

JOURNAL OF THE SENATE

Sixtieth Legislative Assembly

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Bismarck, April 6, 2007

The Senate convened at 8:00 a.m., with President Dalrymple presiding.

The prayer was offered by Doctor Donald A. Urey, Bismarck Baptist Church, Bismarck.

The roll was called and all members were present except Senators Taylor and Wardner.

A quorum was declared by the President.

CONSIDERATION OF AMENDMENTS

HB 1107, as engrossed: SEN. SEYMOUR (Appropriations Committee) MOVED that the amendments on SJ page 1016 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed.

SECOND READING OF HOUSE BILL

HB 1107: A BILL for an Act to amend and reenact subsections 1 and 5 of section 54-06-09 of the North Dakota Century Code, relating to mileage and travel expense reimbursement for state officials and employees.

ROLL CALL

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

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

NAYS: Oehlke

Engrossed HB 1107, as amended, passed and the title was agreed to.

CONSIDERATION OF AMENDMENTS

HB 1106, as engrossed: SEN. SEYMOUR (Appropriations Committee) MOVED that the amendments on SJ pages 1304-1305 be adopted and then be placed on the Fourteenth order with **DO PASS**.

REQUEST

SEN. MATHERN REQUESTED that the Senate divide the amendments to Engrossed HB 1106, which request was granted on a voice vote.

DIVISION A: Section 7 of the proposed amendments.

DIVISION B: The remainder of the proposed amendments.

REQUEST

SEN. STENEHJEM REQUESTED a verification vote on Division A of the proposed amendments to Engrossed HB 1106, which request was granted.

The question being the adoption of Division A of the proposed amendments to Engrossed HB 1106, the motion failed on a verification vote.

The question being the adoption of Division B of the proposed amendments to Engrossed HB 1106, the motion passed on a voice vote.

Therefore, the question being the adoption of the proposed amendments which exclude Division A and include Division B, the proposed amendments to HB 1106 were adopted on a voice vote.

Engrossed HB 1106, as amended, was placed on the Fourteenth order for immediate second reading.

SECOND READING OF HOUSE BILL

HB 1106: A BILL for an Act to amend and reenact subsection 1 and subdivision a of subsection 7 of section 54-03-20 and subsection 1 of section 54-35-10 of the North Dakota Century Code, relating to compensation and expense reimbursement of members of the legislative assembly; to provide an effective date; and to declare an emergency.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 36 YEAS, 11 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

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

NAYS: Behm; Fiebiger; Flakoll; Heckaman; Heitkamp; Krauter; Lindaas; Oehlke; Olafson; Pomeroy; Robinson

Engrossed HB 1106, as amended, passed, the title was agreed to, and the emergency clause was declared carried.

SECOND READING OF HOUSE BILL

HB 1175: A BILL for an Act to amend and reenact section 54-35-10 of the North Dakota Century Code, relating to compensation and expense reimbursement for members and members-elect of the legislative assembly for attendance at the biennial meeting of the legislative council.

ROLL CALL

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO NOT PASS, the roll was called and there were 7 YEAS, 40 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Anderson; Dever; Heitkamp; Horne; Marcellais; Mathern; Pomeroy

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

HB 1175 lost.

CONSIDERATION OF AMENDMENTS

HB 1001, as engrossed: SEN. CHRISTMANN (Appropriations Committee) MOVED that the amendments on SJ pages 1289-1291 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed.

SECOND READING OF HOUSE BILL

HB 1001: A BILL for an Act providing an appropriation for defraying the expenses of the legislative branch of state government; to provide for transfers; and to declare an emergency.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 43 YEAS, 4 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

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

NAYS: Heitkamp; Krauter; Potter; Robinson

Engrossed HB 1001, as amended, passed, the title was agreed to, and the emergency clause was declared carried.

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

MR. SPEAKER: The Senate has amended, subsequently passed, and the emergency clause carried: HB 1001.

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

MR. SPEAKER: The Senate has amended, subsequently passed, and the emergency clause carried: HB 1106.

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

MR. SPEAKER: The Senate has amended and subsequently passed: HB 1107.

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

MR. SPEAKER: The Senate has failed to pass: HB 1175.

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

MR. SPEAKER: The President has signed: HB 1218, HB 1309, HB 1322, HB 1340, HB 1344, HB 1392, HB 1429, HB 1461, HB 1465, HB 1499, HCR 3046.

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

MR. SPEAKER: The President has signed: SB 2298.

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

MR. PRESIDENT: Your signature is respectfully requested on: HB 1010, HB 1088, HB 1157, HB 1348, HB 1402, HB 1422, HB 1456.

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following bill was delivered to the Governor for approval on April 6, 2007: SB 2298.

MOTION

SEN. CHRISTMANN MOVED that the Senate stand in recess until 12:30 p.m., which motion prevailed.

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

SECOND READING OF HOUSE BILL

HB 1051: A BILL for an Act to create and enact sections 57-15-01.2, 57-15-10.3, and 57-20-07.2 of the North Dakota Century Code, relating to limitations on levies by taxing districts, emergency levy authority of taxing districts, and a state-paid property tax relief credit; to amend and reenact sections 57-02-08.1, 57-20-07.1, 57-20-09, 57-20-21.1, and 57-32-03, subsection 1 of section 57-38-30.3, and section 57-51.1-07.2 of the North Dakota Century Code, relating to contents of property tax statements, income tax rates, priority for delinquent taxes, the homestead property tax credit, the discount for early payment of property taxes, and to provide property tax relief funding from the permanent oil tax trust fund; to provide for a legislative council study; to provide a continuing appropriation for state-paid property tax relief; to provide an appropriation; and to provide an effective date.

MOTION

SEN. COOK MOVED that Reengrossed HB 1051, as amended, be further amended as follows:

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, replace "sections 57-15-01.2, 57-15-10.3, and" with "section"

Page 1, line 2, remove "limitations on levies by taxing districts, emergency levy"

Page 1, line 3, remove "authority of taxing districts, and"

Page 1, line 9, after the semicolon insert "to provide an appropriation;"

Page 5, remove lines 13 through 30

Page 6, remove lines 1 through 31

Page 7, remove lines 1 through 18

Page 7, line 31, after "applicable" insert "for the taxable year to which the tax statement applies"

Page 8, line 3, after the period insert "The real estate tax statement must include, or be accompanied by, information showing for the taxable year to which the tax statement applies for each major taxing district, including cities, counties, and school districts, the dollar amount and percentage change in dollars levied from the previous year for each major taxing district and the total change in the dollar amount and percentage of dollars levied against the property by all taxing districts from the previous taxable year."

Page 8, line 16, replace the underscored comma with ". The credit under this section applies to agricultural property only"

Page 8, line 19, remove "as that"

Page 8, line 20, remove "person's homestead"

Page 8, line 25, remove "if the individual primarily"

Page 8, remove lines 26 through 28

Page 8, line 29, remove "individual's homestead"

Page 11, replace lines 23 through 31 with:

"SECTION 7. AMENDMENT. Subsection 1 of section 57-38-30.3 of the North Dakota Century Code is amended and reenacted as follows:

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

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

If North Dakota taxable income is:	The tax is equal to:
Not over \$27,050 <u>\$31,850</u>	2.10%
Over \$27,050 <u>\$31,850</u> but not over \$65,550 <u>\$77,100</u>	\$568.05 <u>\$668.85</u> plus 3.92% of amount over \$27,050 <u>\$31,850</u>
Over \$65,550 <u>\$77,100</u> but not over \$136,750 <u>\$160,850</u>	\$2,077.25 <u>\$2,442.65</u> plus 4.34% of amount over \$65,550 <u>\$77,100</u>
Over \$136,750 <u>\$160,850</u> but not over \$297,350 <u>\$349,700</u>	\$5,167.33 <u>\$6,077.40</u> plus 5.04% of amount over \$136,750 <u>\$160,850</u>
Over \$297,350 <u>\$349,700</u>	\$13,261.57 <u>\$15,595.44</u> plus 5.54% of amount over \$297,350 <u>\$349,700</u>

- b. Married filing jointly and surviving spouse.

If North Dakota taxable income is:	The tax is equal to:
Not over \$45,200 <u>\$63,700</u>	2.10%

Over \$45,200 <u>\$63,700</u> but not over <u>\$109,250</u> <u>\$128,500</u>	\$949.20 <u>\$1,337.70</u> plus 3.92% of amount over \$45,200 <u>\$63,700</u>
Over \$109,250 <u>\$128,500</u> but not over \$166,500 <u>\$195,850</u>	\$3,459.96 <u>\$3,877.86</u> plus 4.34% of amount over \$109,250 <u>\$128,500</u>
Over \$166,500 <u>\$195,850</u> but not over \$297,350 <u>\$349,700</u>	\$5,944.64 <u>\$6,800.85</u> plus 5.04% of amount over \$166,500 <u>\$195,850</u>
Over \$297,350 <u>\$349,700</u>	\$12,539.45 <u>\$14,554.89</u> plus 5.54% of amount over \$297,350 <u>\$349,700</u>

c. Married filing separately.

If North Dakota taxable income is:	The tax is equal to:
Not over \$22,600 <u>\$31,850</u>	2.10%
Over \$22,600 <u>\$31,850</u> but not over \$54,625 <u>\$64,250</u>	\$474.60 <u>\$668.85</u> plus 3.92% of amount over \$22,600 <u>\$31,850</u>
Over \$54,625 <u>\$64,250</u> but not over \$83,250 <u>\$97,925</u>	\$1,729.98 <u>\$1,938.93</u> plus 4.34% of amount over \$54,625 <u>\$64,250</u>
Over \$83,250 <u>\$97,925</u> but not over \$148,675 <u>\$174,850</u>	\$2,972.34 <u>\$3,400.43</u> plus 5.04% of amount over \$83,250 <u>\$97,925</u>
Over \$148,675 <u>\$174,850</u>	\$6,269.73 <u>\$7,277.45</u> plus 5.54% of amount over \$148,675 <u>\$174,850</u>

d. Head of household.

If North Dakota taxable income is:	The tax is equal to:
Not over \$36,250 <u>\$42,650</u>	2.10%
Over \$36,250 <u>\$42,650</u> but not over \$93,650 <u>\$110,100</u>	\$761.25 <u>\$895.65</u> plus 3.92% of amount over \$36,250 <u>\$42,650</u>
Over \$93,650 <u>\$110,100</u> but not over \$151,650 <u>\$178,350</u>	\$3,011.33 <u>\$3,539.69</u> plus 4.34% of amount over \$93,650 <u>\$110,100</u>
Over \$151,650 <u>\$178,350</u> but not over \$297,350 <u>\$349,700</u>	\$5,528.53 <u>\$6,501.74</u> plus 5.04% of amount over \$151,650 <u>\$178,350</u>
Over \$297,350 <u>\$349,700</u>	\$12,871.84 <u>\$15,137.78</u> plus 5.54% of amount over \$297,350 <u>\$349,700</u>

e. Estates and trusts.

If North Dakota taxable income is:	The tax is equal to:
Not over \$1,800 <u>\$2,150</u>	2.10%
Over \$1,800 <u>\$2,150</u> but not over \$4,250 <u>\$5,000</u>	\$37.80 <u>\$45.15</u> plus 3.92% of amount over \$1,800 <u>\$2,150</u>
Over \$4,250 <u>\$5,000</u> but not over \$6,500 <u>\$7,650</u>	\$133.84 <u>\$156.87</u> plus 4.34% of amount over \$4,250 <u>\$5,000</u>
Over \$6,500 <u>\$7,650</u> but not over \$8,900 <u>\$10,450</u>	\$231.49 <u>\$271.88</u> plus 5.04% of amount over \$6,500 <u>\$7,650</u>
Over \$8,900 <u>\$10,450</u>	\$352.45 <u>\$413.00</u> plus 5.54% of amount over \$8,900 <u>\$10,450</u>

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

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

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

g. For taxable years beginning after December 31, ~~2004~~ 2007, the tax commissioner shall prescribe new rate schedules that apply in lieu of the schedules set forth in subdivisions a through e. The new schedules must be determined by increasing the minimum and maximum dollar amounts for each income bracket for which a tax is

imposed by the cost-of-living adjustment for the taxable year as determined by the secretary of the United States treasury for purposes of section 1(f) of the United States Internal Revenue Code of 1954, as amended. For this purpose, the rate applicable to each income bracket may not be changed, and the manner of applying the cost-of-living adjustment must be the same as that used for adjusting the income brackets for federal income tax purposes."

Page 12, remove lines 1 through 31

Page 13, remove lines 1 through 30

Page 14, remove lines 1 through 23

Page 15, line 11, replace "up to one" with "the amount necessary to provide property tax relief payments to county treasurers under section 57-20-07.2"

Page 15, remove line 12

Page 15, line 13, remove "as may be necessary," and after "appropriated" insert "during each biennium"

Page 15, line 14, replace ", for the purpose of providing property tax relief payments to counties in accordance" with "."

SECTION 9. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$3,800,000, or so much of the sum as may be necessary, to the state tax commissioner for the purpose of paying the state reimbursement for the homestead tax credit as provided in section 1 of this Act, for the biennium beginning July 1, 2007, and ending June 30, 2009."

Page 15, remove line 15

Page 15, line 23, replace "9" with "7"

Renumber accordingly

HB 1051: A BILL for an Act to create and enact section 57-20-07.2 of the North Dakota Century Code, relating to a state-paid property tax relief credit; to amend and reenact sections 57-02-08.1, 57-20-07.1, 57-20-09, 57-20-21.1, and 57-32-03, subsection 1 of section 57-38-30.3, and section 57-51.1-07.2 of the North Dakota Century Code, relating to contents of property tax statements, income tax rates, priority for delinquent taxes, the homestead property tax credit, the discount for early payment of property taxes, and to provide property tax relief funding from the permanent oil tax trust fund; to provide for a legislative council study; to provide a continuing appropriation for state-paid property tax relief; to provide an appropriation; and to provide an effective date.

REQUEST

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

ROLL CALL

The question being on the motion to adopt the proposed further amendments to Reengrossed HB 1051, as amended, the roll was called and there were 47 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

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

The proposed further amendments to Reengrossed HB 1051, as amended, were adopted.

MOTION

SEN. MATHERN MOVED that Reengrossed HB 1051, as further amended, be floor amended as follows:

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 the homestead property tax credit; to provide appropriations; 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~~ eighteen 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~~ six hundred dollars of taxable valuation.
 - (2) If the person's income is in excess of ~~eight~~ eighteen thousand ~~five hundred~~ dollars and not in excess of ~~ten~~ twenty-six 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~~ eight hundred ~~thirty~~ eighty dollars of taxable valuation.
 - (3) If the person's income is in excess of ~~ten~~ twenty-six thousand dollars and not in excess of ~~eleven~~ thirty-four thousand ~~five hundred~~ dollars, a reduction of sixty percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~one~~ two thousand ~~eight~~ one hundred ~~twenty-three~~ sixty dollars of taxable valuation.
 - (4) If the person's income is in excess of ~~eleven~~ thirty-four thousand ~~five hundred~~ dollars and not in excess of ~~thirteen~~ forty-two 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~~ four hundred ~~fifteen~~ forty dollars of taxable valuation.
 - (5) If the person's income is in excess of ~~thirteen~~ forty-two thousand dollars and not in excess of ~~fourteen~~ fifty 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~~ seven hundred ~~eight~~ twenty dollars of taxable valuation.
- d. Persons residing together, as spouses or when one or more is a dependent of another, are entitled to only one exemption between or among them under this subsection. Persons residing together, who

are not spouses or dependents, who are coowners of the property are each entitled to a percentage of a full exemption under this subsection equal to their ownership interests in the property.

- e. This subsection does not reduce the liability of any person for special assessments levied upon any property.
 - f. Any person claiming the exemption under this subsection shall sign a verified statement of facts establishing the person's eligibility.
 - g. A person is ineligible for the exemption under this subsection if the value of the assets of the person and any dependent residing with the person, excluding the unencumbered value of the person's residence that the person claims as a homestead, exceeds fifty thousand dollars, including the value of any assets divested within the last three years. For purposes of this subdivision, the unencumbered valuation of the homestead is limited to one hundred thousand dollars.
 - h. The assessor shall attach the statement filed under subdivision f to the assessment sheet and shall show the reduction on the assessment sheet.
 - i. An exemption under this subsection terminates at the end of the taxable year of the death of the applicant.
2. a. Any person who would qualify for an exemption under subdivisions a and c of subsection 1 except for the fact that the person rents living quarters is eligible for refund of a portion of the person's annual rent deemed by this subsection to constitute the payment of property tax.
- b. For the purpose of this subsection, twenty percent of the annual rent, exclusive of any federal rent subsidy and of charges for any utilities, services, furniture, furnishings, or personal property appliances furnished by the landlord as part of the rental agreement, whether expressly set out in the rental agreement, must be considered as payment made for property tax. When any part of the twenty percent of the annual rent exceeds four percent of the annual income of a qualified applicant, the applicant is entitled to receive a refund from the state general fund for that amount in excess of four percent of the person's annual income, but the refund may not be in excess of two hundred forty dollars. If the calculation for the refund is less than five dollars, a minimum of five dollars must be sent to the qualifying applicant.
- c. Persons who reside together, as spouses or when one or more is a dependent of another, are entitled to only one refund between or among them under this subsection. Persons who reside together in a rental unit, who are not spouses or dependents, are each entitled to apply for a refund based on the rent paid by that person.
- d. Each application for refund under this subsection must be made to the tax commissioner before the first day of June of each year by the person claiming the refund. The tax commissioner may grant an extension of time to file an application for good cause. The tax commissioner shall issue refunds to applicants.
- e. This subsection does not apply to rents or fees paid by a person for any living quarters, including a nursing home licensed pursuant to section 23-16-01, if those living quarters are exempt from property taxation and the owner is not making a payment in lieu of property taxes.
- f. A person may not receive a refund under this section for a taxable year in which that person received an exemption under subsection 1.
3. All forms necessary to effectuate this section must be prescribed, designed, and made available by the tax commissioner. The county directors of tax equalization shall make these forms available upon request.

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

SECTION 2. APPROPRIATION. There is appropriated out of any moneys in the permanent oil tax trust fund in the state treasury, not otherwise appropriated, the sum of \$16,000,000, or so much of the sum as may be necessary, to the state treasurer for allocation in equal amounts for each year of the biennium as directed by the tax commissioner for additional homestead credit payments to counties as provided by law, for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 3. APPROPRIATION. There is appropriated out of any moneys in the permanent oil tax trust fund in the state treasury, not otherwise appropriated, the sum of \$20,000,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of allocation in equal amounts for each year of the biennium among political subdivisions in the manner and proportion provided for allocations of state aid distribution fund revenues under section 57-39.2-26.1, for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 4. APPROPRIATION. There is appropriated out of any moneys in the permanent oil tax trust fund in the state treasury, not otherwise appropriated, the sum of \$80,000,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of allocation in equal amounts for each year of the biennium for additional per student payments to school districts, with each school district entitled to a percentage of each annual allocation which equals that school district's share of all state aid allocated under Senate Bill No. 2200, as approved by the sixtieth legislative assembly, and if Senate Bill No. 2200 is not approved by the sixtieth legislative assembly, then for additional per student payments to school districts in the manner and proportion that per student payments are allocated under chapter 15.1-27, for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 5. EFFECTIVE DATE. Section 1 of 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

REQUEST

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

ROLL CALL

The question being on the motion to adopt the proposed floor amendments to Reengrossed HB 1051, as further amended, the roll was called and there were 22 YEAS, 25 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

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

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

The proposed floor amendments to Reengrossed HB 1051, as further amended, failed.

MOTION

SEN. BOWMAN MOVED that Reengrossed HB 1051, as further amended, be floor amended as follows:

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 create and enact a new section to chapter 15.1-28 of the North Dakota Century Code, relating to allocation of funds from the property tax relief account in the common schools trust fund; to amend and reenact section 57-15-31 of the North Dakota Century Code, relating to allocation of property tax relief from the state tuition fund; and to provide for a transfer from the permanent oil tax trust fund to the common schools trust fund.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new section to chapter 15.1-28 of the North Dakota Century Code is created and enacted as follows:

Property tax relief account and allocation. The interest and income from the property tax relief account within the common schools trust fund must be transferred to a separate account within the state tuition fund, the property tax distribution account. At the times provided for certifications under section 15.1-28-03, the office of management and budget shall certify to the superintendent of public instruction the amount of the property tax relief account within the state tuition fund. Beginning in July 2008, the superintendent of public instruction shall apportion the property tax relief account amount among the school districts of the state in an equal amount per student and make the payments under this section at the times per student payments are required under chapter 15.1-27. Each school district shall apply any payments received under this section as property tax relief and not as revenue enhancements.

SECTION 2. AMENDMENT. Section 57-15-31 of the North Dakota Century Code is amended and reenacted as follows:

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

1. The available surplus consisting of the free and unencumbered cash balance.
2. Estimated revenues from sources other than direct property taxes.
3. The total estimated collections from tax levies for previous years.
4. Such expenditures as are to be made from bond sources.
5. The amount of distributions received from an economic growth increment pool under section 57-15-61.

6. The estimated amount to be received from payments in lieu of taxes on a project under section 40-57.1-03.
7. The amount of the school district's property tax relief allocation for the year under section 1 of this Act.

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

SECTION 3. TRANSFER. On July 1, 2007, the state treasurer shall transfer one hundred million dollars from the permanent oil tax trust fund to the property tax relief account, which is a separate account within the common schools trust fund."

Renumber accordingly

REQUEST

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

ROLL CALL

The question being on the motion to adopt the proposed floor amendments to Reengrossed HB 1051, as further amended, the roll was called and there were 13 YEAS, 34 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Andrist; Bakke; Bowman; Erbele; Heitkamp; Krauter; Nething; O'Connell; Potter; Seymour; Tallackson; Taylor; Tollefson

NAYS: Anderson; Behm; Christmann; Cook; Dever; Fiebiger; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heckaman; Holmberg; Horne; Kilzer; Klein; Krebsbach; Lee, G.; Lee, J.; Lindaas; Lyson; Marcellais; Mathern; Nelson; Oehlke; Olafson; Pomeroy; Robinson; Stenehjem; Triplett; Urlacher; Wanzek; Wardner; Warner

The proposed floor amendments to Reengrossed HB 1051, as further amended, failed.

HB 1051: A BILL for an Act to create and enact section 57-20-07.2 of the North Dakota Century Code, relating to a state-paid property tax relief credit; to amend and reenact sections 57-02-08.1, 57-20-07.1, 57-20-09, 57-20-21.1, and 57-32-03, subsection 1 of section 57-38-30.3, and section 57-51.1-07.2 of the North Dakota Century Code, relating to contents of property tax statements, income tax rates, priority for delinquent taxes, the homestead property tax credit, the discount for early payment of property taxes, and to provide property tax relief funding from the permanent oil tax trust fund; to provide for a legislative council study; to provide a continuing appropriation for state-paid property tax relief; to provide an appropriation; and to provide an effective date.

ROLL CALL

The question being on the final passage of the further amended bill, which has been read, the roll was called and there were 20 YEAS, 27 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Bowman; Christmann; Cook; Dever; Fischer; Flakoll; Freborg; Hacker; Holmberg; Kilzer; Klein; Krebsbach; Lee, G.; Lyson; Oehlke; Olafson; Stenehjem; Urlacher; Wanzek; Wardner

NAYS: Anderson; Andrist; Bakke; Behm; Erbele; Fiebiger; Grindberg; Heckaman; Heitkamp; Horne; Krauter; Lee, J.; Lindaas; Marcellais; Mathern; Nelson; Nething; O'Connell; Pomeroy; Potter; Robinson; Seymour; Tallackson; Taylor; Tollefson; Triplett; Warner

Reengrossed HB 1051, as further amended, lost.

SECOND READING OF HOUSE BILL

HB 1012: A BILL for an Act to provide an appropriation for defraying the expenses of the department of transportation; to create and enact a new section to chapter 24-02 of the North Dakota Century Code, relating to authority of the director of the department of transportation to join the multistate highway transportation agreement; to amend and reenact section 57-40.3-10 of the North Dakota Century Code, relating to motor vehicle excise tax collections; and to declare an emergency.

MOTION

SEN. KLEIN MOVED that Engrossed HB 1012, as further amended, be floor amended as follows:

In addition to the amendments adopted by the Senate as printed on pages 1262-1263 and pages 1263-1264 of the Senate Journal, Engrossed House Bill No. 1012 is amended as follows:

Page 2, after line 7, insert:

"SECTION 4. APPROPRIATION - GRANT TO BURLEIGH COUNTY. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$580,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of providing a grant to Burleigh County for road improvements at the intersection of airway avenue and Yegen road near the city of Lincoln, for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 5. APPROPRIATION - GRANT TO OLIVER COUNTY. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$190,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of providing a grant to Oliver County for maintenance of roads associated with energy-related activities, for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 6. APPROPRIATION - GRANT TO DICKEY COUNTY. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$114,428, or so much of the sum as may be necessary, to the department of transportation for the purpose of providing a grant to Dickey County for improvements to the road leading to the Whitestone hill state historic site to address safety concerns, for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 7. APPROPRIATION - GRANT TO THE CITY OF GRAND FORKS. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$240,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of providing a grant to the city of Grand Forks for improving traffic signals at the intersection of United States Highway 2 and Ralph Engelstad drive in Grand Forks, for the biennium beginning July 1, 2007, and ending June 30, 2009."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:**Dept. 801 - Department of Transportation**

SENATE - Sections are added providing the following general fund grants:

- \$580,000 to Burleigh County for road improvements at the intersection of Airway Avenue and Yegen Road.
- \$190,000 to Oliver County for maintenance of roads associated with energy-related activities.
- \$114,428 to Dickey County for improvements to the road leading to the Whitestone Hill battlefield state historic site to address safety concerns.
- \$240,000 to the city of Grand Forks for improving traffic signals at the intersection of United States Highway 2 and Ralph Engelstad Drive.

REQUEST

SEN. KLEIN REQUESTED a recorded roll call vote on the motion to adopt the proposed floor amendments to Engrossed HB 1012, as further amended, which request was granted.

ROLL CALL

The question being on the motion to adopt the proposed floor amendments to Engrossed HB 1012, as further amended, the roll was called and there were 9 YEAS, 37 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Bowman; Christmann; Flakoll; Heckaman; Klein; Nething; Oehlke; Potter; Stenehjem

NAYS: Anderson; Andrist; Bakke; Cook; Dever; Erbele; Fiebiger; Fischer; Freborg; Grindberg; Hacker; Heitkamp; Holmberg; Horne; Kilzer; Krauter; Krebsbach; Lee, G.; Lee, J.; Lindaas; Lyson; Marcellais; Mathern; Nelson; O'Connell; Olafson; Pomeroy; Robinson; Seymour; Tallackson; Taylor; Tollefson; Triplett; Urlacher; Wanzek; Wardner; Warner

ABSENT AND NOT VOTING: Behm

The proposed floor amendments to Engrossed HB 1012, as further amended, failed.

ROLL CALL

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

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

ABSENT AND NOT VOTING: Behm

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

SECOND READING OF HOUSE BILL

HB 1495: A BILL for an Act to amend and reenact sections 54-27-19 and 57-40.3-10 of the North Dakota Century Code, relating to allocation of motor vehicle excise tax revenues to the highway tax distribution fund and the use of funds by counties and cities to implement the strategic transportation plan; and to provide an effective date.

ROLL CALL

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO NOT PASS, the roll was called and there were 1 YEAS, 45 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Pomeroy

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

ABSENT AND NOT VOTING: Behm

Engrossed HB 1495 lost.

APPOINTMENT OF CONFERENCE COMMITTEE

SEN. CHRISTMANN MOVED that the President appoint a committee of three to act with a like committee from the House as a Conference Committee on Engrossed HB 1006, Engrossed HB 1044, and Reengrossed HB 1487, which motion prevailed.

THE PRESIDENT APPOINTED as a Conference Committee on:

Engrossed HB 1006: Sens. Fischer, Holmberg, Tallackson

Engrossed HB 1044: Sens. Tollefson, Urlacher, Triplett

Reengrossed HB 1487: Sens. Flakoll, G. Lee, Taylor

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. COOK MOVED that the Senate do concur in the House amendments to SB 2246 as printed on SJ pages 1228-1229, which motion prevailed on a voice vote.

SB 2246, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

SB 2246: A BILL for an Act to amend and reenact subsection 2 of section 44-08-04 of the North Dakota Century Code, relating to reimbursement of lodging expenses for state and political subdivision officers and employees.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 44 YEAS, 2 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

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

NAYS: Christmann; Lyson

ABSENT AND NOT VOTING: Behm

Engrossed SB 2246 passed and the title was agreed to.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. NETHING MOVED that the conference committee report on Engrossed HB 1092 as printed on SJ page 1313 be adopted, which motion prevailed on a voice vote.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. NETHING MOVED that the conference committee report on Engrossed HB 1219 as printed on SJ page 1313 be adopted, which motion prevailed on a voice vote.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. DEVER MOVED that the conference committee report on Engrossed HB 1505 as printed on SJ page 1313 be adopted, which motion prevailed on a voice vote.

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

SECOND READING OF HOUSE BILL

HB 1505: A BILL for an Act to create and enact a new section to chapter 23-01 of the North Dakota Century Code, relating to the regulation of tattooing, body piercing, branding, subdermal implants, and scarification.

ROLL CALL

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

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

ABSENT AND NOT VOTING: Behm

Reengrossed HB 1505 passed and the title was agreed to.

MOTION

SEN. CHRISTMANN MOVED that Sen. G. Lee replace Sen. Flakoll on the Senate Conference Committee on SB 2200, which motion prevailed.

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

MR. SPEAKER: The Senate has amended, subsequently passed, and the emergency clause carried: HB 1012.

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

MR. SPEAKER: The Senate has failed to pass: HB 1495.

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

MR. SPEAKER: The Senate has concurred in the House amendments and subsequently passed: SB 2246.

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

MR. SPEAKER: The President has appointed Sen. G. Lee to replace Sen. Flakoll on the Conference Committee on SB 2200.

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

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

HB 1006: Sens. Fischer; Holmberg; Tallackson

HB 1044: Sens. Tollefson; Urlacher; Triplett

HB 1487: Sens. Flakoll; G. Lee; Taylor

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

MR. SPEAKER: The Senate has adopted the conference committee report on: HB 1092, HB 1219.

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: HB 1505.

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

MR. PRESIDENT: The House has adopted the conference committee report and subsequently passed: SB 2037.

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

MR. PRESIDENT: The House has adopted the conference committee reports and subsequently passed: HB 1065, HB 1089, HB 1125, HB 1270, HB 1334, and HB 1380.

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

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

SB 2200: Reps. R. Kelsch; Haas; Mueller

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, Seventh, Ninth, and Thirteenth orders of business and at the conclusion of those orders, the Senate stand adjourned until 8:45 a.m., Monday, April 9, 2007, which motion prevailed.

REPORT OF CONFERENCE COMMITTEE

SB 2022: Your conference committee (Sens. Krebsbach, Wardner, Krauter and Reps. Carlisle, Kempenich, Kroeber) recommends that the **SENATE ACCEDE** to the House amendments on SJ pages 1196-1197 and place SB 2022 on the Seventh order.

SB 2022 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2093, as engrossed: Your conference committee (Sens. J. Lee, Dever, Nelson and Reps. Grande, Dahl, Wolf) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1039-1041, adopt amendments as follows, and place SB 2093 on the Seventh order:

That the House recede from its amendments as printed on pages 1039-1041 of the Senate Journal and pages 1127-1129 of the House Journal and that Engrossed Senate Bill No. 2093 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact section 11-10-16, subsection 2 of section 44-08-04, and sections 44-08-04.4, 44-08-05.1, and 54-44.4-11 of the North Dakota Century Code, relating to payment of travel expenses of state and county officers and employees and purchasing card authority; and to provide a penalty.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 11-10-16 of the North Dakota Century Code is amended and reenacted as follows:

11-10-16. Statement to claim mileage. ~~Before~~ Unless the expense was incurred by the use of a purchasing card, before an allowance for mileage or travel expense may be paid by a county, the person individual for whose travel the claim is made shall file with the county auditor an itemized statement verified by affidavit showing the number of miles traveled, the mode of travel, the days of traveling, the purpose of the travel, and the destination. ~~Before a claim for mileage is allowed or paid, the claimant shall file the statement and affidavit with the board of county commissioners which shall decide whether to allow the claim.~~

SECTION 2. AMENDMENT. Subsection 2 of section 44-08-04 of the North Dakota Century Code is amended and reenacted as follows:

2. ~~Expenses for~~ For travel within the state ~~must be reimbursed at, the following rates for each quarter of any twenty-four-hour period must be used:~~
 - a. First quarter is from six a.m. to twelve noon and the sum must be five dollars. First quarter reimbursement may not be made if travel began after seven a.m.
 - b. Second quarter is from twelve noon to six p.m. and the sum must be seven dollars and fifty cents.
 - c. Third quarter is from six p.m. to twelve midnight and the sum must be twelve dollars and fifty cents.
 - d. Fourth quarter is from twelve midnight to six a.m. and the sum must be the actual lodging expenses not to exceed fifty dollars plus any additional applicable state or local taxes. A political subdivision may reimburse an elective or appointive officer, employee, representative, or agent for actual lodging expenses.

SECTION 3. AMENDMENT. Section 44-08-04.4 of the North Dakota Century Code is amended and reenacted as follows:

44-08-04.4. Prepayment of travel expenses of state officers and employees. Any travel expense, including airline tickets and registration fees, that must be incurred more than five weeks in advance of approved travel ~~of to meet necessary deadlines or to obtain low rates, may be purchased by the state or any elected or appointed officer, employee, representative, or agent of this state to meet necessary deadlines or to obtain low rates must be purchased prepaid by the state.~~ No state entity may require an officer, employee, representative, or agent of the state to pay these expenses.

SECTION 4. AMENDMENT. Section 44-08-05.1 of the North Dakota Century Code is amended and reenacted as follows:

44-08-05.1. Payments - ~~Requirements for approval~~ Purchasing card authority - ~~Penalty - Action for violations.~~

1. Any public officer or employee who has the power to approve a payment ~~for a department, agency, or institution~~ for travel expenses or any other state expenditure of public funds shall determine before approving the payment:
 - 4- a. That the expenditure for travel or other expenditures were for lawful and official purposes.
 - 2- b. If for employee travel reimbursement, ~~that the travel actually occurred and that~~ the sums claimed for travel expenses are actually due the individual who is seeking reimbursement, allowance, or payment.
 - 3- c. If the payment is for expenditure other than travel expense, that the expenditure is lawful and that the payment contains no false claims.

~~For purchases made with the use of a purchasing card authorized under section 54-44.4-11, an~~

- ~~2. The director of the office of management and budget, the state board of higher education, the governing body of any political subdivision, and the board of any school district may establish and administer a purchasing card system for use by its officers, employees, representatives, or agents. If the director of the office of management and budget establishes a cooperative purchasing contract under section 54-44.4-13, each participating government entity is responsible for its purchasing card system.~~
- ~~3. An employee of the office of management and budget designated by the director of the office of management and budget, on behalf of all state agencies, may review and approve payments under this section made with a purchasing card and make payments pursuant thereto. The director of the office of management and budget may designate the state agencies that are required to use the purchasing card system.~~
- ~~4. Any public officer or employee who willfully fraudulently uses a purchasing card or knowingly approves a payment with knowledge it contains for false or unlawful claims or that it which does not otherwise meet the requirements of this section for approval is guilty of theft and punishable under chapter 12-1-23 may be subject to criminal prosecution under title 12.1. Any public officer or employee who, without the use of ordinary care and diligence, negligently uses a purchasing card or approves a payment for a department, agency, or institution containing false or unlawful claims or which does not otherwise meet the requirements of this section for approval is personally liable for any funds improperly expended. The director of the office of management and budget, members of the office of the budget, state auditor Any public officer, employee, or any other person individual who has knowledge of an actual or possible violation of this section shall make such that information known to the attorney general or the appropriate state's attorney. The attorney general or appropriate state's attorney shall investigate any alleged violation and, if a violation appears to exist, shall prosecute under chapter 12-1-23. If there is probable cause to believe that a violation has occurred, the attorney general or appropriate state's attorney shall initiate a criminal prosecution under title 12.1 or bring a civil suit against the public officer or employee for the recovery of such the funds as may actually have been improperly paid against the payee and officer or employee who approved the payment in violation of the above requirements or shall bring both such criminal action and civil suit. The officer or employee who approves any payment negligently has the right of subrogation against the payee of the payment in the event public funds have been improperly paid to the payee, or may initiate a prosecution and a civil suit.~~

SECTION 5. AMENDMENT. Section 54-44.4-11 of the North Dakota Century Code is amended and reenacted as follows:

54-44.4-11. Small purchases.

1. A procurement not exceeding the amount established by written directive of the director of the office of management and budget ~~under section 54-44.4-02~~ or by the state board of higher education under subsection 5 of section 15-10-17 may be made in accordance with small purchase procedures.
2. A small purchase need not be made through competitive sealed bidding or competitive sealed proposals. However, small purchases must be made with competition that is practicable under the circumstances.
3. Procurement requirements may not be artificially divided as to constitute a small purchase under this section.
- ~~4. The director of the office of management and budget may establish and administer, including by contract with a provider, a system of procurement for commodities agencies are authorized to purchase under this section. If the director establishes a purchasing card system under this subsection,~~

~~the director may designate which agencies are required to use the purchasing card system for purchasing commodities under this section."~~

Renumber accordingly

Engrossed SB 2093 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2137, as engrossed: Your conference committee (Sens. Hacker, Olafson, Warner and Reps. Klemm, Kretschmar, Pinkerton) recommends that the **SENATE ACCEDE** to the House amendments on SJ pages 866-867 and place SB 2137 on the Seventh order.

Engrossed SB 2137 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

HB 1065, as engrossed: Your conference committee (Sens. Andrist, G. Lee, Bakke and Reps. Vigasaa, Owens, Gruchalla) recommends that the **SENATE RECEDE** from the Senate amendments on HJ page 875, adopt amendments as follows, and place HB 1065 on the Seventh order:

That the Senate recede from its amendments as printed on page 875 of the House Journal and page 668 of the Senate Journal and that Engrossed House Bill No. 1065 be amended as follows:

Page 1, line 12, overstrike "association" and insert immediately thereafter "chamber of commerce"

Renumber accordingly

Engrossed HB 1065 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

HB 1089, as engrossed: Your conference committee (Sens. Andrist, Nething, Potter and Reps. Ruby, Vigasaa, Myxter) recommends that the **HOUSE ACCEDE** to the Senate amendments on HJ page 1001 and place HB 1089 on the Seventh order.

Engrossed HB 1089 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

HB 1125, as reengrossed: Your conference committee (Sens. Flakoll, G. Lee, Taylor and Reps. Hawken, Martinson, Guleson) recommends that the **HOUSE ACCEDE** to the Senate amendments on HJ pages 1338-1339 and place HB 1125 on the Seventh order.

Reengrossed HB 1125 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

HB 1270, as engrossed: Your conference committee (Sens. Flakoll, Freborg, Bakke and Reps. Herbel, Mueller, Wall) recommends that the **SENATE RECEDE** from the Senate amendments on HJ page 1025, adopt amendments as follows, and place HB 1270 on the Seventh order:

That the Senate recede from its amendments as printed on page 1025 of the House Journal and page 777 of the Senate Journal and that Engrossed House Bill No. 1270 be amended as follows:

Page 1, line 16, remove "full six-hour"

Page 2, after line 3, insert:

"c. For purposes of this section, a "day for professional development activities" means:

- (1) Six hours of professional development activities, exclusive of meals and other breaks, conducted within a single day; or
- (2) Two four-hour periods of professional development activities, exclusive of meals and other breaks, conducted over two days.

3. If a school district offers a four-hour period of professional development activities, as permitted in subdivision c of subsection 2, the school district

may schedule instruction during other available hours on that same day and be credited with providing one-half day of instruction to students. The provisions of this subsection do not apply unless the one-half day of instruction equals at least one-half of the time required for a full day of instruction, as defined in this section."

Page 2, line 4, overstrike "3." and insert immediately thereafter "4."

Page 2, line 9, overstrike "4." and insert immediately thereafter "5."

Page 2, line 15, overstrike "5." and insert immediately thereafter "6."

Page 2, line 22, overstrike "6." and insert immediately thereafter "7." and overstrike "3" and insert immediately thereafter "6"

Page 2, line 25, overstrike "7." and insert immediately thereafter "8."

Renumber accordingly

REPORT OF CONFERENCE COMMITTEE

HB 1334, as engrossed: Your conference committee (Sens. G. Lee, Andrist, Fiebiger and Reps. R. Kelsch, Sukut, Myxter) recommends that the **SENATE RECEDE** from the Senate amendments on HJ page 1001, adopt amendments as follows, and place HB 1334 on the Seventh order:

That the Senate recede from its amendments as printed on page 1001 of the House Journal and page 762 of the Senate Journal and that Engrossed House Bill No. 1334 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact section 15.1-07-20 of the North Dakota Century Code, relating to requirements for certain school vehicle drivers.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 15.1-07-20 of the North Dakota Century Code is amended and reenacted as follows:

15.1-07-20. ~~Schoolbus~~ School vehicle driver - Requirements.

1. ~~To be eligible to drive a schoolbus or other school vehicle, an~~

a. Except as otherwise provided in this subsection, if an individual transports students or other passengers in a school vehicle for which a commercial driver's license is not required, the individual must:

~~a-~~ (1) Hold a ~~valid~~ North Dakota driver's license;

~~b-~~ (2) Be free from communicable diseases;

~~c-~~ (3) Be in good physical health and have normal use of both hands, both feet, both eyes, and both ears;

~~d-~~ (4) Be of sound mental health;

~~e-~~ (5) Pass any drug and alcohol screening tests required by the school board; and

~~f-~~ (6) Be at least twenty-one years of age, unless the board of a school district determines that an individual not meeting this requirement can safely and adequately perform the required duties.

b. If the vehicle being used to transport students or other passengers under this subsection is a school vehicle for which a commercial driver's license is not required, but which is designed to seat ten to fifteen passengers, the individual must:

- (1) Hold a North Dakota driver's license;
 - (2) Meet the physical and medical requirements established for commercial vehicle drivers;
 - (3) Complete any annual training required by the superintendent of public instruction; and
 - (4) Be at least twenty-one years of age, unless the board of a school district determines that an individual not meeting this requirement can safely and adequately perform the required duties.
2. ~~Each year, the board of a school district shall designate licensed health care professionals, as defined by department of transportation standards, to examine schoolbus and school vehicle drivers.~~
3. ~~Prior to commencing duties as the driver of a schoolbus or other school vehicle, whether employed by the school district or by another entity with whom the school board has contracted, and every two years thereafter, an individual shall present to the school board verification by a designated health care professional that the individual has been examined and meets the health requirements of this section.~~
4. ~~This section does not prohibit teachers or administrators employed by the district from operating vehicles for the purpose of transporting students to regular or special events related to educational programs in which the students are enrolled.~~

The board of a school district may request, at any time, that a health care professional designated by the board examine an individual to determine if the individual meets the physical and medical requirements of subsection 1. Any examination costs that remain after application of the individual's insurance coverage are the responsibility of the board."

Renumber accordingly

Engrossed HB 1334 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

HB 1380: Your conference committee (Sens. Oehlke, Dever, Marcellais and Reps. Froseth, Boehning, Amerman) recommends that the **SENATE RECEDE** from the Senate amendments on HJ page 826, adopt amendments as follows, and place HB 1380 on the Seventh order:

That the Senate recede from its amendments as printed on page 826 of the House Journal and page 633 of the Senate Journal and that House Bill No. 1380 be amended as follows:

Page 1, line 1, replace "sections" with "section" and remove "and 16.1-01-03"

Page 2, remove lines 1 through 16

Renumber accordingly

HB 1380 was placed on the Seventh order of business on the calendar.

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

William R. Horton, Secretary