

## JOURNAL OF THE SENATE

## Sixtieth Legislative Assembly

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Bismarck, April 19, 2007

The Senate convened at 8:00 a.m., with President Pro Tem J. Lee presiding.

The prayer was offered by Senator Krauter.

The roll was called and all members were present.

A quorum was declared by the President Pro Tem.

## MOTION

**SEN. CHRISTMANN MOVED** that SB 2352 be placed at the top of the Twelfth order, which motion prevailed.

## APPOINTMENT OF CONFERENCE COMMITTEE

**SEN. CHRISTMANN MOVED** that the President appoint a committee of three to act with a like committee from the House as a new Conference Committee on Engrossed SB 2352, which motion prevailed.

**THE PRESIDENT APPOINTED** as a new Conference Committee on:

**Engrossed SB 2352:** Sens. Dever, Erbele, Heckaman

## CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**SEN. WANZEK MOVED** that the conference committee report on Reengrossed SB 2072 as printed on SJ page 1457 be adopted, which motion prevailed on a voice vote.

Reengrossed SB 2072, as amended, was placed on the Eleventh order.

## SECOND READING OF SENATE BILL

**SB 2072:** A BILL for an Act to amend and reenact section 39-01-02, subsection 10 of section 65-05-08, and sections 65-05-19 and 65-05.1-06.1 of the North Dakota Century Code, relating to exceptions to the requirement of the state name display on motor vehicles, dependency allowances, nondependency payments upon death, and rehabilitation awards; and to provide for application.

## ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 9 YEAS, 38 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Fischer; Hacker; Kilzer; Klein; Krebsbach; Olafson; Stenehjem; Urlacher; Wanzek

**NAYS:** Anderson; Andrist; Bakke; Behm; Bowman; Christmann; Cook; Dever; Erbele; Fiebiger; Flakoll; Freborg; Grindberg; Heckaman; Heitkamp; Holmberg; Horne; Krauter; Lee, G.; Lee, J.; Lindaas; Lyson; Marcellais; Mathern; Nelson; Nething; O'Connell; Oehlke; Pomeroy; Potter; Robinson; Seymour; Tallackson; Taylor; Tollefson; Triplett; Wardner; Warner

Reengrossed SB 2072 lost.

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## CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**SEN. GRINDBERG MOVED** that the conference committee report on SB 2005 be adopted as printed on SJ pages 1456-1457 be adopted, which motion prevailed on a voice vote.

SB 2005, as amended, was placed on the Eleventh order.

## SECOND READING OF SENATE BILL

**SB 2005:** A BILL for an Act to provide an appropriation for defraying the expenses of the state treasurer; to provide legislative intent; to amend and reenact section 54-11-13 of the North Dakota Century Code, relating to the salary of the state treasurer; and to provide for a report to the legislative assembly.

**ROLL CALL**

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

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

Engrossed SB 2005 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: SB 2005.

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

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently failed: SB 2072.

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

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

**SB 2352:** Sens. Dever; Erbele; Heckaman

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

**MR. PRESIDENT:** The House has passed unchanged: SCR 4040.

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

**MR. PRESIDENT:** The House does not concur in the Senate amendments to HB 1017 and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

**HB 1017:** Reps. Carlson; Ruby; Glassheim

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

**MR. PRESIDENT:** The House does not concur in the Senate amendments to HB 1246 and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

**HB 1246:** Reps. Nelson; Weisz; Potter

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

**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently passed: HB 1197.

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

**MR. PRESIDENT:** The House has not adopted the conference committee report on: SB 2293.

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

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

**HB 1469:** Reps. Charging; Dietrich; S. Meyer

**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 2260:** Reps. DeKrey; Koppelman; Kroeber

**SB 2309:** Reps. L. Meier; Wall; Hunskor

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

**MR. SPEAKER:** Your signature is respectfully requested on: SB 2284, SB 2313, SB 2323.

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

**MR. SPEAKER:** Your signature is respectfully requested on: SCR 4040.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1154, HB 1303.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**  
**MR. SPEAKER:** The President has signed: SB 2319.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**  
**MR. SPEAKER:** The President has signed: HB 1107, HB 1154, HB 1290, HB 1303, HB 1488.

#### **DELIVERY OF ENROLLED BILLS AND RESOLUTIONS**

The following bill was delivered to the Governor for approval on April 19, 2007: SB 2319.

#### **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 Pro Tem J. Lee presiding.

#### **APPOINTMENT OF CONFERENCE COMMITTEE**

**SEN. CHRISTMANN MOVED** that the President appoint a committee of three to act with a like committee from the House as a new Conference Committee on SB 2293, which motion prevailed.

**THE PRESIDENT APPOINTED** as a new Conference Committee on:

**SB 2293:** Sens. Tollefson, Urlacher, Triplett

#### **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 1017 and HB 1246, which motion prevailed.

**THE PRESIDENT APPOINTED** as a Conference Committee on:

**Engrossed HB 1017:** Sens. Wardner, Krebsbach, Tallackson

**HB 1246:** Sens. Erbele, J. Lee, Heckaman

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

**HB 1197, as reengrossed:** Your conference committee (Sens. Lyson, Olafson, Nelson and Reps. Carlson, Klemin, Kerzman) recommends that the **HOUSE ACCEDE** to the Senate amendments on HJ page 1123 and place HB 1197 on the Seventh order.

Reengrossed HB 1197 was placed on the Seventh order of business on the calendar.

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

**SEN. LYSON MOVED** that the conference committee report on Reengrossed HB 1197 be adopted, which motion prevailed on a voice vote.

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

**SB 2018:** Your conference committee (Sens. Grindberg, Krebsbach, Seymour and Reps. Martinson, Hawken, Guleson) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1074-1076, adopt amendments as follows, and place SB 2018 on the Seventh order:

That the House recede from its amendments as printed on pages 1074-1076 of the Senate Journal and pages 1181-1184 of the House Journal and that Senate Bill No. 2018 be amended as follows:

Page 1, line 2, after "society" insert "; to amend and reenact section 3 of Senate Bill No. 2341, as approved by the sixtieth legislative assembly, relating to the heritage center expansion project; and to provide legislative intent"

Page 1, line 22, replace "1,516,993" with "1,539,371"

Page 1, line 23, replace "445,205" with "615,205"

Page 1, line 24, replace "(5,690,738)" with "(4,940,738)"

Page 2, after line 1, insert:

"Cultural heritage grants 50,000"

Page 2, after line 2, insert:  
"Snow angel project 10,000"

Page 2, line 4, replace "\$4,995,960" with "\$3,993,582"

Page 2, line 5, replace "(6,807,703)" with "(6,107,703)"

Page 2, line 6, replace "1,811,743" with "2,114,121"

Page 2, line 12, replace "7,150,279" with "7,172,657"

Page 2, line 13, replace "1,953,911" with "2,123,911"

Page 2, line 14, replace "2,591,581" with "3,341,581"

Page 2, line 16, replace "325,000" with "375,000"

Page 2, after line 16, insert:  
"Snow angel project 10,000"

Page 2, line 18, replace "13,025,263" with "14,027,641"

Page 2, line 19, replace "3,119,462" with "3,819,462"

Page 2, line 20, replace "9,905,801" with "10,208,179"

Page 2, after line 29, insert:

**"SECTION 6. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY.** The total general fund appropriation line item in section 3 of this Act includes \$1,628,000 and Senate Bill No. 2349 includes \$30,000 for the one-time funding items identified in this section. These amounts are not part of the agency's base budget to be used in preparing the 2009-11 executive budget. The state historical society shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

Lincoln bicentennial	\$50,000
Capital projects and deferred maintenance	1,298,000
Medal of honor monument	30,000
Marketing	85,000
Chateau de Mores	195,000
Total	\$1,658,000

**SECTION 7. COLD WAR MISSILE SITES.** The capital assets line item in section 3 of this Act includes \$250,000 from the lands and minerals trust fund, \$250,000 from federal funds, and \$200,000 from other funds available to the state historical society through fundraising efforts to acquire the missile alert facility oscar-zero located four and one-half miles north of Cooperstown, North Dakota, and the launch facility november-33 located two and one-half miles east of Cooperstown, North Dakota.

**SECTION 8. INTENT - MISSILE SITE OPERATING COSTS.** It is the intent of the sixtieth legislative assembly that operating costs for the cold war era missile sites occurring after June 30, 2009, be funded by other funds.

**SECTION 9. INTENT - LINCOLN BICENTENNIAL.** It is the intent of the sixtieth legislative assembly that any unexpended appropriations for the Lincoln bicentennial for the 2007-09 biennium be returned to the general fund.

**SECTION 10. AMENDMENT.** Section 3 of Senate Bill No. 2341, as approved by the sixtieth legislative assembly, is amended and reenacted as follows:

**SECTION 3. CONTINGENT APPROPRIATION - LANDS AND MINERALS TRUST FUND.** There is appropriated out of any moneys in the lands and minerals trust fund the sum of \$1,500,000 on a contingency basis to the office of management and budget for the planning and design costs of the heritage center expansion project, for the biennium beginning July 1, 2007, and ending June 30, 2009. The appropriation is

only available when the state historical society certifies to the office of management and budget that \$1,500,000 of ~~private other~~ funds has been received or pledged and is available for the project. ~~The private funds must be spent before the funds from the lands and minerals trust fund.~~ The sum of \$1,500,000 of other funds is appropriated to the state historical society for the heritage center expansion project, for the biennium beginning July 1, 2007, and ending June 30, 2009."

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### Senate Bill No. 2018 - State Historical Society - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	\$7,150,279	\$7,150,279	\$22,378	\$7,172,657	\$7,172,657	
Operating expenses	1,953,911	1,953,911	170,000	2,123,911	2,098,911	\$25,000
Capital assets	2,591,581	2,591,581	750,000	3,341,581	3,291,581	50,000
Grants	1,000,000	1,000,000		1,000,000	1,000,000	
Cultural heritage grants	325,000	325,000	50,000	375,000	375,000	
Yellowstone-Missouri- Ft. Union Commission	4,492	4,492		4,492	4,492	
Snow angel project			10,000	10,000	10,000	
Total all funds	\$13,025,263	\$13,025,263	\$1,002,378	\$14,027,641	\$13,952,641	\$75,000
Less estimated income	<u>3,119,462</u>	<u>3,119,462</u>	<u>700,000</u>	<u>3,819,462</u>	<u>3,569,462</u>	<u>250,000</u>
General fund	\$9,905,801	\$9,905,801	\$302,378	\$10,208,179	\$10,383,179	(\$175,000)
FTE	60.00	60.00	0.00	60.00	60.00	0.00

#### Dept. 701 - State Historical Society - Detail of Conference Committee Changes

	CULTURAL HERITAGE GRANTS <sup>1</sup>	INCREASES FUNDING FOR SALARIES <sup>2</sup>	MARKETING <sup>3</sup>	EXTRAORDINARY REPAIRS <sup>4</sup>	CHATEAU DE MORES <sup>5</sup>	SNOW ANGEL PROJECT <sup>6</sup>
Salaries and wages		\$22,378				
Operating expenses			\$75,000		\$45,000	
Capital assets				(\$100,000)	150,000	
Grants						
Cultural heritage grants	\$50,000					
Yellowstone-Missouri- Ft. Union Commission						
Snow angel project						\$10,000
Total all funds	\$50,000	\$22,378	\$75,000	(\$100,000)	\$195,000	\$10,000
Less estimated income						
General fund	\$50,000	\$22,378	\$75,000	(\$100,000)	\$195,000	\$10,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00
	OPERATING COSTS FOR COLD WAR SITES <sup>7</sup>	COLD WAR MISSILE SITES <sup>8</sup>	TOTAL CONFERENCE COMMITTEE CHANGES			
Salaries and wages			\$22,378			
Operating expenses	\$50,000		170,000			
Capital assets		\$700,000	750,000			
Grants						
Cultural heritage grants			50,000			
Yellowstone-Missouri- Ft. Union Commission						
Snow angel project			10,000			
Total all funds	\$50,000	\$700,000	\$1,002,378			
Less estimated income		<u>700,000</u>	<u>700,000</u>			
General fund	\$50,000	\$0	\$302,378			
FTE	0.00	0.00	0.00			

<sup>1</sup> This amendment increases funding for cultural heritage grants.

<sup>2</sup> This amendment increases funding to continue pay increases provided to employees who were reclassified.

<sup>3</sup> This amendment provides funding for marketing.

<sup>4</sup> This amendment decreases funding for extraordinary repairs.

<sup>5</sup> This amendment provides funding for furniture and equipment and operating expenses at the Chateau de Mores Interpretive Center.

<sup>6</sup> This amendment provides funding for marketing and promotion of the snow angel project.

<sup>7</sup> This amendment provides \$50,000 for operating expenses that occur after acquisition of the cold war era facilities for which fundraising and matching dollars have not yet been made available.

<sup>8</sup> This amendment adds funding to allow the State Historical Society to acquire a missile alert facility and launch facility from the cold war era for restoration. The estimated income consists of \$200,000 from private fundraising, \$250,000 from the lands and minerals trust fund, and \$250,000 in matching federal funds. The House version provided \$200,000 from the general fund, \$200,000 from private fundraising, and \$250,000 in matching federal funds.

A section is added identifying the 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.

A section is added authorizing the State Historical Society to acquire a cold war era missile alert facility and launch facility. The section also provides \$250,000 from the lands and minerals trust fund.

A section is added providing legislative intent that any unused appropriation for the Lincoln Bicentennial for the 2007-09 biennium be returned to the general fund.

A section is added providing legislative intent that any future funding for operating costs for the cold war missile sites be from other funds.

This amendment restores funding removed by the House for the Lincoln Bicentennial.

SB 2018 was placed on the Seventh order of business on the calendar.

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

**SEN. GRINDBERG MOVED** that the conference committee report on SB 2018 be adopted, which motion prevailed on a voice vote.

SB 2018, as amended, was placed on the Eleventh order.

#### **SECOND READING OF SENATE BILL**

**SB 2018:** A BILL for an Act to provide an appropriation for defraying the expenses of the state historical society; to amend and reenact section 3 of Senate Bill No. 2341, as approved by the sixtieth legislative assembly, relating to the heritage center expansion project; and to provide legislative intent.

#### **ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 42 YEAS, 4 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

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

**NAYS:** Bowman; Christmann; Cook; Stenehjem

**ABSENT AND NOT VOTING:** Nelson

Engrossed SB 2018 passed and the title was agreed to.

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

**SB 2180, as engrossed:** Your conference committee (Sens. Klein, Wanzek, Heckaman and Reps. Clark, Hofstad, Solberg) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1076-1077, adopt amendments as follows, and place SB 2180 on the Seventh order:

That the House recede from its amendments as printed on pages 1076 and 1077 of the Senate Journal and page 1193 of the House Journal and that Engrossed Senate Bill No. 2180 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 sections 6-09.17-01, 6-09.17-02, 6-09.17-03, and 6-09.17-04 of the North Dakota Century Code, relating to the biofuel partnership in assisting community expansion fund; to provide for a legislative council study; to provide a continuing appropriation; to provide an effective date; and to provide an expiration date.

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

**SECTION 1. AMENDMENT.** Section 6-09.17-01 of the North Dakota Century Code is amended and reenacted as follows:

**6-09.17-01. Definitions.** In this chapter, unless the context or subject matter otherwise requires:

1. "Biodiesel production facility" means a producer of a biodegradable, combustible liquid fuel that is derived from vegetable oil or animal fat and which is suitable for blending with diesel fuel for use in internal combustion diesel engines. The facility must be located in this state and:
  - a. Agricultural producers must hold at least ten percent of the ownership interest in the facility; or
  - b. Residents of this state must own at least fifty percent of the ownership interest of the facility.
2. ~~"Biodiesel Biofuel partnership in assisting community expansion fund" or "fund" means a fund established to buy down the interest rate on loans to biodiesel and ethanol production facilities, to grain handling facilities, and to livestock operations as provided under this chapter.~~
2. ~~"Biodiesel production facility" means a corporation, limited liability company, partnership, individual, or association involved in production of diesel fuel containing at least five percent biodiesel meeting the specifications adopted by the American society for testing and materials.~~
3. ~~"Community" means the city or county in which an eligible biodiesel production facility is located, or a local development corporation, community organization, or any other group whose interest is in the economic growth of the area. "Biofuels retailer" means a retailer that dispenses and distributes biodiesel fuel and gasoline blends with greater than sixty percent ethanol.~~
4. "Ethanol production facility" means a producer of agriculturally derived denatured ethanol that is suitable for blending with a petroleum product for use in internal combustion engines. The facility must be located in this state and:
  - a. Agricultural producers must hold at least ten percent of the ownership interest in the facility; or
  - b. Residents of this state must own at least fifty percent of the ownership interest of the facility.
5. "Grain handling facility" means a grain storage facility licensed under chapter 60-02 or 60-02.1 which provides condominium storage of grain that is principally intended for the production of biofuels.
6. "Livestock operation" means a livestock feeding, handling, milking, or holding operation located in this state which uses as part of its operation a byproduct produced at a biodiesel or an ethanol production facility.

**SECTION 2. AMENDMENT.** Section 6-09.17-01 of the North Dakota Century Code is amended and reenacted as follows:

**6-09.17-01. Definitions.** In this chapter, unless the context or subject matter otherwise requires:

1. "Biodiesel production facility" means a producer of a biodegradable, combustible liquid fuel that is derived from vegetable oil or animal fat and which is suitable for blending with diesel fuel for use in internal combustion diesel engines. The facility must be located in this state and:
  - a. Agricultural producers must hold at least ten percent of the ownership interest in the facility; or
  - b. Residents of this state must own at least fifty percent of the ownership interest of the facility.
2. "Biodiesel Biofuel partnership in assisting community expansion fund" or "fund" means a fund established to buy down the interest rate on loans to biodiesel and ethanol production facilities and to livestock operations as provided under this chapter.
2. ~~"Biodiesel production facility" means a corporation, limited liability company, partnership, individual, or association involved in production of diesel fuel containing at least five percent biodiesel meeting the specifications adopted by the American society for testing and materials.~~
3. ~~Community" means the city or county in which an eligible biodiesel production facility is located, or a local development corporation, community organization, or any other group whose interest is in the economic growth of the area. "Ethanol production facility" means a producer of agriculturally derived denatured ethanol that is suitable for blending with a petroleum product for use in internal combustion engines. The facility must be located in this state and:~~
  - a. Agricultural producers must hold at least ten percent of the ownership interest in the facility; or
  - b. Residents of this state must own at least fifty percent of the ownership interest of the facility.
4. "Livestock operation" means a livestock feeding, handling, milking, or holding operation located in this state which uses as part of its operation a byproduct produced at a biodiesel or an ethanol production facility.

**SECTION 3. AMENDMENT.** Section 6-09.17-02 of the North Dakota Century Code is amended and reenacted as follows:

**6-09.17-02. Biodiesel Biofuel partnership in assisting community expansion fund - Continuing appropriation - Administration.** A Effective July 1, 2007, the biodiesel partnership in assisting community expansion fund is hereby established becomes the biofuel partnership in assisting community expansion fund. All moneys transferred into the fund, interest on fund moneys, and payments to the fund are hereby appropriated for the purposes of this chapter. This fund is not subject to section 54-44.1-11 and any unexpended and unobligated balance in the fund at the end of the biennium must be transferred to the state general fund. The Bank of North Dakota shall administer the fund. Notwithstanding any other provision of law, the Bank may transfer any unobligated moneys between funds that have been appropriated by the legislative assembly for interest buydown in the biofuel partnership in assisting community expansion fund and the partnership in assisting community expansion fund.

**SECTION 4. AMENDMENT.** Section 6-09.17-03 of the North Dakota Century Code is amended and reenacted as follows:

**6-09.17-03. Fund - Purpose - Interest rate buydown.** Moneys in the biodiesel partnership in assisting community expansion fund must be used for the purpose of buying down the interest rate on loans made by a lead financial institution in participation with the Bank of North Dakota. The Bank of North Dakota's participation may not exceed eighty percent nor be less than fifty percent of the total loans. If the loan is approved by the lenders and there is evidence of the community's commitment and ability to fund its portion of the buydown, the fund's participation in the buydown must automatically be approved. During the first year of a biennium, the total amount from the fund used for interest rate buydowns for biofuels retailers may not exceed two hundred fifty thousand dollars and the total amount from the fund used for interest rate buydowns for grain handling facilities may not exceed two hundred fifty thousand dollars. The total amount from the fund used for interest rate buydowns for grain



handling facilities and biofuels retailers may not exceed five hundred thousand dollars per biennium.

**SECTION 5. AMENDMENT.** Section 6-09.17-03 of the North Dakota Century Code is amended and reenacted as follows:

**6-09.17-03. Fund - Purpose - Interest rate buydown.** Moneys in the ~~biodiesel partnership in assisting community expansion~~ fund must be used for the purpose of buying down the interest rate on loans made by a lead financial institution in participation with the Bank of North Dakota. The Bank of North Dakota's participation may not exceed eighty percent nor be less than fifty percent of the total loans. ~~If the loan is approved by the lenders and there is evidence of the community's commitment and ability to fund its portion of the buydown, the fund's participation in the buydown must automatically be approved.~~

**SECTION 6. AMENDMENT.** Section 6-09.17-04 of the North Dakota Century Code is amended and reenacted as follows:

**6-09.17-04. Fund moneys - Eligible uses.**

1. a. The fund moneys may be used to participate in an interest rate buydown on a loan to a biodiesel or an ethanol production facility, to a grain handling facility, or to a livestock operation for the following eligible uses:
  - (1) Purchase or construction of real property ~~and equipment~~.
  - (2) Expansion of facilities.
  - (3) ~~Working capital~~ Purchase or installation of equipment.
  - (4) ~~Inventory~~.
- b. The fund moneys may be used to participate in an interest rate buydown on a loan to a biofuels retailer for the purchase or installation of pumps and related equipment.
- c. The loan funds ~~cannot~~ may not be used to refinance any existing debt or for the relocation within this state of the ~~business within North Dakota~~ biodiesel or ethanol production facility, the grain handling facility, or the livestock operation.
2. ~~The community shall determine the amount of the interest rate buydown and apply to the Bank of North Dakota for participation from the biodiesel partnership in assisting community expansion fund. The funds for the community's portion of the buydown may come from a local development corporation, contributions, community funds, future dedicated tax programs, or any other community source. Any community funds provided for a buydown under chapter 6-09.14 for a biodiesel production facility may be considered as funds for the community's portion of the buydown under this chapter for that facility.~~
3. ~~The fund participation portion in the buydown must be determined by the Bank of North Dakota based on economic conditions in the city or county in which the business is located.~~
4. ~~The maximum amount from the fund in the interest rate buydown for a biodiesel or ethanol production facility may not exceed four five hundred thousand dollars per loan and not more than one loan may be provided to any single biodiesel or ethanol production facility under this chapter. However, if the partnership in assisting community expansion fund does not have adequate funds on hand for an interest rate buydown for a biodiesel production facility, the maximum amount from the fund under this subsection is increased to six hundred thousand dollars per loan. The community funds required for participation in the interest rate buydown are limited to the amount required when the fund provides two hundred fifty thousand dollars per loan. The maximum amount from the fund in the interest rate buydown for a livestock operation may not exceed two hundred fifty thousand dollars to any single livestock operation under this chapter. The maximum amount from the fund in the interest rate buydown~~

for a grain handling facility may not exceed fifty thousand dollars to any single facility. The maximum amount from the fund in the interest rate buydown for a biofuels retailer may not exceed ten thousand dollars to any single location of a biofuels retailer under this chapter.

3. The fund participation ~~must be~~ is limited to the amount required to buy down the interest to five hundred basis points below the national prime interest rate.
- 5- 4. The Bank of North Dakota shall adopt rules to implement this chapter.

**SECTION 7. AMENDMENT.** Section 6-09.17-04 of the North Dakota Century Code is amended and reenacted as follows:

**6-09.17-04. Fund moneys - Eligible uses.**

1. a. The fund moneys may be used to participate in an interest rate buydown on a loan to a biodiesel or an ethanol production facility or to a livestock operation for the following eligible uses:
  - (1) Purchase or construction of real property ~~and equipment~~.
  - (2) Expansion of facilities.
  - (3) ~~Working capital~~ Purchase or installation of equipment.
  - (4) ~~Inventory~~.
- b. The loan funds ~~cannot~~ may not be used to refinance any existing debt or for the relocation within this state of the ~~business within North Dakota~~ biodiesel or ethanol production facility or the livestock operation.
2. ~~The community shall determine the amount of the interest rate buydown and apply to the Bank of North Dakota for participation from the biodiesel partnership in assisting community expansion fund. The funds for the community's portion of the buydown may come from a local development corporation, contributions, community funds, future dedicated tax programs, or any other community source. Any community funds provided for a buydown under chapter 6-09.14 for a biodiesel production facility may be considered as funds for the community's portion of the buydown under this chapter for that facility.~~
3. ~~The fund participation portion in the buydown must be determined by the Bank of North Dakota based on economic conditions in the city or county in which the business is located.~~
4. ~~The maximum amount from the fund in the interest rate buydown for a biodiesel or ethanol production facility may not exceed four five hundred thousand dollars per loan and not more than one loan may be provided to any single biodiesel or ethanol production facility under this chapter. However, if the partnership in assisting community expansion fund does not have adequate funds on hand for an interest rate buydown for a biodiesel production facility, the maximum amount from the fund under this subsection is increased to six hundred thousand dollars per loan. The community funds required for participation in the interest rate buydown are limited to the amount required when the fund provides two hundred fifty thousand dollars per loan. The maximum amount from the fund in the interest rate buydown for a livestock operation may not exceed two hundred fifty thousand dollars to any single livestock operation under this chapter.~~
3. The fund participation ~~must be~~ is limited to the amount required to buy down the interest to five hundred basis points below the national prime interest rate.
- 5- 4. The Bank of North Dakota shall adopt rules to implement this chapter.

**SECTION 8. LEGISLATIVE COUNCIL STUDY - BIOFUELS.** The legislative council shall consider studying, during the 2007-08 interim, the agronomic, economic,

and environmental issues related to biofuels production in North Dakota, including the availability of feedstocks and other production resources, existing and future production capacity, farmer and processor contracting models, public and private financial incentives, and the transportation infrastructure necessary to meet optimum production and marketability levels for biofuels in this state. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

**SECTION 9. EFFECTIVE DATE.** Sections 2, 5, and 7 of this Act become effective on August 1, 2009.

**SECTION 10. EXPIRATION DATE.** Sections 1, 4, and 6 of this Act are effective through July 31, 2009, and after that date are ineffective."

Renumber accordingly

Engrossed SB 2180 was placed on the Seventh order of business on the calendar.

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

**SEN. LYSON MOVED** that the conference committee report on Engrossed SB 2180 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2180, as amended, was placed on the Eleventh order.

#### **SECOND READING OF SENATE BILL**

**SB 2180:** A BILL for an Act to amend and reenact sections 6-09.17-01, 6-09.17-02, 6-09.17-03, and 6-09.17-04 of the North Dakota Century Code, relating to the biofuel partnership in assisting community expansion fund; to provide for a legislative council study; to provide a continuing appropriation; to provide an effective date; and to provide an expiration date.

#### **ROLL CALL**

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

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

**NAYS:** Cook; Oehlke

**ABSENT AND NOT VOTING:** Nelson

Reengrossed SB 2180 passed and the title was agreed to.

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#### **MOTION**

**SEN. WARNER MOVED** that her remarks of Sen. Triplett be printed in the Journal, which motion prevailed.

#### **REMARKS OF SENATOR TRIPLETT**

On behalf of the city and the citizens of Grand Forks, thank you.

On this day, ten years ago, the state of North Dakota was experiencing a disastrous flood that affected numerous communities up and down the Red River Valley. In Grand Forks on this day in 1997 nearly all of the city's 50,000 residents were evacuated as flood waters overtopped the city's levees and a fire broke out amidst the flooded downtown that destroyed 11 buildings.

Most of these evacuated residents fled to the homes of families, friends, and complete strangers all across the state of North Dakota. They found refuge. But more than that they found compassion, hospitality, and support.

In the weeks without a home, these Grand Forks refugees found new homes in the communities and the hearts of North Dakota. In the weeks and months to follow, as the beleaguered residents returned, the people of North Dakota were once again at our side, helping to muck out basements, clean up debris, and begin the long process of putting lives and livelihoods back together.

The people of Grand Forks, in the spirit of resolve and determination and the can-do attitude for which our great state is so renowned, were committed to returning to their community and rebuilding it, stronger than ever.

Citizens began restoring their own homes and helping their neighbors restore theirs. Businesses committed to rebuilding and the city's leadership resolved to make the difficult decisions that would steer the way to recovery.

The people, the agencies, and the powers of the State were unwavering in their support of this recovery. The National Guard, the Bank of North Dakota, the University of North Dakota, the State Legislature, Governor Schafer, and many others stood shoulder to shoulder with the people of Grand Forks in solidarity and support through the heartbreak, the struggles, and the hard-won successes.

Through the last ten years, the state of North Dakota has helped rebuild homes, businesses, infrastructure, and, most of all, the lives of the North Dakota citizens who call Grand Forks home.

Perhaps one of the most significant acts was the unwavering commitment to help construct a flood protection system that would protect the community and ensure the sense of safety necessary to rebuild Grand Forks as a healthy and robust center for North Dakota's growing future.

The city and citizens of Grand Forks are proud to be a part of the promising future of this great state and will always carry with them a level of gratitude difficult to express.

On this day marking the 10th Anniversary of the 1997 Flood, all we can say to the State of North Dakota, its citizens, and the members of this legislature is that on behalf of the city and the citizens of Grand Forks, thank you.

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

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

**SB 2293:** Sens. Tollefson; Urlacher; Triplett

**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 1017:** Sens. Wardner; Krebsbach; Tallackson

**HB 1246:** Sens. Erbele; J. Lee; Heckaman

**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 2018, SB 2180.

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

**MR. SPEAKER:** The Senate has adopted the conference committee report on: HB 1197.

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

**MR. PRESIDENT:** The House has amended and subsequently passed: SB 2015.

**HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015**

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

Page 1, line 3, after "exemption" insert "; to create and enact a new section to chapter 6-09 and a new section to chapter 55-10 of the North Dakota Century Code, relating to earnings and profits of the Bank of North Dakota and historical sites; to amend and reenact sections 15-69-02, 15-69-03, 15-69-04, 15-69-05, 24-02-37, and 39-04-39 of the North Dakota Century Code, relating to centers of excellence, state highway fund, and registration fees; to provide an appropriation; to provide for reports to the budget section; to create a legislative council medical assistance committee; to provide legislative intent; to provide an effective date; and to provide an expiration date"

Page 1, line 22, replace "125,058" with "1,625,058"

Page 1, line 23, replace "(954,970)" with "151,030"

Page 2, line 1, replace "(388,000)" with "(335,000)"

Page 2, line 5, replace "(\$38,059,031)" with "(\$35,400,031)"

Page 2, line 6, replace "(39,749,959)" with "(38,224,959)"

Page 2, line 7, replace "1,690,928" with "2,824,928"

Page 2, line 14, replace "13,720,144" with "15,220,144"

Page 2, line 15, replace "10,386,136" with "11,492,136"

Page 2, line 17, replace "1,000" with "54,000"

Page 2, line 18, replace "28,752,299" with "31,411,299"

Page 2, line 19, replace "6,905,360" with "8,430,360"

Page 2, line 20, replace "21,846,939" with "22,980,939"

Page 2, after line 29, insert:

**"SECTION 6. APPROPRIATION - WILLISTON RESEARCH CENTER - NESSON VALLEY IRRIGATION PROJECT.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$180,000, or so much of the sum as may be necessary, to the Williston research center for the nesson valley irrigation project, including \$100,000 for operating costs and \$80,000 for salaries and wages, for the biennium beginning July 1, 2007, and ending June 30, 2009. The Williston research center is authorized one full-time technician position for this project.

**SECTION 7. INTENT.** Within the authority included in section 3 of this Act are the following grants and special items:

Boys and girls clubwork	\$53,000
State contingencies	\$500,000
State memberships and related expenses	\$581,000
Unemployment insurance	\$1,500,000
Capitol grounds planning commission	\$25,000

**SECTION 8. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY.** The total general fund appropriation line item in section 3 of this Act includes \$3,000,000 for the one-time funding item identified in this section. This amount is not a part of the agency's base budget to be used in preparing the 2009-11 executive budget. The office of management and budget shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

Deferred maintenance	\$3,000,000
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**SECTION 9. REPORT ON SALARY EQUITY.** The office of management and budget shall report to the budget section on the status of salary equity for state employees by June 30, 2008.

**SECTION 10. ONE-TIME FUNDING - NORTH DAKOTA UNIVERSITY SYSTEM.** Notwithstanding the one-time funding section contained in House Bill No. 1003, the allocation of \$3,700,000 for connectND system support included in the grand total general fund appropriation line item in section 3 of House Bill No. 1003, as amended by the senate, is to be considered a part of the institutions' base budgets to be used in preparing the 2009-11 executive budget.

**SECTION 11. LEGISLATIVE INTENT - CRIME LABORATORY - USE OF SPACE BY STATE DEPARTMENT OF HEALTH.** It is the intent of the sixtieth legislative assembly that the facility management division of the office of management and budget develop a plan for the state department of health to assume control of the existing crime laboratory space from the attorney general's office when the new crime laboratory is completed. The plan should also identify additional space in the judicial wing of the state capitol, currently occupied by the state department of health, to be made available for the supreme court.

**SECTION 12. BUDGET SECTION TOUR GROUP REVIEW.** Institutions shall report to any budget section tour group that visits the institution during the 2007-08 interim on the status of the extraordinary repairs funded in the institutions' budgets and the tour groups shall review the status of the repairs as part of the tour of the institution.

**SECTION 13. LEGISLATIVE INTENT - STATE WATER COMMISSION - MAPPING PROJECT.** It is the intent of the sixtieth legislative assembly that the state water commission provide up to \$300,000 for the Red River basin mapping initiative to develop a high-resolution digital evaluation model. The funding for this project is from within existing appropriation authority of the state water commission and is contingent upon additional federal funding being available for this project.

**SECTION 14. HIGHER EDUCATION INSTITUTION BUDGET DETAIL - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY.** The North Dakota university system shall provide to the appropriations committees of the sixty-first legislative assembly a budget detail report for each institution in the North Dakota university system and a composite report of major categories of the university system. These reports are to be in addition to the normal budget presentation.

**SECTION 15. Legislative council medical assistance committee - Membership - Duties - Continuing appropriation.**

1. The legislative council shall appoint a medical assistance committee. Membership of the committee must include:
  - a. Five members of the house of representatives, three of whom must be selected by the leader representing the majority faction of the house of representatives and two of whom must be selected by the leader representing the minority faction of the house of representatives.
  - b. Five members of the senate, three of whom must be selected by the leader representing the majority faction of the senate and two of whom must be selected by the leader representing the minority faction of the senate.
  - c. Up to nine members who represent medical assistance providers and the department of human services, who serve in an ex officio nonvoting capacity, and who are selected by the chairman of the committee with the concurrence of the other legislative members of the committee.
2. The legislative council chairman shall designate the committee chairman and vice chairman from among the legislative members of the committee.
3. The committee shall operate according to the statutes and procedures governing the operation of other legislative council interim committees.
4. The committee shall study the state's medical assistance program, including options for benefit, management, and reimbursement reform. The committee shall engage consultant services to undertake an actuarially based analysis of the medical assistance program and reform options to ensure the future long-term sustainability of the program. The analysis must:
  - a. Gather data regarding the current categories of medical assistance beneficiaries;
  - b. Evaluate the current financial expenditures for medical assistance by county and by category of aid and within those categories by type of service;
  - c. Evaluate the current medical assistance reimbursement system;
  - d. Evaluate issues related to beneficiary access to care in the medical assistance program and patient access in the state's health care system, including the uninsured and underinsured;
  - e. Evaluate the current commercial insurance market in conjunction with federal opportunities to increase coverage options; and

- f. Evaluate options for reform, including the implementation of risk-sharing arrangements, preventive services and case management, a high-risk pool, and a premium assistance program, and the potential use of pilot projects for evaluating the effectiveness of reform options.
5. The committee also shall engage consultant services to study the progress in the implementation of the medical assistance program management initiatives, including statewide targeted case management services, improvement of mental health treatment services, including the use of prescription drugs, and the use of medical assistance cards for beneficiary identification.
6. The legislative council may accept gifts, grants, and donations from any source, including federal or private sources, to assist the committee on medical assistance in conducting its study and obtaining consultant services under this section. Any gifts, grants, and donations received are appropriated to the legislative council on a continuing basis for the purpose of conducting the study of the state's medical assistance program and obtaining consultant services.
7. A state employee who is a member of the committee must receive that employee's regular salary and is entitled to mileage and expenses, to be paid by the employing agency. Members of the committee who are not members of the legislative assembly or state employees are not entitled to compensation or reimbursement of expenses for service on the committee.

**SECTION 16. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$100,000, or so much of the sum as may be necessary, and from special funds derived from federal funds or other income, the sum of \$150,000, or so much of the sum as may be necessary, to the legislative council for the purpose of obtaining consultant services for the medical assistance program analysis described in section 15 of this Act, for the biennium beginning July 1, 2007, and ending June 30, 2009.

**SECTION 17. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$100,000, or so much of the sum as may be necessary, and from special funds derived from federal funds or other income, the sum of \$100,000, or so much of the sum as may be necessary, to the legislative council for the purpose of obtaining consultant services for analyzing the implementation progress of the medical assistance program management initiatives described in section 15 of this Act, for the biennium beginning July 1, 2007, and ending June 30, 2009.

**SECTION 18.** A new section to chapter 6-09 of the North Dakota Century Code is created and enacted as follows:

**Earnings and profits of the Bank - Limitation on transfers.** Subject to legislative appropriation or transfer, the industrial commission may transfer earnings and accumulated undivided profits of the Bank to the state general fund or to a special fund. The transfer authority granted under this section is limited to transfers that do not reduce the Bank's capital structure to less than eight percent of the Bank's average assets for the last quarter of the calendar year preceding the end of each biennium.

**SECTION 19. AMENDMENT.** Section 15-69-02 of the North Dakota Century Code is amended and reenacted as follows:

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

1. The board shall establish a centers of excellence program relating to economic development. The program must distinguish among center designations for awards designated to address commercialization, workforce, and infrastructure needs. Through the program the commission shall make funding award recommendations for commission-approved applications to the board, the foundation, and the budget section of the legislative council. A center must be an institution of higher education under the control of the board or a nonprofit university-related or college-related foundation of an institution of higher education under the control of the board. In order to be considered for center designation, the

institution of higher education or nonprofit foundation must be working in partnership with the private sector. In addition to any center designated under this chapter, the North Dakota state university center for technology enterprise and the university of North Dakota center for innovation are centers.

2. A commission funding award recommendation must be for a specified amount. Designation of a center occurs upon board, foundation, and budget section approval of a commission funding award recommendation. In considering whether to designate a center, the board, foundation, and budget section may not modify the commission recommendation. The budget section may not ~~make a determination of whether to approve or reject~~ take action on a commission funding award recommendation until the emergency commission reviews the commission recommendation or modified recommendation and makes a recommendation to the budget section. Upon receipt of a commission funding award recommendation, the budget section shall approve the recommendation, reject the recommendation, or rerefer the recommendation to the commission with recommended modifications. If the commission receives a rereferred recommendation from the budget section, the commission shall consider whether to modify the recommendation. If upon rereferral the commission modifies a recommendation, the board, foundation, and budget section shall consider whether to approve or reject the modified recommendation. If upon rereferral the commission does not modify a recommendation, the budget section shall make a determination of whether to approve or reject the recommendation.
3. A center that receives funds distributed under this chapter is not qualified to receive subsequent designations as a center until the biennium following the center's most recent designation.
4. The board rules adopted under subsection 9 of section 15-10-17, relating to ownership of intellectual property, inventions, and discoveries, must address activities and issues unique to centers. The board rules adopted under subsection 9 of section 15-10-17 and the terms of a center's private and public partnership must provide that at least four percent of the revenues derived from intellectual property developed by the private sector partner or by the public sector partner of a center of excellence must be deposited in the general fund in the state treasury.
5. Unless otherwise provided through the appropriation process, the commission's funding awards to address workforce needs may not exceed two million dollars per biennium and the commission's funding awards to address infrastructure needs may not exceed two million dollars per biennium. Buildings that are essential to attracting private investment shall not be considered infrastructure.

**SECTION 20. AMENDMENT.** Section 15-69-03 of the North Dakota Century Code is amended and reenacted as follows:

**15-69-03. (Effective through July 31, 2011) Centers of excellence commission.** The centers of excellence commission consists of six members. The foundation shall appoint ~~three~~ two of the foundation's members to serve on the commission ~~and~~, the board shall appoint ~~three~~ two of the board's members to serve on the commission, and the legislative council shall appoint two legislators to serve on the commission. The commission members shall designate a chairman and a vice chairman of the commission. Each member of the commission shall serve for a term of three years, beginning July first; may be reappointed for additional terms; and serves at the pleasure of the appointing entity. If a commission member ceases to serve as a member of the appointing entity, that member's membership on the commission ceases immediately and the appointing entity shall appoint a new member for the remainder of the term. Terms of ~~initial~~ commission members ~~begin on July 1, 2005, and~~ must be staggered. On a meeting-by-meeting basis, an appointing entity may substitute a member of that appointing entity to serve in place of one of the regular members appointed by that entity. If the commission chairman and vice chairman are not present at a meeting, the commission members present at that meeting shall select a commission member to serve as chairman for that meeting. A commission member may receive compensation and travel and expense reimbursement from the appointing entity. The ~~board~~ department of commerce shall provide the commission with appropriate staff services as may be requested by the commission.



**SECTION 21. AMENDMENT.** Section 15-69-04 of the North Dakota Century Code is amended and reenacted as follows:

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

1. The ~~board~~ department of commerce shall provide center application forms, accept applications, review applications for completeness and compliance with board and commission policy, ~~and~~ forward complete applications to the commission in accordance with guidelines established by the commission, and assist with preaward reviews and postaward monitoring as may be requested by the commission.
2. The commission shall meet as necessary to review all complete applications; consider the potential need for independent, expert review of complete applications; approve or disapprove complete applications; make funding award recommendations for commission-approved proposed centers; direct the office of management and budget to distribute funds to the centers; monitor centers for compliance with award requirements; ~~and~~ review changes in assertions made in center applications; and conduct postaward monitoring of centers.
3. In considering whether to approve or disapprove an application, the commission shall determine whether the applicant has conducted the due diligence necessary to put together a viable proposal and the commission shall consider whether the center will:
  - a. Use university or college research to promote private sector job growth and expansion of knowledge-based industries or use university or college research to promote the development of new products, high-tech companies, or skilled jobs in this state;
  - b. Create high-value private sector employment opportunities in this state;
  - c. Provide for public-private sector involvement and partnerships;
  - d. Leverage other funding;
  - e. Increase research and development activities that may involve federal funding from the national science foundation experimental program to stimulate competitive research;
  - f. Foster and practice entrepreneurship;
  - g. Promote the commercialization of new products and services in industry clusters;
  - h. Become financially self-sustaining; and
  - i. Establish and meet a deadline for acquiring and expending all public and private funds specified in the application.
4. In considering whether to approve an application, the commission may provide for an independent, expert review of the application to determine whether the proposed center is viable and whether the proposed center is likely to have the desired economic impact. As necessary, the commission may contract for additional technical review of applications. The commission may not approve an application unless the commission determines the proposed center has a high likelihood of viability and success in positively impacting economic development in the state.
5. For no fewer than six years and no more than ten years following center designation, the commission shall monitor the center's activities in order to determine whether the center is having the desired economic impact.

**SECTION 22. AMENDMENT.** Section 15-69-05 of the North Dakota Century Code is amended and reenacted as follows:

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

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

**SECTION 23. AMENDMENT.** Section 24-02-37 of the North Dakota Century Code is amended and reenacted as follows:

**24-02-37. State highway fund - Priorities for expenditure - Use of investment income.** The state highway fund, created by law and not otherwise appropriated and allocated, must be applied and used for the purposes named in this section, as follows:

1. Except for investment income as provided in subsection 3 and except as otherwise provided in subsection 4, the fund must be applied in the following order of priority:
  - a. The cost of maintaining the state highway system.
  - b. The cost of construction and reconstruction of highways in the amount necessary to match, in whatever proportion may be required, federal aid granted to this state by the United States government for road purposes in North Dakota.

- c. Any portion of the highway fund not allocated as provided in subdivisions a and b may be expended for the construction of state highways without federal aid or may be expended in the construction, improvement, or maintenance of such state highways.
2. All funds heretofore appropriated or hereafter appropriated or transferred to the department, whether earmarked or designated for special projects or special purposes or not, must be placed or transferred into a single state highway fund in the office of the state treasurer and any claims for money expended by the department upon warrants prepared and issued by the office of management and budget and signed by the state auditor under this title must be paid out of the state highway fund by the state treasurer; provided, however, that the commissioner shall keep and maintain complete and accurate records showing that all expenditures have been made in accordance with legislative appropriations and authorizations.
3. The state treasurer shall deposit the moneys in the state highway fund in an interest-bearing account at the Bank of North Dakota. The state treasurer shall deposit forty percent of the income derived from the interest-bearing account in a special interest-bearing account in the state treasury known as the special road fund. The special road fund may be used, within the limits of legislative appropriation, exclusively for the construction and maintenance of access roads to and roads within recreational, tourist, and historical areas as designated by the special road committee. A political subdivision or state agency may request funds from the special road fund by applying to the committee on forms designated by the committee. The committee may require the political subdivision or state agency to contribute to the cost of the project as a condition of any expenditure authorized from the special road fund. Any moneys in the fund not obligated by the special road committee on June thirtieth of each odd-numbered year must revert to the state highway fund.
4. The state treasurer shall deposit twenty percent of all sums collected from the registration of farm vehicles under subsection 5 of section 39-04-19 in a special interest-bearing account in the state treasury known as the biofuels road infrastructure fund. The biofuels road infrastructure fund may be used, within the limits of legislative appropriation, exclusively for the construction and maintenance of access roads to ethanol, biodiesel, biofuel, and other renewable fuel production facilities. A political subdivision or state agency may request funds from the biofuels road infrastructure fund by applying to the director on forms designated by the director. The director may require the political subdivision or state agency to contribute to the cost of the project as a condition of any expenditure authorized from the biofuels road infrastructure fund.

**SECTION 24. AMENDMENT.** Section 39-04-39 of the North Dakota Century Code is amended and reenacted as follows:

**39-04-39. Distribution of registration fees collected.** Any moneys in the registration fund accruing from license fees or from other like sources, in excess of the amount required to pay salaries and other necessary expenses, in accordance with the legislative assembly's appropriation for such purposes, must be promptly deposited in the highway tax distribution fund which must be distributed in the manner as prescribed by law. The state treasurer shall transfer annually from the highway tax distribution fund to the biofuels road infrastructure fund an amount equal to twenty percent of all sums collected for the registration of farm vehicles under subsection 5 of section 39-04-19 and shall transfer annually from the highway tax distribution fund to the ethanol production incentive fund an amount equal to forty percent of all sums collected for the registration of farm vehicles under subsection 5 of section 39-04-19 except that no transfer may be made in an amount that would result in the balance of the ethanol production incentive fund exceeding ~~five~~ ten million dollars.

**SECTION 25.** A new section to chapter 55-10 of the North Dakota Century Code is created and enacted as follows:

**Ronald Reagan peace through strength missile silo historic site.** If the state historical society acquires a missile silo historic site, the site is named the Ronald Reagan peace through strength missile silo historic site.

**SECTION 26. EFFECTIVE DATE.** Section 18 of this Act becomes effective on July 1, 2009.

**SECTION 27. EXPIRATION DATE.** Section 15 of this Act is effective through December 31, 2008, and after that date is ineffective."

Renumber accordingly

# STATEMENT OF PURPOSE OF AMENDMENT:

## Senate Bill No. 2015 - Summary of House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Office of Management and Budget				
Total all funds	\$68,974,437	\$28,752,299	\$2,659,000	\$31,411,299
Less estimated income	18,900,360	6,905,360	1,525,000	8,430,360
General fund	\$50,074,077	\$21,846,939	\$1,134,000	\$22,980,939
Legislative Council				
Total all funds	\$0	\$0	\$450,000	\$450,000
Less estimated income			250,000	250,000
General fund	\$0	\$0	\$200,000	\$200,000
Williston Research Extension Center				
Total all funds	\$0	\$0	\$180,000	\$180,000
Less estimated income				
General fund	\$0	\$0	\$180,000	\$180,000
Bill Total				
Total all funds	\$68,974,437	\$28,752,299	\$3,289,000	\$32,041,299
Less estimated income	18,900,360	6,905,360	1,775,000	8,680,360
General fund	\$50,074,077	\$21,846,939	\$1,514,000	\$23,360,939

## Senate Bill No. 2015 - Office of Management and Budget - House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$15,220,144	\$13,720,144	\$1,500,000	\$15,220,144
Operating Expenses	11,562,136	10,386,136	1,106,000	11,492,136
Capital assets	4,645,019	4,645,019		4,645,019
Grants	224,000	1,000	53,000	54,000
Prairie Public Broadcasting	2,023,138			
Centers of excellence	25,300,000			
Statewide equity pool	10,000,000			
Total all funds	\$68,974,437	\$28,752,299	\$2,659,000	\$31,411,299
Less estimated income	18,900,360	6,905,360	1,525,000	8,430,360
General fund	\$50,074,077	\$21,846,939	\$1,134,000	\$22,980,939
FTE	132.50	132.50	0.00	132.50

## Dept. 110 - Office of Management and Budget - Detail of House Changes

	RESTORES FUNDING FOR UNEMPLOYMENT INSURANCE <sup>1</sup>	RESTORES FUNDING FOR GRANTS <sup>2</sup>	ADDS FUNDING FOR OPERATING EXPENSES <sup>3</sup>	TOTAL HOUSE CHANGES
Salaries and wages	\$1,500,000			\$1,500,000
Operating expenses			\$1,106,000	1,106,000
Capital assets				
Grants		\$53,000		53,000
Prairie Public Broadcasting				
Centers of excellence				
Statewide equity pool				
Total all funds	\$1,500,000	\$53,000	\$1,106,000	\$2,659,000
Less estimated income	1,500,000		25,000	1,525,000
General fund	\$0	\$53,000	\$1,081,000	\$1,134,000
FTE	0.00	0.00	0.00	0.00

<sup>1</sup> This amendment restores \$1,500,000 for unemployment insurance that was removed by the Senate.

<sup>2</sup> This amendment restores funding for general fund grants for boys and girls clubwork that was removed by the Senate.

<sup>3</sup> This amendment adds \$500,000 from the general fund for state contingencies, \$581,000 from the general fund for state memberships and related expenses, and \$25,000 in special funds for Capitol Grounds Planning Commission. These items were removed by the Senate.

This amendment adds the following sections:

- Section 6 provides an appropriation for one FTE technician position and operating costs to the Williston Research Center for the Nesson Valley irrigation project.
- Section 7 provides intent for grants and special items.
- Section 8 provides one-time funding information and provides for a report to the 61st Legislative Assembly on the use of the funds.
- Section 9 requires a report be made to the Budget Section regarding the status of salary equity for state employees.
- Section 10 provides language relating to a portion of the ConnectND allocation being included in the university system's base budget.
- Section 11 provides legislative intent regarding the use of the former crime lab.
- Section 12 requires institutions to report to budget tour groups on extraordinary repairs and requires the budget tour groups to review the repairs.
- Section 13 provides legislative intent relating to the State Water Commission mapping project.
- Section 14 requires a report to the 61st Legislative Assembly relating to institutions of higher education budgets.
- Section 15 creates a Legislative Council Medical Assistance Committee.
- Section 16 provides an appropriation to the Legislative Council for consulting services for the medical assistance program.
- Section 17 provides an appropriation to the Legislative Council for consulting services in analyzing the implementation progress of the medical assistance program management initiatives.
- Section 18 creates a new section to Chapter 6-09 of the North Dakota Century Code relating to earnings from the Bank of North Dakota.
- Sections 19, 20, 21, and 22 amend Sections 15-69-02, 15-69-03, 15-69-04, and 15-69-05 relating to centers of excellence.
- Section 23 amends Section 24-02-37 relating to the state highway fund.
- Section 24 amends Section 39-04-39 relating to the distribution of registration fees.
- Section 25 creates a new section to Chapter 55-10 to name the Ronald Reagan Peace Through Strength Missile Site.
- Section 26 provides an effective date for Section 18.
- Section 27 provides an expiration date for Section 15.

#### Senate Bill No. 2015 - Legislative Council - House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Consulting services			<u>\$450,000</u>	<u>\$450,000</u>
Total all funds	\$0	\$0	\$450,000	\$450,000
Less estimated income			<u>250,000</u>	<u>250,000</u>
General fund	\$0	\$0	\$200,000	\$200,000
FTE	0.00	0.00	0.00	0.00

**Dept. 160 - Legislative Council - Detail of House Changes**

	PROVIDES FUNDING FOR THE MEDICAL ASSISTANCE PROGRAM ANALYSIS	TOTAL HOUSE CHANGES
Consulting services	<u>\$450,000</u>	<u>\$450,000</u>
Total all funds	\$450,000	\$450,000
Less estimated income	<u>250,000</u>	<u>250,000</u>
General fund	\$200,000	\$200,000
FTE	0.00	0.00

**Senate Bill No. 2015 - Williston Research Extension Center - House Action**

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Nesson Valley irrigation project			<u>\$180,000</u>	<u>\$180,000</u>
Total all funds	\$0	\$0	\$180,000	\$180,000
Less estimated income				
General fund	\$0	\$0	\$180,000	\$180,000
FTE	0.00	0.00	1.00	1.00

**Dept. 646 - Williston Research Extension Center - Detail of House Changes**

	PROVIDES FUNDING FOR THE NESSON VALLEY IRRIGATION PROJECT	TOTAL HOUSE CHANGES
Nesson Valley irrigation project	<u>\$180,000</u>	<u>\$180,000</u>
Total all funds	\$180,000	\$180,000
Less estimated income		
General fund	\$180,000	\$180,000
FTE	1.00	1.00

**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 1466.

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

**MR. PRESIDENT:** The Speaker has appointed Rep. Ekstrom to replace Rep. Kerzman on the Conference Committee on HB 1004.

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

**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1197.

**MOTION**

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

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

**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 2152.

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

**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently passed: HB 1463.

**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 1009.

**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., Friday, April 20, 2007, which motion prevailed.

**REPORT OF CONFERENCE COMMITTEE**

**SB 2186, as reengrossed:** Your conference committee (Sens. J. Lee, Fischer, Heckaman and Reps. Pollert, Pietsch, Kaldor) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1118-1119, adopt amendments as follows, and place SB 2186 on the Seventh order:

That the House recede from its amendments as printed on pages 1118 and 1119 of the Senate Journal and pages 1193-1195 of the House Journal and that Reengrossed Senate Bill No. 2186 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 50-09 and a new section to chapter 50-11.1 of the North Dakota Century Code, relating to transition assistance for child care and early childhood workforce development; to provide for a report to the legislative council; to provide for legislative council studies; and to provide an appropriation.

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

**SECTION 1.** A new section to chapter 50-09 of the North Dakota Century Code is created and enacted as follows:

**Transition assistance for child care.** The state agency shall establish a program of transition assistance to pay a portion of the cost of child care for families that lose eligibility, and remain ineligible, for benefits under section 50-09-29 due to earnings from employment. This program must:

1. Provide benefits for up to the six months following the loss of benefits under section 50-09-29;
2. Be paid directly to recipients using a debit card; and
3. Meet all requirements to be considered "assistance" for purposes of title 45, Code of Federal Regulations, part 260, section 31, or any substantially similar federal regulation that may replace title 45, Code of Federal Regulations, part 260, section 31.

**SECTION 2.** A new section to chapter 50-11.1 of the North Dakota Century Code is created and enacted as follows:

**Workforce development.** The department may establish a statewide system to build systematic early childhood workforce voluntary training which may include distance learning formats, a professional registry, certificates, and specializations.

**SECTION 3. LEGISLATIVE COUNCIL STUDY - TEMPORARY ASSISTANCE FOR NEEDY FAMILIES.** The legislative council shall consider studying, during the 2007-08 interim, the temporary assistance for needy families program administered by the department of human services. The study may include review of the sustainability of current services and programs being funded by temporary assistance for needy families funds, review of the potential programs and services that could be funded by use of temporary assistance for needy families funds, and review of the need for increased assistance to recipients of temporary assistance for needy families who are attending a postsecondary institution of learning. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

**SECTION 4. LEGISLATIVE COUNCIL STUDY - CHILD CARE RESOURCE AND REFERRAL SYSTEM.** The legislative council shall consider studying, during the 2007-08 interim, the state's child care resource and referral system, including consideration of the purposes and goals of the system and whether the current system is furthering these purposes and goals and consideration of the most appropriate funding source of the system. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

**SECTION 5. REPORT TO LEGISLATIVE COUNCIL - DEPARTMENT OF HUMAN SERVICES.** During the 2007-08 interim, the department of human services shall report to the legislative council regarding the transition assistance for the child care program implemented pursuant to section 1 of this Act.

**SECTION 6. APPROPRIATION.** There is appropriated out of any moneys from special funds derived from federal funds and other income from the temporary assistance for needy families program the sum of \$1,491,210, or so much of the sum as may be necessary, to the department of human services for the purpose of implementing section 1 of this Act, for the biennium beginning July 1, 2007, and ending June 30, 2009.

**SECTION 7. APPROPRIATION.** There is appropriated out of any moneys from special funds derived from federal funds and other income transferred from the temporary assistance for needy families program the sum of \$500,000, or so much of the sum as may be necessary, to the department of human services for the purpose of implementing section 2 of this Act, for the biennium beginning July 1, 2007, and ending June 30, 2009. The department may transfer the funds provided for under this section to the child care development block grant.

**SECTION 8. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$166,221, or so much of the sum as may be necessary, to the department of human services for the purpose of replacing the reduction in child care development fund grants, for the biennium beginning July 1, 2007, and ending June 30, 2009."

Renumber accordingly

Reengrossed SB 2186 was placed on the Seventh order of business on the calendar.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1463, as engrossed:** Your conference committee (Sens. J. Lee, Dever, Warner and Reps. Price, Porter, Kaldor) recommends that the **HOUSE ACCEDE** to the Senate amendments on HJ page 1410 and place HB 1463 on the Seventh order.

Engrossed HB 1463 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**