

JOURNAL OF THE HOUSE

Sixtieth Legislative Assembly

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Bismarck, March 20, 2007

The House convened at 1:00 p.m., with Speaker Delzer presiding.

The prayer was offered by Pastor Dale Nabben, Chaplain with Missouri Slope Lutheran Care Center, Bismarck.

The roll was called and all members were present except Representatives Hunsakor, Kerzman, Porter, and Thorpe.

A quorum was declared by the Speaker.

CORRECTION AND REVISION OF THE JOURNAL

MR. SPEAKER: Your **Committee on Correction and Revision of the Journal (Rep. Kretschmar, Chairman)** has carefully examined the Journal of the Forty-seventh Day and recommends that it be corrected as follows and when so corrected, recommends that it be approved:

Page 969, line 33, after "SB 2046," insert "Engrossed SB 2180,"

Page 969, line 38, remove "Engrossed SB 2180,"

REP. KRETSCHMAR MOVED that the report be adopted, which motion prevailed.

SIXTH ORDER OF BUSINESS

SPEAKER DELZER DEEMED approval of the amendments to Reengrossed SB 2060.

Reengrossed SB 2060, as amended, was placed on the Fourteenth order of business on the calendar for the succeeding legislative day.

SIXTH ORDER OF BUSINESS

SB 2276, as reengrossed: REP. KALDOR (Human Services Committee) MOVED that the amendments be adopted.

REQUEST

SPEAKER DELZER REQUESTED that the House divide the amendments to Reengrossed SB 2276, which request was granted.

DIVISION A

Page 1, line 6, replace the first underscored comma with "and" and remove the second underscored comma

Page 1, line 7, remove "suicide, and pregnancy"

Page 1, line 13, replace "\$440,000" with "\$100,000"

DIVISION B

Page 1, line 1, after "council" insert "; to amend and reenact section 54-27-25 of the North Dakota Century Code, relating to the tobacco settlement trust fund"

Page 1, after line 10, insert:

"SECTION 2. AMENDMENT. Section 54-27-25 of the North Dakota Century Code is amended and reenacted as follows:

54-27-25. Tobacco settlement trust fund - Interest on fund - Uses.

1. There is created in the state treasury a tobacco settlement trust fund. The fund consists of the tobacco settlement dollars obtained by the state under sections IX (payments) and XI (calculation and disbursement of payments) of the master settlement agreement and consent agreement adopted by

the east central judicial district court in its judgment entered December 28, 1998 [Civil No. 98-3778]. All moneys received by the state pursuant to the judgment and all moneys received by the state for enforcement of the judgment must be deposited in the fund. Interest earned on the fund must be credited to the fund and deposited in the fund. The principal and interest of the fund must be allocated as follows:

- 4- a. Transfers to a community health trust fund to be administered by the state department of health. The state department of health may use funds as appropriated for community-based public health programs and other public health programs, including programs with emphasis on preventing or reducing tobacco usage in this state. Transfers under this ~~subsection~~ subdivision must equal ~~ten sixteen~~ percent of total annual transfers from the tobacco settlement trust fund.
- 2- b. Transfers to the common schools trust fund to become a part of the principal of that fund. Transfers under this ~~subsection~~ subdivision must equal ~~forty-five~~ forty-two percent of total annual transfers from the tobacco settlement trust fund.
- 3- c. Transfers to the water development trust fund to be used to address the long-term water development and management needs of the state. Transfers under this ~~subsection~~ subdivision must equal ~~forty-five~~ forty-two percent of the total annual transfers from the tobacco settlement trust fund.
2. Transfers to the funds under this section must be made within thirty days of receipt by the tobacco settlement trust fund."

The question being the adoption of Division A of the proposed amendments to Reengrossed SB 2276.

Division A of the proposed amendments to Reengrossed SB 2276 was adopted on a voice vote.

REQUEST

REP. BOUCHER REQUESTED a verification vote on Division B of the proposed amendments to Reengrossed SB 2276, which request was granted.

REQUEST

REP. BERG REQUESTED a recorded roll call vote on Division B of the proposed amendments to Reengrossed SB 2276, which request was granted.

ROLL CALL

The question being the adoption of Division B of the proposed amendments to Reengrossed SB 2276, the roll was called and there were 39 YEAS, 52 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Amerman; Boe; Boucher; Conrad; Damschen; Ekstrom; Froelich; Glassheim; Griffin; Gruchalla; Haas; Hanson; Hatlestad; Hawken; Hunsakor; Johnson, N.; Kaldor; Keiser; Kelsh, S.; Kingsbury; Kretschmar; Kroeber; Metcalf; Mueller; Myxter; Nelson; Onstad; Pinkerton; Potter; Price; Schmidt; Schneider; Solberg; Uglem; Vig; Williams; Wolf; Zaiser

NAYS: Bellew; Belter; Berg; Boehning; Brandenburg; Carlisle; Carlson; Charging; Clark; Dahl; DeKrey; Delmore; Dietrich; Dosch; Drovda; Froseth; Grande; Gulleson; Headland; Heller; Herbel; Hofstad; Johnson, D.; Karls; Kasper; Kelsch, R.; Kempenich; Klein; Klemin; Koppelman; Kreidt; Martinson; Meier, L.; Meyer, S.; Monson; Nottestad; Owens; Pietsch; Pollert; Ruby; Skarphol; Sukut; Svedjan; Thoreson; Vigasaa; Wald; Wall; Weiler; Weisz; Wieland; Wrangham; Speaker Delzer

ABSENT AND NOT VOTING: Kerzman; Porter; Thorpe

Division B of the proposed amendments to Reengrossed SB 2276 failed.

Therefore, the question being the adoption of the proposed amendments to Reengrossed SB 2276 which include Division A and exclude Division B. The proposed amendments were adopted on a voice vote.

Reengrossed SB 2276, as amended, was rereferred to the **Appropriations Committee**.

MOTION

REP. MONSON MOVED the passage of all the resolutions on the Consent Calendar.

**SECOND READING OF SENATE CONCURRENT RESOLUTIONS ON CONSENT
CALENDAR**

SCR 4001: A concurrent resolution urging the President and Congress to make the entire nation available for energy development.

SCR 4004: A concurrent resolution directing the Legislative Council to study the respective responsibilities of county and state judicial system personnel under the Uniform Juvenile Court Act in light of statutory ambiguities in defining those responsibilities.

SCR 4011: A concurrent resolution directing the Legislative Council to study the formation of a North Dakota gaming commission to regulate and control all forms of gaming in North Dakota.

SCR 4013: A concurrent resolution directing the Legislative Council to study the property tax exemption for public housing authorities.

SCR 4015: A concurrent resolution urging the Secretary of the United States Department of Agriculture to restore full funding to the Conservation Security Program, address and resolve problems in the administration of the program, and to compensate individual farmers for damages incurred which were caused by a lack of clarity in the general provisions of the program and how these provisions were communicated to participants.

SCR 4016: A concurrent resolution urging Congress to direct the United States Army Corps of Engineers to address and rectify the problems caused by the accumulation of sediment in the Missouri River main stem reservoirs.

SCR 4020: A concurrent resolution directing the Legislative Council to study the regulation of and consumer protection for timeshare agreements.

SCR 4021: A concurrent resolution directing the Legislative Council to study the income tax laws, with emphasis on adjustments necessary to minimize or negate the impact to any taxpayer of establishing a single, uniform income tax return for all individuals.

SCR 4030: A concurrent resolution directing the Legislative Council to study joint powers associations and school district reorganizations, annexations, and dissolutions.

SCR 4031: A concurrent resolution directing the Legislative Council to study political subdivisions that receive property tax revenue and any changes that may increase efficiencies and reduce property taxes.

SCR 4032: A concurrent resolution directing the Legislative Council to study ways in which schools and school districts can better identify high-risk students and provide programs designed to reduce the incidences of high-risk behaviors that can lead to suicide attempts.

The question being on the final adoption of the resolutions, which have been read.

SCR 4001, as amended, SCR 4004, SCR 4011, SCR 4013, SCR 4015, SCR 4016, as amended, SCR 4020, SCR 4021, Engrossed SCR 4030, as amended, SCR 4031, and SCR 4032, as amended, were declared adopted on a voice vote, and the titles were agreed to.

SECOND READING OF SENATE BILL

SB 2404: A BILL for an Act to provide financial assistance to tribally controlled community colleges; and to provide an appropriation.

ROLL CALL

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO NOT PASS, the roll was called and there were 17 YEAS, 72 NAYS, 0 EXCUSED, 5 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Amerman; Boe; Boucher; Conrad; Froelich; Gulleeson; Kroeber; Meyer, S.; Onstad; Pinkerton; Potter; Schmidt; Solberg; Vig; Wolf; Zaiser

NAYS: Bellew; Belter; Boehning; Brandenburg; Carlisle; Carlson; Charging; Clark; Dahl; Damschen; DeKrey; Delmore; Dietrich; Dosch; Drovdal; Ekstrom; Froseth; Glassheim;

Grande; Griffin; Gruchalla; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Hunskor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Martinson; Meier, L.; Metcalf; Mueller; Myxter; Nelson; Nottestad; Owens; Pietsch; Pollert; Price; Ruby; Schneider; Skarphol; Sukut; Svedjan; Thoreson; Uglem; Vigasaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wrangham; Speaker Delzer

ABSENT AND NOT VOTING: Berg; Kerzman; Monson; Porter; Thorpe

Reengrossed SB 2404 lost.

MOTION

REP. MONSON MOVED that SB 2037, which is on the Fourteenth order, be laid over one legislative day, which motion prevailed.

SECOND READING OF SENATE BILL

SB 2309: A BILL for an Act to amend and reenact section 15.1-21-02.1 of the North Dakota Century Code, relating to high school graduation requirements.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 59 YEAS, 32 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Berg; Boucher; Carlisle; Charging; Clark; Conrad; Dahl; Delmore; Dietrich; Dosch; Drovdal; Ekstrom; Glassheim; Griffin; Gruchalla; Gulleson; Haas; Hanson; Hatlestad; Hawken; Heller; Hofstad; Hunskor; Johnson, D.; Johnson, N.; Kaldor; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Myxter; Nelson; Nottestad; Onstad; Potter; Price; Schneider; Sukut; Svedjan; Uglem; Vig; Weiler; Wieland; Wolf; Zaiser

NAYS: Amerman; Bellew; Belter; Boe; Boehning; Brandenburg; Carlson; Damschen; DeKrey; Froelich; Froseth; Grande; Headland; Herbel; Karls; Kempenich; Owens; Pietsch; Pinkerton; Pollert; Ruby; Schmidt; Skarphol; Solberg; Thoreson; Vigasaa; Wald; Wall; Weisz; Williams; Wrangham; Speaker Delzer

ABSENT AND NOT VOTING: Kerzman; Porter; Thorpe

Engrossed SB 2309, as amended, passed and the title was agreed to.

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

MR. PRESIDENT: Your signature is respectfully requested on: HB 1038, HB 1164.

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

MR. SPEAKER: The President has signed: HB 1008, HB 1013, HB 1024, HB 1055, HB 1059, HB 1063, HB 1067, HB 1078, HB 1082, HB 1090, HB 1121, HB 1161, HB 1162, HB 1181, HB 1183, HB 1225, HB 1231, HB 1355, HB 1369, HB 1381, HB 1386, HB 1393, HB 1398, HB 1414, HB 1425, HB 1506.

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

MR. SPEAKER: The President has signed: HCR 3007, HCR 3032, HCR 3035, HCR 3042.

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

MR. SPEAKER: The President has signed: HB 1072, HB 1081, HB 1099, HB 1101, HB 1118, HB 1135, HB 1158, HB 1169, HB 1179, HB 1299, HB 1324, HB 1328, HB 1331, HB 1346, HB 1350, HB 1357, HB 1358, HB 1378, HB 1396, HB 1411, HB 1452, HB 1476, HB 1479.

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

MR. SPEAKER: The President has signed: HCR 3002, HCR 3008, HCR 3012, HCR 3013, HCR 3024, HCR 3025, HCR 3026, HCR 3031, HCR 3039, HCR 3048, HCR 3056, HCR 3063.

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

MR. SPEAKER: Your signature is respectfully requested on: SB 2117, SB 2155, SB 2237, SB 2239, SB 2278, SB 2321.

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following resolutions were delivered to the Secretary of State for filing on March 20, 2007: HCR 3007, HCR 3025, HCR 3026, HCR 3031, HCR 3032, HCR 3035, HCR 3042, HCR 3048, HCR 3056, HCR 3063, HMR 7001.

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

MR. PRESIDENT: The Speaker has signed: HCR 3007, HCR 3025, HCR 3026, HCR 3031, HCR 3032, HCR 3035, HCR 3042, HCR 3048, HCR 3056, HCR 3063.

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

MR. PRESIDENT: The House has failed to pass: SB 2404.

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

MR. PRESIDENT: The House has amended and subsequently passed: SB 2309.

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

MR. PRESIDENT: The House has passed unchanged: SCR 4004, SCR 4011, SCR 4013, SCR 4015, SCR 4020, SCR 4021, SCR 4031.

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

MR. PRESIDENT: The House has amended and subsequently passed: SCR 4001, SCR 4016, SCR 4030, SCR 4032.

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

MR. PRESIDENT: The House has amended and subsequently passed: SB 2363.

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

MR. SPEAKER: The Senate has failed to pass: HB 1267, HB 1297, HB 1423.

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

MR. SPEAKER: The Senate has amended and subsequently passed: HB 1146, HB 1263.

SENATE AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1146

In lieu of the amendments adopted by the Senate as printed on page 688 of the Senate Journal, Engrossed House Bill No. 1146 is amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 47-05 of the North Dakota Century Code, relating to severance of hunting rights from the surface estate.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new section to chapter 47-05 of the North Dakota Century Code is created and enacted as follows:

Severance of hunting rights prohibited. The right to shoot, shoot at, pursue, take, attempt to take, or kill any game animals or game birds; search for or attempt to locate or flush any game animals and game birds; lure, call, or attempt to attract game animals or game birds; hide for the purpose of taking or attempting to take game animals or game birds; and walk, crawl, or advance toward wildlife while possessing implements or equipment useful in the taking of game animals or game birds may not be severed from the surface estate. This section does not apply to deeds, instruments, or interests in property recorded before the effective date of this Act and does not apply to the private lands habitat and access improvement program under title 20.1."

Renumber accordingly

SENATE AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1263

Page 1, line 7, overstrike "one" and insert immediately thereafter "five"

Page 1, line 8, overstrike "three" and insert immediately thereafter "ten"

Renumber accordingly

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

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

MOTION

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

MOTION

REP. MONSON MOVED that the House be on the Fifth and Thirteenth orders of business and at the conclusion of those orders, the House stand adjourned until 4:00 p.m., Wednesday, March 21, 2007, which motion prevailed.

REPORT OF STANDING COMMITTEE

SB 2032, as reengrossed: Finance and Taxation Committee (Rep. Belter, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (9 YEAS, 5 NAYS, 0 ABSENT AND NOT VOTING). Reengrossed SB 2032 was placed on the Sixth order on the calendar.

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 of school district property tax relief funds; to amend and reenact sections 57-15-14, 57-20-07.1, 57-20-09, 57-20-21.1, 57-32-03, and 57-51.1-07.2 of the North Dakota Century Code, relating to school district levy limitations, contents of property tax statements, payment of real estate taxes, and continuing appropriation of funds from the permanent oil tax trust fund for school district property tax relief; to provide a statement of legislative intent; 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. Section 57-01-20 of the North Dakota Century Code is created and enacted as follows:

57-01-20. State-paid property tax relief allocation. The state tax commissioner shall allocate funds appropriated under section 57-51.1-07.2 for property tax relief as provided in this section.

1. The superintendent of public instruction shall determine an adjusted combined education mill rate for each school district by September first of each year. For purposes of this section, "combined education mill rate" means the combined number of mills levied by a school district, before deduction of any property tax relief allocation under this section, for the general fund and for high school tuition and high school transportation. The combined education mill rate for a school district may not exceed two hundred mills. Any excess levy authority approved by the qualified electors of a school district after December 31, 2006, must be excluded from the combined education mill rate.
2. To determine the number of mills eligible for state-paid property tax relief, the superintendent of public instruction shall subtract one hundred thirty mills from each school district's combined education mill rate. The eligible mills may not be reduced to less than zero mills.
3. The superintendent of public instruction shall forward to the state tax commissioner by September fifteenth of each year the number of school district mills eligible for state-paid property tax relief in each school district as determined under subsections 1 and 2.
4. For residential, agricultural, commercial, railroad, and air carrier transportation property and mobile homes, the state tax commissioner shall multiply the eligible mills in subsection 2 by a factor of .50.
5. The state tax commissioner shall certify to each county auditor by October first of each year the number of mills of state-paid property tax relief determined for each school district in the county for residential, agricultural, commercial, railroad, and air carrier transportation property and mobile homes according to this section.
6. On each property tax statement mailed to a taxpayer, the county treasurer or tax commissioner shall show the number of mills of property tax relief to be paid by the state. The number of mills of property tax relief, multiplied

times the final equalized taxable valuation of the property, constitutes the state-paid property tax relief. This amount must be labeled and be on the tax statement in accordance with sections 57-20-07.1 and 57-32-03.

7. The state tax commissioner shall accept claims from county auditors for the state's share of school district property taxes that are deducted from taxpayer statements each year and shall certify to the state treasurer for payment to county treasurers of amounts claimed to provide for payment of ninety percent of the amount claimed on March first and the balance of the amount claimed on June fifteenth following the taxable year for which the claims are made.
8. After payments to counties under subsection 7 have been made, the tax commissioner shall settle any amounts payable to or received from counties due to errors, abatements, compromises, or court-ordered tax adjustments.
9. The county treasurer shall allocate the amounts received among the school districts entitled to the funds in the same manner as school district property taxes are distributed.

SECTION 2. AMENDMENT. Section 57-15-14 of the North Dakota Century Code is amended and reenacted as follows:

57-15-14. Tax 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~~ three and one-half 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, which~~ 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, which~~ 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. Unlimited levy authority approved by the electors of a school district before July 1, 2007, is not effective after the 2007 taxable year and any further unlimited or increased levy authority after the 2007 taxable year must be approved by the electors of the school district as provided in this section.
4. 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.
5. 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~~ three and one-half percent increase which is otherwise permitted without voter approval 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.

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

SECTION 3. 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, immediately prior to the final line item showing net tax due, the statement "State-paid school district property tax relief (_____ school mills x _____)" with the appropriate mills and taxable valuation filled in and the dollar amount of the property tax reduction 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 4. 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 5. 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 state-paid property tax relief credit made by the state must be applied to taxes for the year for which the state-paid property 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 6. AMENDMENT. Section 57-32-03 of the North Dakota Century Code is amended and reenacted as follows:

57-32-03. Tax statements prepared by state tax commissioner - When due and delinquent. On or before the thirty-first day of March in each year, the tax commissioner shall provide each company assessed under the provisions of this chapter a statement of its taxes due for the preceding year, with the valuations and taxes assessed in each case. The tax statement must include, immediately prior to the final line item showing net tax due, the statement "State-paid school district property tax relief (_____ school mills x _____)" with the mills and taxable valuation filled in and the dollar amount of the property tax reduction under section 57-01-20 which applies against the taxes due for the preceding year. Such taxes are due upon the fifteenth day of April next following the date of the statement of taxes due. The taxes become delinquent on the first day of May next following the due date and, if not paid on or before said date, are subject to a penalty of two percent and, on June first following delinquency, an additional penalty of two percent and, on July first following delinquency, an additional penalty of two percent and, an additional penalty of two percent on October fifteenth following delinquency. From and after January first of the year following the year in which the taxes became due and payable, simple interest at the rate of twelve percent per annum upon the principal of the unpaid taxes must be charged until such taxes and penalties are paid, with such interest charges to be prorated to the nearest full month for a fractional year of delinquency. All the provisions of the law respecting delinquency of personal property assessments generally so far as may be consistent with the provisions of this chapter are applicable equally to the assessments and taxes provided for in this chapter.

SECTION 7. AMENDMENT. Section 57-51.1-07.2 of the North Dakota Century Code is amended and reenacted as follows:

57-51.1-07.2. Permanent oil tax trust fund - Deposits - Interest - Adjustment of distribution formula - Continuing appropriation for property tax relief. All revenue deposited in the general fund during a biennium derived from taxes imposed on oil and gas under chapters 57-51 and 57-51.1 which exceeds seventy-one million dollars must be transferred by the state treasurer to a special fund in the state treasury known as the permanent oil tax trust fund. The state treasurer shall transfer interest earnings of the permanent oil tax trust fund to the general fund at the end of each fiscal year. The principal of the permanent oil tax trust fund may not be expended except upon a two-thirds vote of the members elected to each house of the legislative assembly.

If the distribution formulas under chapter 57-51 or 57-51.1 are amended effective after June 30, 1997, the director of the budget shall adjust the seventy-one million dollar amount in this section by the same percentage increase or decrease in the amount of revenue allocable to the general fund after the change in the allocation formula, and transfers to the permanent oil tax trust fund shall thereafter be made using that adjusted figure so that the dollar amount of the transfers to the permanent oil tax trust fund is not increased or decreased merely because of changes in the distribution formulas.

To the extent moneys are available in the permanent oil tax trust fund, the amount necessary to provide property tax relief payments to county treasurers under section 57-01-20 is appropriated each biennium to the state treasurer as a standing and continuing appropriation.

SECTION 8. LEGISLATIVE INTENT - LEGISLATIVE COUNCIL STUDY. It is the intent of the sixtieth legislative assembly that enactment of this Act will initiate an increase in the state's share of elementary and secondary education funding to secure immediate and future benefits to the citizens of the state. These benefits include relief from the expanded property tax burden that has created disparity within the tax structure of the state, enhanced equity of funding to support elementary and secondary

education students, enduring property tax reductions, and returning to taxpayers a substantial measure of revenue collections augmented by a robust state economy. It is the further intent of the sixtieth legislative assembly that enactment of this Act will produce a reduction in property tax burdens which, with continued efforts of future legislative assemblies, will result in reduction of each annual property tax bill to not more than one and one-half percent of the true and full value for any parcel of property.

The legislative council shall assign a study in each legislative interim through 2012 by the interim committee for taxation issues, for consideration by that committee of compliance with, and future funding sources for, the shift in education funding and taxation policy initiated by enactment of this Act.

SECTION 9. EFFECTIVE DATE - EXPIRATION DATE. This Act is effective for the first two taxable years beginning after December 31, 2006, and is thereafter ineffective."

Renumber accordingly

REPORT OF STANDING COMMITTEE

SB 2172, as engrossed: Finance and Taxation Committee (Rep. Belter, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (11 YEAS, 1 NAY, 2 ABSENT AND NOT VOTING). Engrossed SB 2172 was placed on the Sixth order on the calendar.

Page 1, line 2, after the semicolon insert "and"

Page 1, line 3, remove "; and to provide an expiration date"

Page 1, line 13, after "deceased" insert ", for the first one hundred thousand dollars of true and full valuation of the fixtures, buildings, and improvements"

Page 1, line 18, remove the overstrike over "~~, if the income of the veteran and the spouse, or if the veteran is~~"

Page 1, remove the overstrike over line 19

Page 1, line 20, remove the overstrike over "~~year prior to the year for which the exemption is claimed did not exceed~~"

Page 1, line 22, after "or" insert "fifty thousand dollars, including all compensation, retirement pay, and"

Page 1, line 23, remove the overstrike over "~~pension for service-connected disability from the United States government~~" and insert immediately thereafter "for a percentage, equal to the percentage of the disabled veteran's certified rated service-connected disability, applied against the first one hundred thousand dollars of true and full valuation of the fixtures, buildings, and improvements"

Page 2, line 20, after "subsection" insert ", and except as otherwise provided in this subsection"

Page 2, after line 25, insert:

"This subsection does not apply within a county in which a resolution approved by the board of county commissioners is in effect disallowing the exemption under this subsection for the taxable year."

Page 2, line 26, remove "- **EXPIRATION DATE**" and remove "the"

Page 2, line 27, remove "first two" and remove ", and is thereafter ineffective"

Renumber accordingly

REPORT OF STANDING COMMITTEE

SB 2315, as engrossed: Transportation Committee (Rep. Weisz, Chairman) recommends **DO NOT PASS** (9 YEAS, 3 NAYS, 1 ABSENT AND NOT VOTING). Engrossed SB 2315 was placed on the Fourteenth order on the calendar.

REPORT OF STANDING COMMITTEE

SB 2377, as engrossed: Human Services Committee (Rep. Price, Chairman) recommends **DO NOT PASS** (9 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING). Engrossed SB 2377 was placed on the Fourteenth order on the calendar.

REPORT OF STANDING COMMITTEE

SB 2397, as engrossed: Finance and Taxation Committee (Rep. Belter, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (10 YEAS, 4 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2397 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new subsection to section 57-51.1-03 of the North Dakota Century Code, relating to an oil extraction tax rate reduction for oil produced from new horizontal wells drilled and completed in the Bakken formation; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new subsection to section 57-51.1-03 of the North Dakota Century Code is created and enacted as follows:

The first seventy-five thousand barrels of oil produced during the first eighteen months after completion, from a horizontal well drilled and completed in the Bakken formation after June 30, 2007, and before July 1, 2008, is subject to a reduced tax rate of two percent of the gross value at the well of the oil extracted under this chapter. A well eligible for a reduced tax rate under this subsection is eligible for the exemption for horizontal wells under subsection 3, if the exemption under subsection 3 is effective during all or part of the first twenty-four months after completion.

SECTION 2. EFFECTIVE DATE. This Act becomes effective on July 1, 2007."

Renumber accordingly

REPORT OF STANDING COMMITTEE

SCR 4005: Human Services Committee (Rep. Price, Chairman) recommends **DO PASS** and **BE PLACED ON THE CONSENT CALENDAR** (11 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SCR 4005 was placed on the Tenth order on the calendar.

REPORT OF STANDING COMMITTEE

SCR 4006: Human Services Committee (Rep. Price, Chairman) recommends **DO PASS** and **BE PLACED ON THE CONSENT CALENDAR** (11 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SCR 4006 was placed on the Tenth order on the calendar.

REPORT OF STANDING COMMITTEE

SCR 4008, as engrossed: Human Services Committee (Rep. Price, Chairman) recommends **DO PASS** and **BE PLACED ON THE CONSENT CALENDAR** (12 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SCR 4008 was placed on the Tenth order on the calendar.

REPORT OF STANDING COMMITTEE

SCR 4017, as engrossed: Human Services Committee (Rep. Price, Chairman) recommends **DO PASS** and **BE PLACED ON THE CONSENT CALENDAR** (10 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). Engrossed SCR 4017 was placed on the Tenth order on the calendar.

REPORT OF STANDING COMMITTEE

SCR 4018: Human Services Committee (Rep. Price, Chairman) recommends **DO PASS** and **BE PLACED ON THE CONSENT CALENDAR** (12 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SCR 4018 was placed on the Tenth order on the calendar.

REPORT OF STANDING COMMITTEE

SCR 4019: Human Services Committee (Rep. Price, Chairman) recommends **DO PASS** and **BE PLACED ON THE CONSENT CALENDAR** (11 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SCR 4019 was placed on the Tenth order on the calendar.

REPORT OF STANDING COMMITTEE

SCR 4025: Human Services Committee (Rep. Price, Chairman) recommends **DO PASS** and **BE PLACED ON THE CONSENT CALENDAR** (12 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SCR 4025 was placed on the Tenth order on the calendar.

REPORT OF STANDING COMMITTEE

SCR 4028: Human Services Committee (Rep. Price, Chairman) recommends **DO PASS** and **BE PLACED ON THE CONSENT CALENDAR** (11 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SCR 4028 was placed on the Tenth order on the calendar.

REPORT OF STANDING COMMITTEE

SCR 4029, as engrossed: Human Services Committee (Rep. Price, Chairman) recommends **DO PASS** and **BE PLACED ON THE CONSENT CALENDAR** (9 YEAS, 2 NAYS, 1 ABSENT AND NOT VOTING). Engrossed SCR 4029 was placed on the Tenth order on the calendar.

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

Buell J. Reich, Chief Clerk