

## JOURNAL OF THE SENATE

## Sixtieth Legislative Assembly

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Bismarck, April 18, 2007

The Senate convened at 8:30 a.m., with President Dalrymple presiding.

The prayer was offered by Pastor Steve Sathre, Trinity Lutheran, Bismarck.

The roll was called and all members were present except Senator Hacker.

A quorum was declared by the President.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. LYSON MOVED** that the conference committee report on SB 2293 as printed on SJ page 1433 be adopted, which motion prevailed on a voice vote.

SB 2293, as amended, was placed on the Eleventh order.

**SECOND READING OF SENATE BILL**

**SB 2293:** A BILL for an Act to create and enact a new subsection to section 20.1-03-04 of the North Dakota Century Code, relating to hunting, fishing, and trapping privileges for active duty military members.

**ROLL CALL**

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

**YEAS:** Anderson; Andrist; Bakke; Behm; Bowman; Christmann; Cook; Dever; Erbele; Fiebiger; Fischer; Flakoll; Freborg; Grindberg; 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:** Hacker

Engrossed SB 2293 passed and the title was agreed to.

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**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. ERBELE MOVED** that the conference committee report on Engrossed SB 2152 as printed on SJ pages 1432-1433 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2152, as amended, was placed on the Eleventh order.

**REQUEST**

**SEN. STENEHJEM REQUESTED** that the Senate stand at ease for a few minutes, which request was granted.

**SECOND READING OF SENATE BILL**

**SB 2152:** A BILL for an Act to create and enact a new subsection to section 43-28.1-03 and a new section to chapter 43-28.1 of the North Dakota Century Code, relating to selection and eligibility for loan repayment under the dentists' loan repayment program and for new practice grants; to provide for a legislative council study; and to provide an appropriation.

**ROLL CALL**

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

**YEAS:** Anderson; Andrist; Bakke; Behm; Bowman; Christmann; Cook; Dever; Erbele; Fiebiger; Fischer; Flakoll; Freborg; Grindberg; 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:** Hacker

Reengrossed SB 2152 passed and the title was agreed to.

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**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. COOK MOVED** that the conference committee report on Engrossed HB 1303 as printed on SJ pages 1434-1436 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1303, as amended, was placed on the Fourteenth order.

**SECOND READING OF HOUSE BILL**

**HB 1303:** A BILL for an Act to create and enact subsections 9 and 10 to section 57-02-27.2 of the North Dakota Century Code, relating to use of modifiers and soil surveys in agricultural property assessment; to amend and reenact subsections 7 and 8 of section 57-02-27.2 of the North Dakota Century Code, relating to use of soil surveys, modifiers, and actual use of agricultural property for property tax assessment purposes; to provide for a report to the legislative council; and to provide an effective date.

**ROLL CALL**

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

**YEAS:** Anderson; Andrist; Bakke; Behm; Bowman; Christmann; Cook; Dever; Erbele; Fiebiger; Fischer; Flakoll; Freborg; Grindberg; 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:** Hacker

Engrossed HB 1303, as amended, passed and the title was agreed to.

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**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. DEVER MOVED** that the conference committee report on Engrossed HB 1154 as printed on SJ page 1434 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1154, as amended, was placed on the Fourteenth order.

**SECOND READING OF HOUSE BILL**

**HB 1154:** A BILL for an Act to create and enact chapter 23-39 of the North Dakota Century Code, relating to regulation of tanning facilities; and to provide a penalty.

**ROLL CALL**

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

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

**NAYS:** Heitkamp; O'Connell

**ABSENT AND NOT VOTING:** Hacker

Engrossed HB 1154, as amended, passed and the title was agreed to.

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**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 1154, HB 1303.

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

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: SB 2152.

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

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: SB 2293.

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

**MR. SPEAKER:** Your signature is respectfully requested on: SB 2094, SB 2109, SB 2225, SB 2344.

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

**MR. SPEAKER:** The President has signed: HB 1317, HB 1445, HB 1487.

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

**MR. PRESIDENT:** The Speaker has signed: SB 2243.

**COMMUNICATION FROM GOVERNOR JOHN HOEVEN**

This is to inform you that on April 17, 2007, I have signed the following: SB 2363.

**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.

**REPORT OF DELAYED BILLS COMMITTEE**

**MR. PRESIDENT:** Your **Delayed Bills Committee (Sen. Cook, Chairman)** has unanimously approved the introduction of a concurrent resolution urging the United States Army Corps of Engineers to coordinate annually with the North Dakota Game and Fish Department to ensure that adequate shoreline fishing areas are available to satisfy the recreational needs of the citizens of North Dakota.

The resolution will be SCR 4037.

**FIRST READING OF SENATE CONCURRENT RESOLUTION**

Sens. Stenehjem, O'Connell and Reps. Berg, Boucher introduced:

(Approved by the Delayed Bills Committee)

**SCR 4037:** A concurrent resolution urging the United States Army Corps of Engineers to coordinate annually with the North Dakota Game and Fish Department to ensure that adequate shoreline fishing areas are available to satisfy the recreational needs of the citizens of North Dakota.

Was read the first time.

**MOTION**

**SEN. CHRISTMANN MOVED** that the rules be suspended, that SCR 4037 not be printed, not be referred to committee, be read in title only, be printed in the Journal, and be placed on the calendar for immediate second reading and final passage, which motion prevailed.

Sens. Stenehjem, O'Connell and Reps. Berg, Boucher introduced:

(Approved by the Delayed Bills Committee)

**SENATE CONCURRENT RESOLUTION NO. 4037**

A concurrent resolution urging the United States Army Corps of Engineers to coordinate annually with the North Dakota Game and Fish Department to ensure that adequate shoreline fishing areas are available to satisfy the recreational needs of the citizens of North Dakota.

**WHEREAS**, the number of anglers utilizing the shorelines of Lake Sakakawea and Lake Oahe has declined substantially in the last ten years; and

**WHEREAS**, the average age of North Dakota anglers has increased to 51 years of age; and

**WHEREAS**, with low water conditions there is increased habitat for endangered species and allowing increased but limited access would not have any adverse impact on these endangered species or archaeological resources; and

**WHEREAS**, the North Dakota Sportfishing Congress and its constituent fishing, sportsmen's, and wildlife clubs have unanimously approved a resolution requesting the United

States Army Corps of Engineers to modify its master plan to set aside specifically designated shore-fishing access areas along the shores of Lake Sakakawea and Lake Oahe; and

**WHEREAS**, at a minimum, these shore-fishing access sites should consist of an area extending one-half mile on either side of each boating access site and recreationally zoned area; and

**WHEREAS**, vehicles should only be allowed to travel to and from the fishing location and be restricted to the exposed shoreline;

**NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF NORTH DAKOTA, THE HOUSE OF REPRESENTATIVES CONCURRING THEREIN:**

That the 60th Legislative Assembly urges the United States Army Corps of Engineers to coordinate annually with the North Dakota Game and Fish Department to ensure that adequate shoreline fishing areas are available to satisfy the recreational needs of the citizens of North Dakota; and

**BE IT FURTHER RESOLVED**, that the Secretary of State forward copies of this resolution to the Secretary of the Interior; the District Engineer, Omaha District, United States Army Corps of Engineers; the Division Commander of the Northwestern Division of the United States Army Corps of Engineers; the Secretary of the Army; and each member of the North Dakota Congressional Delegation.

#### **SECOND READING OF SENATE CONCURRENT RESOLUTION**

**SCR 4037:** A concurrent resolution urging the United States Army Corps of Engineers to coordinate annually with the North Dakota Game and Fish Department to ensure that adequate shoreline fishing areas are available to satisfy the recreational needs of the citizens of North Dakota.

The question being on the final adoption of the resolution, which has been read.

SCR 4037 was declared adopted and the title was agreed to on a voice vote.

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#### **REPORT OF DELAYED BILLS COMMITTEE**

**MR. PRESIDENT:** Your **Delayed Bills Committee (Sen. Cook, Chairman)** has unanimously approved the introduction of a concurrent resolution recognizing and expressing appreciation to participants in the 2007 Doctor of the Day program.

The resolution will be SCR 4038.

#### **FIRST READING OF SENATE CONCURRENT RESOLUTION**

Sens. Stenehjem, O'Connell and Reps. Berg, Boucher introduced:  
(Approved by the Delayed Bills Committee)

**SCR 4038:** A concurrent resolution recognizing and expressing appreciation to participants in the 2007 Doctor of the Day program.

Was read the first time.

#### **MOTION**

**SEN. CHRISTMANN MOVED** that the rules be suspended, that SCR 4038 not be printed not be referred to committee, be read in its entirety, be printed in the Journal, and be placed on the calendar for immediate second reading and final passage, which motion prevailed.

Sens. Stenehjem, O'Connell and Reps. Berg, Boucher introduced:  
(Approved by the Delayed Bills Committee)

#### **SENATE CONCURRENT RESOLUTION NO. 4038**

A concurrent resolution recognizing and expressing appreciation to participants in the 2007 Doctor of the Day program.

**WHEREAS**, many legislators during the legislative session have utilized the medical services of physicians who have volunteered to provide basic health care through the North Dakota Medical Association Doctor of the Day program; and

**WHEREAS**, physicians participating in the Doctor of the Day program have been called upon to provide their medical skills, sample medications, timely interventions, and referrals for further treatment, thereby contributing to an enhanced sense of general well-being by the legislative body and welcome relief for ailing individuals; and

**WHEREAS**, during the current Legislative Assembly, 22 physicians came to the Capitol to participate as doctors of the day, including Rob Beattie and James Brosseau from Grand Forks, Kim Krohn from Minot, Ted Kleiman from Fargo, Dale Klein from Mandan, and Gary Betting, Aaron Fortney, Ernest Godfread, Ray Gruby, Keith Happel, Jeff Hostetter, Shiraz Hyder, Gordon Leingang, Kelly Longie, Kevin Longie, Tom Magill, Sara McCullough, Ben Muscha, Jackie Quisno, Guy Tangedahl, Charles Volk, and Herb Wilson from Bismarck; and

**WHEREAS**, the University of North Dakota School of Medicine and Health Sciences Family Medicine Residency training program in Bismarck provided equipment and supplies used in the medical exam room, many pharmaceutical companies provided sample nonprescription medications and vitamins, and the North Dakota Department of Health and North Dakota Medical Association coordinated logistics and activities of the program; and

**WHEREAS**, the PrimeCare Health System and the Medcenter One Health System of Bismarck offered legislators and staff opportunities in January and March to participate in health screenings to monitor their blood pressure and blood sugar and cholesterol levels and to receive information to guide them in improving their health and lifestyle;

**NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF NORTH DAKOTA, THE HOUSE OF REPRESENTATIVES CONCURRING THEREIN:**

That members of the Sixtieth Legislative Assembly by adoption of this concurrent resolution express their gratitude and appreciation to those who provided their services and supplies through the 2007 Doctor of the Day program.

#### **SECOND READING OF SENATE CONCURRENT RESOLUTION**

**SCR 4038:** A concurrent resolution recognizing and expressing appreciation to participants in the 2007 Doctor of the Day program.

The question being on the final adoption of the resolution, which has been read.

SCR 4038 was declared adopted and the title was agreed to on a voice vote.

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#### **REPORT OF DELAYED BILLS COMMITTEE**

**MR. PRESIDENT:** Your **Delayed Bills Committee (Sen. Cook, Chairman)** has cast a vote of 4 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING in favor of accepting the introduction of a concurrent resolution urging the Secretary of the Navy to name a ship the USS North Dakota.

The resolution will be SCR 4039.

#### **FIRST READING OF SENATE CONCURRENT RESOLUTION**

Sens. Stenehjem, O'Connell and Reps. Berg, Boucher introduced:  
(Approved by the Delayed Bills Committee)

**SCR 4039:** A concurrent resolution urging the Secretary of the Navy to name a ship the USS North Dakota.

Was read the first time.

#### **MOTION**

**SEN. CHRISTMANN MOVED** that the rules be suspended, that SCR 4039 not be printed, not be referred to committee, be read in title only, be printed in the Journal, and be placed on the calendar for immediate second reading and final passage, which motion prevailed.

Sens. Stenehjem, O'Connell and Reps. Berg, Boucher introduced:  
(Approved by the Delayed Bills Committee)

#### **SENATE CONCURRENT RESOLUTION NO. 4039**

A concurrent resolution urging the Secretary of the Navy to name a ship the USS North Dakota.

**WHEREAS**, the state of North Dakota has had only one ship named after this state, the USS North Dakota, which was decommissioned in November 1923; and

**WHEREAS**, 24 states have ships currently named after the state and 21 states have had two or more ships named after the state, leaving only five states that have had only one ship named after the state, including North Dakota; and

**WHEREAS**, the state of North Dakota has shown unwavering support for members of the armed forces and strongly supports memorializing their service with the naming of a Navy ship the USS North Dakota;

**NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF NORTH DAKOTA, THE HOUSE OF REPRESENTATIVES CONCURRING THEREIN:**

That the Sixtieth Legislative Assembly urges the Secretary of the Navy to name a ship the USS North Dakota; and

**BE IT FURTHER RESOLVED**, that the Secretary of State forward copies of this resolution to the Secretary of the Navy and each member of the North Dakota Congressional Delegation.

**SECOND READING OF SENATE CONCURRENT RESOLUTION**

**SCR 4039:** A concurrent resolution urging the Secretary of the Navy to name a ship the USS North Dakota.

The question being on the final adoption of the resolution, which has been read.

SCR 4039 was declared adopted and the title was agreed to on a voice vote.

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**REPORT OF DELAYED BILLS COMMITTEE**

**MR. PRESIDENT:** Your **Delayed Bills Committee (Sen. Cook, Chairman)** has unanimously approved the introduction of a concurrent resolution urging Congress to repeal the REAL ID Act of 2005.

The resolution will be SCR 4040.

**FIRST READING OF SENATE CONCURRENT RESOLUTION**

Sens. Stenehjem, O'Connell and Reps. Berg, Boucher introduced:

(Approved by the Delayed Bills Committee)

**SCR 4040:** A concurrent resolution urging Congress to repeal the REAL ID Act of 2005.

Was read the first time.

**MOTION**

**SEN. CHRISTMANN MOVED** that the rules be suspended, that SCR 4040 not be printed, not be referred to committee, be read in title only, be printed in the Journal, and be placed on the calendar for immediate second reading and final passage, which motion prevailed.

Sens. Stenehjem, O'Connell and Reps. Berg, Boucher introduced:

(Approved by the Delayed Bills Committee)

**SENATE CONCURRENT RESOLUTION NO. 4040**

A concurrent resolution urging Congress to repeal the REAL ID Act of 2005.

**WHEREAS**, the federal REAL ID Act of 2005 mandates an unfunded national driver's license in the state of North Dakota; and

**WHEREAS**, implementation of the REAL ID Act may cost this state an estimated \$14,000,000; and

**WHEREAS**, the REAL ID national data base will invite identity theft and invasion of privacy; and

**WHEREAS**, the REAL ID Act will cost and inconvenience the people of North Dakota without the proffered attendant benefit of protection from terrorism;

**NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF NORTH DAKOTA, THE HOUSE OF REPRESENTATIVES CONCURRING THEREIN:**

That the Sixtieth Legislative Assembly urges the Congress of the United States to repeal the REAL ID Act of 2005; and

**BE IT FURTHER RESOLVED**, that the Secretary of State forward copies of this resolution to the President of the United States, the Secretary of Homeland Security, the Secretary of the Department of Transportation, and to each member of the North Dakota Congressional Delegation.

**SECOND READING OF SENATE CONCURRENT RESOLUTION**

**SCR 4040:** A concurrent resolution urging Congress to repeal the REAL ID Act of 2005.

The question being on the final adoption of the resolution, which has been read.

SCR 4040 was declared adopted and the title was agreed to on a voice vote.

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

**MR. PRESIDENT:** The House has amended and subsequently passed: SB 2032.

**HOUSE AMENDMENTS TO REENGROSSED SENATE BILL NO. 2032**

In lieu of the amendments adopted by the House as printed on pages 1304-1309 and as printed on pages 1560-1570 of the House Journal, Reengrossed Senate Bill No. 2032 is amended as follows:

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

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

**SECTION 1.** Section 57-01-20 of the North Dakota Century Code is created and enacted as follows:

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

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

Payments received by school districts under this section do not constitute new money for purposes of teacher compensation increases under Senate Bill No. 2200, as approved by the sixtieth legislative assembly.

**SECTION 2. AMENDMENT.** Section 57-02-08.1 of the North Dakota Century Code is amended and reenacted as follows:

**57-02-08.1. Homestead credit.**

1. a. Any person sixty-five years of age or older or permanently and totally disabled, in the year in which the tax was levied, with an income that does not exceed the limitations of subdivision c is entitled to receive a reduction in the assessment on the taxable valuation on the person's homestead. An exemption under this subsection applies regardless of whether the person is the head of a family.
- b. The exemption under this subsection continues to apply if the person does not reside in the homestead and the person's absence is due to confinement in a nursing home, hospital, or other care facility, for as long as the portion of the homestead previously occupied by the person is not rented to another person.
- c. The exemption must be determined according to the following schedule:
  - (1) If the person's income is not in excess of ~~eight~~ ten thousand ~~five hundred~~ dollars, a reduction of one hundred percent of the taxable valuation of the person's homestead up to a maximum reduction of three thousand ~~thirty-eight~~ three hundred seventy-five dollars of taxable valuation.
  - (2) If the person's income is in excess of ~~eight~~ ten thousand ~~five hundred~~ dollars and not in excess of ~~ten~~ twelve thousand dollars, a reduction of eighty percent of the taxable valuation of the person's homestead up to a maximum reduction of two thousand ~~four~~ seven hundred ~~thirty~~ dollars of taxable valuation.
  - (3) If the person's income is in excess of ~~ten~~ twelve thousand dollars and not in excess of ~~eleven~~ fourteen thousand ~~five hundred~~ dollars, a reduction of sixty percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~one two thousand eight hundred twenty-three~~ twenty-five dollars of taxable valuation.
  - (4) If the person's income is in excess of ~~eleven~~ fourteen thousand ~~five hundred~~ dollars and not in excess of ~~thirteen~~ sixteen thousand dollars, a reduction of forty percent of the taxable valuation of the person's homestead up to a maximum reduction of one thousand ~~two~~ three hundred ~~fifteen~~ fifty dollars of taxable valuation.
  - (5) If the person's income is in excess of ~~thirteen~~ sixteen thousand dollars and not in excess of ~~fourteen~~ seventeen thousand five hundred dollars, a reduction of twenty percent of the taxable valuation of the person's homestead up to a maximum reduction of six hundred ~~eight~~ seventy-five dollars of taxable valuation.
- d. Persons residing together, as spouses or when one or more is a dependent of another, are entitled to only one exemption between or among them under this subsection. Persons residing together, who are not spouses or dependents, who are coowners of the property are each entitled to a percentage of a full exemption under this subsection equal to their ownership interests in the property.
- e. This subsection does not reduce the liability of any person for special assessments levied upon any property.
- f. Any person claiming the exemption under this subsection shall sign a verified statement of facts establishing the person's eligibility.



- g. A person is ineligible for the exemption under this subsection if the value of the assets of the person and any dependent residing with the person, excluding the unencumbered value of the person's residence that the person claims as a homestead, exceeds fifty thousand dollars, including the value of any assets divested within the last three years. For purposes of this subdivision, the unencumbered valuation of the homestead is limited to one hundred thousand dollars.
    - h. The assessor shall attach the statement filed under subdivision f to the assessment sheet and shall show the reduction on the assessment sheet.
    - i. An exemption under this subsection terminates at the end of the taxable year of the death of the applicant.
  - 2.
    - a. Any person who would qualify for an exemption under subdivisions a and c of subsection 1 except for the fact that the person rents living quarters is eligible for refund of a portion of the person's annual rent deemed by this subsection to constitute the payment of property tax.
    - b. For the purpose of this subsection, twenty percent of the annual rent, exclusive of any federal rent subsidy and of charges for any utilities, services, furniture, furnishings, or personal property appliances furnished by the landlord as part of the rental agreement, whether expressly set out in the rental agreement, must be considered as payment made for property tax. When any part of the twenty percent of the annual rent exceeds four percent of the annual income of a qualified applicant, the applicant is entitled to receive a refund from the state general fund for that amount in excess of four percent of the person's annual income, but the refund may not be in excess of two hundred forty dollars. If the calculation for the refund is less than five dollars, a minimum of five dollars must be sent to the qualifying applicant.
    - c. Persons who reside together, as spouses or when one or more is a dependent of another, are entitled to only one refund between or among them under this subsection. Persons who reside together in a rental unit, who are not spouses or dependents, are each entitled to apply for a refund based on the rent paid by that person.
    - d. Each application for refund under this subsection must be made to the tax commissioner before the first day of June of each year by the person claiming the refund. The tax commissioner may grant an extension of time to file an application for good cause. The tax commissioner shall issue refunds to applicants.
    - e. This subsection does not apply to rents or fees paid by a person for any living quarters, including a nursing home licensed pursuant to section 23-16-01, if those living quarters are exempt from property taxation and the owner is not making a payment in lieu of property taxes.
    - f. A person may not receive a refund under this section for a taxable year in which that person received an exemption under subsection 1.
- 3. All forms necessary to effectuate this section must be prescribed, designed, and made available by the tax commissioner. The county directors of tax equalization shall make these forms available upon request.
- 4. A person whose homestead is a farm structure exempt from taxation under subsection 15 of section 57-02-08 may not receive any property tax credit under this section.
- 5. For the purposes of this section:
  - a. "Dependent" has the same meaning it has for federal income tax purposes.
  - b. "Homestead" has the same meaning as provided in section 47-18-01.

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

**SECTION 3. AMENDMENT.** Section 57-12-09 of the North Dakota Century Code is amended and reenacted as follows:

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

**SECTION 4. AMENDMENT.** Section 57-15-14 of the North Dakota Century Code is amended and reenacted as follows:

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

1. In any school district having a total population in excess of four thousand according to the last federal decennial census:
  - a. There may be levied any specific number of mills that upon resolution of the school board has been submitted to and approved by a majority of the qualified electors voting upon the question at any regular or special school district election.
  - b. There is no limitation upon the taxes which may be levied if upon resolution of the school board of any such district the removal of the mill levy limitation has been submitted to and approved by a majority of the qualified electors voting at any regular or special election upon such question.

2. In any school district having a total population of less than four thousand, there may be levied any specific number of mills that upon resolution of the school board has been approved by fifty-five percent of the qualified electors voting upon the question at any regular or special school election.
3. After June 30, 2007, in any school district election for approval by electors of unlimited or increased levy authority under subsection 1 or 2, the ballot must specify the number of mills, the percentage increase in dollars levied, or that unlimited levy authority is proposed for approval, and the number of taxable years for which that approval is to apply. After June 30, 2007, approval by electors of unlimited or increased levy authority under subsection 1 or 2 may not be effective for more than ten taxable years.
4. In any school district in which the total assessed valuation of property has increased twenty percent or more over the prior year and in which as a result of that increase the school district is entitled to less in state aid payments provided in chapter 15.1-27 because of the deduction required in section 15.1-27-05, there may be levied any specific number of mills more in dollars than was levied in the prior year up to a general fund levy of one hundred eighty-five mills on the dollar of the taxable valuation of the school district. The additional levy authorized by this subsection may be levied for not more than two years because of any twenty percent or greater annual increase in assessed valuation. The total amount of revenue generated in excess of the ~~eighteen~~ nine percent increase which is otherwise permitted by this section may not exceed the amount of state aid payments lost as a result of applying the deduction provided in section 15.1-27-05 to the increased assessed valuation of the school district in a one-year period.

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

**SECTION 5. 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 allocated to the taxing district as a legislative tax relief credit allocation for the year under section 57-01-20.

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

**SECTION 6. AMENDMENT.** Section 57-20-03 of the North Dakota Century Code is amended and reenacted as follows:

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

**SECTION 7. AMENDMENT.** Section 57-20-04 of the North Dakota Century Code is amended and reenacted as follows:

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

**SECTION 8. AMENDMENT.** Section 57-20-07.1 of the North Dakota Century Code is amended and reenacted as follows:

**57-20-07.1. County treasurer to mail real estate tax statement.** On or before December twenty-sixth of each year, the county treasurer shall mail a real estate tax statement to the owner of each parcel of real property at the owner's last-known address. The statement must be provided in a manner that allows the taxpayer to retain a printed record of the obligation for payment of taxes and special assessments as provided in the statement. If a parcel of real property is owned by more than one individual, the county treasurer shall send only one statement to one of the owners of that property. Additional copies of the tax statement will be sent to the other owners upon their request and the furnishing of their names and addresses to the county treasurer. ~~Such tax statements~~ The tax statement must include a dollar valuation of the true and full value as defined by law of the property and the total mill levy applicable. The tax statement must include, or be accompanied by a separate sheet, with three columns showing, for the taxable year to which the tax statement applies and the two immediately preceding taxable years, the property tax levy in dollars against the parcel by the city, county, and school district and the amount of legislative tax relief credit that applies against the taxing district levies for the parcel under section 57-01-20. Failure of an owner to receive a statement will not relieve that owner of liability, nor extend the discount privilege past the February fifteenth deadline.

**SECTION 9. AMENDMENT.** Section 57-20-09 of the North Dakota Century Code is amended and reenacted as follows:

**57-20-09. Discount for early payment of tax.** Except as provided in section 57-20-21.1, the county treasurer shall allow a five percent discount to all taxpayers who shall pay all of the real estate taxes levied on any tract or parcel of real property in any one year in full on or before February fifteenth prior to the date of delinquency. Such discount applies, after deduction of any credit allowed under section 57-01-20, to the net remaining amount of all general real estate taxes levied for state, county, city, township, school district, fire district, park district, and any other taxing districts but does

not apply to personal property taxes or special assessment installments. Whenever the board of county commissioners, by resolution, determines that an emergency exists in the county by virtue of weather or other catastrophe, it may extend the discount period for an additional thirty days.

**SECTION 10. AMENDMENT.** Section 57-20-21.1 of the North Dakota Century Code is amended and reenacted as follows:

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

**SECTION 11. 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 <del>\$27,050</del> <u>\$31,850</u>	2.10%
Over <del>\$27,050</del> <u>\$31,850</u> but not over <del>\$65,550</del> <u>\$77,100</u>	<del>\$568.05</del> <u>\$668.85</u> plus 3.92% of amount over <del>\$27,050</del> <u>\$31,850</u>
Over <del>\$65,550</del> <u>\$77,100</u> but not over <del>\$136,750</del> <u>\$160,850</u>	<del>\$2,077.25</del> <u>\$2,442.65</u> plus 4.34% of amount over <del>\$65,550</del> <u>\$77,100</u>
Over <del>\$136,750</del> <u>\$160,850</u> but not over <del>\$297,350</del> <u>\$349,700</u>	<del>\$5,167.33</del> <u>\$6,077.40</u> plus 5.04% of amount over <del>\$136,750</del> <u>\$160,850</u>
Over <del>\$297,350</del> <u>\$349,700</u>	<del>\$13,261.67</del> <u>\$15,595.44</u> plus 5.54% of amount over <del>\$297,350</del> <u>\$349,700</u>

b. Married filing jointly and surviving spouse.

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

c. Married filing separately.

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

## d. Head of household.

If North Dakota taxable income is:

Not over ~~\$36,250~~ \$42,650Over ~~\$36,250~~ \$42,650 but not over~~\$93,650~~ \$110,100Over ~~\$93,650~~ \$110,100 but not over~~\$151,650~~ \$178,350Over ~~\$151,650~~ \$178,350 but notover ~~\$297,350~~ \$349,700Over ~~\$297,350~~ \$349,700

The tax is equal to:

2.10%

~~\$761.25~~ \$895.65 plus 3.92% of amountover ~~\$36,250~~ \$42,650~~\$3,011.33~~ \$3,539.69 plus 4.34% of amountover ~~\$93,650~~ \$110,100~~\$5,528.53~~ \$6,501.74 plus 5.04% of amountover ~~\$151,650~~ \$178,350~~\$12,871.84~~ \$15,137.78 plus 5.54% of amountover ~~\$297,350~~ \$349,700

## e. Estates and trusts.

If North Dakota taxable income is:

Not over ~~\$1,800~~ \$2,150Over ~~\$1,800~~ \$2,150 but not over~~\$4,250~~ \$5,000Over ~~\$4,250~~ \$5,000 but not over~~\$6,500~~ \$7,650Over ~~\$6,500~~ \$7,650 but not over~~\$8,900~~ \$10,450Over ~~\$8,900~~ \$10,450

The tax is equal to:

2.10%

~~\$37.80~~ \$45.15 plus 3.92% of amountover ~~\$1,800~~ \$2,150~~\$133.84~~ \$156.87 plus 4.34% of amountover ~~\$4,250~~ \$5,000~~\$231.49~~ \$271.88 plus 5.04% of amountover ~~\$6,500~~ \$7,650~~\$352.45~~ \$413.00 plus 5.54% of amountover ~~\$8,900~~ \$10,450

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

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

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

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

**SECTION 12. AMENDMENT.** Section 57-55-04 of the North Dakota Century Code is amended and reenacted as follows:

**57-55-04. Taxes - How determined - Disbursement.** The director of tax equalization shall determine the tax for each mobile home by placing an evaluation on the mobile home based upon its assessed value and by adjusting the valuation of the mobile home by the percentage provided in section 57-02-27 to determine its taxable valuation under standards and guides determined by the state tax commissioner and applying that evaluation to the preceding year's total mill levies applying to property within the taxing district in which the mobile home is located. The county treasurer shall provide a tax statement for each mobile home subject to taxation under this chapter, including three columns showing, for the taxable year to which the tax statement applies and the two immediately preceding taxable years, the property tax levy in dollars against the mobile home by the city, county, and school district and the amount of legislative tax relief credit that applies against the taxing district levies for the mobile

home under section 57-01-20. If a mobile home is acquired or moved into this state during the calendar year and a tax permit has not been previously issued for such mobile home in this state for such year, the tax is determined by computing the remaining number of months of the current year to the nearest full month and multiplying that number by one-twelfth of the amount which would be due for the full year. The taxes collected under this chapter must be disbursed in the same year they are collected and in the same manner as real estate taxes for the preceding year are disbursed.

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

**SECTION 14. APPROPRIATION.** There is appropriated out of any moneys in the permanent oil tax trust fund in the state treasury, not otherwise appropriated, the sum of \$3,604,000, or so much of the sum as may be necessary, to the state tax commissioner for the purpose of enhanced funding for the expanded homestead tax credit as provided in this Act, for the biennium beginning July 1, 2007, and ending June 30, 2009.

**SECTION 15. LEGISLATIVE COUNCIL STUDY.** The legislative council shall study, in each legislative interim through 2012, the feasibility and desirability of property tax reform and providing tax relief to taxpayers of the state. The legislative council shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to each subsequent legislative assembly.

**SECTION 16. EFFECTIVE DATE.** Sections 1 through 10 and 12 of this Act are effective for taxable years beginning after December 31, 2006, for ad valorem property taxes and for taxable years beginning after December 31, 2007, for mobile home taxes. Section 11 of this Act is effective for taxable years beginning after December 31, 2006."

Renumber accordingly

#### **CONSIDERATION OF MESSAGE FROM THE HOUSE**

**SEN. URLACHER MOVED** that the Senate do not concur in the House amendments to Reengrossed SB 2032, 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 Reengrossed SB 2032: Sens. Urlacher, Cook, Triplett.

#### **MOTION**

**SEN. CHRISTMANN MOVED** that SB 2260 be placed at the top of the Seventh order, which motion prevailed.

#### **REPORT OF CONFERENCE COMMITTEE**

**SB 2260:** Your conference committee (Sens. Lyson, Olafson, Fiebiger and Reps. DeKrey, Koppelman, Kroeber) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1078-1080, adopt amendments as follows, and place SB 2260 on the Seventh order:

That the House recede from its amendments as printed on pages 1078-1080 of the Senate Journal and pages 1226-1228 of the House Journal and that Senate Bill No. 2260 be amended as follows:

Page 1, line 3, remove "a new subsection to section 43-28-06,"

Page 1, line 5, after the third comma insert "15.1-06-06,"

Page 3, line 6, overstrike "The agencies", remove ", officials," and overstrike "and entities named in subsection 2 shall require each" and insert immediately thereafter "Each"

Page 3, line 7, remove "or name change" and overstrike the first "to" and insert immediately thereafter "or name change who is subject to a criminal history record check under subsection 2 shall"

Page 4, line 6, overstrike "each" and insert immediately thereafter "a final"

Page 4, line 18, after "The" insert "department of", overstrike "department", and overstrike "section"

Page 4, line 19, overstrike "50-11-06.8" and insert immediately thereafter "chapter 50-11" and overstrike "section 50-11.3-01" and insert immediately thereafter "chapter 50-11.3"

Page 4, line 20, overstrike "section 50-12-03.2" and insert immediately thereafter "chapter 50-12"

Page 4, line 22, overstrike "sections" and insert immediately thereafter "chapters" and replace "section" with "chapter"

Page 4, line 23, replace "50-11-06.8" with "50-11", replace "50-11.3-01" with "50-11.3", and replace "50-12-03.2" with "50-12"

Page 4, line 25, replace "sections" with "chapters"

Page 4, line 26, after "The" insert "department of" and overstrike "department"

Page 5, line 15, overstrike "each" and insert immediately thereafter "a final"

Page 5, line 17, overstrike "each" and insert immediately thereafter "a final"

Page 5, line 19, overstrike "employees assigned duties related to"

Page 5, line 20, overstrike "bioterrorism and homeland security issues" and insert immediately thereafter "a final applicant for or an employee in a specified occupation with the department"

Page 5, line 21, overstrike "a nurse aide seeking to have a finding of neglect removed from the"

Page 5, line 22, overstrike "nurse aide registry; or" and overstrike "state"

Page 5, line 23, overstrike "of health who holds a license, certificate, or registration in a"

Page 5, line 24, overstrike "health-related field" and insert immediately thereafter "; or, when requested by the department, an applicant for registration, certification, or licensure by the department"

Page 5, remove lines 25 through 28

Page 5, line 29, replace "p." with "o."

Page 6, line 1, replace "q." with "p."

Page 6, line 5, replace "r." with "q."

Page 6, line 8, replace "s." with "r."

Page 6, line 11, replace "t." with "s."

Page 6, line 12, after "or" insert "final"

Page 6, line 15, replace "u." with "t."

Page 6, line 17, replace "v." with "u.", replace the first underscored comma with "and", and remove the second underscored comma

Page 6, line 18, replace "applicants" with "a final applicant"

Page 6, line 19, after "or" insert "a final"

Page 6, line 22, replace "w." with "v."

Page 6, line 23, replace "all agents, employees," with "each agent and employee" and replace "applicants" with "a final applicant"

Page 6, line 24, replace "have" with "has"



Page 6, line 25, replace "exercise" with "exercises"

Page 6, line 26, after "or" insert "a final"

Page 6, line 30, replace "x." with "w." and replace "each" with "a final"

Page 6, line 31, remove the second "or"

Page 7, line 1, remove "for each student applying for or admitted to a specified program of study."

Page 7, line 3, replace "y." with "x.", after "The" insert "governing", after "a" insert "public", replace "district" with "or, for a nonpublic school, the superintendent of public instruction.", and replace "or individuals seeking" with "designated by the governing board or nonpublic school. The governing board or the nonpublic school is"

Page 7, remove lines 4 through 7

Page 7, line 8, remove "individuals must be" and remove the second "for"

Page 7, after line 9, insert:

"y. The governing board of a public school or, for a nonpublic school, the superintendent of public instruction, for a final applicant for employment with the school or otherwise providing services to the school, if that individual has unsupervised contact with the students. For purposes of this subdivision, "unsupervised contact" with students means being in proximity to one or more students, on school grounds or at school functions, outside the presence of an individual who has been subject to a criminal background check. The governing board or the nonpublic school is responsible for paying the costs associated with obtaining a background check."

Page 7, after line 13, insert:

**"SECTION 5. AMENDMENT.** Section 15.1-06-06 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-06-06. Approval of public and nonpublic schools.** Each public and nonpublic school in this state offering elementary or secondary education to students must be approved by the superintendent of public instruction. Except as otherwise provided by law, the superintendent may not approve a school unless:

1. Each classroom teacher is licensed to teach by the education standards and practices board or approved to teach by the education standards and practices board;
2. Each classroom teacher is teaching only in those course areas or fields for which the teacher is licensed or for which the teacher has received an exception under section 15.1-09-57;
3. The students are offered all subjects required by law; ~~and~~
4. The school is in compliance with all local and state health, fire, and safety laws; and
5. The school has conducted all criminal history record checks required by section 12-60-24."

Page 11, remove lines 1 through 13

Renumber accordingly

SB 2260 was placed on the Seventh order of business on the calendar.

#### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**SEN. CHRISTMANN MOVED** that the conference committee report on SB 2260 be rejected, which motion prevailed on a voice vote.

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

**MR. SPEAKER:** The Senate has passed and your favorable consideration is requested on: SCR 4037, SCR 4038, SCR 4039, SCR 4040.

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

**MR. SPEAKER:** The Senate has not adopted the conference committee report on: SB 2260.

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

**MR. SPEAKER:** The Senate does not concur in the House amendments to SB 2032 and the President has appointed as a conference committee to act with a like committee from the House on:

**SB 2032:** Sens. Urlacher; Cook; Triplett

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

**MR. PRESIDENT:** The House has adopted the conference committee reports and subsequently passed: SB 2284 and SB 2313.

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

**MR. PRESIDENT:** The House has adopted the conference committee report on: SB 2323.

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

**MR. PRESIDENT:** The House has not adopted the conference committee report on: HB 1469.

**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 2032:** Reps. Belter; Drovda; S. Kelsh

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

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

**SB 2352:** Reps. Hofstad; Porter; Kaldor

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

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

**SB 2165:** Reps. Ruby; Owens; Myxter

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

**MR. PRESIDENT:** The Speaker has appointed Rep. Porter to replace Rep. Klein on the Conference Committee on SB 2017.

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

**MR. PRESIDENT:** The Speaker has signed: HB 1029, HB 1146, HB 1160, HB 1243, HB 1390, HB 1445, HB 1487.

**MOTION**

**SEN. CHRISTMANN MOVED** that the absent member 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 8:00 a.m., Thursday, April 19, 2007, which motion prevailed.

**REPORT OF CONFERENCE COMMITTEE**

**SB 2005:** Your conference committee (Sens. Grindberg, Krebsbach, Tallackson and Reps. Skarphol, Thoreson, Glassheim) recommends that the **SENATE ACCEDE** to the House amendments on SJ page 1123, adopt further amendments as follows, and place SB 2005 on the Seventh order:

That the Senate accede to the House amendments as printed on page 1123 of the Senate Journal and pages 1164 and 1165 of the House Journal and that Senate Bill No. 2005 be further amended as follows:

Page 1, line 1, after "treasurer" insert "; to provide legislative intent"

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

Page 2, after line 10, insert:

**"SECTION 5. LEGISLATIVE INTENT - FUTURE ADDITIONAL EMPLOYEE POSITIONS.** It is the intent of the sixtieth legislative assembly that future legislative assemblies not approve any additional employee positions for the office of the state treasurer and that any future expansion of administrative duties or responsibilities relative to state treasury activities be assigned to the office of management and budget."

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### Senate Bill No. 2005 - State Treasurer - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	\$705,493	\$705,493	\$120,684	\$826,177	\$826,177	
Operating expenses	923,015	923,015	(20,000)	903,015	903,015	
In lieu of tax payments	<u>1,410,000</u>	<u>1,410,000</u>	<u>(45,000)</u>	<u>1,365,000</u>	<u>1,365,000</u>	
Total all funds	\$3,038,508	\$3,038,508	\$55,684	\$3,094,192	\$3,094,192	\$0
Less estimated income						
General fund	\$3,038,508	\$3,038,508	\$55,684	\$3,094,192	\$3,094,192	\$0
FTE	6.00	6.00	1.00	7.00	7.00	0.00

#### Dept. 120 - State Treasurer - Detail of Conference Committee Changes

	ADDS 1 FTE ACCOUNTING POSITION <sup>1</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	\$120,684	\$120,684
Operating expenses	(20,000)	(20,000)
In lieu of tax payments	<u>(45,000)</u>	<u>(45,000)</u>
Total all funds	\$55,684	\$55,684
Less estimated income		
General fund	\$55,684	\$55,684
FTE	1.00	1.00

<sup>1</sup> This amendment adds funding for 1 FTE accounting position and reduces funding for operating expenses and in lieu of tax payments. The conference committee agreed to this position.

The House added a section identifying one-time funding included in the budget and providing for a report to the 61st Legislative Assembly on the agency's use of the one-time funding. The conference committee agreed to this action.

The conference committee added a section of legislative intent that future legislative assemblies not approve any additional employee positions for the State Treasurer's office and that any future expansion of duties relating to state treasury-related activities be assigned to the Office of Management and Budget.

SB 2005 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**SB 2072, as reengrossed:** Your conference committee (Sens. Wanzek, Klein, Behm and Reps. Vigasaa, N. Johnson, Amerman) recommends that the **SENATE ACCEDE** to the House amendments on SJ pages 824-826 and place SB 2072 on the Seventh order.

Reengrossed SB 2072 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**

