. Senate Bill No. 2050 would have increased the monthly contribution to the state employee retiree health benefit fund by .15 percent, from 1 to 1.15 percent.

House Bill No. 1014 - Bank of North Dakota - Senate Action

A section is added to provide legislative intent that the property at the new Bank location not be sold by the Bank during the 2007-09 biennium.

House Bill No. 1014 - Housing Finance Agency - Senate Action

No changes.

A section is added amending Section 57-39.4-10 of the North Dakota Century Code relating to sourcing rules for sales and use tax purposes.

CONSIDERATION OF AMENDMENTS

HB 1014, as engrossed: SEN. WARDNER (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 HOUSE BILL

HB 1014: A BILL for an Act to provide an appropriation for defraying the expenses of the state industrial commission and the agencies under the management of the industrial commission; to authorize transfers; to provide an exemption; to provide for prioritization of carbon sequestration and storage projects; to create and enact a new section to chapter 6-09.17 of the North Dakota Century Code, relating to partnership in assisting community expansion fund incentive limitations; to amend and reenact subsection 6 of section 6-09-15, section 6-09.17-02, and subdivision d of subsection 2 of section 57-39.4-10 of the North Dakota Century Code, relating to the powers of the Bank of North Dakota, the biodiesel partnership in assisting community expansion fund, and sourcing rules for sales and use tax purposes; to provide legislative intent; to provide an appropriation; to provide a contingent appropriation; to provide an appropriation reduction; and to declare an emergency.

ROLL CALL

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

YEAS: Anderson; Andrist; Bakke; Behm; Bowman; Christmann; Cook; Dever; Erbele; Fiebigler; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heckaman; Heitkamp; Holmberg; Horne; Kilzer; Klein; Krauter; Krebsbach; Lee, G.; Lee, J.; Lindaas; Lyson; Marcellais; Mathern; Nelson; Nething; O'Connell; Oehlke; Olafson; Pomeroy; Potter; Robinson; Seymour; Stenehjem; Tallackson; Taylor; Tollefson; Triplett; Urlacher; Wanzek; Wardner; Warner

Engrossed HB 1014, as amended, passed, the title was agreed to, and the emergency clause was declared carried.

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

MR. SPEAKER: The Senate has amended and subsequently passed: HB 1014.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)

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

HB 1460: Reps. N. Johnson; Keiser; Boe

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

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

HB 1460: Sens. Klein; Hacker; Potter

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)

MR. PRESIDENT: The House has adopted the conference committee report and subsequently passed: HB 1460.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The Speaker has signed: SB 2012, SB 2013, SB 2260.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: Your signature is respectfully requested on: HB 1003, HB 1012, HB 1017.

MOTION

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

THE SENATE RECONVENED pursuant to recess taken, with President Dalrymple presiding.

REPORT OF CONFERENCE COMMITTEE

HB 1460, as engrossed: Your conference committee (Sens. Klein, Hacker, Potter and Reps. N. Johnson, Keiser, Boe) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1465-1466, adopt amendments as follows, and place HB 1460 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1465 and 1466 of the House Journal and on pages 1283 and 1284 of the Senate Journal and that Engrossed House Bill No. 1460 be amended as follows:

Page 1, line 1, after "to" insert "create and enact a new section to chapter 65-02 of the North Dakota Century Code, relating to employee awards and incentive spending authority; to"

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

Page 1, line 3, remove "; to provide an effective date; and to provide an expiration date"

Page 1, remove lines 5 through 23

Page 2, remove lines 1 through 30

Page 3, remove lines 1 through 19

Page 3, line 26, overstrike ", at least one of which must be a participant in"

Page 3, line 27, overstrike "the risk management program, at least two" and insert immediately thereafter "Two" and overstrike "which" and insert immediately thereafter "the employer members"

Page 3, line 28, after "premiums" insert ", which at the time of the member's initial appointment were" and overstrike ", at least" and insert immediately thereafter an underscored semicolon

Page 3, line 29, overstrike "which" and insert immediately thereafter "the employer members" and overstrike "of" and insert immediately thereafter ", which at the time of the member's initial appointment was at least"

Page 3, line 30, overstrike ", at least" and insert immediately thereafter an underscored semicolon and overstrike "which" and insert immediately thereafter "the employer members"

Page 3, line 31, overstrike "of" and insert immediately thereafter ", which at the time of the member's initial appointment was", overstrike the comma and insert immediately thereafter an underscored semicolon, and overstrike "at"

Page 4, line 1, overstrike "least one" and insert immediately thereafter "two of the employer members must be" and overstrike "representative" and insert immediately thereafter "representatives"

Page 4, line 2, overstrike the first "representative" and insert immediately thereafter "representatives"

Page 4, line 4, overstrike "; at least one member must have"

Page 4, line 5, overstrike "received workforce safety and insurance benefits; and at least" and insert immediately thereafter ". Of the three employee members,"

Page 4, line 6, after "labor" insert "and one other member must have received workforce safety and insurance wage-loss benefits at some time during the ten years before the member's initial appointment"

Page 4, line 15, overstrike "Board members" and insert immediately thereafter "A board member whose initial appointment was before August 1, 2007,"

Page 4, line 16, remove the overstrike over "~~three~~" and insert immediately thereafter "consecutive terms and a board member whose initial appointment was after July 31, 2007, may not serve more than"

Page 4, line 22, overstrike "the"

Page 4, line 25, replace "greater North Dakota chamber of commerce" with "a coordinating committee appointed by the governor, composed of representatives from the associated general contractors of North Dakota, the North Dakota petroleum council, the greater North Dakota chamber of commerce, the North Dakota motor carriers association, the North Dakota healthcare association, the national federation of independent business, the lignite energy council, and other statewide business interests"

Page 4, line 26, remove "working together with other business organizations in the state"

Page 5, line 1, remove "two"

Page 5, line 2, overstrike "nonorganized labor" and insert immediately thereafter "two"

Page 5, line 3, after "representatives" insert "who do not represent organized labor"

Page 5, after line 7, insert:

"e. Within the thirty days following receipt of a list of potential candidates representing employers, organized labor, or the North Dakota medical association, the governor may reject the list and request that the submitting entity submit a new list of potential candidates."

Page 5, after line 9, insert:

"**SECTION 2.** A new section to chapter 65-02 of the North Dakota Century Code is created and enacted as follows:

Spending authority - Limited. Notwithstanding any other law enacted by the sixtieth legislative assembly, any statement of legislative intent, any statement of purpose of amendment, or other provision of law, the organization may not expend funds for the purpose of providing workers' compensation education or training for public officials other than the director and members of the board, or for providing awards, other than service awards or other awards or incentives allowed under law and applicable to executive branch agencies. For purposes of this section, award does not include a nonwage, cash disbursement to an organization employee through a performance-based system for employee recognition."

Page 5, line 11, replace "Under section 1 of this Act, a board" with "The board member serving on August 1, 2007, as the representative of the risk management program shall serve the remainder of the appointed term as the employer at-large representative. The employee board member serving on August 1, 2007, as the employee who has received workforce safety and insurance benefits shall continue to serve through the expiration of the member's appointed term, regardless of the member's wage-loss benefit history."

SECTION 4. WORKFORCE SAFETY AND INSURANCE - LEGISLATIVE COUNCIL STUDY. The legislative council shall consider studying, during the 2007-08 interim, the workforce safety and insurance governance changes made during the 2007 legislative session. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly."

Page 5, remove lines 12 through 18

ReNUMBER accordingly

Engrossed HB 1460 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. KLEIN MOVED that the conference committee report on Engrossed HB 1460 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1460, as amended, was placed on the Fourteenth order.

SECOND READING OF HOUSE BILL

HB 1460: A BILL for an Act to create and enact a new section to chapter 65-02 of the North Dakota Century Code, relating to employee awards and incentive spending authority; to amend and reenact section 65-02-03.1 of the North Dakota Century Code, relating to the workforce safety and insurance board membership; to provide for a legislative council study; and to provide for application and transition.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 45 YEAS, 2 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Anderson; Andrist; Bakke; Behm; Bowman; Christmann; Cook; Dever; Erbele; Fiebiger; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heckaman; Heitkamp; Holmberg; Horne; Kilzer; Klein; Krauter; Krebsbach; Lee, G.; Lee, J.; Lindaas; Lyson; Marcellais; Mathern; Nelson; Nething; O'Connell; Oehlke; Olafson; Pomeroy; Potter; Robinson; Seymour; Stenehjem; Tallackson; Taylor; Tollefson; Urlacher; Wanzek; Wardner

NAYS: Triplett; Warner

Engrossed HB 1460, as amended, passed and the title was agreed to.

REPORT OF CONFERENCE COMMITTEE

SB 2172, as engrossed: Your conference committee (Sens. Tollefson, Cook, Horne and Reps. Owens, Grande, Pinkerton) recommends that the **HOUSE RECEDE** from the House amendments on SJ page 923, adopt amendments as follows, and place SB 2172 on the Seventh order:

That the House recede from its amendments as printed on page 923 of the Senate Journal and page 1084 of the House Journal and that Engrossed Senate Bill No. 2172 be amended as follows:

Page 1, line 2, after the semicolon insert "and"

Page 1, line 3, remove "; and to provide an expiration date"

Page 1, line 13, after "deceased" insert "for the first one hundred twenty thousand dollars of true and full valuation of the fixtures, buildings, and improvements"

Page 1, line 23, after "~~government~~" insert "for a percentage, equal to the percentage of the disabled veteran's certified rated service-connected disability, applied against the first one hundred twenty thousand dollars of true and full valuation of the fixtures, buildings, and improvements"

Page 2, line 17, overstrike "Any person shall thereafter furnish to the assessor or other"

Page 2, overstrike line 18

Page 2, line 19, overstrike "will support the claim for exemption for any subsequent year" and insert immediately thereafter "After the initial filing of a claim for exemption under this subsection, the exemption is automatically renewed each following year but the veteran or veteran's unremarried surviving spouse must refile if that person sells the property or no longer claims it as a primary place of residence or if the veteran dies or receives a change in the percentage of the certified rated service-connected disability"

Page 2, line 20, after "subsection" insert ", and except as otherwise provided in this subsection"

Page 2, after line 25, insert:

"This subsection does not apply within a county in which a resolution approved by the board of county commissioners is in effect disallowing the exemption under this subsection for the taxable year."

Page 2, line 26, remove "- EXPIRATION DATE" and remove "the"

Page 2, line 27, remove "first two" and remove ", and is thereafter ineffective"

Renumber accordingly

Engrossed SB 2172 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. TOLLEFSON MOVED that the conference committee report on Engrossed SB 2172 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2172, as amended, was placed on the Eleventh order.

SECOND READING OF SENATE BILL

SB 2172: A BILL for an Act to amend and reenact subsection 20 of section 57-02-08 of the North Dakota Century Code, relating to the homestead property tax exemption for disabled veterans; and to provide an effective date.

ROLL CALL

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

YEAS: Anderson; Andrist; Bakke; Behm; Bowman; Christmann; Cook; Dever; Erbele; Fiebiger; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heckaman; Heitkamp; Holmberg; Horne; Kilzer; Klein; Krauter; Krebsbach; Lee, G.; Lee, J.; Lindaas; Lyson; Marcellais; Mathern; Nelson; Nething; O'Connell; Oehlke; Olafson; Pomeroy; Potter; Robinson; Seymour; Stenehjerm; Tallackson; Taylor; Tollefson; Triplett; Urlacher; Wanzek; Wardner; Warner

Engrossed SB 2172, as amended, passed and the title was agreed to.

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: SB 2172.

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: HB 1460.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)

MR. PRESIDENT: Your signature is respectfully requested on: HB 1460.

MOTION

SEN. STENEHJEM MOVED that the Senate stand in recess until 8:30 p.m., which motion prevailed.

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

MOTION

SEN. STENEHJEM MOVED that the Senate stand in recess until 9:00 p.m., which motion prevailed.

THE SENATE RECONVENED pursuant to recess taken, with President Dalrymple presiding.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)

MR. PRESIDENT: The House has adopted the conference committee report and subsequently passed: SB 2172.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)

MR. PRESIDENT: The House has concurred in the Senate amendments and subsequently passed: HB 1014.

MOTION

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

THE SENATE RECONVENED pursuant to recess taken, with President Dalrymple presiding.

REPORT OF CONFERENCE COMMITTEE

SB 2032, as reengrossed: Your conference committee (Sens. Urlacher, Cook, Triplett and Reps. Belter, Drovdal, S. Kelsh) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1445-1453, adopt amendments as follows, and place SB 2032 on the Seventh order:

That the House recede from its amendments as printed on pages 1445-1453 of the Senate Journal and pages 1615-1623 of the House Journal and that Reengrossed Senate Bill No. 2032 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact three new sections to chapter 57-38 and three new subsections to section 57-38-30.3 of the North Dakota Century Code, relating to income tax marriage penalty relief, a homestead income tax credit, and a commercial property income tax credit; to amend and reenact sections 57-02-08.1, 57-12-09, 57-15-14, 57-20-07.1, and 57-55-04 of the North Dakota Century Code, relating to the homestead credit, notice of assessment increases, school district levy limitations, contents of property tax statements, payment of real estate taxes, and mobile home taxes; to provide an appropriation; to provide for a transfer; to provide for a legislative council study; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 57-02-08.1 of the North Dakota Century Code is amended and reenacted as follows:

57-02-08.1. Homestead credit.

1. a. Any person sixty-five years of age or older or permanently and totally disabled, in the year in which the tax was levied, with an income that does not exceed the limitations of subdivision c is entitled to receive a reduction in the assessment on the taxable valuation on the person's homestead. An exemption under this subsection applies regardless of whether the person is the head of a family.
- b. The exemption under this subsection continues to apply if the person does not reside in the homestead and the person's absence is due to confinement in a nursing home, hospital, or other care facility, for as long as the portion of the homestead previously occupied by the person is not rented to another person.
- c. The exemption must be determined according to the following schedule:
 - (1) If the person's income is not in excess of ~~eight ten~~ eight ten thousand ~~five hundred~~ dollars, a reduction of one hundred percent of the taxable valuation of the person's homestead up to a maximum reduction of three thousand ~~thirty-eight~~ three hundred seventy-five dollars of taxable valuation.
 - (2) If the person's income is in excess of ~~eight ten~~ eight ten thousand ~~five hundred~~ dollars and not in excess of ~~ten~~ twelve thousand dollars, a reduction of eighty percent of the taxable valuation of the person's homestead up to a maximum reduction of two thousand ~~four~~ seven hundred ~~thirty~~ dollars of taxable valuation.
 - (3) If the person's income is in excess of ~~ten~~ twelve thousand dollars and not in excess of ~~eleven~~ fourteen thousand ~~five hundred~~ dollars, a reduction of sixty percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~one two~~ two thousand ~~eight hundred twenty-three~~ twenty-five dollars of taxable valuation.
 - (4) If the person's income is in excess of ~~eleven~~ fourteen thousand ~~five hundred~~ dollars and not in excess of ~~thirteen~~ thirteen ~~sixteen~~ thousand dollars, a reduction of forty percent of the taxable valuation of the person's homestead up to a maximum reduction

of one thousand ~~two~~ three hundred ~~fifteen~~ fifty dollars of taxable valuation.

- (5) If the person's income is in excess of ~~thirteen~~ sixteen thousand dollars and not in excess of ~~fourteen~~ seventeen thousand five hundred dollars, a reduction of twenty percent of the taxable valuation of the person's homestead up to a maximum reduction of six hundred ~~eight~~ seventy-five dollars of taxable valuation.
- d. Persons residing together, as spouses or when one or more is a dependent of another, are entitled to only one exemption between or among them under this subsection. Persons residing together, who are not spouses or dependents, who are coowners of the property are each entitled to a percentage of a full exemption under this subsection equal to their ownership interests in the property.
- e. This subsection does not reduce the liability of any person for special assessments levied upon any property.
- f. Any person claiming the exemption under this subsection shall sign a verified statement of facts establishing the person's eligibility.
- g. A person is ineligible for the exemption under this subsection if the value of the assets of the person and any dependent residing with the person, excluding the unencumbered value of the person's residence that the person claims as a homestead, exceeds fifty thousand dollars, including the value of any assets divested within the last three years. For purposes of this subdivision, the unencumbered valuation of the homestead is limited to one hundred thousand dollars.
- h. The assessor shall attach the statement filed under subdivision f to the assessment sheet and shall show the reduction on the assessment sheet.
- i. An exemption under this subsection terminates at the end of the taxable year of the death of the applicant.
2. a. Any person who would qualify for an exemption under subdivisions a and c of subsection 1 except for the fact that the person rents living quarters is eligible for refund of a portion of the person's annual rent deemed by this subsection to constitute the payment of property tax.
- b. For the purpose of this subsection, twenty percent of the annual rent, exclusive of any federal rent subsidy and of charges for any utilities, services, furniture, furnishings, or personal property appliances furnished by the landlord as part of the rental agreement, whether expressly set out in the rental agreement, must be considered as payment made for property tax. When any part of the twenty percent of the annual rent exceeds four percent of the annual income of a qualified applicant, the applicant is entitled to receive a refund from the state general fund for that amount in excess of four percent of the person's annual income, but the refund may not be in excess of two hundred forty dollars. If the calculation for the refund is less than five dollars, a minimum of five dollars must be sent to the qualifying applicant.
- c. Persons who reside together, as spouses or when one or more is a dependent of another, are entitled to only one refund between or among them under this subsection. Persons who reside together in a rental unit, who are not spouses or dependents, are each entitled to apply for a refund based on the rent paid by that person.
- d. Each application for refund under this subsection must be made to the tax commissioner before the first day of June of each year by the person claiming the refund. The tax commissioner may grant an extension of time to file an application for good cause. The tax commissioner shall issue refunds to applicants.
- e. This subsection does not apply to rents or fees paid by a person for any living quarters, including a nursing home licensed pursuant to

section 23-16-01, if those living quarters are exempt from property taxation and the owner is not making a payment in lieu of property taxes.

- f. A person may not receive a refund under this section for a taxable year in which that person received an exemption under subsection 1.
3. All forms necessary to effectuate this section must be prescribed, designed, and made available by the tax commissioner. The county directors of tax equalization shall make these forms available upon request.
4. A person whose homestead is a farm structure exempt from taxation under subsection 15 of section 57-02-08 may not receive any property tax credit under this section.
5. For the purposes of this section:
 - a. "Dependent" has the same meaning it has for federal income tax purposes.
 - b. "Homestead" has the same meaning as provided in section 47-18-01.
 - c. "Income" means income for the most recent complete taxable year from all sources, including the income of any dependent of the applicant, and including any county, state, or federal public assistance benefits, social security, or other retirement benefits, but excluding any federal rent subsidy, any amount excluded from income by federal or state law, and medical expenses paid during the year by the applicant or the applicant's dependent which is not compensated by insurance or other means.
 - d. "Medical expenses" has the same meaning as it has for state income tax purposes, except that for transportation for medical care the person may use the standard mileage rate allowed for state officer and employee use of a motor vehicle under section 54-06-09.
 - e. "Permanently and totally disabled" means the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or has lasted or can be expected to last for a continuous period of not less than twelve months as established by a certificate from a licensed physician.

SECTION 2. AMENDMENT. Section 57-12-09 of the North Dakota Century Code is amended and reenacted as follows:

57-12-09. ~~Written notice~~ Notice of increased assessment to real estate owner. When any assessor has increased the true and full valuation of any lot or tract of land ~~together with~~ or any improvements thereon ~~by fifteen percent or more to more than ten percent more than the amount~~ of the last assessment, ~~written~~ notice of the amount of increase over the last assessment and the amount of the last assessment must be delivered in writing by the assessor to the property owner ~~or~~, mailed in writing to the property owner at the property owner's last-known address ~~except that no notice need be delivered or mailed if the true and full valuation is increased by less than three thousand dollars~~, or provided to the property owner by electronic mail directed with verification of receipt to an electronic mail address at which the property owner has consented to receive notice. Delivery of notice to a property owner under this section must be completed not fewer than fifteen days before the meeting of the local equalization board. The tax commissioner shall prescribe suitable forms for this notice and the notice must show the true and full value as defined by law of the property, including improvements, that the assessor used in making the assessment for the current year and for the year in which the last assessment was made and must also show the date prescribed by law for the meeting of the local equalization board of the assessment district in which the property is located and the meeting date of the county equalization board. ~~The notice must be mailed or delivered to the property owner at least ten days in advance of the meeting date of the local equalization board and must be mailed or delivered at the expense of the assessment district for which the assessor is employed.~~

SECTION 3. AMENDMENT. Section 57-15-14 of the North Dakota Century Code is amended and reenacted as follows:

57-15-14. Tax General fund levy limitations in school districts. The aggregate amount levied each year for the purposes listed in section 57-15-14.2 by any school district, except the Fargo school district, may not exceed the amount in dollars which the school district levied for the prior school year plus eighteen percent up to a general fund levy of one hundred eighty-five mills on the dollar of the taxable valuation of the district, except that:

1. In any school district having a total population in excess of four thousand according to the last federal decennial census:
 - a. There may be levied any specific number of mills that upon resolution of the school board has been submitted to and approved by a majority of the qualified electors voting upon the question at any regular or special school district election.
 - b. There is no limitation upon the taxes which may be levied if upon resolution of the school board of any such district the removal of the mill levy limitation has been submitted to and approved by a majority of the qualified electors voting at any regular or special election upon such question.
2. In any school district having a total population of less than four thousand, there may be levied any specific number of mills that upon resolution of the school board has been approved by fifty-five percent of the qualified electors voting upon the question at any regular or special school election.
3. After June 30, 2007, in any school district election for approval by electors of unlimited or increased levy authority under subsection 1 or 2, the ballot must specify the number of mills, the percentage increase in dollars levied, or that unlimited levy authority is proposed for approval, and the number of taxable years for which that approval is to apply. After June 30, 2007, approval by electors of unlimited or increased levy authority under subsection 1 or 2 may not be effective for more than ten taxable years.
4. In any school district in which the total assessed valuation of property has increased twenty percent or more over the prior year and in which as a result of that increase the school district is entitled to less in state aid payments provided in chapter 15.1-27 because of the deduction required in section 15.1-27-05, there may be levied any specific number of mills more in dollars than was levied in the prior year up to a general fund levy of one hundred eighty-five mills on the dollar of the taxable valuation of the school district. The additional levy authorized by this subsection may be levied for not more than two years because of any twenty percent or greater annual increase in assessed valuation. The total amount of revenue generated in excess of the eighteen percent increase which is otherwise permitted by this section may not exceed the amount of state aid payments lost as a result of applying the deduction provided in section 15.1-27-05 to the increased assessed valuation of the school district in a one-year period.

The question of authorizing or discontinuing such specific number of mills authority or unlimited taxing authority in any school district must be submitted to the qualified electors at the next regular election upon resolution of the school board or upon the filing with the school board of a petition containing the signatures of qualified electors of the district equal in number to ~~twenty ten~~ percent of the number of ~~persons enumerated in the school census for that district for the most recent year such census was taken; unless such census is greater than four thousand in which case only fifteen percent of the number of persons enumerated in the school census is required~~ electors who cast votes in the most recent election in the school district. However, not fewer than twenty-five signatures are required unless the district has fewer than twenty-five qualified electors, in which case the petition must be signed by not less than twenty-five percent of the qualified electors of the district. In those districts with fewer than twenty-five qualified electors, the number of qualified electors in the district must be determined by the county superintendent for such county in which such school is located. However, the approval of discontinuing either such authority does not affect the tax levy in the calendar year in which the election is held. The election must be held in the same manner and subject to the same conditions as provided in this section for the first election upon the question of authorizing the mill levy.

SECTION 4. AMENDMENT. Section 57-20-07.1 of the North Dakota Century Code is amended and reenacted as follows:

57-20-07.1. County treasurer to mail real estate tax statement. On or before December twenty-sixth of each year, the county treasurer shall mail a real estate tax statement to the owner of each parcel of real property at the owner's last-known address. The statement must be provided in a manner that allows the taxpayer to retain a printed record of the obligation for payment of taxes and special assessments as provided in the statement. If a parcel of real property is owned by more than one individual, the county treasurer shall send only one statement to one of the owners of that property. Additional copies of the tax statement will be sent to the other owners upon their request and the furnishing of their names and addresses to the county treasurer. ~~Such tax statements~~ The tax statement must include a dollar valuation of the true and full value as defined by law of the property and the total mill levy applicable. The tax statement must include, or be accompanied by a separate sheet, with three columns showing, for the taxable year to which the tax statement applies and the two immediately preceding taxable years, the property tax levy in dollars against the parcel by the county and school district and any city or township that levied taxes against the parcel. Failure of an owner to receive a statement will not relieve that owner of liability, nor extend the discount privilege past the February fifteenth deadline.

SECTION 5. A new section to chapter 57-38 of the North Dakota Century Code is created and enacted as follows:

Marriage penalty credit.

1. A married couple filing a joint return under section 57-38-30.3 is allowed a credit of not to exceed three hundred dollars per couple as determined under this section. The tax commissioner shall adjust the maximum amount of the credit under this subsection each taxable year at the time and rate adjustments are made to rate schedules under subdivision g of subsection 1 of section 57-38-30.3.
2. The credit under this section is the difference between the tax on the couple's joint North Dakota taxable income under the rates and income levels in subdivision b of subsection 1 of section 57-38-30.3 and the sum of the tax under the rates and income levels of subdivision a of subsection 1 of section 57-38-30.3 on the earned income of the lesser-earning spouse, and the tax under the rates and income levels of subdivision a of subsection 1 of section 57-38-30.3 on the couple's joint North Dakota taxable income, minus the earned income of the lesser-earning spouse.
3. The tax commissioner shall prepare and make available to taxpayers a comprehensive table showing the credit under this section at brackets of earnings of the lesser-earning spouse and joint taxable income. The brackets of earnings may not be more than two thousand dollars.
4. For a nonresident or part-year resident, the credit under this section must be adjusted based on the percentage calculated under subdivision f of subsection 1 of section 57-38-30.3.
5. For purposes of this section:
 - a. "Earned income" means the sum of the following, to the extent included in North Dakota taxable income:
 - (1) Earned income as defined in section 32(c)(2) of the Internal Revenue Code;
 - (2) Income received from a retirement pension, profit-sharing, stock bonus, or annuity plan; and
 - (3) Social security benefits as defined in section 86(d)(1) of the Internal Revenue Code.
 - b. "Earned income of the lesser-earning spouse" means the earned income of the spouse with the lesser amount of earned income for the taxable year minus the sum of:

- (1) The amount for one exemption under section 151(d) of the Internal Revenue Code; and
- (2) One-half of the amount of the standard deduction under section 63(c)(2)(A)(4) of the Internal Revenue Code.

SECTION 6. A new section to chapter 57-38 of the North Dakota Century Code is created and enacted as follows:

Homestead income tax credit - Rules.

1. In addition to any other credit or deduction allowed by law for a homeowner, an individual is entitled to a credit against the tax imposed under section 57-38-29 or section 57-38-30.3 for taxable years 2007 and 2008 in the amount of ten percent of property taxes or mobile home taxes that became due during the income tax taxable year and are paid which were levied against the individual's homestead in this state. For purposes of this section, "property taxes" does not include any special assessments.
2. For purposes of this section, "homestead" means the dwelling occupied by the individual as the individual's primary residence and, if that residence is in this state, any residential or agricultural property owned by that individual in this state.
3.
 - a. The amount of the credit under this section may not exceed one thousand dollars for married persons filing a joint return or five hundred dollars for a single individual or married individuals filing separate returns.
 - b. The amount of the credit under this section may not exceed the taxpayer's tax liability under this chapter.
4. The amount of the credit under subsection 3 in excess of the taxpayer's tax liability may be carried forward for up to five years or the taxpayer may request that the tax commissioner issue the taxpayer a certificate in the amount of the excess which may be used by the taxpayer against property or mobile home tax liability of the taxpayer during the ensuing taxable year by delivering the certificate to the county treasurer in which the taxable property or mobile home is subject to taxes. The county treasurer shall forward certificates redeemed in payment of a tax obligation under this section to the tax commissioner, who shall issue payment to the county in the amount of the certificates.
5. Persons owning property together are entitled to only one credit for a parcel of property between or among them under this section. Persons owning property together are each entitled to a percentage of the credit for a single individual under this section equal to their ownership interests in the property.
6. This section is not subject to subsection 1 or subsection 2 of section 57-38-45.
7. The tax commissioner shall adopt rules to provide for filing and verification of claims of credits under this section and for issuance and redemption of tax certificates under subsection 4.
8.
 - a. If, on November 15, 2008, the total amount of tax credits claimed under this section exceeds forty-seven million dollars, the tax commissioner shall reduce the rate of the credit under subsection 1. The adjusted credit rate must be calculated by the tax commissioner as follows:
 - (1) The tax commissioner shall determine the percentage by which the credits claimed under this section exceeds forty-seven million dollars.
 - (2) The difference between the number one and the amount calculated under subdivision a multiplied by ten percent is the adjusted credit rate for the 2008 taxable year.

- b. The tax commissioner shall report any adjustment under this subsection to the budget section of the legislative council for review.

SECTION 7. A new section to chapter 57-38 of the North Dakota Century Code is created and enacted as follows:

Commercial property income tax credit - Rules.

1. In addition to any other credit or deduction allowed by law for a property owner, an individual or corporation is entitled to a credit against the tax imposed under sections 57-38-29, 57-39-30, or 57-38-30.3 for taxable years 2007 and 2008 in the amount of ten percent of property taxes or mobile home taxes that became due during the income tax taxable year and are paid which were levied against commercial property in this state. For purposes of this section, "property taxes" does not include any special assessments.
 - a. The amount of the credit under this section may not exceed one thousand dollars for any taxpayer.
 - b. The amount of the credit under this section may not exceed the taxpayer's tax liability under this chapter.
 - c. The amount of the credit under this section may not exceed one thousand dollars for married persons filing a joint return or five hundred dollars for a single individual or married individual filing separate returns.
2. The amount of the credit under subdivisions a and c of subsection 1 in excess of the taxpayer's tax liability may be carried forward for up to five years.
3. Persons owning property together are entitled to only one credit for property between or among them under this section. Persons owning property together are each entitled to a percentage of the credit equal to their ownership interests in the property. Married individuals owning property together are each entitled to a percentage of the credit for a single individual under this section equal to their ownership interests in the property.
4. This section is not subject to subsection 1 or subsection 2 of section 57-38-45.
5. A passthrough entity entitled to the credit under this section shall allocate the amount of the credit allowed with respect to the entity's property 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.
6. The tax commissioner shall adopt rules to provide for filing and verification of claims under this section.
7.
 - a. If, on November 15, 2008, the total amount of credits claimed under this section exceeds seven million dollars, the tax commissioner shall reduce the cap that applies to the credit under subsection 1. The adjusted credit cap must be calculated by the tax commissioner as follows:
 - (1) The tax commissioner shall determine the percentage by which the credits claimed under this section exceeds seven million dollars.
 - (2) The difference between the number one and the amount calculated under paragraph 1 multiplied by the amount of the cap is the adjusted credit cap for the 2008 taxable year.
 - b. The tax commissioner shall report any proposed adjustment under this subsection to the budget section of the legislative council for approval.

SECTION 8. Three new subsections to section 57-38-30.3 of the North Dakota Century Code are created and enacted as follows:

A taxpayer filing a return under this section is entitled to the credit provided under section 5 of this Act.

A taxpayer filing a return under this section is entitled to the credit provided under section 6 of this Act.

A taxpayer filing a return under this section is entitled to the credit provided under section 7 of this Act.

SECTION 9. AMENDMENT. Section 57-55-04 of the North Dakota Century Code is amended and reenacted as follows:

57-55-04. Taxes - How determined - Disbursement. The director of tax equalization shall determine the tax for each mobile home by placing an evaluation on the mobile home based upon its assessed value and by adjusting the valuation of the mobile home by the percentage provided in section 57-02-27 to determine its taxable valuation under standards and guides determined by the state tax commissioner and applying that evaluation to the preceding year's total mill levies applying to property within the taxing district in which the mobile home is located. The county treasurer shall provide a tax statement for each mobile home subject to taxation under this chapter, including three columns showing, for the taxable year to which the tax statement applies and the two immediately preceding taxable years, the property tax levy in dollars against the mobile home by the county and school district and any city or township that levied taxes against the mobile home. If a mobile home is acquired or moved into this state during the calendar year and a tax permit has not been previously issued for such mobile home in this state for such year, the tax is determined by computing the remaining number of months of the current year to the nearest full month and multiplying that number by one-twelfth of the amount which would be due for the full year. The taxes collected under this chapter must be disbursed in the same year they are collected and in the same manner as real estate taxes for the preceding year are disbursed.

SECTION 10. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$3,604,000, or so much of the sum as may be necessary, to the state tax commissioner for the purpose of enhanced funding for the expanded homestead tax credit as provided in this Act, for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 11. APPROPRIATION - TAX DEPARTMENT. There is appropriated from special funds, the sum of \$1,100,000, or so much of the sum as may be necessary, to the tax commissioner, for the purpose of implementing the provisions of this Act, for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 12. TRANSFER. During the biennium beginning July 1, 2007, and ending June 30, 2009, the director of the office of management and budget shall transfer \$115,000,000 from the permanent oil tax trust fund to the general fund.

SECTION 13. LEGISLATIVE COUNCIL STUDY. The legislative council shall study in each interim through 2012 the feasibility and desirability of property tax reform and providing property tax relief to taxpayers of the state, with the goal of reduction of each taxpayer's annual property tax bill to an amount that is not more than one and one-half percent of the true and full value of property, and including examination of the proper measure of education funding from local taxation and state resources and the variability of funding resources among taxing districts and examination of improved collection and reporting of property tax information to identify residency of property owners with minimized administrative difficulty. The legislative council shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the legislative assembly subsequent to each interim.

SECTION 14. EFFECTIVE DATE. Sections 1, 3, and 4 of this Act are effective for taxable years beginning after December 31, 2006. Section 9 of this Act is effective for taxable years beginning after December 31, 2007, for mobile home taxes. Section 2 of this Act is effective for taxable years beginning after December 31, 2007. Sections 5, 6, 7, and 8 of this Act are effective for taxable years beginning after December 31, 2006."

Renumber accordingly

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

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. URLACHER MOVED that the conference committee report on Reengrossed SB 2032 be adopted, which motion prevailed on a voice vote.

Reengrossed SB 2032, as amended, was placed on the Eleventh order.

SECOND READING OF SENATE BILL

SB 2032: A BILL for an Act to create and enact three new sections to chapter 57-38 and three new subsections to section 57-38-30.3 of the North Dakota Century Code, relating to income tax marriage penalty relief, a homestead income tax credit, and a commercial property income tax credit; to amend and reenact sections 57-02-08.1, 57-12-09, 57-15-14, 57-20-07.1, and 57-55-04 of the North Dakota Century Code, relating to the homestead credit, notice of assessment increases, school district levy limitations, contents of property tax statements, payment of real estate taxes, and mobile home taxes; to provide an appropriation; to provide for a transfer; to provide for a legislative council study; and to provide an effective date.

ROLL CALL

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

YEAS: Anderson; Andrist; Bakke; Behm; Bowman; Christmann; Cook; Dever; Erbele; Fiebigger; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heckaman; Heitkamp; Holmberg; Horne; Kilzer; Klein; Krauter; Krebsbach; Lee, G.; Lee, J.; Lindaas; Lyson; Marcellais; Mathern; Nelson; Nething; O'Connell; Oehlke; Olafson; Pomeroy; Potter; Robinson; Seymour; Stenehjem; Tallackson; Taylor; Tollefson; Urlacher; Wanzek; Wardner; Warner

ABSENT AND NOT VOTING: Triplett

Reengrossed SB 2032 passed and the title was agreed to.

MOTION

SEN. STENEHJEM MOVED that Reengrossed SB 2032 be messaged to the House immediately, which motion prevailed.

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

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

REPORT OF STANDING COMMITTEE

HB 1522: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1522 was placed on the Sixth order on the calendar.

Page 1, line 3, after "exemption" insert "; to provide a transfer"

Page 3, after line 13, insert:

"SECTION 8. TRANSFER. During the biennium beginning July 1, 2007, and ending June 30, 2009, the director of the office of management and budget shall transfer \$96,227,061 from the permanent oil tax trust fund to the general fund."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment transfers \$96,227,061 from the permanent oil tax trust fund to the general fund.

CONSIDERATION OF AMENDMENTS

HB 1522: SEN. HOLMBERG (Appropriations Committee) MOVED that the amendments be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion failed.

SECOND READING OF HOUSE BILL

HB 1522: A BILL for an Act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; to provide an exemption; and to provide legislative intent.

ROLL CALL

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

YEAS: Anderson; Andrist; Bakke; Behm; Bowman; Christmann; Cook; Dever; Erbe; Fiebig; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heckaman; Heitkamp; Holmberg; Horne; Kilzer; Klein; Krauter; Krebsbach; Lee, G.; Lee, J.; Lindaas; Lyson; Marcellais; Mathern; Nelson; Nething; O'Connell; Oehlke; Olafson; Pomeroy; Potter; Robinson; Seymour; Stenehjem; Tallackson; Taylor; Tollefson; Urlacher; Wanzek; Wardner; Warner

ABSENT AND NOT VOTING: Triplett

HB 1522 passed and the title was agreed to.

MOTION

SEN. CHRISTMANN MOVED that HB 1522 be messaged to the House immediately, which motion prevailed.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)
MR. SPEAKER: The Senate has passed unchanged: HB 1522.

REQUEST

SEN. O'CONNELL REQUESTED that the record show Sen. Triplett missed the last two votes because she was called away on a family emergency, which request was granted.

MOTION

SEN. CHRISTMANN MOVED that the President appoint a committee of three to notify the House that the Senate has completed its business and is about to adjourn, which motion prevailed.

PRESIDENT DALRYMPLE APPOINTED as such committee, Sens. Urlacher, Tollefson, and Heckaman.

MOTION

SEN. CHRISTMANN MOVED that the President appoint a committee of three to notify the Governor that the Senate has completed its business and is about to adjourn, which motion prevailed.

PRESIDENT DALRYMPLE APPOINTED as such committee, Sens. Nething, Andrist, and Bakke.

MOTION

SEN. CHRISTMANN MOVED that the Senate stand at ease, which motion prevailed.

THE SENATE RECONVENED with President Dalrymple presiding.

REQUEST

SEN. URLACHER REQUESTED that the committee appointed to notify the House that the Senate has completed its business and is about to adjourn be discharged, as the committee had completed its task, which request was granted.

REQUEST

SEN. NETHING REQUESTED that the committee appointed to notify the Governor that the Senate has completed its business and is about to adjourn be discharged, as the committee had completed its task, which request was granted.

REMARKS OF MAJORITY LEADER STENEHJEM

Mr. President and Fellow Senators: What a session we've had. The 60th Legislative Session has been remarkable in a number of ways.

Before I get to those issues, I want to thank a number of people for the incredible jobs they do. These people are often unnoticed and too frequently are not acknowledged for the contributions they make. Yet, they allow us as Senators to be more efficient and effective in

performing the work we are elected to do. Our ability to implement legislation could not have been accomplished without the tireless dedication of our wonderful staff. On behalf of all the Senators in this chamber, I want to express a special thank you to the Legislative Council, the front desk, the office staff, pages, committee clerks, sergeants-at-arms, and all the other employees of the Senate for your devotion and dedication. The beauty and magnitude of this chamber and the entire Capitol are a tribute to the hard-working state employees who work tirelessly, sometimes under difficult situations, to maintain this institution for those few short months every biennium when we are in town. Thank you for your dedicated service. And to all state agencies, I want to thank each and every one of you for your cooperation and assistance as we worked through the legislative process.

To my caucus, I want to personally thank you for the faith and trust you've placed in me by allowing me to be your Majority Leader. I am honored and privileged to serve you in that capacity. A special thanks to a few Senators who served this session with distinction: Senator Randy Christmann as Assistant Majority Leader and Senator Jerry Klein as Caucus Leader. Thank you to our presiding officers Lieutenant Governor Jack Dalrymple as President and Senator Judy Lee as President Pro Tempore for the excellent job in keeping the Senate moving forward.

To Senator O'Connell, this is the third session we've had the privilege of working together as Majority and Minority Leaders. It has been my most sincere pleasure working with you in your respective capacities, Senator O'Connell. Our ability to communicate openly and honestly is a testament to your professionalism and personal integrity. Although we represent different political parties with occasionally different views, I will always appreciate and respect our ability to work together in the best interests of the citizens of North Dakota.

To the people of North Dakota, a heartfelt "Thank You" for your support during our legislative deliberations. As Senators, we are here to serve you and to craft legislation that will ultimately improve your health and well being. We as Senators are only as successful in crafting meaningful and lasting legislation as you have been in your tireless efforts to keep us informed of the many issues facing you and the state today. Our successes in this chamber are in large part a testament to your service and dedication.

When we convened this legislative session in January of this year, we had unprecedented levels of carryover funds - projected at over \$500 million. Each of us as Senators had our own vision of what to do with these extra dollars coming into the state's bank account. My personal view was that we should have used a significant portion of those extra dollars for one-time projects, but this was only one Senator's view and the sense of the majority prevails. We managed to put over \$40 million away in an account for a future prison facility. We significantly enhanced funding for deferred maintenance of state buildings. These are vital needs within the state and our carryover funds allowed us to cover some of these vital expenses.

Nevertheless, I remain personally concerned with the level of spending and the long-term sustainability of the budget we approved. We approved a budget increase of 24 percent in general fund appropriations from last session. Our overall budget expenses will increase by 13 percent. Lest we forget, we approved double digit spending increases last session as well.

I'm very proud of the fact that one of the earliest appropriations bills passed by this chamber and the Legislature was a 4 plus 4 percent salary increase for the state's workers. In addition, we provided additional funding to cover rising health insurance costs, plus providing funding for an equity pool. In total, we increased the salary and benefits package for state workers over \$77 million. Our state's workers are second to none and I am pleased we were able to provide this level of financial reward.

I want to take just a few moments to highlight what I think are some of the other most prominent pieces of legislation we passed this session. As I mentioned earlier, we came in to this session with unprecedented levels of carryover funds. We managed to expand the level of state reserves by doubling the Budget Stabilization Fund to \$200 million. Concurrently, we added another \$100 million to the Permanent Oil Trust Fund. In my mind, these two "savings accounts" constitute astute budgeting on our part - just as we do in our personal budgets at home - as there will be money available in the future when there is a downturn in the state's economy.

We all agree there are necessary, increased demands for the limited financial resources of this great state. Let's think about where we allocated our precious financial resources. We should be proud of the fact that we increased K-12 education funding to unprecedented levels by another \$80 million this session on top of the \$120 million in increased funding we provided over the past few legislative sessions. In addition, we enhanced the Higher Education budget by over \$80 million. We have strengthened the business climate through funding for Centers of Excellence, economic development initiatives, and funds for expanded work force training.

We brought relief to property owners by providing property tax relief. Increasing the personal income level will help lower income residents reduce their property taxes through broadening of the Homestead Tax Credit. We have reduced and eliminated the sales tax rate for natural gas and home heating fuel sold for heating purposes, saving taxpayers nearly \$12 million.

As we look toward future development in the state, our lifeline is directly tied to high quality, potable water supplies. Legislation passed this session provides for enhanced water development programs to bring potable water to all corners of the state.

Last, but certainly not least, our fighting men and women in action deserve our admiration and respect. We have provided a combination of state and federal funds to build and expand a new Veterans' Home in Lisbon. The new \$20 million facility will provide room for over 150 veterans. We all mourn when we lose one of our sons or daughters or brothers or sisters who pays the ultimate price to defend our country. Thanks to all of you who worked to restrict protestors at funerals so that the families of our brave, fallen soldiers should not have to bear disrespectful behavior at their funerals.

As we close this 60th Legislative Session, let us not forget the many accomplishments we have achieved over the past several weeks. We should all be proud of the efforts we have put forth this legislative session. I hope and trust you will join me in sharing our triumphs with the taxpayers who elected us as we go back home.

Thank you once again to all of you. I look forward to the future when we meet again. Take care and God Bless You and may God Bless the Great State of North Dakota.

REMARKS OF MINORITY LEADER O'CONNELL

Thank you, Mr. President. First of all, I would like to thank the members of the press. They did a great job of reporting the news of the Legislature, and reporting the story from both sides. They did an exceptional job. To the front desk, thank you for all the help you extended to each member of the Senate. You helped this session run in an orderly, organized fashion, and we all truly appreciate the outstanding work each of you contributed. I would also like to thank Bill Horton. We will always appreciate the many great qualities about you, your gifts, your talents, your friendship, and of course, your humor. Thank you for making this session a memorable one.

Also, Lt. Governor and President Pro Tem, thank you for your excellent work. You were always willing to listen to our thoughts and concerns. Also, thank you for your fairness this session.

To the Majority Leader, thank you again for another great Legislative Session. What I admire about you most is that your word is as good as gold. You have never gone back on your word and I appreciate your willingness to cross the aisle so that we may better serve the citizens of North Dakota. I would also like to thank the chairmen and chairwomen of each Senate Committee. Thank you for taking the time to inform me of your Committee's progress. It made this session that much easier to work in, and I appreciate all of your help and leadership.

Finally, I would like to thank the members of the Democratic Caucus. I have never been so proud to work with such an outstanding group of men and women. Your diligent work and steadfast commitment truly exemplifies the meaning of public service. I am going to miss working with you, and I look forward to seeing you again next session. To Senator Nelson, thank you for your outstanding leadership, insight, and wisdom. I cannot describe how much I appreciate your commitment to our party and to the citizens of North Dakota. Most of all, Senator Nelson, Thank you for your everlasting friendship. To Senator Warner, thank you for your outstanding leadership this session. Our friendship will always be treasured, and the people of North Dakota could not be any luckier to have such an outstanding individual to serve on their behalf.

To my staff, thank you for everything. Your work behind the scenes made this session possible, and I cannot remember having such an outstanding staff. Kathy, thank you again so much for another terrific session. You were the glue that held us together, and I look forward to working with you again. You are an outstanding individual and a good friend. To Matt, Kyle, and Tyler, thank you for everything. Without your support and dedication, this outstanding session would not have been possible. Finally, I just want to thank all of you not just as Senators, but as friends. Thank you.

MOTION

SEN. CHRISTMANN MOVED that the remarks of Majority Leader Stenehjem and Minority Leader O'Connell be printed in the Journal, which motion prevailed.

MOTION

SEN. STENEHJEM MOVED that the Senate be on the Fourth, Fifteenth, and Sixteenth orders of business and at the conclusion of those orders, the Senate stand adjourned sine die.

Pursuant to Senator Stenehjem's motion, the Senate stood adjourned sine die.

William R. Horton, Secretary