

JOURNAL OF THE HOUSE

Sixtieth Legislative Assembly

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Bismarck, April 12, 2007

The House convened at 8:30 p.m., with Speaker Delzer presiding.

The prayer was offered by Father Roger Synek with St. Bridget Catholic Church, Parshall.

The roll was called and all members were present except Representatives Kempenich and Price.

A quorum was declared by the Speaker.

SIXTH ORDER OF BUSINESS

SB 2256, as engrossed: REP. GRIFFIN (Judiciary Committee) MOVED that the amendments on HJ pages 1545-1546 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed.

SECOND READING OF SENATE BILL

SB 2256: A BILL for an Act to amend and reenact the new section to chapter 12.1-20 of the North Dakota Century Code as created by section 1 of House Bill No. 1472, as approved by the sixtieth legislative assembly, relating to sexual offenders on school property.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 92 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Amerman; Bellew; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; Damschen; DeKrey; Delmore; Dietrich; Dosch; Drovda; Ekstrom; Froelich; Froseth; Glassheim; Grande; Griffin; Gruchalla; Gulleon; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Hunsakor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kerzman; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Myxter; Nelson; Nottestad; Onstad; Owens; Pietsch; Pinkerton; Pollert; Porter; Potter; Ruby; Schmidt; Schneider; Skarphol; Solberg; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vig; Vigasaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wolf; Wrangham; Zaiser; Speaker Delzer

ABSENT AND NOT VOTING: Kempenich; Price

Engrossed SB 2256, as amended, passed and the title was agreed to.

SIXTH ORDER OF BUSINESS

SB 2419, as reengrossed: REP. KEISER (Natural Resources Committee) MOVED that the amendments on HJ pages 1541-1545 be adopted and then be placed on the Fourteenth order with **DO PASS**.

REQUEST

REP. CHARGING REQUESTED a recorded roll call vote on the motion to adopt the proposed amendments to Reengrossed SB 2419, which request was granted.

ROLL CALL

The question being the motion to adopt the amendments to Reengrossed SB 2419, the roll was called and there were 64 YEAS, 27 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Amerman; Bellew; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlson; Clark; Damschen; DeKrey; Delmore; Dietrich; Dosch; Froseth; Grande; Griffin; Gruchalla; Gulleon; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Hunsakor; Johnson, D.; Kaldor; Keiser; Kelsch, R.; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meyer, S.; Onstad; Owens;

Pietsch; Pollert; Porter; Potter; Ruby; Schmidt; Schneider; Skarphol; Solberg; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vigesaas; Wall; Weisz; Wolf; Speaker Delzer

NAYS: Carlisle; Charging; Conrad; Dahl; Drovdal; Ekstrom; Froelich; Glassheim; Johnson, N.; Karls; Kasper; Kelsh, S.; Kerzman; Meier, L.; Metcalf; Monson; Mueller; Myxter; Nelson; Nottestad; Pinkerton; Vig; Wald; Weiler; Williams; Wrangham; Zaiser

ABSENT AND NOT VOTING: Kempenich; Price; Wieland

The motion to adopt the amendments to Reengrossed SB 2419 passed.

Reengrossed SB 2419, as amended, was placed on the Eleventh order for second reading.

SECOND READING OF SENATE BILL

SB 2419: A BILL for an Act to create and enact chapter 57-51.2 of the North Dakota Century Code, relating to agreements with an Indian tribe to share revenue from state taxes on oil and gas production within the boundaries of the Fort Berthold Reservation; to amend and reenact section 57-51.1-03 of the North Dakota Century Code, relating to an oil extraction tax exemption on production from wells on Indian reservations, Indian trust land, and land owned by an Indian tribe; to provide a continuing appropriation; to provide an effective date; and to declare an emergency.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 84 YEAS, 8 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Amerman; Bellew; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Clark; Conrad; Dahl; Damschen; DeKrey; Delmore; Dietrich; Dosch; Drovdal; Froseth; Glassheim; Grande; Griffin; Gruchalla; Gulletson; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Hunskor; Johnson, D.; Johnson, N.; Kaldor; Karls; Keiser; Kelsch, R.; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Myxter; Nelson; Onstad; Owens; Pietsch; Pinkerton; Pollert; Porter; Potter; Ruby; Schmidt; Schneider; Skarphol; Solberg; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vigesaas; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wolf; Wrangham; Zaiser; Speaker Delzer

NAYS: Charging; Ekstrom; Froelich; Kasper; Kelsh, S.; Kerzman; Nottestad; Vig

ABSENT AND NOT VOTING: Kempenich; Price

Reengrossed SB 2419 passed, the title was agreed to, and the emergency clause was declared carried.

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

MR. PRESIDENT: Your signature is respectfully requested on: HB 1256, HB 1379.

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

MR. SPEAKER: Your signature is respectfully requested on: SB 2418.

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

MR. PRESIDENT: The Speaker has signed: SB 2418.

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

MR. PRESIDENT: The House has amended, subsequently passed, and the emergency clause carried: SB 2419.

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

MR. PRESIDENT: The House has amended and subsequently passed: SB 2256.

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

MR. SPEAKER: The Senate has concurred in the House amendments and subsequently passed: SB 2418.

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

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

SB 2165: Sens. Nething; G. Lee; Fiebiger

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

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

HB 1005: Sens. Wardner; Bowman; Mathern

HB 1009: Sens. Krebsbach; Bowman; Seymour

HB 1049: Sens. Tollefson; Oehlke; Anderson

HB 1107: Sens. Christmann; Holmberg; Seymour

HB 1197: Sens. Lyson; Olafson; Nelson

HB 1466: Sens. Nething; Erbele; Marcellais

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

MR. SPEAKER: The Senate has reconsidered its action whereby it did not concur with the House amendments to SB 2023 and wishes to inform you that the Senate does now concur with the House amendments to SB 2023 and subsequently passed the same. Also, the Senate has dissolved the Senate Conference Committee on SB 2023.

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

MR. SPEAKER: Your signature is respectfully requested on: SB 2021, SB 2093, SB 2100, SB 2137, SB 2161, SB 2341.

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

MR. SPEAKER: Your signature is respectfully requested on: SB 2146, SB 2262, SB 2352.

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

MR. SPEAKER: The President has signed: SB 2418.

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

MR. SPEAKER: Your signature is respectfully requested on: SB 2023.

ANNOUNCEMENT

SPEAKER DELZER ANNOUNCED that the House stand in recess until 12:30 p.m..

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

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. FROSETH MOVED that the conference committee report on Engrossed HB 1029 as printed on HJ page 1513 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1029, as amended, was placed on the Eleventh order.

SECOND READING OF HOUSE BILL

HB 1029: A BILL for an Act to create and enact a new section to chapter 11-09.1 and a new section to chapter 40-05.1 of the North Dakota Century Code, relating to limits on transfers of home rule county and city sales tax revenue to school districts; 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 67 YEAS, 24 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Amerman; Bellew; Belter; Berg; Boehning; Brandenburg; Carlisle; Carlson; Charging; Clark; Dahl; DeKrey; Dietrich; Dosch; Drovdal; Froseth; Grande; Guleson; Haas; Hanson; Headland; Heller; Herbel; Hofstad; Johnson, D.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kempenich; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kroeber; Martinson; Meier, L.; Meyer, S.; Monson; Nelson; Nottestad; Owens; Pietsch; Pinkerton; Pollert; Porter; Schmidt; Skarphol; Solberg; Svedjan; Thoreson; Thorpe; Uglem; Vig; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wrangham; Zaiser; Speaker Delzer

NAYS: Boe; Boucher; Conrad; Delmore; Ekstrom; Glassheim; Griffin; Gruchalla; Hatlestad; Hawken; Hunskor; Johnson, N.; Kelsh, S.; Kerzman; Kretschmar; Metcalf; Mueller; Myxter; Onstad; Potter; Ruby; Schneider; Sukut; Wolf

ABSENT AND NOT VOTING: Damschen; Froelich; Price

Reengrossed HB 1029 passed, the title was agreed to, and the emergency clause was declared carried.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. KLEMIN MOVED that the conference committee report on Engrossed HB 1243 as printed on HJ page 1539 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1243, as amended, was placed on the Eleventh order.

SECOND READING OF HOUSE BILL

HB 1243: A BILL for an Act to amend and reenact section 16.1-10-04 of the North Dakota Century Code, relating to publication of false information in political advertisements; and to provide a penalty.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 86 YEAS, 7 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Amerman; Bellew; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; Damschen; DeKrey; Delmore; Dietrich; Dosch; Drovdal; Froseth; Glassheim; Grande; Griffin; Gulletson; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Hunskor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kempenich; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Myxter; Nelson; Nottestad; Onstad; Owens; Pietsch; Pinkerton; Pollert; Porter; Potter; Ruby; Schneider; Skarphol; Solberg; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vigasaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wolf; Wrangham; Zaiser; Speaker Delzer

NAYS: Ekstrom; Froelich; Gruchalla; Kelsh, S.; Kerzman; Schmidt; Vig

ABSENT AND NOT VOTING: Price

Reengrossed HB 1243 passed and the title was agreed to.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. PORTER MOVED that the conference committee report on Engrossed HB 1390 as printed on HJ page 1539 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1390, as amended, was placed on the Eleventh order.

SECOND READING OF HOUSE BILL

HB 1390: A BILL for an Act to create and enact a new section to chapter 50-11 of the North Dakota Century Code, relating to liability coverage for damage caused by foster 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 93 YEAS, 0 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Amerman; Bellew; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; Damschen; DeKrey; Delmore; Dietrich; Dosch; Drovdal; Ekstrom; Froelich; Froseth; Glassheim; Grande; Griffin; Gruchalla; Gulletson; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Hunskor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Myxter; Nelson; Nottestad; Onstad; Owens; Pietsch; Pinkerton; Pollert; Porter; Potter; Ruby; Schmidt; Schneider; Skarphol; Solberg; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vig; Vigasaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wolf; Wrangham; Zaiser; Speaker Delzer

ABSENT AND NOT VOTING: Price

Reengrossed HB 1390 passed and the title was agreed to.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. DAMSCHEN MOVED that the conference committee report on Engrossed HB 1146 as printed on HJ pages 1538-1539 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1146, as amended, was placed on the Eleventh order.

SECOND READING OF HOUSE BILL

HB 1146: A BILL for an Act to create and enact a new section to chapter 47-05 of the North Dakota Century Code, relating to severance of the right of access for hunting access from the surface estate; to provide for a legislative council study; and to provide an expiration date.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 81 YEAS, 12 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Amerman; Bellew; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Clark; Conrad; Dahl; Damschen; DeKrey; Delmore; Dietrich; Ekstrom; Froseth; Glassheim; Grande; Griffin; Gruchalla; Gulleon; Haas; Hanson; Hatlestad; Headland; Heller; Hofstad; Hunsakor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Kelsch, R.; Kelsch, S.; Kempenich; Kerzman; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kroeber; Martinson; Metcalf; Monson; Mueller; Myxter; Nottestad; Onstad; Pietsch; Pinkerton; Pollert; Porter; Potter; Ruby; Schmidt; Schneider; Skarphol; Solberg; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vig; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wolf; Wrangham; Zaiser; Speaker Delzer

NAYS: Charging; Dosch; Drovdal; Froelich; Hawken; Herbel; Keiser; Kretschmar; Meier, L.; Meyer, S.; Nelson; Owens

ABSENT AND NOT VOTING: Price

Reengrossed HB 1146 passed and the title was agreed to.

POINT OF PERSONAL PRIVILEGE

REP. R. KELSCH: Mr. Speaker: I rise on a point of personal privilege.

Rep. Porter and I are proud to honor today the Mandan Speech Team, their coaches and the Mandan speech program.

Mandan has a long standing history of very strong speech teams. In 2005, the Mandan Speech Team won the State Championship, in 2006, they were State runner-up and in 2007, they were once again awarded the State Championship Title.

At the 2007 State Tournament, Mandan had two individual champions and four state runner-ups:

Austin Lafferty - 1st Place (State Champ) Impromptu Speaking; Austin is also the captain of the speech team.

Rachel Leingang - 1st Place (State Champ) Speech to Entertain

Ryan Klemisch - 2nd Place Humorous Interpretation

Ariel Hammond - 2nd Place Poetry Interpretation

Austin Lafferty - 2nd Place Extemporaneous Speaking

Ariel Hammond/Mary Butler - 2nd Place Serious Duo

The Mandan Speech Team also won the WDA Tournament, making this the 25th time Mandan has won this honor since 1979.

I would also like to recognize the coaches that have provided the leadership and dedication to the Mandan Speech Program: Pat Pins - Head Coach and Amber Aberle - Assistant Coach.

District 34, the City of Mandan, and the State of North Dakota are very proud of each of you and your accomplishments. Mr. Speaker and members of this assembly, please join us in congratulating the Mandan Speech Team.

MOTION

REP. MONSON MOVED that the remarks of Rep. R. Kelsch be printed in the Journal, which motion prevailed.

CONSIDERATION OF MESSAGE FROM THE SENATE

REP. D. JOHNSON MOVED that the House do concur in the Senate amendments to Engrossed HB 1215 as printed on HJ page 1155, which motion prevailed on a voice vote.

Engrossed HB 1215, as amended, was placed on the Eleventh order of business.

SECOND READING OF HOUSE BILL

HB 1215: A BILL for an Act to amend and reenact section 61-34-04 of the North Dakota Century Code, relating to drought livestock water assistance program maximum 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 93 YEAS, 0 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Amerman; Bellew; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; Damschen; DeKrey; Delmore; Dietrich; Dosch; Drovdal; Ekstrom; Froelich; Froseth; Glassheim; Grande; Griffin; Gruchalla; Gulleson; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Hunsakor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Myxter; Nelson; Nottestad; Onstad; Owens; Pietsch; Pinkerton; Pollert; Porter; Potter; Ruby; Schmidt; Schneider; Skarphol; Solberg; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vig; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wolf; Wrangham; Zaiser; Speaker Delzer

ABSENT AND NOT VOTING: Price

Reengrossed HB 1215 passed, the title was agreed to, and the emergency clause was declared carried.

CONSIDERATION OF MESSAGE FROM THE SENATE

REP. BOEHNING MOVED that the House do concur in the Senate amendments to Engrossed HB 1263 as printed on HJ page 1079.

REQUEST

REP. BOEHNING REQUESTED a recorded roll call vote on the motion to concur in the Senate amendments to Engrossed HB 1263, which request was granted.

ROLL CALL

The question being on the motion to concur in the Senate amendments to Engrossed HB 1263, the roll was called and there were 42 YEAS, 51 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Amerman; Berg; Boe; Boehning; Brandenburg; Clark; Dahl; DeKrey; Delmore; Ekstrom; Froseth; Griffin; Haas; Hawken; Heller; Hofstad; Hunsakor; Johnson, D.; Johnson, N.; Kasper; Kelsch, R.; Kelsh, S.; Kreidt; Kretschmar; Kroeber; Martinson; Meyer, S.; Nelson; Nottestad; Onstad; Owens; Pietsch; Pollert; Porter; Schmidt; Schneider; Solberg; Sukut; Wald; Weisz; Wieland; Zaiser

NAYS: Aarsvold; Bellew; Belter; Boucher; Carlisle; Carlson; Charging; Conrad; Damschen; Dietrich; Dosch; Drovdal; Froelich; Glassheim; Grande; Gruchalla; Gulleson; Hanson; Hatlestad; Headland; Herbel; Kaldor; Karls; Keiser; Kempenich; Kerzman; Kingsbury; Klein; Klemin; Koppelman; Meier, L.; Metcalf; Monson; Mueller; Myxter; Pinkerton; Potter; Ruby; Skarphol; Svedjan; Thoreson; Thorpe; Uglem; Vig; Vigesaa; Wall; Weiler; Williams; Wolf; Wrangham; Speaker Delzer

ABSENT AND NOT VOTING: Price

The House did not concur in the Senate amendments to Engrossed HB 1263.

CONSIDERATION OF MESSAGE FROM THE SENATE

REP. D. JOHNSON MOVED that the House do concur in the Senate amendments to Engrossed HB 1420 as printed on HJ pages 1111-1112, which motion prevailed on a voice vote.

Engrossed HB 1420, as amended, was placed on the Eleventh order of business.

SECOND READING OF HOUSE BILL

HB 1420: A BILL for an Act to create and enact section 11-33-02.1, a new section to chapter 11-33, section 58-03-11.1, and a new section to chapter 58-03 of the North Dakota Century Code, relating to regulations by a board of county commissioners and by a board of township supervisors; and to amend and reenact section 11-33-02, subdivision c of subsection 2 of section 23-25-11, and section 58-03-11 of the North Dakota Century Code, relating to the designation of districts by a board of county commissioners and to the establishment of districts by a board of township supervisors.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 71 YEAS, 21 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Amerman; Bellew; Belter; Berg; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Dahl; Damschen; DeKrey; Delmore; Dosch; Drovdal; Froelich; Froseth; Grande; Gulleson; Haas; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Johnson, D.; Johnson, N.; Karls; Kasper; Keiser; Kelsch, R.; Kempenich; Kerzman; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Nelson; Nottestad; Onstad; Owens; Pietsch; Pollert; Porter; Ruby; Schmidt; Skarphol; Sukut; Svedjan; Thoreson; Uglen; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wrangham; Speaker Delzer

NAYS: Aarsvold; Conrad; Dietrich; Ekstrom; Glassheim; Griffin; Gruchalla; Hanson; Hunskor; Kaldor; Kelsh, S.; Kroeber; Myxter; Pinkerton; Potter; Schneider; Solberg; Thorpe; Vig; Wolf; Zaiser

ABSENT AND NOT VOTING: Boe; Price

Reengrossed HB 1420 passed and the title was agreed to.

MOTION

REP. BERG MOVED that HB 1351 and HCR 3010 be moved to the top of the Twelfth order, which motion prevailed.

CONSIDERATION OF MESSAGE FROM THE SENATE

REP. PRICE MOVED that the House do concur in the Senate amendments to Engrossed HB 1351 as printed on HJ page 1406, which motion prevailed on a voice vote.

Engrossed HB 1351, as amended, was placed on the Eleventh order of business.

SECOND READING OF HOUSE BILL

HB 1351: A BILL for an Act to amend and reenact section 50-24.1-07 of the North Dakota Century Code, relating to claims against medical assistance recipients' estates.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 92 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Amerman; Bellew; Belter; Berg; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; Damschen; DeKrey; Delmore; Dietrich; Dosch; Drovdal; Ekstrom; Froelich; Froseth; Glassheim; Grande; Griffin; Gruchalla; Gulleson; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Hunskor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Myxter; Nelson; Nottestad; Onstad; Owens; Pietsch; Pinkerton; Pollert; Porter; Potter; Ruby; Schmidt; Schneider; Skarphol; Solberg; Sukut; Svedjan; Thoreson; Thorpe; Uglen; Vig; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wolf; Wrangham; Zaiser; Speaker Delzer

ABSENT AND NOT VOTING: Boe; Price

Reengrossed HB 1351 passed and the title was agreed to.

CONSIDERATION OF MESSAGE FROM THE SENATE

REP. D. JOHNSON MOVED that the House do concur in the Senate amendments to HCR 3010 as printed on HJ page 1113, which motion prevailed on a voice vote.

HCR 3010, as amended, was placed on the Eleventh order of business.

SECOND READING OF HOUSE CONCURRENT RESOLUTION

HCR 3010: A concurrent resolution urging Congress to implement country of origin labeling for all meat and poultry products.

The question being on the final passage of the amended bill, which has been read.

Engrossed HCR 3010 passed and the title was agreed to on a voice vote.

MOTION

REP. BERG MOVED that the House Conference Committee on SB 2165 be dissolved, which motion prevailed.

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 1215, HB 1351, HB 1420, and HCR 3010.

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 1029, HB 1146, HB 1243, HB 1390.

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

MR. SPEAKER: The Senate does not concur in the House amendments to SB 2256 and the President has appointed as a conference committee to act with a like committee from the House on:

SB 2256: Sens. Olafson; Lyson; Fiebiger

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

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

HB 1321: Sens. Cook; Hacker; Warner

HB 1330: Sens. Lyson; Olafson; Fiebiger

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

MR. PRESIDENT: The Speaker has signed: SB 2021, SB 2023, SB 2093, SB 2100, SB 2137, SB 2146, SB 2161, SB 2262, SB 2341, SB 2352.

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

MR. SPEAKER: The President has signed: SCR 4001.

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

MR. SPEAKER: The President has signed: SB 2036, SB 2111, SB 2125, SB 2154, SB 2204, SB 2236, SB 2247, SB 2274, SB 2277, SB 2411.

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

MR. SPEAKER: The President has signed: HB 1065, HB 1089, HB 1125, HB 1256, HB 1270, HB 1334, HB 1379, HB 1380, HB 1417, HB 1491, HB 1507, HB 1513, HCR 3034.

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

MR. SPEAKER: The Senate has adopted the conference committee report on: HB 1166, HB 1403.

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 1278.

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 2060, SB 2178.

MOTION

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

MOTION

REP. MONSON MOVED that the House be on the Fifth, Seventh, and Thirteenth orders of business and at the conclusion of those orders, the House stand adjourned until 8:30 a.m., Friday, April 13, 2007, which motion prevailed.

REPORT OF CONFERENCE COMMITTEE

HB 1198: Your conference committee (Sens. G. Lee, Flakoll, Taylor and Reps. Haas, Sukut, Hanson), having been unable to agree, recommends that the committee be discharged.

HB 1198 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

HB 1372, as engrossed: Your conference committee (Sens. G. Lee, Flakoll, Bakke and Reps. Haas, Karls, Hanson) recommends that the **SENATE RECEDE** from the Senate amendments on HJ page 1326, adopt amendments as follows, and place HB 1372 on the Seventh order:

That the Senate recede from its amendments as printed on page 1326 of the House Journal and page 690 of the Senate Journal and that Engrossed House Bill No. 1372 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide an appropriation for a teacher mentoring program.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION - TEACHER MENTORING GRANTS.

1. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$25,000, or so much of the sum as may be necessary, to the education standards and practices board for the purpose of providing matching grants for teacher mentoring programs, for the biennium beginning July 1, 2007, and ending June 30, 2009.
2. During the 2007-09 biennium, the education standards and practices board shall award up to five matching grants to eligible school districts for the establishment of teacher mentoring programs. The education standards and practices board shall reserve two of the grants for eligible school districts that have fewer than one thousand students.
3. Each teacher mentoring program must include training for one district coordinator and for as many as twenty individual mentors. Each district coordinator and mentor must have been employed as a teacher by the school district for each of the preceding three school years. Individuals being mentored must be first-year, second-year, or third-year teachers.
4. The matching grants provided for in this section may not exceed five thousand dollars per school district.
5. For purposes of this section an eligible school district is a school district that does not have a teacher mentoring program and which is determined by the education standards and practices board to have a high teacher turnover rate."

Renumber accordingly

Engrossed HB 1372 was placed on the Seventh order of business on the calendar.

REPORT OF STANDING COMMITTEE

SB 2032, as reengrossed: Finance and Taxation Committee (Rep. Belter, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (9 YEAS, 4 NAYS, 1 ABSENT AND NOT VOTING). Reengrossed SB 2032 was placed on the Sixth order on the calendar.

In lieu of the amendments adopted by the House as printed on pages 1304-1309 of the House Journal, Reengrossed Senate Bill No. 2032 is amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact section 57-01-20 of the North Dakota Century Code, relating to allocation among school districts of legislative tax relief credit funds; to amend and reenact sections 57-02-08.1, 57-12-09, 57-15-01.1, 57-15-14, 57-15-31, 57-20-03, 57-20-04, 57-20-07.1, 57-20-09, and 57-20-21.1, subsection 1 of section 57-38-30.3, and section 57-55-04 of the North Dakota Century Code, relating to homestead credit, notice of assessment increases, school district levy limitations, form of the tax list, the abstract of the tax list, contents of property tax statements, payment of real estate taxes, and mobile home taxes; to provide an appropriation; to provide a statement of legislative intent; 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. Section 57-01-20 of the North Dakota Century Code is created and enacted as follows:

57-01-20. Legislative tax relief credit allocation. The tax commissioner shall allocate funds provided by legislative appropriation for tax relief among school districts as provided in this section.

1. The tax commissioner shall allocate to each school district an amount equal to twelve and six-tenths percent of the amount in dollars levied by that school district for general fund purposes against residential, commercial, agricultural, mobile home, and railroad property in taxable year 2006. The amounts must be prorated as necessary to allocate total legislative tax relief credits of forty million dollars among school district property taxpayers for the designated classes of property for each year.
2. The tax commissioner shall certify to each county auditor by August first of each year the amount of legislative tax relief credit determined under this section for each school district or portion of each school district in the county. By August first of each year, the tax commissioner shall certify to each school district the amount of the allocation under this section for the school district for the taxable year.
3. The county auditor shall allocate the credits for each school district under this section against property taxes levied by that school district for general fund purposes against each parcel of residential, commercial, agricultural, mobile home, and railroad in the proportion that the taxable valuation of each parcel bears to the total taxable valuation of all such property in the school district.
4. The tax commissioner shall certify to the state treasurer the amounts determined under this section for payment to school districts by March first following the taxable year for which the credit applies.
5. Payments received by school districts under this section do not constitute increases in state aid for purposes of determining baseline funding under Senate Bill No. 2200, as approved by the sixtieth legislative assembly. Payments received by school districts under this section do not constitute new money for purposes of teacher compensation increases under Senate Bill No. 2200, as approved by the sixtieth legislative assembly.

SECTION 2. 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 thousand ~~five hundred~~ thousand 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 thousand ~~five hundred~~ thousand dollars and not in excess of ~~ten twelve~~ ten 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~~ thirty dollars of taxable valuation.
 - (3) If the person's income is in excess of ~~ten twelve~~ ten thousand dollars and not in excess of ~~eleven fourteen~~ eleven thousand ~~five hundred~~ thousand dollars, a reduction of sixty percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~one two~~ one thousand ~~eight hundred twenty-three~~ two hundred ~~twenty-five~~ thirty dollars of taxable valuation.
 - (4) If the person's income is in excess of ~~eleven fourteen~~ eleven thousand ~~five hundred~~ thousand dollars and not in excess of ~~thirteen sixteen~~ thirteen 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~~ two hundred ~~fifteen fifty~~ thirty dollars of taxable valuation.
 - (5) If the person's income is in excess of ~~thirteen sixteen~~ thirteen thousand dollars and not in excess of ~~fourteen seventeen~~ fourteen 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.

- 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 3. 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 seven 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 thirty 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 4. AMENDMENT. Section 57-15-01.1 of the North Dakota Century Code is amended and reenacted as follows:

57-15-01.1. Protection of taxpayers and taxing districts. Each taxing district, ~~except a school district,~~ may levy the lesser of the amount in dollars as certified in the budget of the governing body, or the amount in dollars as allowed in this section, subject to the following:

1. No taxing district may levy more taxes expressed in dollars than the amounts allowed by this section.
2. For purposes of this section:
 - a. "Base year" means the taxing district's taxable year with the highest amount levied in dollars in property taxes of the three taxable years immediately preceding the budget year. For a park district general fund, the "amount levied in dollars in property taxes" is the sum of amounts levied in dollars in property taxes for the general fund under section 57-15-12 including any additional levy approved by the electors, the insurance reserve fund under section 32-12.1-08, the employee health care program under section 40-49-12, the public recreation system under section 40-55-09 including any additional levy approved by the electors, forestry purposes under section 57-15-12.1 except any additional levy approved by the electors, pest control under section 4-33-11, and handicapped person programs and activities under section 57-15-60;
 - b. "Budget year" means the taxing district's year for which the levy is being determined under this section;

- c. "Calculated mill rate" means the mill rate that results from dividing the base year taxes levied by the sum of the taxable value of the taxable property in the base year plus the taxable value of the property exempt by local discretion or charitable status, calculated in the same manner as the taxable property; and
 - d. "Property exempt by local discretion or charitable status" means property exempted from taxation as new or expanding businesses under chapter 40-57.1; improvements to property under chapter 57-02.2; or buildings belonging to institutions of public charity, new single-family residential or townhouse or condominium property, property used for early childhood services, or pollution abatement improvements under section 57-02-08.
3. A taxing district may elect to levy the amount levied in dollars in the base year. Any levy under this section must be specifically approved by a resolution approved by the governing body of the taxing district. Before determining the levy limitation under this section, the dollar amount levied in the base year must be:
- a. Reduced by an amount equal to the sum determined by application of the base year's calculated mill rate for that taxing district to the final base year taxable valuation of any taxable property and property exempt by local discretion or charitable status which is not included in the taxing district for the budget year but was included in the taxing district for the base year.
 - b. Increased by an amount equal to the sum determined by the application of the base year's calculated mill rate for that taxing district to the final budget year taxable valuation of any taxable property or property exempt by local discretion or charitable status which was not included in the taxing district for the base year but which is included in the taxing district for the budget year.
 - c. Reduced to reflect expired temporary mill levy increases authorized by the electors of the taxing district.
4. In addition to any other levy limitation factor under this section, a taxing district may increase its levy in dollars to reflect new or increased mill levies authorized by the legislative assembly or authorized by the electors of the taxing district.
5. Under this section a taxing district may supersede any applicable mill levy limitations otherwise provided by law, or a taxing district may levy up to the mill levy limitations otherwise provided by law without reference to this section, but the provisions of this section do not apply to the following:
- a. Any irrepealable tax to pay bonded indebtedness levied pursuant to section 16 of article X of the Constitution of North Dakota.
 - b. The one-mill levy for the state medical center authorized by section 10 of article X of the Constitution of North Dakota.
6. ~~A school district choosing to determine its levy authority under this section may apply subsection 3 only to the amount in dollars levied for general fund purposes under section 57-15-14 or, if the levy in the base year included separate general fund and special fund levies under sections 57-15-14 and 57-15-14.2, the school district may apply subsection 3 to the total amount levied in dollars in the base year for both the general fund and special fund accounts. School district levies under any section other than section 57-15-14 may be made within applicable limitations but those levies are not subject to subsection 3.~~
7. Optional levies under this section may be used by any city or county that has adopted a home rule charter unless the provisions of the charter supersede state laws related to property tax levy limitations.

SECTION 5. 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. 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 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. 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.

A school district may levy an annual tax for the general fund purposes listed in section 57-15-14.2 in an amount not exceeding three and one-half percent more than the amount in dollars which the school district levied for general fund purposes in the school district's base year.

1. A school district may levy an amount exceeding the limitation in this section upon approval by a majority of the electors voting on the question at a regular or special school district election. A question may be placed on the ballot for increased levy authority by motion approved by the school board. A question on the ballot for increased levy authority under this section must show the amount and percentage increase in dollars for which voter

approval is requested and specify the years for which the increase will apply. Increased levy authority under this subsection may not be approved for more than five years.

2. The general fund levy limitation under this section applies to every school district, including a school district for which electors approved increased or unlimited levy authority before July 1, 2007.
3. For purposes of this section:
 - a. "Base year" means the school district's taxable year with the highest amount levied in dollars for general fund purposes of the three taxable years immediately preceding the budget year. For a reorganized school district, "base year" includes the general fund levy in dollars as approved by the electors in the reorganization plan.
 - b. "Budget year" means the school district's taxable year for which the general fund levy is being determined under this section.
 - c. "Calculated general fund mill rate" means the mill rate that results from dividing the base year general fund taxes levied by the sum of the taxable value of the taxable property in the base year plus the taxable value of the property exempt by local discretion or charitable status, calculated in the same manner as the taxable property.
 - d. "Property exempt by local discretion or charitable status" means property exempted from taxation as new or expanding businesses under chapter 40-57.1; improvements to property under chapter 57-02.2; or buildings belonging to institutions of public charity, new single-family residential or townhouse or condominium property, property used for early childhood services, or pollution abatement improvements under section 57-02-08.
4. Before determining the levy limitation under this section, the dollar amount levied in the base year must be:
 - a. Reduced by an amount equal to the sum determined by application of the base year's calculated general fund mill rate for that school district to the final base year taxable valuation of any taxable property and property exempt by local discretion or charitable status which is not included in the school district for the budget year but was included in the school district for the base year.
 - b. Increased by an amount equal to the sum determined by the application of the base year's calculated general fund mill rate for that school district to the final budget year taxable valuation of any taxable property or property exempt by local discretion or charitable status which was not included in the school district for the base year but which is included in the school district for the budget year.

SECTION 6. AMENDMENT. Section 57-15-31 of the North Dakota Century Code is amended and reenacted as follows:

57-15-31. Determination of levy. The amount to be levied by any county, city, township, school district, park district, or other municipality authorized to levy taxes shall be computed by deducting from the amount of estimated expenditures for the current fiscal year as finally determined, plus the required reserve fund determined upon by the governing board from the past experience of the taxing district, the total of the following items:

1. The available surplus consisting of the free and unencumbered cash balance.
2. Estimated revenues from sources other than direct property taxes.
3. The total estimated collections from tax levies for previous years.
4. Such expenditures as are to be made from bond sources.

5. The amount of distributions received from an economic growth increment pool under section 57-15-61.
6. The estimated amount to be received from payments in lieu of taxes on a project under section 40-57.1-03.
7. The amount certified to a school district and the county auditor by the state tax commissioner as the school district's legislative tax relief credit allocation for the year under section 57-01-20.

Allowance may be made for a permanent delinquency or loss in tax collection not to exceed five percent of the amount of the levy.

SECTION 7. AMENDMENT. Section 57-20-03 of the North Dakota Century Code is amended and reenacted as follows:

57-20-03. Form of tax list. The tax list must be made out to correspond with the assessment books as respects ownership and description of property, with columns for the valuation and for the various items of tax included in the total amount of all taxes set down opposite such description of property. The tax list must include the mailing address for the owner of each parcel of property. If the owner is an individual or more than one individual and the mailing address is not the individual's or individuals' primary residence, the tax list must also include the individual's or individuals' primary residence address. The amounts of special taxes must be entered in appropriate columns, but the general taxes may be shown by entering the rate of each tax at the head of the proper column without extending the same, in which case a schedule of the rates of such taxes must be made on the first page of each tax list. The tax lists also must show, in a separate column, the years for which any piece or parcel has been sold for taxes, if the same has not been redeemed or deeded for such taxes.

SECTION 8. AMENDMENT. Section 57-20-04 of the North Dakota Century Code is amended and reenacted as follows:

57-20-04. Abstract of tax list to be sent to tax commissioner. The county auditor, on or before December thirty-first following the levy of the taxes, shall make and transmit to the state tax commissioner, in such form as the tax commissioner may prescribe, a complete abstract of the tax list of the auditor's county. The abstract must include the total number of individually assessed parcels of property in the county within each property classification, the total true and full valuation of all property within each property classification, and the true and full valuation of all property within each property classification owned by nonresidents of this state.

SECTION 9. 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 city, county, and school district and the amount of legislative tax relief credit that applies against the school district levy for the parcel under section 57-01-20. 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 10. AMENDMENT. Section 57-20-09 of the North Dakota Century Code is amended and reenacted as follows:

57-20-09. Discount for early payment of tax. Except as provided in section 57-20-21.1, the county treasurer shall allow a five percent discount to all taxpayers who shall pay all of the real estate taxes levied on any tract or parcel of real property in any

one year in full on or before February fifteenth prior to the date of delinquency. Such discount applies, after deduction of any credit allowed under section 57-01-20, to the net remaining amount of all general real estate taxes levied for state, county, city, township, school district, fire district, park district, and any other taxing districts but does not apply to personal property taxes or special assessment installments. Whenever the board of county commissioners, by resolution, determines that an emergency exists in the county by virtue of weather or other catastrophe, it may extend the discount period for an additional thirty days.

SECTION 11. AMENDMENT. Section 57-20-21.1 of the North Dakota Century Code is amended and reenacted as follows:

57-20-21.1. Priority for delinquent taxes. When payment is made for any real or personal property taxes or special assessments, payments must be applied first to the oldest unpaid delinquent taxes or special assessments due, if any, shown to exist upon the property for which the tax payments are made, including any penalty and interest, except payments of a legislative tax relief credit must be applied to taxes for the year for which the legislative tax relief credit is granted. The discounts applicable to payment of taxes set out in section 57-20-09 do not apply to payment of taxes made on property upon which tax payments are delinquent.

SECTION 12. AMENDMENT. Subsection 1 of section 57-38-30.3 of the North Dakota Century Code is amended and reenacted as follows:

1. A tax is hereby imposed for each taxable year upon income earned or received in that taxable year by every resident and nonresident individual, estate, and trust. A taxpayer computing the tax under this section is only eligible for those adjustments or credits that are specifically provided for in this section. Provided, that for purposes of this section, any person required to file a state income tax return under this chapter, but who has not computed a federal taxable income figure, shall compute a federal taxable income figure using a pro forma return in order to determine a federal taxable income figure to be used as a starting point in computing state income tax under this section. The tax for individuals is equal to North Dakota taxable income multiplied by the rates in the applicable rate schedule in subdivisions a through d corresponding to an individual's filing status used for federal income tax purposes. For an estate or trust, the schedule in subdivision e must be used for purposes of this subsection.

a. Single, other than head of household or surviving spouse.

| | |
|---|---|
| If North Dakota taxable income is: | The tax is equal to: |
| Not over \$27,050 <u>\$31,850</u> | 2.10% |
| Over \$27,050 <u>\$31,850</u> but not over \$65,550 <u>\$77,100</u> | \$668.05 <u>\$668.85</u> plus 3.92% of amount over \$27,050 <u>\$31,850</u> |
| Over \$65,550 <u>\$77,100</u> but not over \$136,750 <u>\$160,850</u> | \$2,077.25 <u>\$2,442.65</u> plus 4.34% of amount over \$65,550 <u>\$77,100</u> |
| Over \$136,750 <u>\$160,850</u> but not over \$297,350 <u>\$349,700</u> | \$5,167.33 <u>\$6,077.40</u> plus 5.04% of amount over \$136,750 <u>\$160,850</u> |
| Over \$297,350 <u>\$349,700</u> | \$13,261.57 <u>\$15,595.44</u> plus 5.54% of amount over \$297,350 <u>\$349,700</u> |

b. Married filing jointly and surviving spouse.

| | |
|---|---|
| If North Dakota taxable income is: | The tax is equal to: |
| Not over \$45,200 <u>\$63,700</u> | 2.10% |
| Over \$45,200 <u>\$63,700</u> but not over \$109,250 <u>\$128,500</u> | \$949.20 <u>\$1,337.70</u> plus 3.92% of amount over \$45,200 <u>\$63,700</u> |
| Over \$109,250 <u>\$128,500</u> but not over \$166,500 <u>\$195,850</u> | \$3,459.96 <u>\$3,877.86</u> plus 4.34% of amount over \$109,250 <u>\$128,500</u> |
| Over \$166,500 <u>\$195,850</u> but not over \$297,350 <u>\$349,700</u> | \$5,944.64 <u>\$6,800.85</u> plus 5.04% of amount over \$166,500 <u>\$195,850</u> |
| Over \$297,350 <u>\$349,700</u> | \$12,539.45 <u>\$14,554.89</u> plus 5.54% of amount over \$297,350 <u>\$349,700</u> |

c. Married filing separately.

| | |
|---|---|
| If North Dakota taxable income is: | The tax is equal to: |
| Not over \$22,600 <u>\$31,850</u> | 2.10% |
| Over \$22,600 <u>\$31,850</u> but not over \$54,625 <u>\$64,250</u> | \$474.60 <u>\$668.85</u> plus 3.92% of amount over \$22,600 <u>\$31,850</u> |
| Over \$54,625 <u>\$64,250</u> but not over \$83,250 <u>\$97,925</u> | \$1,729.98 <u>\$1,938.93</u> plus 4.34% of amount over \$54,625 <u>\$64,250</u> |

Over ~~\$83,250~~ \$97,925 but not over
~~\$148,675~~ \$174,850
 Over ~~\$148,675~~ \$174,850

~~\$2,972.34~~ \$3,400.43 plus 5.04% of amount
 over ~~\$83,250~~ \$97,925
~~\$6,269.73~~ \$7,277.45 plus 5.54% of amount
 over ~~\$148,675~~ \$174,850

d. Head of household.

If North Dakota taxable income is:
 Not over ~~\$36,250~~ \$42,650
 Over ~~\$36,250~~ \$42,650 but not over
~~\$93,650~~ \$110,100
 Over ~~\$93,650~~ \$110,100 but not over
~~\$151,650~~ \$178,350
 Over ~~\$151,650~~ \$178,350 but not
 over ~~\$297,350~~ \$349,700
 Over ~~\$297,350~~ \$349,700

The tax is equal to:
 2.10%
~~\$761.25~~ \$895.65 plus 3.92% of amount
 over ~~\$36,250~~ \$42,650
~~\$3,041.33~~ \$3,539.69 plus 4.34% of amount
 over ~~\$93,650~~ \$110,100
~~\$5,528.53~~ \$6,501.74 plus 5.04% of amount
 over ~~\$151,650~~ \$178,350
~~\$12,871.84~~ \$15,137.78 plus 5.54% of amount
 over ~~\$297,350~~ \$349,700

e. Estates and trusts.

If North Dakota taxable income is:
 Not over ~~\$1,800~~ \$2,150
 Over ~~\$1,800~~ \$2,150 but not over
~~\$4,250~~ \$5,000
 Over ~~\$4,250~~ \$5,000 but not over
~~\$6,500~~ \$7,650
 Over ~~\$6,500~~ \$7,650 but not over
~~\$8,900~~ \$10,450
 Over ~~\$8,900~~ \$10,450

The tax is equal to:
 2.10%
~~\$37.80~~ \$45.15 plus 3.92% of amount
 over ~~\$1,800~~ \$2,150
~~\$133.84~~ \$156.87 plus 4.34% of amount
 over ~~\$4,250~~ \$5,000
~~\$231.49~~ \$271.88 plus 5.04% of amount
 over ~~\$6,500~~ \$7,650
~~\$352.45~~ \$413.00 plus 5.54% of amount
 over ~~\$8,900~~ \$10,450

f. For an individual who is not a resident of this state for the entire year, or for a nonresident estate or trust, the tax is equal to the tax otherwise computed under this subsection multiplied by a fraction in which:

- (1) The numerator is the federal adjusted gross income allocable and apportionable to this state; and
- (2) The denominator is the federal adjusted gross income from all sources reduced by the net income from the amounts specified in subdivisions a and b of subsection 2.

In the case of married individuals filing a joint return, if one spouse is a resident of this state for the entire year and the other spouse is a nonresident for part or all of the tax year, the tax on the joint return must be computed under this subdivision.

g. For taxable years beginning after December 31, ~~2004~~ 2007, the tax commissioner shall prescribe new rate schedules that apply in lieu of the schedules set forth in subdivisions a through e. The new schedules must be determined by increasing the minimum and maximum dollar amounts for each income bracket for which a tax is imposed by the cost-of-living adjustment for the taxable year as determined by the secretary of the United States treasury for purposes of section 1(f) of the United States Internal Revenue Code of 1954, as amended. For this purpose, the rate applicable to each income bracket may not be changed, and the manner of applying the cost-of-living adjustment must be the same as that used for adjusting the income brackets for federal income tax purposes.

SECTION 13. 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 city, county, and school district and the amount of legislative tax relief credit that applies against the school district levy for the mobile home under section 57-01-20. 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 14. APPROPRIATION. There is appropriated out of any moneys in the permanent oil tax trust fund in the state treasury, not otherwise appropriated, the sum of \$80,000,000, or so much of the sum as may be necessary, to the state treasurer to be allocated in equal amounts in each year of the biennium for legislative tax relief credit payments to school districts under section 57-01-20, for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 15. LEGISLATIVE INTENT - LEGISLATIVE COUNCIL STUDY. It is the intent of the sixtieth legislative assembly that enactment of this Act will initiate an increase in the state's share of elementary and secondary education funding to secure immediate and future benefits to the citizens of the state. These benefits include relief from the expanded property tax burden that has created disparity within the tax structure of the state, enhanced equity of funding to support elementary and secondary education students, enduring property tax reductions, and returning to taxpayers a substantial measure of revenue collections augmented by a robust state economy. It is the further intent of the sixtieth legislative assembly that enactment of this Act will produce a reduction in property tax burdens which, with continued efforts of future legislative assemblies, will result in reduction of each annual property tax bill to an amount that is not more than one and one-half percent of the true and full value for any parcel of property.

The legislative council shall study, in each legislative interim through 2012, compliance with, and future funding sources for, the shift in education funding and taxation policy initiated by enactment of this Act. The legislative council shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to each subsequent legislative assembly.

SECTION 16. EFFECTIVE DATE. Sections 1 through 11 and 13 of this Act are effective for taxable years beginning after December 31, 2006, for ad valorem property taxes and for taxable years beginning after December 31, 2007, for mobile home taxes. Section 12 of this Act is effective for taxable years beginning after December 31, 2006."

Renumber accordingly

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

Buell J. Reich, Chief Clerk