

JOURNAL OF THE SENATE

Sixtieth Legislative Assembly

* * * * *

Bismarck, March 26, 2007

The Senate convened at 10:00 a.m., with President Dalrymple presiding.

The prayer was offered by Reverend Michael Bommarita, The Salvation Army, Bismarck/Mandan.

The roll was called and all members were present except Senators Marcellais, O'Connell, and Taylor.

A quorum was declared by the President.

MOTION

SEN. CHRISTMANN MOVED that Senate Rule 601(3)(g) be suspended, which motion prevailed.

MOTION

SEN. CHRISTMANN MOVED that HB 1005 be moved to the bottom of the Sixth order, which motion prevailed.

CONSIDERATION OF AMENDMENTS

HB 1016, as engrossed: SEN. GRINDBERG (Appropriations Committee) MOVED that the amendments on SJ pages 951-953 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed.

CONSIDERATION OF AMENDMENTS

HB 1017, as engrossed: SEN. WARDNER (Appropriations Committee) MOVED that the amendments on SJ page 953 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed.

CONSIDERATION OF AMENDMENTS

HB 1009, as engrossed: SEN. KREBSBACH (Appropriations Committee) MOVED that the amendments on SJ pages 948-949 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed.

CONSIDERATION OF AMENDMENTS

HB 1015, as engrossed: SEN. KRAUTER (Appropriations Committee) MOVED that the amendments on SJ pages 949-951 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed.

MOTION

SEN. HOLMBERG MOVED that Engrossed HB 1015, as amended, which is on the Fourteenth order, be rereferred to the **Appropriations Committee**, which motion prevailed. Pursuant to Sen. Holmberg's motion, Engrossed HB 1015, as amended, was rereferred.

CONSIDERATION OF AMENDMENTS

HB 1020, as engrossed: SEN. BOWMAN (Appropriations Committee) MOVED that the amendments on SJ pages 953-957 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed.

CONSIDERATION OF AMENDMENTS

HB 1021, as engrossed: SEN. CHRISTMANN (Appropriations Committee) MOVED that the amendments on SJ pages 957-960 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed.

CONSIDERATION OF AMENDMENTS

HB 1044, as engrossed and amended: SEN. TRIPLETT (Appropriations Committee) MOVED that the amendments on SJ page 960 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed.

CONSIDERATION OF AMENDMENTS

HB 1125, as reengrossed and amended: SEN. ERBELE (Appropriations Committee) MOVED that the amendments on SJ pages 960-961 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed.

CONSIDERATION OF AMENDMENTS

HB 1127, as engrossed: SEN. HACKER (Political Subdivisions Committee) MOVED that the amendments on SJ page 961 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed.

CONSIDERATION OF AMENDMENTS

HB 1243, as engrossed: SEN. OEHLKE (Government and Veterans Affairs Committee) MOVED that the amendments on SJ pages 961-962 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed.

CONSIDERATION OF AMENDMENTS

HB 1296, as reengrossed and amended: SEN. WARNER (Appropriations Committee) MOVED that the amendments on SJ page 962 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed.

CONSIDERATION OF AMENDMENTS

HB 1309: SEN. LINDAAS (Appropriations Committee) MOVED that the amendments on SJ pages 962-963 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed.

CONSIDERATION OF AMENDMENTS

HB 1321, as engrossed: SEN. HACKER (Political Subdivisions Committee) MOVED that the amendments on SJ pages 963-964 be adopted and then be placed on the Fourteenth order with **DO PASS**.

REQUEST

SEN. J. LEE REQUESTED that the Senate divide the amendments to Engrossed HB 1321, which request was granted on a voice vote.

DIVISION A: All of the proposed amendments except those listed in Division B.

DIVISION B:

Page 1, line 3, after the first semicolon insert "and" and remove "; and to provide an expiration date"

Page 6, remove lines 5 and 6

The question being the motion to adopt Division A of the proposed amendments to Engrossed HB 1321, the motion passed on a voice vote.

REQUEST

SEN. HACKER REQUESTED a verification vote on Division B of the proposed amendments to Engrossed HB 1321, which request was granted.

The question being the motion to adopt Division B of the proposed amendments to Engrossed HB 1321, the motion failed on a verification vote.

Therefore, the question being the adoption of the proposed amendments which include Division A and exclude Division B, the proposed amendments to Engrossed HB 1321 were adopted on a voice vote.

Engrossed HB 1321, as amended, was placed on the Fourteenth order.

MOTION

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

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

CORRECTION AND REVISION OF THE JOURNAL

MR. PRESIDENT: Your **Committee on Correction and Revision of the Journal (Sen. Andrist, Chairman)** has carefully reexamined the Journal of the Fifty-fourth and Fifty-fifth

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

Page 924, remove lines 6 through 40

Page 939, line 36, replace the second "over" with "one"

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

REPORT OF STANDING COMMITTEE

HB 1012, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (8 YEAS, 5 NAYS, 1 ABSENT AND NOT VOTING). Engrossed HB 1012 was placed on the Sixth order on the calendar.

Page 1, line 2, remove the first "and"

Page 1, line 3, after "collections" insert "; 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 21, replace "(\$67,713,282)" with "(\$52,732,892)"

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 7, replace "887,295,066" with "902,275,456"

Page 2, replace lines 21 through 24 with:

- "1. The first fourteen million dollars received during a biennium must be deposited in the state highway fund.
2. Amounts received in excess of the amounts allocated under subsection 1 must be deposited in the state general fund.

SECTION 6. 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 - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$127,444,195	\$127,444,195		\$127,444,195
Operating expenses	179,717,273	161,128,193	\$13,569,470	174,697,663
Capital assets	548,721,098	547,310,178	1,410,920	548,721,098
Grants	51,412,500	51,412,500		51,412,500
Total all funds	\$907,295,066	\$887,295,066	\$14,980,390	\$902,275,456
Less estimated income	887,295,066	887,295,066	14,980,390	902,275,456
General fund	\$20,000,000	\$0	\$0	\$0
FTE	1052.50	1052.50	0.00	1052.50

Dept. 801 - Department of Transportation - Detail of Senate Changes

	RESTORES FUNDING ¹	TOTAL SENATE CHANGES
Salaries and wages		
Operating expenses	\$13,569,470	\$13,569,470
Capital assets	1,410,920	1,410,920
Grants		

Total all funds	\$14,980,390	\$14,980,390
Less estimated income	<u>14,980,390</u>	<u>14,980,390</u>
General fund	\$0	\$0
FTE	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 Senate is providing funding for these items from the highway fund.

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

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 the first \$14 million of these collections be deposited in the highway fund and any additional amounts in the general fund. This provision is anticipated to reduce 2007-09 biennium general fund revenues by \$14 million.

An emergency clause is added allowing Fleet Services to begin purchasing new vehicles prior to July 1, 2007.

CONSIDERATION OF AMENDMENTS

HB 1012, 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 on a verification vote.

REPORT OF STANDING COMMITTEE

HB 1019, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (12 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). Engrossed HB 1019 was placed on the Sixth order on the calendar.

Page 1, line 2, after "education" insert "; to create and enact a new section to chapter 15-20.1 of the North Dakota Century Code, relating to an elementary student entrepreneurship grant program; and to provide legislative intent"

Page 1, line 22, replace "2,800,000" with "3,800,000"

Page 1, line 23, replace "(175,958)" with "(175,958)"

Page 1, after line 23, insert:
"Workforce training

2,650,000"

Page 1, line 24, replace "2,988,825" with "6,638,825"

Page 2, line 2, replace "3,244,307" with "6,894,307"

Page 2, line 11, replace "24,300,116" with "25,300,116"

Page 2, line 13, replace "1,350,000" with "4,000,000"

Page 2, line 15, replace "31,120,808" with "34,770,808"

Page 2, line 17, replace "20,085,093" with "23,735,093"

Page 2, line 29, replace "area" with "cooperative delivery efforts of", replace "technology centers" with "technical education programs", and replace "The board" with:

"SECTION 5. CURRICULUM DESIGN GRANTS. The grants line item in section 3 of this Act includes the sum of \$1,000,000, or so much of the sum as may be necessary, for the purpose of providing a \$250,000 grant each to Bismarck state college, Lake Region state college, North Dakota state college of science, and Williston state college for curriculum design and development relating to critical workforce needs

as determined in collaboration with the department of commerce, for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 6. CURRICULUM DESIGN - USE OF FUNDS. The funding referenced in section 5 of this Act may only be allocated to a higher education institution after the higher education institution, the state board for career and technical education, and the department of commerce have agreed upon a plan for curriculum design and development relating to critical workforce needs, including a dollar-for-dollar match from higher education institutions. In-kind matches may be allowed if appropriate. In preparing plans, higher education institutions should emphasize meeting the high and emerging needs of the workforce and should make an effort to limit adverse duplication of programs. Each of the higher education institutions must use a minimum of eighty-five percent of the funding received for curriculum development and may use up to five percent for administration.

SECTION 7. WORKFORCE TRAINING GRANTS. The workforce training line item in section 3 of this Act includes the sum of \$2,650,000, or so much of the sum as may be necessary, for the purpose of providing supplemental workforce training grants to the institutions of higher education assigned primary responsibility for workforce training in this state, for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 8. A new section to chapter 15-20.1 of the North Dakota Century Code is created and enacted as follows:

North Dakota elementary student entrepreneurship program. There is created a North Dakota elementary student entrepreneurship program under the authority of the state board. The state board shall adopt policies to create a program of grants to support entrepreneurship education that is coordinated with classroom curriculum, standards, and activities encouraging and showcasing entrepreneurial activities at the elementary education level. The grants must be administered through local school districts and require matching funds of up to fifty percent of the curriculum and activity costs.

SECTION 9. LEGISLATIVE INTENT. It is the intent of the legislative assembly that the state board for career and technical education use \$250,000, or so much of the sum as may be necessary, from the grants line item in section 3 of this Act, for the purpose of providing grants to support the North Dakota elementary student entrepreneurship program."

Page 2, remove line 30

Page 3, remove lines 1 and 2

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1019 - Board for Career and Technical Education - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$3,576,832	\$3,576,832		\$3,576,832
Operating expenses	986,606	986,606		986,606
Grants	23,500,116	24,300,116	\$1,000,000	25,300,116
Adult farm management	549,802	549,802		549,802
Workforce training	1,350,000	1,350,000	2,650,000	4,000,000
Postsecondary education vocational grant	357,452	357,452		357,452
Total all funds	\$30,320,808	\$31,120,808	\$3,650,000	\$34,770,808
Less estimated income	<u>11,035,715</u>	<u>11,035,715</u>		<u>11,035,715</u>
General fund	\$19,285,093	\$20,085,093	\$3,650,000	\$23,735,093
FTE	27.50	27.50	0.00	27.50

Dept. 270 - Board for Career and Technical Education - Detail of Senate Changes

PROVIDES FUNDING FOR CURRICULUM DESIGN	PROVIDES FUNDING FOR WORKFORCE TRAINING	TOTAL SENATE
---	--	-----------------

	GRANTS ¹	GRANTS ²	CHANGES
Salaries and wages			
Operating expenses			
Grants	\$1,000,000		\$1,000,000
Adult farm management			
Workforce training		\$2,650,000	2,650,000
Postsecondary education vocational grant			
Total all funds	\$1,000,000	\$2,650,000	\$3,650,000
Less estimated income			
General fund	\$1,000,000	\$2,650,000	\$3,650,000
FTE	0.00	0.00	0.00

¹ This amendment provides funding for curriculum design grants of \$250,000 each to Bismarck State College, Lake Region State College, North Dakota State College of Science, and Williston State College.

² This amendment provides funding for workforce training grants to the institutions of higher education.

Subsection 2 of Section 4 is amended to make cooperative delivery funding available to all schools that cooperate.

A section is added regarding curriculum design grants to certain colleges.

A section is added providing guidance for the use of the curriculum design grants.

A section is added providing workforce training grants to institutions of higher education.

A section is added providing for an elementary student entrepreneurship program.

A section is added providing legislative intent that \$250,000 from the grants line item be used to support the elementary entrepreneurship program.

CONSIDERATION OF AMENDMENTS

HB 1019, as engrossed: SEN. MATHERN (Appropriations Committee) MOVED that the amendments be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed.

REPORT OF STANDING COMMITTEE

HB 1051, as reengrossed and amended: Appropriations Committee (Sen. Holmberg, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends **DO NOT PASS** (7 YEAS, 6 NAYS, 1 ABSENT AND NOT VOTING). Reengrossed HB 1051, as amended, was placed on the Sixth order on the calendar.

In lieu of the amendments adopted by the Senate as printed on pages 833-836 of the Senate Journal, Reengrossed House Bill No. 1051 is amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact section 57-02-08.1 of the North Dakota Century Code, relating to eligibility for the homestead property tax credit; 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~~ twenty-one 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 dollars of taxable valuation.
 - (2) If the person's income is in excess of ~~eight~~ twenty-one thousand ~~five-hundred~~ dollars and not in excess of ~~ten~~ twenty-seven 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 hundred thirty dollars of taxable valuation.
 - (3) If the person's income is in excess of ~~ten~~ twenty-seven thousand dollars and not in excess of ~~eleven~~ thirty-three 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 thousand eight hundred twenty-three dollars of taxable valuation.
 - (4) If the person's income is in excess of ~~eleven~~ thirty-three thousand ~~five-hundred~~ dollars and not in excess of ~~thirteen~~ thirty-nine 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 hundred fifteen dollars of taxable valuation.
 - (5) If the person's income is in excess of ~~thirteen~~ thirty-nine thousand dollars and not in excess of ~~fourteen~~ forty-five 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 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. h. 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. EFFECTIVE DATE. This Act is 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."

Renumber accordingly

CONSIDERATION OF AMENDMENTS

HB 1051, as reengrossed and amended: SEN. WARDNER (Appropriations Committee) MOVED that the amendments be adopted and then be placed on the Fourteenth order with **DO NOT PASS**.

REQUEST

SEN. KILZER REQUESTED a recorded roll call vote on the motion to adopt the proposed amendments to Reengrossed HB 1051, as amended, which request was granted.

ROLL CALL

The question being the motion to adopt the amendments to Reengrossed HB 1051, as amended, the roll was called and there were 13 YEAS, 32 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Anderson; Andrist; Bakke; Fiebigler; Flakoll; Grindberg; Heckaman; Heitkamp; Lee, J.; Mathern; Nelson; Nothing; Potter

NAYS: Behm; Bowman; Christmann; Cook; Dever; Erbele; Fischer; Freborg; Hacker; Holmberg; Horne; Kilzer; Klein; Krauter; Krebsbach; Lee, G.; Lindaas; Lyson; O'Connell; Oehlke; Olafson; Pomeroy; Robinson; Seymour; Stenehjem; Tallackson; Tollefson; Triplett; Urlacher; Wanzek; Wardner; Warner

ABSENT AND NOT VOTING: Marcellais; Taylor

The motion to adopt the amendments to Reengrossed HB 1051, as amended, failed to pass.

Reengrossed HB 1051, as amended, was placed on the Fourteenth order.

CONSIDERATION OF AMENDMENTS

HB 1326: SEN. ANDRIST (Industry, Business and Labor Committee) MOVED that the amendments on SJ page 964 be adopted and then be placed on the Fourteenth order with **DO NOT PASS**, which motion prevailed.

CONSIDERATION OF AMENDMENTS

HB 1330, as amended: SEN. LYSON (Appropriations Committee) MOVED that the amendments on SJ page 964 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed.

CONSIDERATION OF AMENDMENTS

HB 1395, as reengrossed: SEN. MATHERN (Appropriations Committee) MOVED that the amendments on SJ pages 964-965 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed.

CONSIDERATION OF AMENDMENTS

HB 1435, as reengrossed and amended: SEN. KILZER (Appropriations Committee) MOVED that the amendments on SJ page 965 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. NOTHING MOVED that the Senate do not concur in the House amendments to Engrossed SB 2100 as printed on SJ pages 907-908 and that a conference committee be appointed to meet with a like committee from the House, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE PRESIDENT APPOINTED as a Conference Committee on Engrossed SB 2100: Sens. Lyson, Olafson, Marcellais.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. COOK MOVED that the Senate do not concur in the House amendments to Engrossed SB 2137 as printed on SJ pages 866-867 and that a conference committee be appointed to meet with a like committee from the House, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE PRESIDENT APPOINTED as a Conference Committee on Engrossed SB 2137: Sens. Hacker, Olafson, Warner.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. NOTHING MOVED that the Senate do not concur in the House amendments to SB 2204 as printed on SJ page 796 and that a conference committee be appointed to meet with a like committee from the House, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE PRESIDENT APPOINTED as a Conference Committee on SB 2204: Sens. Lyson, Olafson, Fiebiger.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. NOTHING MOVED that the Senate do not concur in the House amendments to Engrossed SB 2222 as printed on SJ page 883 and that a conference committee be appointed to meet with a like committee from the House, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE PRESIDENT APPOINTED as a Conference Committee on Engrossed SB 2222: Sens. Lyson, Nothing, Fiebiger.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. NOTHING MOVED that the Senate do not concur in the House amendments to Engrossed SB 2248 as printed on SJ page 852 and that a conference committee be appointed to meet with a like committee from the House, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE PRESIDENT APPOINTED as a Conference Committee on Engrossed SB 2248: Sens. Lyson, Nothing, Nelson.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. NOTHING MOVED that the Senate do not concur in the House amendments to Engrossed SB 2262 as printed on SJ page 867 and that a conference committee be appointed to meet with a like committee from the House, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE PRESIDENT APPOINTED as a Conference Committee on Engrossed SB 2262: Sens. Nothing, Olafson, Nelson.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. NOTHING MOVED that the Senate do not concur in the House amendments to SB 2274 as printed on SJ pages 827-831 and that a conference committee be appointed to meet with a like committee from the House, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE PRESIDENT APPOINTED as a Conference Committee on SB 2274: Sens. Lyson, Olafson, Marcellais.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. NOTHING MOVED that the Senate do not concur in the House amendments to Engrossed SB 2284 as printed on SJ pages 831-832 and that a conference committee be appointed to meet with a like committee from the House, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE PRESIDENT APPOINTED as a Conference Committee on Engrossed SB 2284: Sens. Nothing, Olafson, Fiebiger.

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

MR. SPEAKER: The Senate does not concur in the House amendments to SB 2100, SB 2137, SB 2204, SB 2222, SB 2248, SB 2262, SB 2274, and SB 2284 and the President has appointed as a conference committee to act with a like committee from the House on:

SB 2100: Sens. Lyson; Olafson; Marcellais

SB 2137: Sens. Hacker; Olafson; Warner

SB 2204: Sens. Lyson; Olafson; Fiebiger

SB 2222: Sens. Lyson; Nething; Fiebiger

SB 2248: Sens. Lyson; Nething; Nelson

SB 2262: Sens. Nething; Olafson; Nelson

SB 2274: Sens. Lyson; Olafson; Marcellais

SB 2284: Sens. Nething; Olafson; Fiebiger

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

MR. PRESIDENT: The House has passed unchanged: SB 2145.

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

MR. PRESIDENT: The House has amended and subsequently failed: SB 2181.

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

MR. PRESIDENT: The House has amended and subsequently passed: SB 2037, SB 2060, SB 2379.

HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2037

Page 2, line 12, remove "legislative."

Page 3, line 7, remove "legislative."

Page 5, line 1, remove the second underscored comma

Page 5, line 2, remove "legislative."

Page 5, line 7, remove "legislative."

Renumber accordingly

HOUSE AMENDMENTS TO REENGROSSED SENATE BILL NO. 2060

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

Page 1, line 20, overstrike "who" and insert immediately thereafter "that" and overstrike "any of the"

Page 1, line 21, overstrike "provisions of this chapter"

Page 1, line 22, after the overstruck comma insert "section 43-18-10, 43-18-11, 43-18-11.4, 43-18-17.2, or 43-18-23 or works under the license of another person in a manner that is in violation of section 43-18-13" and remove ", unless a different penalty is"

Page 1, line 23, remove "otherwise specifically provided"

Page 1, after line 23, insert:

"SECTION 3. LEGISLATIVE COUNCIL STUDY - CRIMINAL PENALTIES FOR VIOLATING OCCUPATIONAL LICENSURE LAWS AND RULES. The legislative council shall consider studying, during the 2007-08 interim, the laws providing criminal penalties for violation of the state's laws and administrative rules regulating occupations and professions. The study must include consideration of whether it is the desired public policy of this state to have laws that create criminal penalties applicable to entire chapters of the North Dakota Century Code and entire titles of the North Dakota Administrative Agencies Practice Act regulating occupations and professions. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly."

Renumber accordingly

HOUSE AMENDMENTS TO REENGROSSED SENATE BILL NO. 2379

Page 1, line 3, replace "an appropriation" with "for a legislative study"

Page 1, line 6, replace "shall" with "may"

Page 2, line 1, replace "shall" with "may"

Page 2, remove lines 6 through 12

Page 2, line 13, replace "5." with "4.", replace "shall" with "may", and replace the second "the" with "a"

Page 2, line 16, replace "6." with "5."

Page 2, replace lines 22 through 26 with:

"SECTION 2. LEGISLATIVE COUNCIL STUDY - NURSING EDUCATION - CLINICAL ALTERNATIVES. The legislative council shall consider studying, during the 2007-08 interim, the challenges of providing nursing education to residents of rural North Dakota, including the feasibility and desirability of using scientific and mechanical alternatives to traditional clinical education, the qualifications needed to provide effective and efficient instruction using the alternatives, the number of individuals likely to complete their nursing education if the alternatives were available, and the cost per graduate if the alternatives were provided. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly."

Renumber accordingly

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 2310.

HOUSE AMENDMENTS TO SENATE BILL NO. 2310

Page 1, line 7, replace "Each" with "The legislative assembly or either"

Page 1, line 8, replace "from a member or former member," with "as a donation"

Page 1, remove line 9

Page 1, line 10, remove "former member of the legislative assembly" and after the second "the" insert "legislative assembly by concurrent resolution or the"

Page 1, line 12, after the first "the" insert "concurrent resolution or"

Renumber accordingly

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

MR. PRESIDENT: The House does not concur in the Senate amendments to HB 1065 and HB 1334 and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

HB 1065: Reps. Vigesaa; Owens; Gruchalla

HB 1334: Reps. R. Kelsch; Sukut; Myxter

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

MR. SPEAKER: Your signature is respectfully requested on: SB 2345.

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

MR. SPEAKER: The President has signed: HB 1119, HB 1124, HB 1274, HB 1400, HB 1450, HB 1455, HB 1471, HB 1511, HCR 3037, HCR 3057, HCR 3061.

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

MR. SPEAKER: The President has signed: SCR 4004, SCR 4011, SCR 4013, SCR 4015, SCR 4020, SCR 4021, SCR 4031.

SIGNING OF BILLS AND RESOLUTIONS

The President signed the following enrolled resolution: SMR 8001.

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following resolutions were delivered to the Secretary of State for filing on March 26, 2007: SCR 4004, SCR 4011, SCR 4013, SCR 4015, SCR 4020, SCR 4021, SCR 4031, SMR 8001.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: Your signature is respectfully requested on: HB 1091, HB 1128.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The Speaker has signed: SCR 4028.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The Speaker has signed: HB 1038, HB 1164.

MOTION

SEN. CHRISTMANN MOVED that the absent members be excused, which motion prevailed.

MOTION

SEN. CHRISTMANN MOVED that the Senate be on the Fourth, Fifth, Ninth, and Thirteenth orders of business and at the conclusion of those orders, the Senate stand adjourned until 9:00 a.m., Tuesday, March 27, 2007, which motion prevailed.

REPORT OF STANDING COMMITTEE

SB 2418, 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 SB 2418 was placed on the Sixth order on the calendar.

Page 1, line 2, replace "revenue bonds" with "evidences of indebtedness"

Page 1, line 18, after "for" insert "project"

Page 1, line 20, after "facility" insert "declared to be in the public interest. The industrial commission shall issue evidences of indebtedness under this section with the condition that repayments need not begin until July 1, 2009. The authority of the industrial commission to issue evidences of indebtedness under this section ends June 30, 2009, but the industrial commission may continue to exercise all other powers granted to it under chapter 54-17.2 and this Act and comply with any covenants entered into before that date"

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1001, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (10 YEAS, 3 NAYS, 1 ABSENT AND NOT VOTING). Engrossed HB 1001 was placed on the Sixth order on the calendar.

Page 1, line 2, remove "to create and enact a new section to chapter 54-03 and a new section to"

Page 1, remove lines 3 and 4

Page 1, line 5, remove "including legislative intent items;"

Page 2, line 11, replace "606,404" with "770,940"

Page 2, line 12, replace "21,182" with "(69,342)"

Page 2, line 16, replace "4,540,893" with "4,614,904"

Page 2, line 18, replace "4,560,892" with "4,634,904"

Page 2, line 21, replace "702,547" with "743,672"

Page 2, line 22, replace "247,231" with "270,731"

Page 2, line 25, replace "790,778" with "856,003"

Page 2, line 26, replace "5,351,670" with "5,490,307"

Page 2, line 28, replace "5,331,670" with "5,470,307"

Page 3, line 6, replace "6,691,021" with "6,855,557"

Page 3, line 7, replace "3,038,955" with "2,948,431"

Page 3, line 11, replace "14,053,117" with "14,127,129"

Page 3, line 14, replace "5,907,752" with "5,948,877"

Page 3, line 15, replace "2,614,967" with "2,638,467"

Page 3, line 17, replace "8,579,719" with "8,644,344"

Page 3, line 18, replace "22,632,836" with "22,771,473"

Page 3, line 31, replace "\$4,310,827" with "\$4,210,827"

Page 4, line 7, replace "400,000" with "300,000"

Page 4, line 8, replace "4,310,827" with "4,210,827"

Page 4, replace lines 19 through 31 with:

"SECTION 7. COMMITTEE ROOM RENOVATION FUNDING - EXPENDITURE DETERMINATION. Any expenditure of funds relating to \$100,000 of the \$200,000 provided for committee room renovations in subdivision 1 of section 3 of this Act must be approved by a majority of the senate members of the legislative management committee. Any expenditures relating to the remaining \$100,000 for committee room renovations must be approved by a majority of the house of representatives members of the legislative management committee for the biennium beginning July 1, 2007, and ending June 30, 2009."

Page 5, remove lines 1 through 13

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1001 - Summary of Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Legislative Assembly				
Total all funds	\$13,918,501	\$14,053,117	\$74,012	\$14,127,129
Less estimated income				
General fund	\$13,918,501	\$14,053,117	\$74,012	\$14,127,129
Legislative Council				
Total all funds	\$8,298,218	\$8,579,719	\$64,625	\$8,644,344
Less estimated income				
General fund	\$8,298,218	\$8,579,719	\$64,625	\$8,644,344
Bill Total				
Total all funds	\$22,216,719	\$22,632,836	\$138,637	\$22,771,473
Less estimated income				
General fund	\$22,216,719	\$22,632,836	\$138,637	\$22,771,473

House Bill No. 1001 - Legislative Assembly - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$6,691,021	\$6,691,021	\$164,536	\$6,855,557
Operating expenses	2,904,339	3,038,955	(90,524)	2,948,431
Capital assets	206,000	206,000		206,000
National Conference of State Legislatures	206,314	206,314		206,314
Legislative applications replacement	3,910,827	3,910,827		3,910,827
Total all funds	\$13,918,501	\$14,053,117	\$74,012	\$14,127,129
Less estimated income				
General fund	\$13,918,501	\$14,053,117	\$74,012	\$14,127,129
FTE	0.00	0.00	0.00	0.00

Dept. 150 - Legislative Assembly - Detail of Senate Changes

	REDUCES FUNDING FOR COMPUTERS ¹	ADDS MILEAGE FUNDING ²	REMOVES FUNDING FOR PILOT PROJECT ³	ADDS FUNDING FOR LEGISLATIVE PAY ⁴	TOTAL SENATE CHANGES
Salaries and wages				\$164,536	\$164,536
Operating expenses	(\$100,000)	\$19,476	(\$10,000)		(90,524)
Capital assets					
National Conference of State Legislatures					
Legislative applications replacement					
Total all funds	(\$100,000)	\$19,476	(\$10,000)	\$164,536	\$74,012
Less estimated income					
General fund	(\$100,000)	\$19,476	(\$10,000)	\$164,536	\$74,012
FTE	0.00	0.00	0.00	0.00	0.00

¹ Funding added by the House for Legislative Assembly computer equipment is reduced to provide a total of \$300,000 from the general fund.

² Funding is added for legislator mileage reimbursement during legislative sessions in accordance with provisions of House Bill No. 1107.

³ The funding and section added by the House providing for a personal communicator device pilot project are removed.

⁴ Funding is provided for increasing legislative pay in accordance with provisions of House Bill No. 1106. Monthly compensation and session pay are each increased by 4 percent on July 1, 2007, and by 3.85 percent on July 1, 2008, which is estimated to cost \$252,572 for the 2007-09 biennium. The legislative budget request included \$88,036 for increasing session pay by 4 percent for the 2007-09 biennium.

The section added by the House authorizing legislators to purchase personal communicator devices and related services from the Information Technology Department is removed.

A section is added providing that the Senate members of the Legislative Management Committee determine the expenditures of \$100,000 of the \$200,000 provided for committee room renovations and the House members of the committee determine the expenditures of the remaining \$100,000 of these funds.

House Bill No. 1001 - Legislative Council - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$5,637,138	\$5,907,752	\$41,125	\$5,948,877
Operating expenses	2,604,080	2,614,967	23,500	2,638,467
Capital assets	<u>57,000</u>	<u>57,000</u>		<u>57,000</u>
Total all funds	\$8,298,218	\$8,579,719	\$64,625	\$8,644,344
Less estimated income				
General fund	\$8,298,218	\$8,579,719	\$64,625	\$8,644,344
FTE	33.00	34.00	0.00	34.00

Dept. 160 - Legislative Council - Detail of Senate Changes

	INCREASES EQUITY FUNDING ¹	ADDS MILEAGE FUNDING ²	ADDS FUNDING FOR LEGISLATIVE PAY ³	TOTAL SENATE CHANGES
Salaries and wages	\$18,000		\$23,125	\$41,125
Operating expenses		\$23,500		23,500
Capital assets				
Total all funds	\$18,000	\$23,500	\$23,125	\$64,625
Less estimated income				
General fund	\$18,000	\$23,500	\$23,125	\$64,625
FTE	0.00	0.00	0.00	0.00

¹ Funding provided for salary equity adjustments is increased from the House version to provide a total of \$148,000.

² Funding is added for legislator mileage reimbursement for travel during the interim in accordance with provisions of House Bill No. 1107.

³ Funding is provided for increasing legislative pay in accordance with provisions of House Bill No. 1106. Legislator pay for attending interim meeting is increased by 4 percent on July 1, 2007, and by 3.85 percent on July 1, 2008.

The section added by the House providing that the Legislative Council review and report on agency implementation of appropriations and legislative intent items is removed.

REPORT OF STANDING COMMITTEE

HB 1002, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman)
 recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed HB 1002 was placed on the Sixth order on the calendar.

Page 2, line 18, replace "544,244" with "556,341"

Page 2, line 22, replace "843,968" with "856,065"

Page 2, line 23, replace "843,968" with "856,065"

Page 2, line 26, replace "4,432,566" with "5,196,049"

Page 2, line 27, replace "4,074,644" with "3,412,776"

Page 2, line 29, replace "(2,952)" with "(101,022)"

Page 3, line 2, replace "9,854,165" with "9,857,710"

Page 3, line 4, replace "9,172,444" with "9,175,989"

Page 3, line 11, replace "10,115,001" with "10,130,643"

Page 3, line 13, replace "10,808,557" with "10,824,199"

Page 3, line 21, replace "7,067,155" with "7,079,252"

Page 3, line 25, replace "9,434,571" with "9,446,668"

Page 3, line 26, replace "9,434,571" with "9,446,668"

Page 3, line 29, replace "41,384,854" with "42,148,337"

Page 3, line 30, replace "15,297,299" with "14,635,431"

Page 4, line 1, replace "703,819" with "605,749"

Page 4, line 5, replace "59,021,379" with "59,024,924"

Page 4, line 7, replace "57,119,701" with "57,123,246"

Page 4, line 14, replace "66,972,870" with "66,988,512"

Page 4, line 16, replace "69,173,904" with "69,189,546"

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1002 - Summary of Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Supreme Court				
Total all funds	\$9,470,328	\$9,434,571	\$12,097	\$9,446,668
Less estimated income				
General fund	\$9,470,328	\$9,434,571	\$12,097	\$9,446,668
District Courts				
Total all funds	\$59,280,090	\$59,021,379	\$3,545	\$59,024,924
Less estimated income	1,901,678	1,901,678		1,901,678
General fund	\$57,378,412	\$57,119,701	\$3,545	\$57,123,246
Judicial Conduct Commission				
Total all funds	\$717,954	\$717,954	\$0	\$717,954
Less estimated income	299,356	299,356		299,356
General fund	\$418,598	\$418,598	\$0	\$418,598
Bill Total				
Total all funds	\$69,468,372	\$69,173,904	\$15,642	\$69,189,546
Less estimated income	2,201,034	2,201,034		2,201,034
General fund	\$67,267,338	\$66,972,870	\$15,642	\$66,988,512

House Bill No. 1002 - Supreme Court - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	HOUSE VERSION
Salaries and wages	\$7,102,912	\$7,067,155	\$12,097	\$7,079,252
Operating expenses	2,149,185	2,149,185		2,149,185
Capital assets	96,000	96,000		96,000
Judges' retirement	<u>122,231</u>	<u>122,231</u>		<u>122,231</u>
Total all funds	\$9,470,328	\$9,434,571	\$12,097	\$9,446,668
Less estimated income				
General fund	9,470,328	\$9,434,571	\$12,097	\$9,446,668
FTE	45.00	45.00	0.00	45.00

Dept. 181 - Supreme Court - Detail of Senate Changes

	CHANGES SALARIES FOR SUPREME COURT JUSTICES ¹	TOTAL SENATE CHANGES
Salaries and wages	\$12,097	\$12,097
Operating expenses		
Capital assets		
Judges' retirement		
Total all funds	\$12,097	\$12,097
Less estimated income		
General fund	\$12,097	\$12,097
FTE	0.00	0.00

¹ Changes the salary increases for Supreme Court justices to reflect the cost of funding the second year of the \$2,000 salary increase provided effective July 1, 2007.

The table below provides salary information for the Supreme Court justices:

	2005-07 BIENNIUM SALARY	SALARY INCLUDED IN HB 1002	SALARY INCLUDED IN HOUSE VERSION	SALARY INCLUDED IN SENATE VERSION
Supreme Court justices				
First year of biennium	\$103,087	\$113,642	\$113,578	\$113,578
Second year of biennium	\$107,210	\$121,597	\$118,121	\$118,121
Chief Justice (amount in addition to justice salary)				
First year of biennium	\$3,015	\$3,324	\$3,262	\$3,262
Second year of biennium	\$3,136	\$3,557	\$3,392	\$3,392

House Bill No. 1002 - District Courts - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$42,305,433	\$41,384,854	\$763,483	\$42,148,337
Operating expenses	14,635,431	15,297,299	(661,868)	14,635,431
Capital assets	458,583	458,583		458,583
Judges' retirement	703,819	703,819	(98,070)	605,749
UND Central Legal Research	80,000	80,000		80,000
Alternative dispute resolution	20,000	20,000		20,000
Mediation	<u>1,076,824</u>	<u>1,076,824</u>		<u>1,076,824</u>
Total all funds	\$59,280,090	\$59,021,379	\$3,545	\$59,024,924
Less estimated income	<u>1,901,678</u>	<u>1,901,678</u>		<u>1,901,678</u>
General fund	\$57,378,412	\$57,119,701	\$3,545	\$57,123,246
FTE	294.00	289.00	0.00	289.00

Dept. 182 - District Courts - Detail of Senate Changes

	CHANGES THE SALARIES FOR DISTRICT COURT JUDGES ¹	ADJUSTS FUNDING FOR MEDIATION PILOT PROJECT ²	DECREASES FUNDING FOR JUDGES' RETIREMENT ³	TOTAL SENATE CHANGES
Salaries and wages	\$101,615	\$661,868		\$763,483
Operating expenses		(661,868)		(661,868)
Capital assets				
Judges' retirement			(98,070)	(98,070)
UND Central Legal Research				
Alternative dispute resolution				
Mediation				
Total all funds	\$101,615	\$0	(98,070)	\$3,545
Less estimated income				
General fund	\$101,615	\$0	(98,070)	\$3,545

FTE 0.00 0.00 0.00 0.00

¹ Changes the salary increases for district court judges to reflect the cost of funding the second year of the \$2,000 salary increase provided effective July 1, 2007.

² This amendment adjusts funding for the mediation pilot project. The total funding for the mediation pilot project, including salaries and wages and operations, are included in a separate line item. This amendment continues the House change to provide for contract mediators rather than FTE positions.

³ The Senate adjusted the funding needed for judges' retirement due to a qualifying judge recently passing away.

The table below provides salary information for the district court judges:

	2005-07 BIENNIAL SALARY	SALARY INCLUDED IN HB 1002	SALARY INCLUDED IN HOUSE VERSION	SALARY INCLUDED IN SENATE VERSION
District court judges				
First year of biennium	\$94,298	\$103,954	\$104,073	\$104,073
Second year of biennium	\$98,070	\$111,230	\$108,236	\$108,236
Presiding judges (amount in addition to judges' salary)				
First year of biennium	\$2,779	\$3,063	\$3,005	\$3,005
Second year of biennium	\$2,890	\$3,278	\$3,126	\$3,126

REPORT OF STANDING COMMITTEE

HB 1004, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (12 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1004 was placed on the Sixth order on the calendar.

Page 1, line 4, after "Code" insert "and section 28 of chapter 167 of the 2005 Session Laws", after "immunizations" insert "and the contingent distribution of state school aid payments", and after "and" insert "to declare an emergency."

Page 1, remove line 5

Page 1, line 24, replace "19,982,693" with "20,748,893"

Page 2, line 2, replace "14,625,610" with "14,975,610"

Page 2, line 5, replace "42,349,960" with "43,466,160"

Page 2, line 7, replace "5,408,059" with "6,524,259"

Page 2, line 14, replace "45,596,674" with "46,362,874"

Page 2, line 16, replace "56,457,776" with "56,807,776"

Page 2, line 19, replace "168,089,084" with "169,205,284"

Page 2, line 21, replace "18,876,963" with "19,993,163"

Page 2, after line 21, insert:

"SECTION 4. APPROPRIATION - MORGUE BRANCH LOCATION. There is appropriated out of special funds in the permanent oil tax trust fund the sum of \$1,500,000, or so much of the sum as may be necessary, to the state department of health to construct a facility to be used as a branch of the state morgue at the university of North Dakota school of medicine and health sciences, for the biennium beginning July 1, 2007, and ending June 30, 2009. The state department of health may use up to \$75,000 of this amount for its expenses in providing oversight of the project and to provide funding for coroner-requested autopsies at the new morgue during the remainder of the biennium. The project may be augmented with additional federal funding, grants, and other funding sources from the university of North Dakota or the state department of health. The morgue branch facility is to be under the control of the university of North Dakota school of medicine and health sciences. The university of North Dakota and the state department of health shall jointly sign all requests for proposal, construction contracts, and change orders relating to the project. The state department of health shall reimburse the university of North Dakota for the project based on final expenditure reports of actual project costs. To facilitate addressing public health issues related to death investigations, state forensic examiner services must continue to be provided by the state department of health, and the department must be the central repository for all coroner reports and autopsy reports for the coroner death investigations."

Page 4, remove lines 1 through 4

Page 4, line 6, remove "general fund" and remove "line item"

Page 4, line 7, replace "section" with "sections", after "3" insert "and 4", after "\$2,010,135" insert "from the general fund and \$1,500,000 from the permanent oil tax trust fund", and replace "this" with "those sections"

Page 4, line 8, remove "section"

Page 4, after line 12, insert:

"State morgue - University of North Dakota branch facility	1,500,000
Total	\$3,510,135

SECTION 10. 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.
3. The superintendent of public instruction shall transfer the next \$1,000,000, or so much of that amount as may be necessary, to the state department of health for the purpose of providing grants to single school districts, multiple school districts, or educational associations governed by joint powers agreements, to initiate or enhance school nursing services. Grants awarded under this subsection are conditioned upon the recipient contributing a matching amount. The state department of health may use up to \$120,000 of the amount provided in this subsection to employ one individual, on a full-time equivalent basis, for the purpose of implementing, overseeing, and evaluating the program.
4. 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 11. SPECIAL FUNDS APPROPRIATION - SCHOOL NURSES. There is appropriated \$1,000,000, as made available pursuant to section 10 of this Act, to the state department of health to initiate or enhance school nursing services for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 12. EMERGENCY. Section 10 this Act is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1004 - State Department of Health - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$37,715,624	\$37,747,905		\$37,747,905
Operating expenses	33,335,674	45,596,674	\$766,200	46,362,874
Capital assets	1,817,383	1,817,383		1,817,383
Grants	55,102,776	56,457,776	350,000	56,807,776
Tobacco prevention and control	9,473,554	8,919,346		8,919,346

WIC food payments	<u>17,550,000</u>	<u>17,550,000</u>	<u>17,550,000</u>	
Total all funds	\$154,995,011	\$168,089,084	\$1,116,200	\$169,205,284
Less estimated income	<u>136,940,183</u>	<u>149,212,121</u>		<u>149,212,121</u>
General fund	\$18,054,828	\$18,876,963	\$1,116,200	\$19,993,163
FTE	331.50	330.50	1.00	331.50

Dept. 301 - State Department of Health - Detail of Senate Changes

	ADDS FOOD AND LODGING POSITION ¹	ADDS FUNDING FOR WOMEN'S WAY PROGRAM ²	ADDS FUNDING FOR DOMESTIC VIOLENCE GRANTS ³	TOTAL SENATE CHANGES
Salaries and wages				
Operating expenses		\$766,200		\$766,200
Capital assets				
Grants			\$350,000	350,000
Tobacco prevention and control				
WIC food payments				
Total all funds	\$0	\$766,200	\$350,000	\$1,116,200
Less estimated income				
General fund	\$0	\$766,200	\$350,000	\$1,116,200
FTE	1.00	0.00	0.00	1.00

¹ Adds authority for 1 FTE field environmental health practitioner for food and lodging inspections.

² The Senate added funding for the Women's Way program.

³ The Senate added funding for domestic violence grants.

The Senate appropriated \$1.5 million from the permanent oil tax trust fund to the State Department of Health to construct a morgue branch facility at the University of North Dakota School of Medicine and Health Sciences.

The Senate removed the intent section in Engrossed House Bill No. 1004 relating to use of funding from the community health trust fund for media campaigns.

The Senate provided a contingent appropriation from the balance of per student payments and transportation payments available as of June 30, 2007, for providing grants on a matching basis for school nursing services.

REPORT OF STANDING COMMITTEE

HB 1005, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed HB 1005 was placed on the Sixth order on the calendar.

Page 1, line 16, replace "134,537" with "142,457"

Page 1, line 18, replace "156,537" with "164,457"

Page 1, line 20, replace "171,537" with "179,457"

Page 2, line 3, replace "477,939" with "485,859"

Page 2, line 5, replace "563,834" with "571,754"

Page 2, line 7, replace "558,834" with "566,754"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:**House Bill No. 1005 - Indian Affairs Commission - Senate Action**

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$485,859	\$477,939	\$7,920	\$485,859
Operating expenses	<u>85,895</u>	<u>85,895</u>		<u>85,895</u>

Total all funds	\$571,754	\$563,834	\$7,920	\$571,754
Less estimated income	<u>5,000</u>	<u>5,000</u>		<u>5,000</u>
General fund	\$566,754	\$558,834	\$7,920	\$566,754
FTE	4.00	4.00	0.00	4.00

Dept. 316 - Indian Affairs Commission - Detail of Senate Changes

	ADDS FUNDING FOR TEMPORARY INTERN POSITION 1	TOTAL SENATE CHANGES
Salaries and wages	\$7,920	\$7,920
Operating expenses		
Total all funds	\$7,920	\$7,920
Less estimated income		
General fund	\$7,920	\$7,920
FTE	0.00	0.00

¹ This amendment adds back funding that was removed by the House for the temporary intern position.

REPORT OF STANDING COMMITTEE

HB 1007, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed HB 1007 was placed on the Sixth order on the calendar.

Page 2, line 5, replace "960,376" with "1,061,980"

Page 2, line 6, replace "337,222" with "387,222"

Page 2, line 8, replace "630,000" with "255,700"

Page 2, line 9, replace "1,907,339" with "1,684,643"

Page 2, line 11, replace "\$61,082" with "(\$161,614)"

Page 2, line 14, replace "122,714" with "213,680"

Page 2, line 15, replace "122,714" with "213,680"

Page 2, line 16, replace "183,796" with "52,066"

Page 2, line 18, replace "2,030,053" with "1,898,323"

Page 2, line 27, replace "8,738,917" with "8,840,521"

Page 2, line 28, replace "3,512,000" with "3,562,000"

Page 2, line 30, replace "630,000" with "255,700"

Page 2, line 31, replace "13,211,264" with "12,988,568"

Page 3, line 2, replace "4,390,174" with "4,167,478"

Page 3, line 5, replace "776,382" with "867,348"

Page 3, line 6, replace "776,382" with "867,348"

Page 3, line 7, replace "5,166,556" with "5,034,826"

Page 3, line 9, replace "13,987,646" with "13,855,916"

Page 3, line 12, replace "\$630,000" with "\$255,700"

Page 3, line 18, replace "630,000" with "255,700"

Page 3, line 21, replace "689,606" with "315,306"

Page 3, line 22, replace "\$630,000" with "\$255,700"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1007 - Summary of Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Veterans' Home				
Total all funds	\$12,871,264	\$13,211,264	(\$222,696)	\$12,988,568
Less estimated income	<u>8,821,090</u>	<u>8,821,090</u>		<u>8,821,090</u>
General fund	\$4,050,174	\$4,390,174	(\$222,696)	\$4,167,478
Department of Veterans' Affairs				
Total all funds	\$776,382	\$776,382	\$90,966	\$867,348
Less estimated income				
General fund	<u>\$776,382</u>	<u>\$776,382</u>	<u>\$90,966</u>	<u>\$867,348</u>
Bill Total				
Total all funds	\$13,647,646	\$13,987,646	(\$131,730)	\$13,855,916
Less estimated income	<u>8,821,090</u>	<u>8,821,090</u>		<u>8,821,090</u>
General fund	\$4,826,556	\$5,166,556	(\$131,730)	\$5,034,826

House Bill No. 1007 - Veterans' Home - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$8,738,917	\$8,738,917	\$101,604	\$8,840,521
Operating expenses	3,682,000	3,512,000	50,000	3,562,000
Capital assets	450,347	330,347		330,347
Life safety improvements		<u>630,000</u>	<u>(\$374,300)</u>	<u>255,700</u>
Total all funds	\$12,871,264	\$13,211,264	(\$222,696)	\$12,988,568
Less estimated income	<u>8,821,090</u>	<u>8,821,090</u>		<u>8,821,090</u>
General fund	\$4,050,174	\$4,390,174	(\$222,696)	\$4,167,478
FTE	90.97	90.97	1.40	92.37

Dept. 313 - Veterans' Home - Detail of Senate Changes

	ADDS FUNDING FOR NIGHT WATCHMEN ¹	RESTORES FUNDING FOR PLANNING AND MARKETING ²	DECREASES FUNDING FOR LIFE SAFETY IMPROVEMENTS ³	TOTAL SENATE CHANGES
Salaries and wages	\$101,604			\$101,604
Operating expenses		\$50,000		50,000
Capital assets				
Life safety improvements			<u>(\$374,300)</u>	<u>(\$374,300)</u>
Total all funds	\$101,604	\$50,000	(\$374,300)	(\$222,696)
Less estimated income				
General fund	\$101,604	\$50,000	(\$374,300)	(\$222,696)
FTE	1.40	0.00	0.00	1.40

¹ The Senate added funding for night watchmen.

² The Senate restored funding for developing a long-term plan for the Veterans' Home.

³ The Senate decreased the funding to address Life Safety Code deficiencies as identified by the State Department of Health and the Fire Marshal from \$630,000 to \$255,700. The funding includes \$165,700 for repairs necessary for the plan of correction and \$90,000 for a preplanning document for the building.

House Bill No. 1007 - Department of Veterans' Affairs - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Veterans' Affairs	<u>\$776,382</u>	<u>\$776,382</u>	<u>\$90,966</u>	<u>\$867,348</u>
Total all funds	\$776,382	\$776,382	\$90,966	\$867,348
Less estimated income				
General fund	\$776,382	\$776,382	\$90,966	\$867,348
FTE	6.00	6.00	1.00	7.00

Dept. 321 - Department of Veterans' Affairs - Detail of Senate Changes

ADDS
FUNDING FOR

	A WOMAN'S VETERANS COORDINATOR POSITION ¹	TOTAL SENATE CHANGES
Veterans' Affairs	\$90,966	\$90,966
Total all funds	\$90,966	\$90,966
Less estimated income		
General fund	\$90,966	\$90,966
FTE	1.00	1.00

¹ The Senate added funding for a woman's veterans coordinator position.

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.

Page 1, line 3, after "6-09.17" insert "and a new subsection to section 54-17-07.3"

Page 1, line 5, after "limitations" insert "and a housing finance agency program for residential housing in rural communities"

Page 1, line 7, after the semicolon insert "to provide legislative intent; to provide an appropriation;"

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

Page 3, line 27, replace "2,300,000" with "1,300,000"

Page 3, line 31, replace "5,275,000" with "4,275,000"

Page 4, line 2, replace "6,700,000" with "5,700,000"

Page 4, after line 12, insert:
"Bridging the gap loan program" 1,900,000"

Page 4, after line 13, insert:
"Total all funds" \$9,524,088"

Page 4, line 14, replace "Total from" with "Less" and replace "\$7,624,088" with "7,624,088"

Page 4, after line 14, insert:
"Total general fund - Adjustments/enhancements" \$1,900,000"

Page 4, line 15, replace "8,869,132" with "9,769,132"

Page 4, line 17, replace "20,489,931" with "21,389,931"

Page 5, line 14, replace "8,000,000" with "7,000,000"

Page 5, line 18, replace "14,550,000" with "13,550,000"

Page 5, line 20, replace "13,600,000" with "12,600,000"

Page 5, after line 31, insert:
"Bridging the gap loan program" 1,900,000"

Page 6, after line 2, insert:
"Total all funds" \$43,434,102"

Page 6, line 3, replace "Total" with "Less" and replace "\$41,534,102" with "41,534,102"

Page 6, after line 3, insert:
"Total general fund" \$1,900,000"

Page 6, line 4, replace "22,362,790" with "23,262,790"

Page 6, line 5, replace "166,850,430" with "172,150,430"

Page 6, line 6, replace "189,213,220" with "195,413,220"

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 for centers of excellence, for the biennium beginning July 1, 2007, 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 is authorized to 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 only be made 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."

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 18. 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 10, after line 11, insert:

"SECTION 26. A new subsection to section 54-17-07.3 of the North Dakota Century Code is created and enacted as follows:

A program to assist in bridging the financing gap in new residential construction in cities with populations of fewer than twenty thousand if the cost of the new construction is at least one hundred ten percent of the appraised value of the new construction. The program shall provide financial assistance in the form of a mortgage loan that is subject to payment forgiveness, in whole or in part, for new construction of multifamily housing and single-family housing, excluding mobile homes and farmsteads.

a. The industrial commission shall establish the eligibility criteria and application procedure for the program which at a minimum must:

(1) Require a local match in the form of a grant from private or public funding or in-kind contributions which may not exceed forty-five percent of the gap between the cost of construction and the appraised value of the new construction;

- (2) Provide that the local match may not include state funds;
- (3) Require an application for assistance under this program to include evidence of community support for the new construction project; and
- (4) Require that for assistance provided for single-family housing:
 - (a) The applicant's household income may not exceed the greater of one hundred forty percent of the statewide or county average, as determined by the industrial commission; and
 - (b) That the cost of the new construction may not exceed one hundred ninety thousand dollars.
- b. The maximum assistance provided under this program for single-family housing is the lesser of twenty thousand dollars or forty-five percent of the gap between the cost of the construction and the appraised value of the new construction.
- c. The maximum assistance provided under this program for multifamily housing is the lesser of fifty thousand dollars or forty-five percent of the gap between the cost of construction and the appraised value of the new construction.
- d. Unless otherwise provided through the appropriation process, no more than thirty percent of the funds appropriated for the biennium for assistance under this subsection may be for multifamily residences.
- e. Before August first of every even-numbered year, the housing finance agency shall report to the legislative council on the status of this program, including funds awarded, the state and local impact of the funds awarded, and program recommendations."

Page 10, after line 18, insert:

"SECTION 28. EXPIRATION DATE. Section 26 of this Act is effective through July 31, 2011, and after that date is ineffective."

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

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

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

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1014 - Summary of Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
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	(\$1,000,000)	\$50,742,359
Less estimated income	38,142,359	38,142,359		38,142,359
General fund	\$10,100,000	\$13,600,000	(\$1,000,000)	\$12,600,000
Housing Finance Agency				
Total all funds	\$41,534,102	\$41,534,102	\$1,900,000	\$43,434,102
Less estimated income	41,534,102	41,534,102		41,534,102
General fund	\$0	\$0	\$1,900,000	\$1,900,000
Mill and Elevator				
Total all funds	\$36,780,837	\$36,780,837	\$0	\$36,780,837
Less estimated income	36,780,837	36,780,837		36,780,837

General fund	\$0	\$0	\$0	\$0
Bill Total				
Total all funds	\$185,428,220	\$189,213,220	\$900,000	\$190,113,220
Less estimated income	166,565,430	166,850,430		166,850,430
General fund	\$18,862,790	\$22,362,790	\$900,000	\$23,262,790

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 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.

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

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$20,295,359	\$20,295,359		\$20,295,359
Operating expenses	13,297,000	13,297,000		13,297,000
Capital assets	1,900,000	1,900,000		1,900,000
Contingencies	1,700,000	1,700,000		1,700,000
PACE fund	4,500,000	8,000,000	(\$1,000,000)	7,000,000
Ag PACE fund	1,400,000	1,400,000		1,400,000
Beginning farmer revolving loan fund	950,000	950,000		950,000
Biofuels PACE fund	<u>4,200,000</u>	<u>4,200,000</u>		<u>4,200,000</u>
Total all funds	\$48,242,359	\$51,742,359	(\$1,000,000)	\$50,742,359
Less estimated income	<u>38,142,359</u>	<u>38,142,359</u>		<u>38,142,359</u>
General fund	\$10,100,000	\$13,600,000	(\$1,000,000)	\$12,600,000
FTE	176.50	176.50	0.00	176.50

Dept. 471 - Bank of North Dakota - Detail of Senate Changes

	REDUCES PACE FUNDING ¹	TOTAL SENATE CHANGES
Salaries and wages		
Operating expenses		
Capital assets		
Contingencies		
PACE fund	(\$1,000,000)	(\$1,000,000)
Ag PACE fund		
Beginning farmer revolving loan fund		
Biofuels PACE fund		
Total all funds	(\$1,000,000)	(\$1,000,000)
Less estimated income		
General fund	(\$1,000,000)	(\$1,000,000)
FTE	0.00	0.00

¹ This amendment reduces funding for the partnership in assisting community expansion (PACE) fund.

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

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$4,701,524	\$4,701,524		\$4,701,524
Operating expenses	9,412,778	9,412,778		9,412,778
Grants	27,319,800	27,319,800		27,319,800
Housing Finance Agency contingencies	100,000	100,000		100,000
Bridging the gap loan program			<u>\$1,900,000</u>	<u>1,900,000</u>
Total all funds	\$41,534,102	\$41,534,102	\$1,900,000	\$43,434,102
Less estimated income	<u>41,534,102</u>	<u>41,534,102</u>		<u>41,534,102</u>

General fund	\$0	\$0	\$1,900,000	\$1,900,000
FTE	43.00	43.00	0.00	43.00

Dept. 473 - Housing Finance Agency - Detail of Senate Changes

	ADDS FUNDING FOR LOAN PROGRAM ¹	TOTAL SENATE CHANGES
Salaries and wages		
Operating expenses		
Grants		
Housing Finance Agency contingencies		
Bridging the gap loan program	<u>\$1,900,000</u>	<u>\$1,900,000</u>
Total all funds	\$1,900,000	\$1,900,000
Less estimated income		
General fund	\$1,900,000	\$1,900,000
FTE	0.00	0.00

¹ This amendment provides funding for a loan program to bridge the financing gap in new residential construction in rural communities.

A section is added creating a new section to the North Dakota Century Code that establishes a loan program to assist in bridging the financial gap in new residential construction in rural communities which expires on July 31, 2011.

REPORT OF STANDING COMMITTEE

HB 1018, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed HB 1018 was placed on the Sixth order on the calendar.

Page 1, line 2, after the second semicolon insert "to provide an appropriation to the office of management and budget; to authorize the office of management and budget to borrow funds from the Bank of North Dakota;"

Page 1, line 4, replace "a report" with "reports" and after the first semicolon insert "to provide for legislative council studies;"

Page 1, line 5, replace "and a new section to chapter 54-60" with ", a new section to chapter 54-34.4, three new sections to chapter 54-60, sections 57-38-01.24 and 57-38-01.25, and a new subsection to section 57-38-30.3"

Page 1, line 6, after "innovation" insert ", visitor information centers, department of commerce division of workforce development programs and duties, tax credits for internships, workforce recruitment, research and experimental expenditures,"

Page 1, line 7, replace "and to provide an expiration date" with "to amend and reenact sections 15-69-02, 15-69-03, 15-69-04, and 15-69-05, subsections 4 and 6 of section 54-17-07.3, sections 54-60-02, 54-60-09, and 54-60-12, subdivision I of subsection 2 of section 54-60.1-01, and sections 57-38-30.5, 57-38.5-05, and 57-38.6-01 of the North Dakota Century Code and section 17 of chapter 151 of the 2005 Session Laws, relating to the centers of excellence program, housing finance agency programs, updating department of commerce law, department of commerce division of workforce development duties, the North Dakota image information program, the definition of business incentive, tax forms, research and experimental expenditures tax credits, seed capital investment tax credits, agricultural business investment tax credits, and a legislative council study; to repeal sections 57-38-71, 57-38-72, 57-38-73, and 57-38-74 of the North Dakota Century Code, relating to beginning entrepreneur income tax incentives; to provide effective dates; to provide an expiration date; and to declare an emergency"

Page 2, line 6, replace "446,720" with "3,560,720"

Page 2, line 7, replace "(1,728,122)" with "(1,328,122)"

Page 2, line 8, replace "3,000,000" with "4,000,000"

Page 2, line 9, replace "(207,807)" with "(7,807)"

Page 2, line 14, replace "385,773" with "5,099,773"

Page 2, line 16, replace "2,458,763" with "7,172,763"

Page 2, line 24, replace "9,978,688" with "13,092,688"

Page 2, line 26, replace "48,374,748" with "48,774,748"

Page 2, line 27, replace "3,000,000" with "4,000,000"

Page 2, line 30, replace "2,808,193" with "3,008,193"

Page 3, line 2, replace "77,000,837" with "81,714,837"

Page 3, line 4, replace "21,639,544" with "26,353,544"

Page 4, line 3, replace "\$3,000,000" with "\$4,000,000"

Page 4, replace lines 9 through 14 with:

"SECTION 10. TRADE OFFICE MATCHING FUNDS - BUDGET SECTION REPORT. The department of commerce shall report to the budget section, during the 2007-08 interim, on the status of matching funds raised by the North Dakota trade office and the percentage of the matching funds provided in-kind and the percentage provided in cash."

Page 4, after line 24, insert:

"SECTION 13. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET - CENTERS OF EXCELLENCE. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$20,000,000, or so much of the sum as may be necessary, to the office of management and budget for the purpose of providing funding to centers of excellence as directed by the centers of excellence commission, for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 14. CENTERS OF EXCELLENCE - OFFICE OF MANAGEMENT AND BUDGET - CONTINGENT BORROWING AUTHORITY - APPROPRIATION. As requested by the centers of excellence commission and subject to emergency commission and budget section approval, the office of management and budget shall borrow the sum of \$5,000,000, or so much of the sum as may be necessary, from the Bank of North Dakota, which is appropriated for the purpose of providing funding to centers of excellence as directed by the centers of excellence commission, for the biennium beginning July 1, 2007, and ending June 30, 2009. The office of management and budget shall request funding from the sixty-first legislative assembly to repay any loan obtained pursuant to provisions of this section, including accrued interest. The borrowing authority and appropriation provided for in this section are available only if all other funding provided by the sixtieth legislative assembly for centers of excellence has been obligated.

SECTION 15. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET - PRAIRIE PUBLIC BROADCASTING. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$2,023,138, or so much of the sum as may be necessary, to the office of management and budget for the purpose of providing funding to prairie public broadcasting, for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 16. LEGISLATIVE COUNCIL STUDY - NORTH DAKOTA WORKFORCE SYSTEM INITIATIVE.

1. During the 2007-08 interim, the legislative council shall study the state's system for addressing workforce needs through a workforce system initiative. The workforce system initiative must include receipt of agency reports regarding implementation of workforce legislation enacted during the 2007 legislative session, active participation in focus groups across the state, and active participation in a workforce congress.
2. The focus groups shall discuss ways to enhance the state's system for addressing workforce needs, including consideration of workforce availability, skilled workforce needs, future workforce needs, and alignment of the state's higher education curriculum with the state's current and future workforce needs. The workforce congress shall receive a report on the

activities of the focus groups, identify methods to enhance the state's workforce system in order to be well-positioned to participate in a knowledge-driven economy and to be globally competitive, and evaluate the impact and effectiveness of the state's existing workforce system.

3. The department of commerce shall organize the focus groups and the workforce congress. Before the workforce congress, which must be held before June 1, 2008, the department shall convene a minimum of four focus groups. The department shall consult with the legislative council in compiling focus group and workforce congress participant invitation lists and drafting and distributing invitations, establishing focus group and workforce congress dates and locations, and preparing agendas for focus groups and the workforce congress. The focus groups and the workforce congress schedules and activities must take into consideration workforce study activities of the department.
4. The legislative council and the department of commerce shall enter a joint contract with a third party to provide the legislative council and the department with professional services to plan, facilitate, report on, and coordinate followup for the focus groups and workforce congress. 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. LEGISLATIVE COUNCIL STUDY - DEPARTMENT OF COMMERCE.

1. The legislative council shall consider studying, during the 2007-08 interim, the organization, powers, duties, and effectiveness of the department of commerce. The study must include:
 - a. A review of the legislative history leading to the creation of the department of commerce, including the 1999-2000 interim activities of the legislative council's interim commerce and labor committee;
 - b. A review of the legislative and executive branch expectations in the creation of the department of commerce and whether those expectations are being met;
 - c. Evaluation of the effectiveness of the North Dakota economic development foundation in providing a nonpartisan, private sector perspective to the department's approach to the department's duties; and
 - d. Evaluation of the organizational structure of the department of commerce, including whether the department should include a division of science and technology.
2. 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 18. LEGISLATIVE COUNCIL STUDY - HIGHER EDUCATION PROMISE GRANT PROGRAM. The legislative council shall consider studying, during the 2007-08 interim, the desirability and feasibility of implementing a grant program for North Dakota students who are attending North Dakota institutions of higher education and who have excelled academically. The study shall include consideration of desirable eligibility criteria for students under such a grant program, funding options for such a grant program, and a cost-benefit analysis of such a grant program. 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 19. STATE BOARD OF HIGHER EDUCATION REPORT ON CCBENEFITS - LEGISLATIVE COUNCIL REPORT. During the 2007-08 interim, the state board of higher education shall monitor the implementation of the services of ccbenefits, incorporated, by the institutions under the control of the state board of higher education. Before July 1, 2008, the state board of higher education shall report to the legislative council on the status of the implementation of the ccbenefits, incorporated, services, including the status of the implementation at each institution using the services, the level of utilization of the services at the institutional level and at the system

level, the feasibility and desirability of expanding the use of the services from use by the community colleges to use by all institutions in order to improve responsiveness of institutions and to improve forecasting efforts of institutions, and recommendations relating to the use of the ccbenefits, incorporated, services. 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 20. TAX EXPENDITURE REPORT PILOT PROJECT - REPORT.

1. During the 2007-09 biennium, the commissioner of commerce, in consultation with the tax commissioner, shall select a tax expenditure for the purposes of conducting a tax expenditure report pilot project.
2. Before the tenth legislative day of the sixty-first legislative assembly, the commissioner of commerce shall submit to the president of the senate and the speaker of the house a tax expenditure report. This report must be based upon information available to the tax commissioner and information available to the department of commerce, and must include an analysis of the selected tax expenditure which includes a description of the annual state revenue losses and benefits and a cyclical analysis of these losses and benefits.
3. The tax commissioner shall compile tax expenditure data and provide this data to the department of commerce. Notwithstanding section 57-38-57 and other confidentiality statutes, the tax commissioner shall provide the department of commerce the information necessary to accomplish and effectuate the intent of this section. The tax commissioner may request the assistance of the office of management and budget as necessary to compile this tax expenditure data.
4. The tax commissioner may establish the procedure by which the tax commissioner will compile the tax expenditure data and the format in which the tax commissioner will provide this data to the department of commerce. The department of commerce may establish the manner in which the tax expenditure data will be analyzed, organized, and presented in the report.
5. Confidential tax information the department of commerce receives from the tax commissioner may not be divulged by the department of commerce unless the information is in the aggregate and in a manner that will not divulge information specific to any taxpayer.
6. For purposes of this section, the term tax expenditure means a provision in the state tax laws, including an exclusion, a deduction, a tax preference, a credit, and a deferral designed to encourage certain activities or to aid a taxpayer in special circumstances.

SECTION 21. STATE BUSINESS INCENTIVE EXPENDITURE REPORT PILOT PROJECT - REPORT.

1. During the 2007-09 biennium, the commissioner of commerce shall select a state business incentive for the purposes of conducting a state business incentive expenditure report pilot project.
2. Before the tenth legislative day of the sixty-first legislative assembly, the commissioner of commerce shall submit to the president of the senate and the speaker of the house a state business incentive expenditure report. This report must be based upon information available to the department and must include an analysis of the selected state business incentive which includes a description of the annual state revenue losses and benefits and a cyclical analysis of these losses and benefits.
3. The administering agency for the selected state business incentive shall compile state business incentive expenditure data and provide this data to the department. The department shall determine the data appropriate to measure the losses and benefits for the selected state business incentive and shall inform the administering agency of the specific data required and the format in which the administering agency shall provide this data to the department.

4. For purposes of this section, the term business incentive does not include a tax expenditure as defined under section 20 of this Act.

SECTION 22. LEGISLATIVE COUNCIL STUDY - HOUSING NEEDS. During the 2007-08 interim, the legislative council shall consider studying the state's housing needs and how unmet housing needs may affect 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 23. LEGISLATIVE COUNCIL STUDY - WIRELESS SERVICE PROVIDERS. During the 2007-08 interim, the legislative council shall consider studying issues relating to wireless service providers in the state and how wireless service impacts the business climate 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."

Page 5, after line 5, insert:

"SECTION 25. AMENDMENT. Section 15-69-02 of the North Dakota Century Code is amended and reenacted as follows:

15-69-02. (Effective through July 31, 2011) Centers of excellence.

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

SECTION 26. AMENDMENT. Section 15-69-03 of the North Dakota Century Code is amended and reenacted as follows:

15-69-03. (Effective through July 31, 2011) Centers of excellence commission. The centers of excellence commission consists of six members. The foundation shall appoint three of the foundation's members to serve on the commission and the board shall appoint three of the board's members to serve on the commission. The commission members shall designate a chairman and a vice chairman of the commission. Each member of the commission shall serve for a term of three years, beginning July first; may be reappointed for additional terms; and serves at the pleasure of the appointing entity. If a commission member ceases to serve as a member of the appointing entity, that member's membership on the commission ceases immediately

and the appointing entity shall appoint a new member for the remainder of the term. Terms of ~~initial~~ commission members ~~begin on July 1, 2005, and~~ must be staggered. On a meeting-by-meeting basis, an appointing entity may substitute a member of that appointing entity to serve in place of one of the regular members appointed by that entity. If the commission chairman and vice chairman are not present at a meeting, the commission members present at that meeting shall select a commission member to serve as chairman for that meeting. A commission member may receive compensation and travel and expense reimbursement from the appointing entity. The ~~board~~ department of commerce shall provide the commission with appropriate staff services as may be requested by the commission.

SECTION 27. AMENDMENT. Section 15-69-04 of the North Dakota Century Code is amended and reenacted as follows:

15-69-04. (Effective through July 31, 2011) Application - Eligibility requirements.

1. The ~~board~~ department of commerce shall provide center application forms, accept applications, review applications for completeness and compliance with board and commission policy, ~~and~~ forward complete applications to the commission in accordance with guidelines established by the commission, and assist with preaward reviews and postaward monitoring as may be requested by the commission.
2. The commission shall meet as necessary to review all complete applications; consider the potential need for independent, expert review of complete applications; approve or disapprove complete applications; make funding award recommendations for commission-approved proposed centers; direct the office of management and budget to distribute funds to the centers; monitor centers for compliance with award requirements; ~~and~~ review changes in assertions made in center applications; and conduct postaward monitoring of centers.
3. In considering whether to approve or disapprove an application, the commission shall determine whether the applicant has conducted the due diligence necessary to put together a viable proposal and the commission shall consider whether the center will:
 - a. Use university or college research to promote private sector job growth and expansion of knowledge-based industries or use university or college research to promote the development of new products, high-tech companies, or skilled jobs in this state;
 - b. Create high-value private sector employment opportunities in this state;
 - c. Provide for public-private sector involvement and partnerships;
 - d. Leverage other funding;
 - e. Increase research and development activities that may involve federal funding from the national science foundation experimental program to stimulate competitive research;
 - f. Foster and practice entrepreneurship;
 - g. Promote the commercialization of new products and services in industry clusters;
 - h. Become financially self-sustaining; and
 - i. Establish and meet a deadline for acquiring and expending all public and private funds specified in the application.
4. In considering whether to approve an application, the commission may provide for an independent, expert review of the application to determine whether the proposed center is viable and whether the proposed center is likely to have the desired economic impact. As necessary, the commission may contract for additional technical review of applications. The commission may not approve an application unless the commission

determines the proposed center has a high likelihood of viability and success in positively impacting economic development in the state.

5. For no fewer than six years and no more than ten years following center designation, the commission shall monitor the center's activities in order to determine whether the center is having the desired economic impact.

SECTION 28. AMENDMENT. Section 15-69-05 of the North Dakota Century Code is amended and reenacted as follows:

15-69-05. (Effective through July 31, 2011) Use of funds - Terms of funds - Distribution of funds.

1. A center shall use funds awarded under this chapter to enhance capacity; enhance infrastructure; and leverage state, federal, and private sources of funding. A center awarded funds under this chapter may not use the funds to supplant funding for current operations or academic instructions or to pay indirect costs.
2. As a condition for receipt of funds under this chapter, a center shall agree to provide the board, foundation, and budget section of the legislative council with annual audits on all funds distributed to the center under this chapter. The annual audits must be provided until the completion of ~~four years following the final distribution of funds under this chapter~~ the commission's postaward monitoring of the center. As a condition for receipt of funds under this chapter, a center shall agree to provide the commission with the information necessary to monitor the postaward activities of the center.
3. Before the commission directs the office of management and budget to distribute funds awarded under this chapter, the center shall provide the commission with detailed documentation of private sector participation and the availability of two dollars of matching funds for each dollar of state funds to be distributed under this chapter. The matching funds may include funds facilitated through the collaboration of the private sector participants with other funding entities. The matching funds may include a combination of cash and in-kind assets with itemized value. Private sector participation may be established through equity investments or through contracts for services with private sector entities. In making funding recommendations and designation determinations, the commission, board, foundation, and budget section shall give major consideration to the portion of the matching funds provided in cash by the private sector.
4. If, before funds are distributed by the office of management and budget, a center undergoes a change in the terms of or assertions made in its application, the commission may direct that the office of management and budget withhold all or a portion of any undistributed funds pending commission review of the changes.
5. The commission may use funds appropriated for the centers of excellence program to pay for the commission's administrative expenses, which may include contracting for independent, expert reviews of complete applications. The amount of funds the commission uses each biennium for administrative expenses may not exceed two and one-half percent of the funds appropriated for the program that biennium.

SECTION 29. AMENDMENT. Subsections 4 and 6 of section 54-17-07.3 of the North Dakota Century Code are amended and reenacted as follows:

4. Mortgage loan financing program. A program or programs to provide for the purchase or guaranty of a temporary or permanent mortgage ~~loans~~ loan originated by ~~lenders~~ a lender on residential real property or on land to be developed into residential real property, in addition to ~~such a~~ mortgage ~~loans~~ loan acquired or to be acquired under subsections 1 through 3. A program authorized under this subsection may provide assistance in the development of low to moderate income housing or to otherwise assist a developing community in the state address an unmet housing need or alleviate a housing shortage.

6. Housing grant program. A program or programs to provide ~~grants~~ a grant other than those authorized by section 54-17-07.6 to encourage and promote housing availability for persons of low or moderate income or to otherwise assist a developing community in this state address an unmet housing need or alleviate a housing shortage.

SECTION 30. A new section to chapter 54-34.4 of the North Dakota Century Code is created and enacted as follows:

Visitor information centers. The division may develop and implement a visitor information center assistance program. The program may include matching grant funds, training assistance, and marketing assistance for visitor information centers and for rest stop volunteers.

SECTION 31. AMENDMENT. Section 54-60-02 of the North Dakota Century Code is amended and reenacted as follows:

54-60-02. Department of commerce - Divisions. The North Dakota department of commerce is created. All records, materials, supplies, and equipment used by the division of community services, department of economic development and finance, and the department of tourism are transferred to the department.

1. The department must consist of:
 - a. A division of community services;
 - b. A division of economic development and finance;
 - c. A division of tourism;
 - d. A division of workforce development; and
 - e. Any division the commissioner determines necessary to carry out this chapter.
2. The commissioner shall appoint the director of any each division created ~~by the commissioner under subsection 1. Effective August 1, 2003, the commissioner shall appoint the directors of the division of community services, division of economic development and finance, and division of workforce development. Effective August 1, 2005, the commissioner shall appoint the director of the division of tourism of the department. Each director appointed by the commissioner serves at the pleasure of the commissioner and is entitled to receive a salary set by the commissioner within the limits of legislative appropriations. Until August 1, 2003, the governor shall appoint the directors of the division of community services, division of economic development and finance, and division of workforce development and until August 1, 2005, the governor shall appoint the director of the division of tourism. The individuals appointed by the governor shall serve at the pleasure of the governor and are entitled to receive a salary set by the governor within the limits of legislative appropriations.~~

SECTION 32. AMENDMENT. Section 54-60-09 of the North Dakota Century Code is amended and reenacted as follows:

54-60-09. Division of workforce development - Duties. The division of workforce development shall ~~actively~~:

1. Actively monitor local, regional, and national private and public workforce development initiatives.
2. Develop and implement the state's talent strategy.
3. Develop and implement a statewide intelligence coordination strategy.

SECTION 33. AMENDMENT. Section 54-60-12 of the North Dakota Century Code is amended and reenacted as follows:

54-60-12. North Dakota image information program. The commissioner shall implement a program for use by state agencies and the private sector to assist

state agencies ~~and~~, state agencies' employees, private businesses, and private businesses' employees to present to the public a positive image of the state. ~~The commissioner may expand the program to include use of the program by the private sector.~~

SECTION 34. Two new sections to chapter 54-60 of the North Dakota Century Code are created and enacted as follows:

Division of workforce development - Higher education internships and work experience opportunities. The division of workforce development shall administer a program to increase use of higher education internships and work experience opportunities for higher education students. The primary focus of this program must be higher education internships in target industries. This program shall provide services to employers, communities, and business organizations to increase higher education internship and work experience opportunities.

Division of workforce development - Career specialist. The division of workforce development, in consultation with the department of career and technical education, job service North Dakota, and the superintendent of public instruction, shall develop and implement a program to assist public schools in promoting North Dakota career opportunities to students in grades nine through twelve."

Page 6, after line 14, insert:

"SECTION 36. AMENDMENT. Subdivision 1 of subsection 2 of section 54-60.1-01 of the North Dakota Century Code is amended and reenacted as follows:

- I. ~~Except for a center of excellence award under chapter 15-69,~~ assistance Assistance for a collaboration between a North Dakota institution of higher education and a business.

SECTION 37. Section 57-38-01.24 of the North Dakota Century Code is created and enacted as follows:

57-38-01.24. Internship employment tax credit.

1. A taxpayer that is an employer within this state is entitled to a credit as determined under this section against state income tax liability under section 57-38-29, 57-38-30, or 57-38-30.3 for qualified compensation paid to an intern employed in this state by the taxpayer. To qualify for the credit under this section, the internship program must meet the following qualifications:
 - a. The intern must be an enrolled student in an institution of higher education or vocational technical education program who is seeking a degree or a certification of completion in a major field of study closely related to the work experience performed for the taxpayer;
 - b. The internship must be taken for academic credit or count toward the completion of a vocational technical education program;
 - c. The intern must be supervised and evaluated by the taxpayer; and
 - d. The internship position must be located in this state.
2. The amount of the credit to which a taxpayer is entitled is ten percent of the stipend or salary paid to a college intern employed by the taxpayer. A taxpayer may not receive more than three thousand dollars in total credits under this section for all taxable years combined.
 - a. The tax credit under this section applies to a stipend or salary for not more than five interns employed at the same time.
 - b. A partnership, subchapter S corporation, or limited liability company that for tax purposes is treated like a partnership that is entitled to the credit under this section must be considered to be the taxpayer for purposes of calculating the credit. The amount of the allowable credit must be determined at the passthrough entity level. The total credit determined at the entity level must be passed through to the partners,

shareholders, or members in proportion to their respective interests in the passthrough entity.

SECTION 38. Section 57-38-01.25 of the North Dakota Century Code is created and enacted as follows:

57-38-01.25. Workforce recruitment credit for hard-to-fill employment positions. A taxpayer that is an employer in this state is entitled to a credit as determined under this section against state income tax liability under section 57-38-29, 57-38-30, or 57-38-30.3 for costs the taxpayer incurred during the tax year to recruit and hire employees for hard-to-fill employment positions within this state for which the annual salary for the position meets or exceeds the state average wage.

1. The amount of the credit to which a taxpayer is entitled is five percent of the salary paid for the first twelve consecutive months to the employee hired for the hard-to-fill employment position. To qualify for the credit under this section, the employee must be employed by the taxpayer in the hard-to-fill employment position for twelve consecutive months.
2. For purposes of this section:
 - a. "Extraordinary recruitment methods" means using three or more of the following:
 - (1) A person with the exclusive business purpose of recruiting employees and for which a fee is charged by that recruiter.
 - (2) An advertisement in a professional trade journal, magazine, or other publication, the main emphasis of which is providing information to a particular trade or profession.
 - (3) A web site, the sole purpose of which is to recruit employees and for which a fee is charged by the web site.
 - (4) Participation in job or career fair.
 - (5) Payment for professional licensing or certification required for the position.
 - (6) Payment of a signing bonus, moving expenses, or nontypical fringe benefits.
 - b. "Hard-to-fill employment position" means a job that requires the employer to use extraordinary recruitment methods.
 - c. "State average wage" means the state average wage published annually by job service North Dakota and which is in effect at the time the employee is hired.
3. The taxpayer may claim the credit in the first tax year beginning after the employee hired for the hard-to-fill position has completed the employee's first twelve consecutive months of employment in the hard-to-fill position with the taxpayer.
4. The credit under this section may not exceed a taxpayer's liability for the taxable year as determined under this chapter. Any amount of unused credit may be carried forward for up to four taxable years after the taxable year in which the credit could initially be claimed.
5. A partnership, subchapter S corporation, or limited liability company that for tax purposes is treated like a partnership that is entitled to the credit under this section must be considered to be the taxpayer for purposes of this section and the amount of the credit allowed must be determined at the passthrough entity level. The amount of the total credit determined at the passthrough entity level must be allowed to the members in proportion to their respective interests in the passthrough entity.

SECTION 39. A new subsection to section 57-38-30.3 of the North Dakota Century Code is created and enacted as follows:

A taxpayer filing a return under this section is entitled to the credits provided under sections 57-38-01.24, 57-38-01.25, and 57-38-30.5.

SECTION 40. AMENDMENT. Section 57-38-30.5 of the North Dakota Century Code is amended and reenacted as follows:

57-38-30.5. ~~Corporate income~~ Income tax credit for research and experimental expenditures. ~~Any corporation~~ A taxpayer is allowed a credit against the tax imposed under ~~this chapter~~ section 57-38-29, 57-38-30, or 57-38-30.3 for the taxable year equal to ~~eight~~ twenty-five percent of the first ~~one and one-half million~~ hundred thousand dollars of the qualified research expenses for the taxable year in excess of the base period research expenses and equal to ~~four~~ twenty percent of all qualified research expenses for the taxable year more than ~~one and one-half million~~ hundred thousand dollars in excess of the base period research expenses.

1. For purposes of this section:
 - a. "Base period research expenses" means base period research expenses as defined in section 41(c) of the Internal Revenue Code [26 U.S.C. 41(c)], except it does not include research conducted outside the state of North Dakota.
 - b. "Qualified research" means qualified research as defined in section 41(d) of the Internal Revenue Code [26 U.S.C. 41(d)], except it does not include research conducted outside the state of North Dakota.
 - c. "Qualified research expenses" means qualified research expenses as defined in section 41(b) of the Internal Revenue Code [26 U.S.C. 41(b)], except it does not include expenses incurred for basic research conducted outside the state of North Dakota.
2. The credit allowed under this section for the taxable year may not exceed the liability for tax under this chapter.
3. In the case of a ~~corporation which taxpayer that~~ taxpayer that is a partner in a partnership or a member in a limited liability company, the credit allowed for the taxable year may not exceed an amount separately computed with respect to the ~~corporation's taxpayer's~~ taxpayer's interest in the trade, business, or entity equal to the amount of tax attributable to that portion of the ~~corporation's taxpayer's~~ taxpayer's taxable income which is allocable or apportionable to the ~~corporation's taxpayer's~~ taxpayer's interest in the trade, business, or entity.
4. If the amount of the credit determined under this section for any taxable year exceeds the limitation under subsection 2, the excess may be used as a research credit carryback to each of the three preceding taxable years and a research credit carryover to each of the fifteen succeeding taxable years or the taxpayer may assign or transfer, for consideration, the excess to another taxpayer. The ~~If the taxpayer elects to carry back or carry over the credit, the entire amount of the excess unused credit for the taxable year must be carried first to the earliest of the taxable years to which the credit may be carried and then to each successive year to which the credit may be carried. The~~ and the amount of the unused credit which may be added under this subsection may not exceed the taxpayer's liability for tax less the research credit for the taxable year.
 - a. A taxpayer's total credit assignment under this section may not exceed one hundred thousand dollars over any combination of taxable years.
 - b. If the taxpayer elects to assign or transfer an excess credit under this subsection, the tax credit transferor and the tax credit purchaser jointly shall file with the tax commissioner a copy of the purchase agreement and a statement containing the names, addresses, and taxpayer identification numbers of the parties to the transfer, the amount of the credit being transferred, the gross proceeds received by the transferor, and the tax year or years for which the credit may be claimed. The taxpayer and the purchaser also shall file a document allowing the tax commissioner to disclose tax information to either party for the purpose of verifying the correctness of the transferred tax credit. The purchase agreement, supporting statement, and waiver

must be filed within thirty days after the date the purchase agreement is fully executed.

- c. The purchaser of the tax credit shall claim the credit beginning with the tax year in which the credit purchase agreement was fully executed by the parties. A purchaser of a tax credit under this section has only such rights to claim and use the credit under the terms that would have applied to the tax credit transferor, except the credit purchaser may not carry back the credit as otherwise provided in this section. This subsection does not limit the ability of the tax credit purchaser to reduce the tax liability of the purchaser, regardless of the actual tax liability of the tax credit transferor.
- d. The original purchaser of the tax credit may not sell, assign, or otherwise transfer the credit purchased under this section.
- e. If the amount of the credit available under this section is changed as a result of an amended return filed by the transferor, or as the result of an audit conducted by the internal revenue service or the tax commissioner, the transferor shall report to the purchaser the adjusted credit amount within thirty days of the amended return or within thirty days of the final determination made by the internal revenue service or the tax commissioner. The tax credit purchaser shall file amended returns reporting the additional tax due or claiming a refund as provided in section 57-38-38 or 57-38-40, and the tax commissioner may audit these returns and assess or issue refunds, even though other time periods prescribed in these sections may have expired for the purchaser.
- f. Gross proceeds received by the tax credit transferor must be assigned to North Dakota. The amount assigned under this subsection cannot be reduced by the taxpayer's income apportioned to North Dakota or any North Dakota net operating loss of the taxpayer.
- g. The tax commissioner has four years after the date of the credit assignment to audit the returns of the credit transferor and the purchaser to verify the correctness of the amount of the transferred credit and if necessary assess the credit purchaser if additional tax is found due. This subdivision does not limit or restrict any other time period prescribed in this chapter for the assessment of tax.
- h. The tax commissioner may adopt rules to permit verification of the validity and timeliness of the transferred tax credit.
- 5. If a taxpayer acquires or disposes of the major portion of a trade or business or the major portion of a separate unit of a trade or business in a transaction with another taxpayer, the taxpayer's qualified research expenses and base period must be adjusted in the manner provided by section 41(f)(3) of the Internal Revenue Code [26 U.S.C. 41(f)(3)].
- 6. If a taxpayer entitled to the credit provided by this section is a member of a group of corporations filing a North Dakota consolidated tax return using the combined reporting method, the credit may be claimed against the aggregate North Dakota tax liability of all the corporations included in the North Dakota consolidated return. This section does not apply to tax credits received or purchased under subsection 5.
- 7. An individual, estate, or trust that purchases a credit under this section is entitled to claim the credit against state income tax liability under section 57-38-29 or 57-38-30.3.

SECTION 41. AMENDMENT. Section 57-38.5-05 of the North Dakota Century Code is amended and reenacted as follows:

57-38.5-05. Seed capital investment tax credit limits. The aggregate amount of seed capital investment tax credit allowed for investments under this chapter is limited to ~~two~~ five million ~~five hundred thousand~~ dollars for each calendar year. If investments in qualified businesses reported to the commissioner under section 57-38.5-07 exceed the limits on tax credits for investments imposed by this section, the

credit must be allowed to taxpayers in the chronological order of their investments in qualified businesses as determined from the forms filed under section 57-38.5-07.

SECTION 42. AMENDMENT. Section 57-38.6-01 of the North Dakota Century Code is amended and reenacted as follows:

57-38.6-01. Definitions. As used in this chapter, unless the context otherwise requires:

1. "Agricultural commodity processing facility" means a:
 - a. A facility that through processing involving the employment of knowledge and labor adds value to an agricultural commodity capable of being raised in this state; or
 - b. A livestock feeding, handling, milking, or holding operation that uses as part of its operation a byproduct produced at a biofuels production facility.
2. "Biofuels production facility" means a corporation, limited liability company, partnership, individual, or association in this state:
 - a. Involved in production of diesel fuel containing at least five percent biodiesel meeting the specifications adopted by the American society for testing and materials;
 - b. Involved in the production of corn-based ethanol or cellulose-based ethanol; or
 - c. Involved in a soybean or canola crushing facility.
3. "Director" means the director of the department of commerce division of economic development and finance.
- ~~3.~~ 4. "Qualified business" means a cooperative, corporation, partnership, or limited liability company that:
 - a. Is incorporated or organized in this state after December 31, 2000, for the primary purpose of ~~processing and marketing being an~~ agricultural ~~commodities capable of being raised in this state~~ commodity processing facility;
 - b. Has been certified by the securities commissioner to be in compliance under the securities laws of this state;
 - c. Has an agricultural commodity processing facility, or intends to locate one, in this state; and
 - d. Is among the first ten businesses that meets the requirements of this subsection, but not a business that was previously certified as a qualified business under chapter 57-38.5.
- ~~4.~~ 5. "Taxpayer" means an individual, estate, trust, corporation, partnership, or limited liability company.

SECTION 43. AMENDMENT. Section 17 of chapter 151 of the 2005 Session Laws is amended and reenacted as follows:

SECTION 17. NORTH DAKOTA BUSINESS CLIMATE INITIATIVE - LEGISLATIVE COUNCIL STUDY. During the 2005-06 ~~and 2007-08~~ ~~interims~~ interim, the legislative council shall study the state's business climate through a business climate initiative. The business climate initiative must include receipt of agency reports regarding economic development legislation introduced by the legislative council during previous legislative sessions, active participation in business climate focus groups across the state, and active participation in a biennial business ~~congresses~~ congress. The focus groups shall discuss ways to enhance the state's business climate to stimulate job growth and enhance economic prosperity for employers and employees by encouraging the growth of existing businesses in the state, creating new businesses in the state, and encouraging expansion or relocation of businesses to this state. ~~Each~~ The business congress must receive a report on the activities of the focus group

discussions, shall identify methods to enhance the state's business climate to stimulate job growth and enhance economic prosperity, shall identify methods to prepare the state for the high-growth and high-demand jobs of the future, and shall evaluate the impact of existing state economic development programs. The department of commerce shall organize the business climate focus groups and the business ~~congresses congress~~. Before ~~each the~~ business congress, which must be held before June 1, 2006, and before June 1, 2008, the department shall hold a minimum of six focus group discussions, two of which specifically focus on local economic developers and four of which specifically focus on private business needs. The department shall consult with the legislative council in compiling focus group and business congress participant invitation lists and drafting and distributing invitations, establishing focus group and business congress dates and locations, and preparing agendas for focus groups and ~~the business congresses congress~~. The legislative council shall contract with a third party to provide professional services to plan, facilitate, report on, and coordinate followup for the focus groups and business ~~congresses congress~~. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixtieth and ~~sixty-first~~ legislative ~~assemblies assembly~~.

SECTION 44. REPEAL. Sections 57-38-71, 57-38-72, 57-38-73, and 57-38-74 of the North Dakota Century Code are repealed.

SECTION 45. EFFECTIVE DATE. Sections 37, 38, 39, 40, 41, 42, and 44 of this Act are effective for taxable years beginning after December 31, 2006. Section 40 of this Act is effective for tax credits earned and assigned after December 31, 2006. However, rentals under a lease entered before January 1, 2007, and eligible for the exemption under section 57-38-73 when the lease was entered continue to be eligible for the exemption for taxable years after 2006 on the same terms and conditions for the duration of the lease."

Page 6, line 15, replace "14" with "35"

Page 6, after line 16, insert:

"SECTION 47. EMERGENCY. Section 29 of this Act is declared to be an emergency measure."

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1018 - Summary of Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Office of Management and Budget				
Total all funds	\$0	\$0	\$27,023,138	\$27,023,138
Less estimated income			5,000,000	5,000,000
General fund	\$0	\$0	\$22,023,138	\$22,023,138
Board for Career and Technical Education				
Total all funds	\$0	\$70,000	\$0	\$70,000
Less estimated income				
General fund	\$0	\$70,000	\$0	\$70,000
Department of Commerce				
Total all funds	\$81,531,029	\$77,000,837	\$4,714,000	\$81,714,837
Less estimated income	55,361,293	55,361,293		55,361,293
General fund	\$26,169,736	\$21,639,544	\$4,714,000	\$26,353,544
Bill Total				
Total all funds	\$81,531,029	\$77,070,837	\$31,737,138	\$108,807,975
Less estimated income	55,361,293	55,361,293	5,000,000	60,361,293
General fund	\$26,169,736	\$21,709,544	\$26,737,138	\$48,446,682

House Bill No. 1018 - Office of Management and Budget - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Centers of excellence			\$20,000,000	\$20,000,000
Centers of excellence - Contingency			5,000,000	5,000,000
Prairie Public Broadcasting			2,023,138	2,023,138
Total all funds	\$0	\$0	\$27,023,138	\$27,023,138

Less estimated income			<u>5,000,000</u>	<u>5,000,000</u>
General fund	\$0	\$0	\$22,023,138	\$22,023,138
FTE	0.00	0.00	0.00	0.00

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

	ADDS CENTERS OF EXCELLENCE FUNDING ¹	ADDS CONTINGENT CENTERS OF EXCELLENCE FUNDING ²	ADDS FUNDING FOR PBS ³	TOTAL SENATE CHANGES
Centers of excellence	\$20,000,000			\$20,000,000
Centers of excellence - Contingency		\$5,000,000		5,000,000
Prairie Public Broadcasting			<u>\$2,023,138</u>	<u>2,023,138</u>
Total all funds	\$20,000,000	\$5,000,000	\$2,023,138	\$27,023,138
Less estimated income		<u>5,000,000</u>		<u>5,000,000</u>
General fund	\$20,000,000	\$0	\$2,023,138	\$22,023,138
FTE	0.00	0.00	0.00	0.00

¹ A section is added appropriating funds for centers of excellence for the 2007-09 biennium.

² A section is added authorizing the Office of Management and Budget, as directed by the Centers of Excellence Commission and with Emergency Commission and Budget Section approval, to borrow up to \$5 million from the Bank of North Dakota for providing additional funding for centers of excellence.

³ A section is added providing funding for Prairie Public Broadcasting.

House Bill No. 1018 - Department of Commerce - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$8,617,235	\$8,617,235		\$8,617,235
Operating expenses	13,642,636	9,978,688	\$3,114,000	13,092,688
Capital assets	25,000	25,000		25,000
Grants	48,374,748	48,374,748	400,000	48,774,748
North Dakota Development Fund	3,000,000	3,000,000	1,000,000	4,000,000
Discretionary funds	1,450,127	1,450,127		1,450,127
Economic development initiatives	2,163,090	1,296,846		1,296,846
Agricultural products utilization	2,808,193	2,808,193	200,000	3,008,193
Economic development grants	50,000	50,000		50,000
North Dakota Trade Office	<u>1,400,000</u>	<u>1,400,000</u>		<u>1,400,000</u>
Total all funds	\$81,531,029	\$77,000,837	\$4,714,000	\$81,714,837
Less estimated income	<u>55,361,293</u>	<u>55,361,293</u>		<u>55,361,293</u>
General fund	\$26,169,736	\$21,639,544	\$4,714,000	\$26,353,544
FTE	73.00	64.00	0.00	64.00

Dept. 601 - Department of Commerce - Detail of Senate Changes

	ADDS FUNDING FOR INNOVATE ND ¹	ADDS FUNDING FOR FOR APUC ²	ADDS FUNDING FOR THE DEVELOPMENT FUND ³	ADDS FUNDING FOR CAREER SPECIALISTS ⁴	ADDS FUNDING FOR WORKFORCE SYSTEM INITIATIVE ⁵	ADDS FUNDING FOR TOURISM MARKETING ⁶
Salaries and wages						
Operating expenses	\$50,000				\$50,000	\$3,000,000
Capital assets						
Grants				\$400,000		
North Dakota Development Fund			\$1,000,000			
Discretionary funds						
Economic development initiatives		\$200,000				
Agricultural products utilization						
Economic development grants						
North Dakota Trade Office						
Total all funds	\$50,000	\$200,000	\$1,000,000	\$400,000	\$50,000	\$3,000,000
Less estimated income						
General fund	\$50,000	\$200,000	\$1,000,000	\$400,000	\$50,000	\$3,000,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	ADDS FUNDING FOR FAITH-BASED INITIATIVE ⁷	TOTAL SENATE CHANGES
Salaries and wages		
Operating expenses	\$14,000	\$3,114,000
Capital assets		
Grants		400,000

North Dakota Development Fund		1,000,000
Discretionary funds		
Economic development initiatives		
Agricultural products utilization		200,000
Economic development grants		
North Dakota Trade Office		
Total all funds	\$14,000	\$4,714,000
Less estimated income		
General fund	\$14,000	\$4,714,000
FTE	0.00	0.00

¹ Funds for Innovate ND is increased to provide a total of \$300,000, of which \$150,000 is from the general fund.

² Funding for the Agricultural Products Utilization Commission is increased to provide a total of \$1,662,115 from the general fund.

³ The transfer to the development fund is increased to provide a total of \$4 million for the 2007-09 biennium.

⁴ Funding is added to provide grants for career counseling services for students.

⁵ Funding is added for costs relating to the Workforce System Initiative.

⁶ This amendment restores \$3 million of the \$3,753,948 reduced by the House for tourism marketing and promotion.

⁷ Funding is added to provide a total of \$25,000 for operating expenses of the Office of Faith-Based and Community Initiatives. Funding of \$11,000 from the general fund is appropriated to the department in Senate Bill No. 2001.

The section added by the House requiring the Trade Office to raise \$1 in matching funds for every \$2 provided by the state is replaced with a section requiring the department to report to the Budget Section on the status of matching funds raised by the Trade Office.

Sections are added relating to:

- Centers of excellence.
- Housing Finance Agency programs.
- Visitor information centers of the Tourism Division.
- Department of Commerce organizational structure.
- Workforce talent strategy and statewide intelligence coordination strategy.
- Image information program.
- Internships.
- Career specialists of the department.
- Internship employment tax credit.
- Research and experimental expenditures tax credit.
- Research and development tax credit.
- Seed capital investment tax credit.
- Agriculture business investment tax credit.
- Business climate initiative study.
- Beginning entrepreneur tax deductions and exemptions.
- Monitoring CCbenefits, Inc. and reporting to the Legislative Council.
- Definition of business incentive.

- Tax expenditure report pilot project.
- Business incentive expenditure report pilot project.
- Legislative Council studies of housing needs, wireless service providers, higher education promise grants, Workforce System Initiative, and Department of Commerce.

REPORT OF STANDING COMMITTEE

HB 1106, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (10 YEAS, 3 NAYS, 1 ABSENT AND NOT VOTING). Engrossed HB 1106 was placed on the Sixth order on the calendar.

Page 1, line 1, after the first "1" insert "and subdivision a of subsection 7"

Page 1, line 3, remove "and" and after "date" insert "; and to declare an emergency"

Page 1, line 8, replace "forty" with "thirty"

Page 1, after line 11, insert:

"SECTION 2. AMENDMENT. Subsection 1 of section 54-03-20 of the North Dakota Century Code is amended and reenacted as follows:

1. Each member of the legislative assembly is entitled to receive as compensation for services the sum of one hundred ~~thirty~~ thirty-five dollars for each calendar day during any organizational, special, or regular legislative session and for each day that member attends a meeting of a legislative committee between the organizational session and the regular session as authorized by legislative rule.

SECTION 3. AMENDMENT. Subdivision a of subsection 7 of section 54-03-20 of the North Dakota Century Code is amended and reenacted as follows:

7. a. In addition, each member is entitled to receive during the term for which the member was elected, as compensation for the execution of public duties during the biennium, the sum of three hundred ~~fifty~~ sixty-four dollars a month, which is payable every six months or monthly, at the member's option.

SECTION 4. AMENDMENT. Subdivision a of subsection 7 of section 54-03-20 of the North Dakota Century Code is amended and reenacted as follows:

7. a. In addition, each member is entitled to receive during the term for which the member was elected, as compensation for the execution of public duties during the biennium, the sum of three hundred ~~sixty-four~~ seventy-eight dollars a month, which is payable every six months or monthly, at the member's option."

Page 1, line 16, replace "twenty-five" with "four"

Page 1, replace lines 20 and 21 with:

"SECTION 6. AMENDMENT. Subsection 1 of section 54-35-10 of the North Dakota Century Code is amended and reenacted as follows:

1. The members of the council and the members of any committee of the council are entitled to be compensated for the time spent in attendance at sessions of the council and of its committees at the rate of one hundred ~~four~~ eight dollars per day and must also be paid for expenses incurred in attending said meetings and in the performance of their official duties in the amounts provided by law for other state officers.

SECTION 7. EFFECTIVE DATE. Sections 1, 3, and 5 of this Act become effective on July 1, 2007, and sections 2, 4, and 6 of this Act become effective on July 1, 2008.

SECTION 8. EMERGENCY. Sections 1, 3, and 5 of this Act are declared to be an emergency measure."

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1107, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed HB 1107 was placed on the Sixth order on the calendar.

Page 1, line 14, remove the overstrike over "~~seventy~~" and remove "~~seventy-eight~~"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment removes the increase in the mileage rate for travel by plane.

REPORT OF STANDING COMMITTEE

HB 1175: Appropriations Committee (Sen. Holmberg, Chairman) recommends **DO NOT PASS** (12 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). HB 1175 was placed on the Fourteenth order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1322, as engrossed and amended: Appropriations Committee (Sen. Holmberg, Chairman) recommends **DO PASS** (9 YEAS, 5 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1322, as amended, was placed on the Fourteenth order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1399, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **BE PLACED ON THE CALENDAR WITHOUT RECOMMENDATION** (10 YEAS, 2 NAYS, 2 ABSENT AND NOT VOTING). Engrossed HB 1399 was placed on the Fourteenth order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1461, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **DO PASS** (10 YEAS, 3 NAYS, 1 ABSENT AND NOT VOTING). Engrossed HB 1461 was placed on the Fourteenth order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1463, 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 1463 was placed on the Sixth order on the calendar.

Page 1, line 3, after "program" insert "; to provide a contingent appropriation; and to provide an effective date"

Page 2, after line 13, insert:

"SECTION 3. CONTINGENT APPROPRIATION. If section 1 of this Act does not become effective and section 2 of this Act does become effective, there is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$144,067 and from special funds derived from federal funds and other income \$2,196,987 to the department of human services for the purpose of defraying the expenses of implementing the expansion of the state children's health insurance program as described in section 2 of this Act for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 4. EFFECTIVE DATE. Section 1 of this Act becomes effective on the date the department of human services certifies to the legislative council that the department has received approval to claim federal financial participation to expand medical assistance benefits to children as described in section 1 of this Act.

SECTION 5. EFFECTIVE DATE. Section 2 of this Act becomes effective on the date the department of human services certifies to the legislative council that the federal reauthorization of the state children's health insurance program resulted in an allotment to the state in an amount that is sufficient to fund the increase identified in section 2 of this Act."

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1469, as engrossed and amended: Natural Resources Committee (Sen. Lyson, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (6 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). Engrossed HB 1469, as amended, was placed on the Sixth order on the calendar.

In lieu of the amendments adopted by the Senate as printed on page 690 of the Senate Journal, Engrossed House Bill No. 1469 is amended as follows:

Page 1, line 19, remove "; however, an individual may not park a vehicle so as to"

Page 1, line 20, remove "block or impede traffic using the established road or trail"

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1515, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (12 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). Engrossed HB 1515 was placed on the Sixth order on the calendar.

Page 1, line 4, remove "; and to provide an appropriation"

Page 2, remove lines 22 through 27

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment removes the appropriation to the Industrial Commission for the establishment of a private land open to sportsmen biomass demonstration project and a biomass incentive and research project.

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

William R. Horton, Secretary

