

## JOURNAL OF THE HOUSE

## Sixtieth Legislative Assembly

\* \* \* \* \*

Bismarck, April 23, 2007

The House convened at 8:00 a.m., with Speaker Delzer presiding.

The prayer was offered by Rep. Robin Weisz from District 14, Hursfield.

The roll was called and all members were present except Representative Pinkerton.

A quorum was declared by the Speaker.

**FIRST READING OF SENATE CONCURRENT RESOLUTION**

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

**MOTION**

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

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

**SENATE CONCURRENT RESOLUTION NO. 4038**

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

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

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

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

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

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

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

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

**SECOND READING OF SENATE CONCURRENT RESOLUTION**

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

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

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

\*\*\*\*\*

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

**MR. PRESIDENT:** The House has passed unchanged: SCR 4038.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1001, as engrossed:** Your conference committee (Sens. Christmann, Holmberg, Seymour and Reps. Carlson, Carlisle, Boucher) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1471-1473, adopt amendments as follows, and place HB 1001 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1471-1473 of the House Journal and pages 1289-1291 of the Senate Journal and that Engrossed House Bill No. 1001 be amended as follows:

Page 1, line 2, replace "create and enact a new section to chapter 54-03 and a new section to" with "provide for a legislative council review"

Page 1, remove lines 3 and 4

Page 1, line 5, remove "including legislative intent items" and after "transfers" insert "; to amend and reenact subdivision c of subsection 7 of section 54-03-20 and subsection 1 of section 54-35-10 of the North Dakota Century Code, relating to legislative leaders' monthly compensation and interim legislative council pay; to provide an effective date"

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

Page 2, line 12, replace "21,182" with "(19,342)"

Page 2, line 16, replace "4,540,893" with "4,664,904"

Page 2, line 18, replace "4,560,892" with "4,684,904"

Page 2, line 21, replace "702,547" with "603,058"

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

Page 2, line 25, replace "790,778" with "714,789"

Page 2, line 26, replace "5,351,670" with "5,349,693"

Page 2, line 28, replace "5,331,670" with "5,379,693"

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

Page 3, line 7, replace "3,038,955" with "2,998,431"

Page 3, line 11, replace "14,053,117" with "14,177,129"

Page 3, line 14, replace "5,907,752" with "5,808,263"

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

Page 3, line 17, replace "8,579,719" with "8,503,730"

Page 3, line 18, replace "22,632,836" with "22,680,859"

Page 3, line 31, replace "\$4,310,827" with "\$4,260,827"

Page 4, line 7, replace "400,000" with "350,000"

Page 4, line 8, replace "4,310,827" with "4,260,827"

Page 4, replace lines 19 through 31 with:

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

**SECTION 8. LEGISLATIVE COUNCIL - REVIEW OF STAFF SERVICES - FUTURE STAFFING NEEDS.** The legislative council shall review legislative council staff services during the 2007-08 interim for the purpose of determining future legislative staffing needs. The review must include the appropriateness of the current organizational structure as it relates to future staffing needs and address the potential effect of the information technology applications system and pending retirements on staffing needs, succession planning, and knowledge transfer. Recommendations for staffing and organizational changes must be reflected in the legislative council's 2009-11 budget request.

**SECTION 9. AMENDMENT.** Subdivision c of subsection 7 of section 54-03-20 of the North Dakota Century Code is amended and reenacted as follows:

- c. The majority and minority leaders of the house and senate and the chairman of the legislative council, if the chairman is not a majority or minority leader, are each entitled to receive as compensation, in addition to any other compensation or expense reimbursement provided by law, the sum of two hundred ~~fifty~~ sixty dollars per month during the biennium for their execution of public duties.

**SECTION 10. AMENDMENT.** Subdivision c of subsection 7 of section 54-03-20 of the North Dakota Century Code is amended and reenacted as follows:

- c. The majority and minority leaders of the house and senate and the chairman of the legislative council, if the chairman is not a majority or minority leader, are each entitled to receive as compensation, in addition to any other compensation or expense reimbursement provided by law, the sum of two hundred ~~sixty~~ seventy dollars per month during the biennium for their execution of public duties.

**SECTION 11. AMENDMENT.** Subsection 1 of section 54-35-10 of the North Dakota Century Code is amended and reenacted as follows:

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

**SECTION 12. EFFECTIVE DATE.** Section 9 of this Act becomes effective on July 1, 2007, section 10 of this Act becomes effective on July 1, 2008, and section 11 of this Act becomes effective on July 1, 2009."

Page 5, remove lines 1 though 13

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### House Bill No. 1001 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Legislative Assembly						
Total all funds	\$13,918,501	\$14,053,117	\$124,012	\$14,177,129	\$14,127,129	\$50,000
Less estimated income						

General fund	\$13,918,501	\$14,053,117	\$124,012	\$14,177,129	\$14,127,129	\$50,000
Legislative Council						
Total all funds	\$8,298,218	\$8,579,719	(\$75,989)	\$8,503,730	\$8,503,730	\$0
Less estimated income						
General fund	\$8,298,218	\$8,579,719	(\$75,989)	\$8,503,730	\$8,503,730	\$0
Bill Total						
Total all funds	\$22,216,719	\$22,632,836	\$48,023	\$22,680,859	\$22,630,859	\$50,000
Less estimated income						
General fund	\$22,216,719	\$22,632,836	\$48,023	\$22,680,859	\$22,630,859	\$50,000

### House Bill No. 1001 - Legislative Assembly - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$6,691,021	\$6,691,021	\$164,536	\$6,855,557	\$6,855,557	
Operating expenses	2,904,339	3,038,955	(40,524)	2,998,431	2,948,431	\$50,000
Capital assets	206,000	206,000		206,000	206,000	
National Conference of State Legislatures	206,314	206,314		206,314	206,314	
Legislative applications replacements	3,910,827	3,910,827		3,910,827	3,910,827	
Total all funds	\$13,918,501	\$14,053,117	\$124,012	\$14,177,129	\$14,127,129	\$50,000
Less estimated income						
General fund	\$13,918,501	\$14,053,117	\$124,012	\$14,177,129	\$14,127,129	\$50,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

### Dept. 150 - Legislative Assembly - Detail of Conference Committee Changes

	REDUCES FUNDING FOR COMPUTERS <sup>1</sup>	ADDS MILEAGE FUNDING <sup>2</sup>	REMOVES FUNDING FOR PILOT PROJECT <sup>3</sup>	ADDS FUNDING FOR LEGISLATIVE PAY <sup>4</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages				\$164,536	\$164,536
Operating expenses	(\$50,000)	\$19,476	(\$10,000)		(40,524)
Capital assets					
National Conference of State Legislatures					
Legislative applications replacements					
Total all funds	(\$50,000)	\$19,476	(\$10,000)	\$164,536	\$124,012
Less estimated income					
General fund	(\$50,000)	\$19,476	(\$10,000)	\$164,536	\$124,012
FTE	0.00	0.00	0.00	0.00	0.00

<sup>1</sup> Funding added by the House for Legislative Assembly computer equipment is reduced to provide a total of \$350,000 from the general fund. The Senate version provided \$300,000.

<sup>2</sup> Funding is added for legislator mileage reimbursement during legislative sessions in accordance with provisions of House Bill No. 1107, the same as the Senate version.

<sup>3</sup> The funding and section added by the House providing for a personal communicator device pilot project are removed. The Senate also removed these items.

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

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

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

Sections added by the conference committee:

- Provide for a Legislative Council review of staff services and future staffing needs.

- Increase legislative leaders' additional compensation of \$250 per month by 4 percent for the first year of the biennium and by 3.85 percent for the second year.
- Increase legislator compensation for attending interim committee meetings to \$135 per day effective July 1, 2009.

### House Bill No. 1001 - Legislative Council - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$5,637,138	\$5,907,752	(\$99,489)	\$5,808,263	\$5,808,263	
Operating expenses	2,604,080	2,614,967	23,500	2,638,467	2,638,467	
Capital assets	57,000	57,000		57,000	57,000	
Total all funds	\$8,298,218	\$8,579,719	(\$75,989)	\$8,503,730	\$8,503,730	\$0
Less estimated income						
General fund	\$8,298,218	\$8,579,719	(\$75,989)	\$8,503,730	\$8,503,730	\$0
FTE	33.00	34.00	(1.00)	33.00	33.00	0.00

### Dept. 160 - Legislative Council - Detail of Conference Committee Changes

	INCREASES EQUITY FUNDING 1	ADDS MILEAGE FUNDING 2	REMOVES NEW FISCAL POSITION 3	ADDS FUNDING FOR LEGISLATIVE PAY 4	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	\$18,000		(\$140,614)	\$23,125	(\$99,489)
Operating expenses		\$23,500			23,500
Capital assets					
Total all funds	\$18,000	\$23,500	(\$140,614)	\$23,125	(\$75,989)
Less estimated income					
General fund	\$18,000	\$23,500	(\$140,614)	\$23,125	(\$75,989)
FTE	0.00	0.00	(1.00)	0.00	(1.00)

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

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

3 The new fiscal staff position added by the House is removed. The Senate also removed this position.

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

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

Engrossed HB 1001 was placed on the Seventh order of business on the calendar.

### MOTION

**REP. BERG MOVED** that Engrossed HB 1001, which is on the Seventh order, be rereferred to the **Conference Committee**, which motion prevailed. Pursuant to Rep. Berg's motion, Engrossed HB 1001 was rereferred.

### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**REP. CARLISLE MOVED** that the conference committee report on Engrossed HB 1002 as printed on HJ page 1475 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1002, as amended, was placed on the Eleventh order.

### SECOND READING OF HOUSE BILL

**HB 1002:** A BILL for an Act to provide an appropriation for defraying the expenses of the judicial branch; and to amend and reenact sections 27-02-02 and 27-05-03 of the North Dakota Century Code, relating to salaries of supreme and district court judges.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 88 YEAS, 5 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; Damschen; DeKrey; Delmore; Dietrich; Dosch; Ekstrom; Froseth; Glassheim; Grande; Griffin; Gruchalla; Gulleson; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Hunskor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Monson; Mueller; Myxter; Nelson; Nottestad; Onstad; Owens; Pietsch; Pinkerton; Pollert; Porter; Potter; Price; Ruby; Schmidt; Schneider; Skarphol; Solberg; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vig; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wolf; Wrangham

**NAYS:** Drovdal; Froelich; Meyer, S.; Zaiser; Speaker Delzer

**ABSENT AND NOT VOTING:** Boe

Reengrossed HB 1002 passed and the title was agreed to.

\*\*\*\*\*

**MOTION**

**REP. BERG MOVED** that HB 1004 be placed at the bottom of the calendar, which motion prevailed.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1005, as engrossed:** Your conference committee (Sens. Wardner, Bowman, Mathern and Reps. Nelson, Wieland, Kerzman) recommends that the **HOUSE ACCEDE** to the Senate amendments on HJ pages 1390-1391 and place HB 1005 on the Seventh order.

Engrossed HB 1005 was placed on the Seventh order of business on the calendar.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. NELSON MOVED** that the conference committee report on Engrossed HB 1005 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1005, as amended, was placed on the Eleventh order.

**SECOND READING OF HOUSE BILL**

**HB 1005:** A BILL for an Act to provide an appropriation for defraying the expenses of the Indian affairs commission.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 93 YEAS, 0 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; Damschen; DeKrey; Delmore; Dietrich; Dosch; Drovdal; Ekstrom; Froelich; Froseth; Glassheim; Grande; Griffin; Gruchalla; Gulleson; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Hunskor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Myxter; Nelson; Nottestad; Onstad; Owens; Pietsch; Pinkerton; Pollert; Porter; Potter; Price; Ruby; Schmidt; Schneider; Skarphol; Solberg; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vig; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wolf; Wrangham; Zaiser; Speaker Delzer

**ABSENT AND NOT VOTING:** Boe

Reengrossed HB 1005 passed and the title was agreed to.

\*\*\*\*\*

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. CARLISLE MOVED** that the conference committee report on Engrossed HB 1006 as printed on HJ page 1538 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1006, as amended, was placed on the Eleventh order.

### SECOND READING OF HOUSE BILL

**HB 1006:** A BILL for an Act to provide an appropriation for defraying the expenses of the aeronautics commission.

### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 94 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; Damschen; DeKrey; Delmore; Dietrich; Dosch; Drovda; Ekstrom; Froelich; Froseth; Glassheim; Grande; Griffin; Gruchalla; Gulleon; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Hunsford; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Myxter; Nelson; Nottestad; Onstad; Owens; Pietsch; Pinkerton; Pollert; Porter; Potter; Price; Ruby; Schmidt; Schneider; Skarphol; Solberg; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vig; Vigasaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wolf; Wrangham; Zaiser; Speaker Delzer

Reengrossed HB 1006 passed and the title was agreed to.

\*\*\*\*\*

### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**REP. KREIDT MOVED** that the conference committee report on Engrossed HB 1007 as printed on HJ pages 1676-1678 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1007, as amended, was placed on the Eleventh order.

### SECOND READING OF HOUSE BILL

**HB 1007:** A BILL for an Act to provide an appropriation for defraying the expenses of the veterans' home and department of veterans' affairs; and to declare an emergency.

### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 94 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; Damschen; DeKrey; Delmore; Dietrich; Dosch; Drovda; Ekstrom; Froelich; Froseth; Glassheim; Grande; Griffin; Gruchalla; Gulleon; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Hunsford; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Myxter; Nelson; Nottestad; Onstad; Owens; Pietsch; Pinkerton; Pollert; Porter; Potter; Price; Ruby; Schmidt; Schneider; Skarphol; Solberg; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vig; Vigasaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wolf; Wrangham; Zaiser; Speaker Delzer

Reengrossed HB 1007 passed, the title was agreed to, and the emergency clause was declared carried.

\*\*\*\*\*

### REPORT OF CONFERENCE COMMITTEE

**HB 1009, as engrossed:** Your conference committee (Sens. Flakoll, Wardner, Krauter and Reps. Monson, Svedjan, Aarsvold) recommends that the **SENATE RECEDE** from the Senate amendments on HJ page 1391 and place HB 1009 on the Seventh order.

Engrossed HB 1009 was placed on the Seventh order of business on the calendar.

### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**REP. MONSON MOVED** that the conference committee report on Engrossed HB 1009 be adopted.

**REQUEST**

**REP. WOLF REQUESTED** a recorded roll call vote on the motion to adopt the conference committee report on Engrossed HB 1009, which request was granted.

**ROLL CALL**

The question being on the motion to adopt the conference committee report on Engrossed HB 1009, the roll was called and there were 50 YEAS, 43 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Belter; Berg; Boehning; Brandenburg; Carlisle; Carlson; Dahl; Damschen; DeKrey; Dietrich; Dosch; Drovda; Grande; Haas; Hatlestad; Hawken; Headland; Herbel; Hofstad; Johnson, D.; Johnson, N.; Karls; Keiser; Kelsch, R.; Kempenich; Kingsbury; Klemin; Koppelman; Kreidt; Kretschmar; Meier, L.; Metcalf; Monson; Mueller; Nelson; Nottestad; Pietsch; Pollert; Porter; Skarphol; Svedjan; Thoreson; Uglem; Vigasaa; Wall; Weiler; Wieland; Wrangham; Zaiser; Speaker Delzer

**NAYS:** Aarsvold; Amerman; Bellew; Boe; Boucher; Charging; Clark; Conrad; Delmore; Ekstrom; Froseth; Glassheim; Griffin; Gruchalla; Gulleson; Hanson; Heller; Hunsakor; Kaldor; Kasper; Kelsh, S.; Kerzman; Klein; Kroeber; Martinson; Meyer, S.; Myxter; Onstad; Owens; Pinkerton; Potter; Price; Ruby; Schmidt; Schneider; Solberg; Sukut; Thorpe; Vig; Wald; Weisz; Williams; Wolf

**ABSENT AND NOT VOTING:** Froelich

The conference committee report on Engrossed HB 1009 was adopted.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1011, as engrossed:** Your conference committee (Sens. Wardner, Krebsbach, O'Connell and Reps. Kempenich, Skarphol, Williams) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1153-1154, adopt amendments as follows, and place HB 1011 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1153 and 1154 of the House Journal and pages 924 and 925 of the Senate Journal and that Engrossed House Bill No. 1011 be amended as follows:

Page 1, line 1, after "patrol" insert "and to authorize line item transfers"

Page 1, line 17, replace "4,011,065" with "4,163,565"

Page 1, line 19, replace "4,159,584" with "4,312,084"

Page 1, line 21, replace "7,677,910" with "7,830,410"

Page 2, line 4, replace "35,009,887" with "35,162,387"

Page 2, line 6, replace "38,979,192" with "39,131,692"

Page 2, line 8, replace "27,758,772" with "27,911,272"

Page 2, replace lines 22 through 28 with:

**"SECTION 6. LINE ITEM TRANSFER - EXCEPTION - AUTHORIZATION.**

Notwithstanding section 54-16-04, the highway patrol may transfer up to \$100,000 from the field operations line item in section 3 of this Act to the law enforcement training academy line item in section 3 of this Act for the biennium beginning July 1, 2007, and ending June 30, 2009. The highway patrol shall notify the office of management and budget of any transfers made pursuant to this section."

ReNUMBER accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:****House Bill No. 1011 - Highway Patrol - Conference Committee Action**

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Administration	\$2,568,016	\$2,568,016		\$2,568,016	\$2,568,016	



Field operations	35,376,823	35,009,887	\$152,500	35,162,387	35,726,823	(\$564,436)
Law Enforcement Training Academy	1,551,289	1,401,289		1,401,289	1,401,289	
Total all funds	\$39,496,128	\$38,979,192	\$152,500	\$39,131,692	\$39,696,128	(\$564,436)
Less estimated income	15,665,015	11,220,420		11,220,420	11,220,420	
General fund	\$23,831,113	\$27,758,772	\$152,500	\$27,911,272	\$28,475,708	(\$564,436)
FTE	197.00	193.00	0.00	193.00	197.00	(4.00)

**Dept. 504 - Highway Patrol - Detail of Conference Committee Changes**

	INCREASES FUNDING FOR SALARY EQUITY <sup>1</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Administration		
Field operations	\$152,500	\$152,500
Law Enforcement Training Academy		
Total all funds	\$152,500	\$152,500
Less estimated income		
General fund	\$152,500	\$152,500
FTE	0.00	0.00

<sup>1</sup> Additional funding is provided for salary equity increases in addition to the \$200,000 added by the House and included in the Senate version.

A section is added allowing the Highway Patrol to transfer up to \$100,000 of the \$150,000 provided for purchasing automatic external defibrillators from the field operations line item to the Law Enforcement Training Academy line item to provide additional training for law enforcement officers and other emergency services providers. The Senate also added this section.

Funding of \$716,936 from the general fund added by the Senate for 4 FTE trooper positions is not included in the conference committee version.

The conference committee removed the section added by the House providing that the Human Resource Management Services Division of the Office of Management and Budget not consider the additional salary equity funding for the Highway Patrol in its calculation of the patrol's share of the statewide salary equity pool.

Engrossed HB 1011 was placed on the Seventh order of business on the calendar.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. KEMPENICH MOVED** that the conference committee report on Engrossed HB 1011 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1011, as amended, was placed on the Eleventh order.

**SECOND READING OF HOUSE BILL**

**HB 1011:** A BILL for an Act to provide an appropriation for defraying the expenses of the highway patrol and to authorize line item transfers.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 88 YEAS, 5 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; Damschen; DeKrey; Delmore; Dietrich; Dosch; Ekstrom; Froseth; Glassheim; Grande; Griffin; Gruchalla; Gulletson; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Hunskor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Myxter; Nottestad; Onstad; Owens; Pietsch; Pinkerton; Pollert; Porter; Potter; Price; Ruby; Schmidt; Schneider; Skarphol; Solberg; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vig; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wolf; Zaiser

**NAYS:** Bellew; Drovdal; Nelson; Wrangham; Speaker Delzer

**ABSENT AND NOT VOTING:** Froelich

Reengrossed HB 1011 passed and the title was agreed to.

\*\*\*\*\*

#### REPORT OF CONFERENCE COMMITTEE

**HB 1433, as engrossed:** Your conference committee (Sens. Dever, J. Lee, Heckaman and Reps. Weisz, Klein, Potter) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1408-1409, adopt amendments as follows, and place HB 1433 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1408 and 1409 of the House Journal and pages 807 and 808 of the Senate Journal and that Engrossed House Bill No. 1433 be amended as follows:

Page 1, line 13, replace "and" with an underscored comma and after "pharmacists" insert ", and certified diabetes educators"

Page 1, line 15, after "pharmacists" insert "and certified diabetes educators"

Page 1, line 21, replace "prescriptives" with "prescriptive"

Page 2, line 3, replace "by implementing" with "from any available funds in the uniform group insurance program and if necessary the fund may add up to"

Page 2, line 4, after the underscored period insert "A state agency shall pay any additional premium from the agency's existing appropriation."

Renumber accordingly

Engrossed HB 1433 was placed on the Seventh order of business on the calendar.

#### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**REP. WEISZ MOVED** that the conference committee report on Engrossed HB 1433 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1433, as amended, was placed on the Eleventh order.

#### SECOND READING OF HOUSE BILL

**HB 1433:** A BILL for an Act to create and enact a new section to chapter 54-52.1 of the North Dakota Century Code, relating to diabetes treatment management services for state employees and their families.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 92 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; Damschen; DeKrey; Delmore; Dietrich; Dosch; Drovda; Ekstrom; Froseth; Glassheim; Grande; Griffin; Gruchalla; Gulleon; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Hunskor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Myxter; Nelson; Nottestad; Onstad; Owens; Pietsch; Pinkerton; Pollert; Porter; Potter; Price; Ruby; Schmidt; Schneider; Skarphol; Solberg; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vig; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wolf; Zaiser; Speaker Delzer

**ABSENT AND NOT VOTING:** Froelich; Wrangham

Reengrossed HB 1433 passed and the title was agreed to.

\*\*\*\*\*

#### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**REP. KOPPELMAN MOVED** that the conference committee report on HB 1466 as printed on HJ pages 1663-1664 be adopted, which motion prevailed on a voice vote.

HB 1466, as amended, was placed on the Eleventh order.

**SECOND READING OF HOUSE BILL**

**HB 1466:** A BILL for an Act to create and enact a new section to chapter 12.1-31 of the North Dakota Century Code, relating to the prohibition of the performance of abortions; to provide a penalty; and to provide an effective date.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 68 YEAS, 24 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Bellew; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Clark; Damschen; DeKrey; Dietrich; Dosch; Drovdal; Froseth; Grande; Gruchalla; Guleson; Haas; Headland; Heller; Herbel; Hofstad; Hunsakor; Johnson, D.; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Nelson; Owens; Pietsch; Pollert; Porter; Price; Ruby; Schmidt; Skarphol; Solberg; Svedjan; Thoreson; Uglem; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wrangham; Speaker Delzer

**NAYS:** Aarsvold; Charging; Conrad; Delmore; Ekstrom; Glassheim; Griffin; Hanson; Hatlestad; Hawken; Johnson, N.; Kaldor; Kroeber; Myxter; Nottestad; Onstad; Pinkerton; Potter; Schneider; Sukut; Thorpe; Vig; Wolf; Zaiser

**ABSENT AND NOT VOTING:** Dahl; Froelich

Engrossed HB 1466 passed and the title was agreed to.

\*\*\*\*\*

**REPORT OF CONFERENCE COMMITTEE**

**HB 1233, as engrossed:** Your conference committee (Sens. Tollefson, Oehlke, Anderson and Reps. Brandenburg, Headland, S. Kelsh) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1154-1155, adopt amendments as follows, and place HB 1233 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1154 and 1155 of the House Journal and page 1023 of the Senate Journal and that Engrossed House Bill No. 1233 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact section 57-38-01.8 of the North Dakota Century Code, relating to assignment of a wind energy device installation tax credit; and to provide an effective date.

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

**SECTION 1. AMENDMENT.** Section 57-38-01.8 of the North Dakota Century Code is amended and reenacted as follows:

**57-38-01.8. Income tax credit for installation of geothermal, solar, or wind energy devices.**

1. Any taxpayer filing a North Dakota income tax return pursuant to the provisions of this chapter may claim a credit for the cost of a geothermal, solar, or wind energy device installed before January 1, 2011, in a building or on property owned or leased by the taxpayer in North Dakota. The credit provided in this section for a device installed before January 1, 2001, must be in an amount equal to five percent per year for three years, and for a device installed after December 31, 2000, must be in an amount equal to three percent per year for five years of the actual cost of acquisition and installation of the geothermal, solar, or wind energy device and must be subtracted from any income tax liability of the taxpayer as determined pursuant to the provisions of this chapter.
2. For the purposes of this section:
  - a. "Geothermal energy device" means a system or mechanism or series of mechanisms designed to provide heating or cooling or to produce electrical or mechanical power, or any combination of these, by a

method which extracts or converts the energy naturally occurring beneath the earth's surface in rock structures, water, or steam.

- b. "Solar or wind energy device" means a system or mechanism or series of mechanisms designed to provide heating or cooling or to produce electrical or mechanical power, or any combination of these, or to store any of these, by a method which converts the natural energy of the sun or wind.
3. If a geothermal, solar, or wind energy device is a part of a system which uses other means of energy, only that portion of the total system directly attributable to the cost of the geothermal, solar, or wind energy device may be included in determining the amount of the credit. The costs of installation may not include costs of redesigning, remodeling, or otherwise altering the structure of a building in which a geothermal, solar, or wind energy device is installed.
4. A partnership, subchapter S corporation, limited partnership, limited liability company, or any other passthrough entity that installs a geothermal, solar, or wind energy device in a building or on property owned or leased by the passthrough entity must be considered to be the taxpayer for purposes of this section, and the amount of the credit allowed with respect to the entity's investments must be determined at the passthrough entity level. The amount of the total credit determined at the entity level must be passed through to the partners, shareholders, or members in proportion to their respective interests in the passthrough entity.
5. If a taxpayer entitled to the credit provided by this section is a member of a group of corporations filing a North Dakota consolidated tax return using the combined reporting method, the credit may be claimed against the aggregate North Dakota tax liability of all of the corporations included in the North Dakota consolidated return.
6. The credit allowed under this section may not exceed the liability for tax under this chapter. If the amount of credit determined under this section exceeds the liability for tax under this chapter, the excess may be used as a credit carryover to each of the five succeeding taxable years.
7. All or part of the unused credit allowed under this section may be sold, assigned, or otherwise transferred by the taxpayer to the purchaser of the power generated by the device as part of the consideration in a power purchase agreement, or to any North Dakota taxpayer that constructs or expands an electricity transmission line in North Dakota after August 1, 2007. The taxpayer receiving the assignment of the credit is entitled to claim the credit against that taxpayer's tax liability under this chapter beginning with the tax year in which the power purchase agreement or the tax credit purchase agreement was fully executed by the parties and the geothermal, solar, or wind energy device is installed. If the credit is transferred to an entity that constructs or expands transmission lines, the amount of credit claimed by that entity in any taxable year may not exceed the actual cost of acquisition and installation of the transmission lines constructed in North Dakota for that taxable year.
  - a. A purchaser of the tax credit must claim the credit beginning with the tax year in which the purchase agreement is fully executed by the parties and the geothermal, solar, or wind energy device is installed. A purchaser of a tax credit under this section has only the right to claim and use the credit under the terms that would have applied to the tax credit transferor, except that in the case of a credit that is sold, assigned, or otherwise transferred by the taxpayer to the tax credit transferor, the credit allowed under this section may not exceed sixty percent of the liability for tax of the tax credit purchaser under this chapter. This subsection does not limit the ability of the tax credit purchaser to reduce the tax liability of the purchaser, regardless of the actual tax liability of the tax credit transferor.
  - b. The tax credit transferor may sell the credit to only one tax credit purchaser each taxable year. The tax credit purchaser may not sell, assign, or otherwise transfer the credit purchased under the purchase agreement.

- c. If the taxpayer elects to sell, assign, or otherwise transfer an excess credit under this subsection, the tax credit transferor and the tax credit purchaser shall file jointly with the tax commissioner a copy of the purchase agreement affecting the tax credit transfer and a statement containing the name, address, and taxpayer identification number of any party to the transfer; the total installed cost of the qualifying geothermal, solar, or wind energy device; the amount of the credit being transferred; the gross proceeds received by the transferor; and the tax year for which the credit may be claimed. The purchase agreement must state clearly the purchase price associated with the tax credit sold. The taxpayer and the purchaser also shall file a document allowing the tax commissioner to disclose tax information to either party for the purpose of verifying the correctness of the transferred tax credit. The purchase agreement, supporting statement, and confidentiality waiver must be filed within thirty days after the date the purchase agreement is fully executed. The tax commissioner may audit the returns and assess or issue refunds, notwithstanding any other time limitation prescribed under law which may have expired for the purchaser.
- d. If the amount of the credit available under this section is changed as a result of an amended return filed by the transferor or as the result of an audit conducted by the internal revenue service or the tax commissioner, the transferor shall report to the purchaser the adjusted credit amount within thirty days of the amended return or within thirty days of the final determination made by the internal revenue service or the tax commissioner. The tax credit purchaser shall file amended returns reporting the additional tax due or claiming a refund as provided in section 57-38-38 or 57-38-40.
- e. The total amount of credits that can be sold by a taxpayer is limited to three million dollars each biennium. This limit applies on the basis of the date of installation of the geothermal, solar, or wind energy device.
- f. Gross proceeds received under the purchase agreement by the tax credit transferor for the sale, assignment, or transfer of the tax credit must be allocated to North Dakota. The amount assigned under this subsection may not be reduced by the taxpayer's income apportioned to North Dakota or any North Dakota net operating loss of the taxpayer.
- g. Within four years after the date of the credit assignment, the tax commissioner may audit the returns of the credit transferor and the purchaser to verify the correctness of the amount of the transferred credit and, if necessary, assess the credit purchaser if additional tax is found due. This subdivision does not limit or restrict any other time period prescribed in this chapter for the assessment of tax.
- h. The tax commissioner may adopt rules to permit verification of the validity, timeliness, and limitations on the sale of the tax credit transferred under this section.

**SECTION 2. EFFECTIVE DATE.** This Act is effective for geothermal, solar, or wind energy devices installed after December 31, 2006."

Renumber accordingly

Engrossed HB 1233 was placed on the Seventh order of business on the calendar.

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

**REP. BRANDENBURG MOVED** that the conference committee report on Engrossed HB 1233 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1233, as amended, was placed on the Eleventh order.

#### **SECOND READING OF HOUSE BILL**

**HB 1233:** A BILL for an Act to amend and reenact section 57-38-01.8 of the North Dakota Century Code, relating to assignment of a wind energy device installation tax credit; and to provide an effective date.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 88 YEAS, 5 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; Damschen; DeKrey; Delmore; Dietrich; Dosch; Drovdal; Ekstrom; Froseth; Glassheim; Grande; Griffin; Gruchalla; Guleson; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Hunskor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Myxter; Nelson; Nottestad; Onstad; Owens; Pietsch; Pollert; Porter; Potter; Price; Ruby; Schmidt; Schneider; Skarphol; Sukut; Svedjan; Thoreson; Uglem; Vig; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wolf; Zaiser; Speaker Delzer

**NAYS:** Bellew; Pinkerton; Solberg; Thorpe; Wrangham

**ABSENT AND NOT VOTING:** Froelich

Reengrossed HB 1233 passed and the title was agreed to.

\*\*\*\*\*

**REPORT OF CONFERENCE COMMITTEE**

**HB 1311, as engrossed:** Your conference committee (Sens. Lyson, Freborg, Triplett and Reps. Porter, DeKrey, Hanson) recommends that the **SENATE RECEDE** from the Senate amendments on HJ page 1437, adopt amendments as follows, and place HB 1311 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1437 and 1438 of the House Journal and page 1248 of the Senate Journal and that Engrossed House Bill No. 1311 be amended as follows:

Page 1, line 2, remove "the age requirement for" and after "season" insert "; to provide for a game and fish department study; and to provide for a report to the legislative council"

Page 1, line 12, overstrike "ages", overstrike "sixteen", remove "and under", and overstrike "on the Saturday and"

Page 1, line 13, overstrike "Sunday preceding the opening of the regular pheasant season" and remove "If a youth's seventeenth"

Page 1, remove lines 14 and 15

Page 1, after line 20, insert:

**"SECTION 2. GAME AND FISH DEPARTMENT STUDY - HUNTER SAFETY EDUCATION REQUIREMENTS - REPORT.** The game and fish department shall study, during the 2007-08 interim, hunter safety education requirements and hunter safety for all ages of hunters. The game and fish department shall report its findings and recommendations to the legislative council by July 1, 2008."

Renumber accordingly

Engrossed HB 1311 was placed on the Seventh order of business on the calendar.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. PORTER MOVED** that the conference committee report on Engrossed HB 1311 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1311, as amended, was placed on the Eleventh order.

**SECOND READING OF HOUSE BILL**

**HB 1311:** A BILL for an Act to amend and reenact section 20.1-04-15 of the North Dakota Century Code, relating to the youth pheasant hunting season; to provide for a game and fish department study; and to provide for a report to the legislative council.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 93 YEAS, 0 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; Damschen; DeKrey; Delmore; Dietrich; Dosch; Drovdal; Ekstrom; Froseth; Glassheim; Grande; Griffin; Gruchalla; Gulleston; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Hunskor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Myxter; Nelson; Nottestad; Onstad; Owens; Pietsch; Pinkerton; Pollert; Porter; Potter; Price; Ruby; Schmidt; Schneider; Skarphol; Solberg; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vig; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wolf; Wrangham; Zaiser; Speaker Delzer

**ABSENT AND NOT VOTING:** Froelich

Reengrossed HB 1311 passed and the title was agreed to.

\*\*\*\*\*

#### REPORT OF CONFERENCE COMMITTEE

**HB 1106, as engrossed:** Your conference committee (Sens. Christmann, Holmberg, Seymour and Reps. Haas, Grande, Potter) recommends that the **HOUSE ACCEDE** to the Senate amendments on HJ pages 1474-1475 and place HB 1106 on the Seventh order.

Engrossed HB 1106 was placed on the Seventh order of business on the calendar.

#### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**REP. HAAS MOVED** that the conference committee report on Engrossed HB 1106 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1106, as amended, was placed on the Eleventh order.

#### SECOND READING OF HOUSE BILL

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

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 49 YEAS, 44 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Conrad; Dahl; Damschen; Delmore; Dosch; Drovdal; Glassheim; Grande; Gruchalla; Hanson; Hawken; Headland; Johnson, D.; Johnson, N.; Kaldor; Kelsch, R.; Kempenich; Kingsbury; Koppelman; Kreidt; Kretschmar; Meier, L.; Metcalf; Monson; Myxter; Nelson; Nottestad; Onstad; Pollert; Potter; Price; Schmidt; Skarphol; Thoreson; Uglem; Wall; Wieland; Williams; Wolf

**NAYS:** Amerman; Bellew; Clark; DeKrey; Dietrich; Ekstrom; Froseth; Griffin; Gulleston; Haas; Hatlestad; Heller; Herbel; Hofstad; Hunskor; Karls; Kasper; Keiser; Kelsh, S.; Kerzman; Klein; Klemin; Kroeber; Martinson; Meyer, S.; Mueller; Owens; Pietsch; Pinkerton; Porter; Ruby; Schneider; Solberg; Sukut; Svedjan; Thorpe; Vig; Vigesaa; Wald; Weiler; Weisz; Wrangham; Zaiser; Speaker Delzer

**ABSENT AND NOT VOTING:** Froelich

Reengrossed HB 1106 passed, the title was agreed to, but the emergency clause lost.

\*\*\*\*\*

#### MOTION

**REP. BERG MOVED** that Rep. Wieland replace Rep. Koppelman on the House Conference Committee on SB 2260, which motion prevailed.

#### MOTION

**REP. BERG MOVED** that Rep. Williams replace Rep. Kroeber on the House Conference Committee on HB 1001, which motion prevailed.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1012, as engrossed:** Your conference committee (Sens. Wardner, Flakoll, O'Connell and Reps. Carlson, Weisz, Kroeber) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1479-1480, adopt amendments as follows, and place HB 1012 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1479-1480 of the House Journal and pages 1262-1264 of the Senate Journal, and that Engrossed House Bill No. 1012 be amended as follows:

Page 1, line 2, replace the first "and" with "to provide for legislative council studies; to provide a contingent continuation of the single state registration system; to create and enact a new section to chapter 8-11.1 and a new section to chapter 24-02 of the North Dakota Century Code, relating to midwest interstate passenger rail commission dues and authority of the director of the department of transportation to join the multistate highway transportation agreement;" and replace "section" with "sections 39-04.2-04 and 39-29-10, the new subsection to section 57-40.3-04 of the North Dakota Century Code as created by section 4 of House Bill No. 1393, as approved by the sixtieth legislative assembly, and section"

Page 1, line 3, after "to" insert "distribution of public transportation funds, the operation of off-highway vehicles, motor vehicle excise tax exemptions for tribal members, and" and after "collections" insert "; to provide an expiration date; and to declare an emergency"

Page 1, line 18, replace "17,591,177" with "31,160,647"

Page 1, line 19, replace "(109,558,341)" with "(108,147,421)"

Page 1, line 20, replace "9,054,000" with "10,054,000"

Page 1, line 21, replace "(\$67,713,282)" with "(\$51,732,892)"

Page 2, line 4, replace "161,128,193" with "174,697,663"

Page 2, line 5, replace "547,310,178" with "548,721,098"

Page 2, line 6, replace "51,412,500" with "52,412,500"

Page 2, line 7, replace "887,295,066" with "903,275,456"

Page 2, after line 14, insert:

**"SECTION 5. LEGISLATIVE COUNCIL STUDY - TRAFFIC FINES.** The legislative council shall consider studying, during the 2007-08 interim, the traffic fines imposed by state and local governments. 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 6. LEGISLATIVE COUNCIL STUDY - HIGHWAY FUNDING AND INFRASTRUCTURE NEEDS.** The legislative council shall study, during the 2007-08 interim, highway funding and transportation infrastructure needs, including those needs resulting from energy and economic development in the state. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

**SECTION 7. Single state insurance registration system.** If the Congress of the United States authorizes a continuation of state participation in the single state insurance registration system for motor carriers, the director of the department of transportation may continue to collect registration fees until the extension authorization expires.

**SECTION 8.** A new section to chapter 8-11.1 of the North Dakota Century Code is created and enacted as follows:

**Amount of dues assessed by commission - Negotiation.** North Dakota's commission members may negotiate a lower amount of any dues imposed by the commission based upon anticipated North Dakota commission-related activities. If the commission does not approve a lower amount of dues, the department of transportation may withhold the dues payment until the next legislative assembly addresses the issue.



**SECTION 9.** A new section to chapter 24-02 of the North Dakota Century Code is created and enacted as follows:

**Multistate highway transportation agreement.** The director may join the multistate highway transportation agreement to promote uniformity among participating jurisdictions in vehicle size and weight standards. The legislative council shall review the guidelines for eligible voting members of the cooperating committee formed by the agreement and appoint a member of the house standing transportation committee and a member of the senate standing transportation committee or their designees as the legislative members representing this state to the cooperating committee formed by the agreement.

**SECTION 10. AMENDMENT.** Section 39-04.2-04 of the North Dakota Century Code is amended and reenacted as follows:

**39-04.2-04. Distribution of funds.**

1. Moneys appropriated by the legislative assembly to the public transportation fund must be disbursed under guidelines issued by the director. The funds must be used by transportation providers to establish and maintain public transportation, especially for the elderly and handicapped, and may be used to contract to provide public transportation, as matching funds to procure money from other sources for public transportation and for other expenditures authorized by the director.
2. ~~Following authorization of the director, the state treasurer shall pay the public transportation funds to transportation providers in each county.~~ Each county shall receive ~~eighteen thousand three hundred dollars~~ a base amount of four-tenths of one percent of the appropriation for the program plus one dollar and fifty cents per capita of population in the county, based upon the latest regular or special official federal census. Each year the director shall increase or decrease the one dollar and fifty cents per capita amount in order to distribute all funds appropriated for the biennium. If there are multiple transportation providers in one county, then the base amount ~~of eighteen thousand three hundred dollars~~ must be divided equally among the providers and the additional per capita amount must be based upon the percentage of elderly and handicapped ridership provided by each transportation provider within the county.
3. ~~Unless otherwise provided by law, any moneys remaining in the fund at the end of each biennium must be retained in the public transportation fund for redistribution.~~

**SECTION 11. AMENDMENT.** Section 39-29-10 of the North Dakota Century Code is amended and reenacted as follows:

**39-29-10. Operation by persons under age sixteen.** Except as otherwise provided in this section, ~~a person~~ an individual under sixteen years of age who is not in possession of a valid operator's license or permit to operate an ~~all-terrain off-highway vehicle~~ may not, except upon the lands of the ~~person's individual's~~ parent or guardian or as a participant in an organized sporting event that involves the use of off-highway vehicles, operate an ~~all-terrain off-highway vehicle~~. ~~A person~~ An individual at least twelve years of age may operate an ~~all-terrain off-highway vehicle~~ if the ~~person~~ individual has completed an ~~all-terrain off-highway vehicle~~ safety training course prescribed by the director of the parks and recreation department ~~and~~, has received the appropriate ~~all-terrain off-highway vehicle~~ safety certificate issued by the director of the department of transportation. The failure of an operator to exhibit an ~~all-terrain off-highway vehicle~~ safety certificate on demand to any official authorized to enforce this chapter is presumptive evidence that that person does not hold ~~such~~ a certificate. Fees collected from each ~~person~~ individual receiving certification must be deposited in the ~~all-terrain off-highway vehicle~~ trail tax fund for ~~all-terrain off-highway vehicle~~ safety education and training programs.

**SECTION 12.** The new subsection to section 57-40.3-04 of the North Dakota Century Code, as created by section 4 of House Bill No. 1393, as approved by the sixtieth legislative assembly, is amended and reenacted as follows:

A motor vehicle acquired at any location within this state by an individual who ~~resides within the boundaries of any reservation in this state and who~~ is an enrolled member of a federally recognized Indian tribe."

Page 2, replace lines 21 through 24 with:

- "1. The first seven million dollars received during a biennium must be deposited in the state highway fund.
2. The next one million dollars received during a biennium must be deposited in the public transportation fund.
3. Amounts received in excess of the amounts allocated under subsections 1 and 2 must be deposited in the state general fund.

**SECTION 14. EXPIRATION DATE.** Section 13 of this Act is effective through June 30, 2009, and after that date is ineffective.

**SECTION 15. EMERGENCY.** Of the funds appropriated in the capital improvements line item in section 3 of this Act, \$25,098,000 relating to fleet services motor vehicle purchases is declared to be an emergency measure."

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### House Bill No. 1012 - Department of Transportation - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$127,444,195	\$127,444,195		\$127,444,195	\$127,444,195	
Operating expenses	179,717,273	161,128,193	\$13,569,470	174,697,663	174,697,663	
Capital assets	548,721,098	547,310,178	1,410,920	548,721,098	548,721,098	
Grants	51,412,500	51,412,500	1,000,000	52,412,500	51,412,500	\$1,000,000
Nelson County grant					550,000	(550,000)
Total all funds	\$907,295,066	\$887,295,066	\$15,980,390	\$903,275,456	\$902,825,456	\$450,000
Less estimated income	887,295,066	887,295,066	15,980,390	903,275,456	902,275,456	1,000,000
General fund	\$20,000,000	\$0	\$0	\$0	\$550,000	(\$550,000)
FTE	1052.50	1052.50	0.00	1052.50	1052.50	0.00

#### Dept. 801 - Department of Transportation - Detail of Conference Committee Changes

	RESTORES FUNDING <sup>1</sup>	ADDS PUBLIC TRANSPORTATION GRANTS <sup>2</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages			
Operating expenses	\$13,569,470		\$13,569,470
Capital assets	1,410,920		1,410,920
Grants		\$1,000,000	1,000,000
Nelson County grant			
Total all funds	\$14,980,390	\$1,000,000	\$15,980,390
Less estimated income	14,980,390	1,000,000	15,980,390
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

<sup>1</sup> This amendment restores funding for the items listed below which were removed by the House. The executive budget had provided funding for these items from the general fund. The conference committee is providing funding for these items from the highway fund, the same as the Senate version.

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

<sup>2</sup> The conference committee provided an additional \$1 million from the public transportation fund, to provide a total of \$5.7 million from this fund for public transportation grants. This amendment also changes the public transportation grants formula.

The section added by the House providing that the first \$120 million of motor vehicle excise tax collections each biennium be deposited in the general fund and any additional amounts in the highway fund is changed to provide that the first \$7 million of these collections be deposited in

the highway fund, the next \$1 million in the public transportation fund, and any additional amounts in the general fund. This provision is anticipated to reduce 2007-09 biennium general fund revenues by \$8 million. This section is effective only for the 2007-09 biennium and does not affect amounts deposited in the state aid distribution fund. The Senate provided that the first \$14 million be deposited in the highway fund and any additional amounts in the general fund.

A section is added authorizing the department to join the Multistate Highway Transportation Agreement. A similar section was added by the Senate.

The emergency clause section added by the Senate is included allowing Fleet Services to begin purchasing new vehicles prior to July 1, 2007. The Senate also added this section.

This amendment does not include the \$550,000 general fund appropriation approved by the Senate for providing a grant to Nelson County for critical road projects.

The following sections were added by the conference committee:

- Providing for Legislative Council studies of traffic fines and highway funding and infrastructure needs.
- Allowing the department to continue the single state insurance registration system until discontinued by Congress.
- Allowing the state to negotiate lower dues for membership in the Midwest Interstate Passenger Rail Commission.
- Exempting tribal members from paying motor vehicle excise taxes.
- Allowing children under 16 years of age to be involved in organized off-highway vehicle sporting events.

Engrossed HB 1012 was placed on the Seventh order of business on the calendar.

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

**REP. CARLSON MOVED** that the conference committee report on Engrossed HB 1012 be adopted.

#### **REQUEST**

**REP. THORPE REQUESTED** a recorded roll call vote on the motion to adopt the conference committee report on Engrossed HB 1012, which request was granted.

#### **ROLL CALL**

The question being on the motion to adopt the conference committee report on Engrossed HB 1012, the roll was called and there were 21 YEAS, 71 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Bellew; Belter; Berg; Boehning; Brandenburg; Carlisle; Carlson; Clark; Dietrich; Dosch; Grande; Klemin; Kreidt; Pietsch; Pollert; Svedjan; Thoreson; Wald; Weiler; Wieland; Speaker Delzer

**NAYS:** Aarsvold; Amerman; Boe; Boucher; Charging; Conrad; Dahl; Damschen; DeKrey; Delmore; Drovda; Ekstrom; Froseth; Glassheim; Griffin; Gruchalla; Guleson; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Hunsakor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klein; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Myxter; Nelson; Nottestad; Onstad; Owens; Pinkerton; Porter; Potter; Price; Ruby; Schmidt; Schneider; Skarphol; Solberg; Sukut; Thorpe; Uglem; Vig; Vigasaa; Wall; Weisz; Williams; Wolf; Wrangham; Zaiser

**ABSENT AND NOT VOTING:** Froelich; Koppelman

The conference committee report on Engrossed HB 1012 failed.

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

**MR. PRESIDENT:** The Speaker has appointed Rep. Wieland to replace Rep. Koppelman on the Conference Committee on SB 2260.

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

**MR. PRESIDENT:** The Speaker has appointed Rep. Williams to replace Rep. Kroeber on the Conference Committee on HB 1001.

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

**MR. SPEAKER:** The President has appointed Sen. Grindberg to replace Sen. Olafson on the Conference Committee on SB 2260.

**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 2014:** Sens. Fischer; Grindberg; O'Connell

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

**MR. SPEAKER:** The Senate has adopted the conference committee report on: SB 2293.

**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 2030, SB 2379.

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

**MR. SPEAKER:** Your signature is respectfully requested on: SB 2046, SB 2352.

**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 1002, HB 1005, HB 1006, HB 1007, HB 1011, HB 1106, HB 1233, HB 1311, HB 1433, HB 1466.

**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 1012.

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

**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1321, HB 1504.

**ANNOUNCEMENT**

**SPEAKER DELZER ANNOUNCED** that the House stand in recess until 11:00 a.m..

**THE HOUSE RECONVENED** pursuant to recess taken, with Speaker Delzer presiding.

**FIRST READING OF SENATE CONCURRENT RESOLUTION**

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

Was read the first time.

**MOTION**

**REP. MONSON MOVED** that the rules be suspended, that SCR 4039 not be referred to committee, but be read in its entirety, be printed in the Journal, and placed on the calendar for immediate second reading and final passage, which motion prevailed.

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

**SENATE CONCURRENT RESOLUTION NO. 4039**

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

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

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

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

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

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

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

**SECOND READING OF SENATE CONCURRENT RESOLUTION**

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

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

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

\*\*\*\*\*

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

**MR. PRESIDENT:** The House has passed unchanged: SCR 4039.

**REPORT OF DELAYED BILLS COMMITTEE**

**MR. SPEAKER:** Your **Delayed Bills Committee (Rep. Berg, Chairman)** has approved the introduction of a bill for an Act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; to provide an exemption; and to provide legislative intent.

The bill will be HB 1522.

**FIRST READING OF HOUSE BILL**

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

(Approved by the Delayed Bills Committee)

**HB 1522:** A BILL for an Act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; to provide an exemption; and to provide legislative intent.

Was read the first time.

**MOTION**

**REP. MONSON MOVED** that the rules be suspended, that HB 1522 not be referred to committee, but be transmitted immediately to the Senate for First Reading in the Senate, which motion prevailed.

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

**MR. PRESIDENT:** The House has introduced HB 1522 which is being transmitted to the Senate for First Reading.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1015, as reengrossed:** Your conference committee (Sens. Fischer, Grindberg, Krauter and Reps. Pollert, Wieland, Metcalf) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1494-1498, adopt amendments as follows, and place HB 1015 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1494-1498 in the House Journal and pages 1291-1295 and page 1343 of the Senate Journal and that Reengrossed House Bill No. 1015 be amended as follows:

Page 1, line 2, replace the third "and" with a comma

Page 1, line 3, after "12.1-32-07" insert ", and section 19-03.1-45"

Page 1, line 4, replace "and" with a comma and after "fees" insert ", and drug treatment"

Page 1, line 5, remove "and" and after "approval" insert "; to provide for a transfer; to provide an appropriation; to provide for a report to the budget section; to provide for a legislative council study; and to declare an emergency"

Page 1, line 22, replace "\$8,138,211" with "(\$27,075,150)"

Page 1, line 23, replace "99,780,064" with "(79,551,714)"

Page 1, line 24, replace "964,482" with "(7,930,658)"

Page 2, line 1, replace "1,712,416" with "(12,843,309)"

Page 2, after line 1, insert:

"Adult services

131,143,936

Youth services

23,450,865"

Page 2, line 3, replace "109,095,173" with "25,693,970"

Page 2, line 5, replace "112,930,827" with "29,529,624"

Page 2, line 12, replace "Field" with "Adult" and replace "35,213,361" with "131,143,936"

Page 2, line 13, replace "Prisons division" with "Youth services" and replace "179,331,778" with "23,450,865"

Page 2, remove lines 14 and 15

Page 2, line 16, replace "237,996,004" with "154,594,801"

Page 2, line 18, replace "214,066,511" with "130,665,308"

Page 3, after line 17, insert:

**"SECTION 6. AMENDMENT.** Section 19-03.1-45 of the North Dakota Century Code is amended and reenacted as follows:

**19-03.1-45. ~~Mandatory drug~~ Drug abuse assessment and treatment - Presentence investigation - Certified drug abuse treatment programs.**

1. ~~When If~~ a person located in ~~Walsh, Pembina, or Grand Forks Counties~~ has pled guilty or has been found guilty of a felony violation of subsection 6 of section 19-03.1-23 ~~and, if that person has not previously pled guilty or been found guilty of any offense involving the use, possession, manufacture, or delivery of a controlled substance or of any other felony offense of this or another state or the federal government, and if the court imposes probation,~~ the court shall impose a period of probation of not less than eighteen months in conjunction with a suspended execution of a sentence of imprisonment, a sentence to probation, or an order deferring imposition of sentence.
2. Upon a plea or finding of guilt of a person subject to the provisions of subsection 1, the court shall order a presentence investigation to be conducted by the department. The presentence investigation shall include a drug and alcohol evaluation conducted by a licensed addiction counselor.
3. If the licensed addiction counselor recommends treatment, the court shall require the person to participate in an addiction program licensed by the department of human services as a condition of the probation. The court shall commit the person to treatment through a licensed addiction program until determined suitable for discharge by the court. The term of treatment shall not exceed eighteen months and may include an aftercare plan. During the commitment and while subject to probation, the person shall be supervised by the department.
4. If the person fails to participate in, or has a pattern of intentional conduct that demonstrates the person's refusal to comply with or participate in the treatment program, as established by judicial finding, the person shall be subject to revocation of the probation. Notwithstanding subsection 2 of section 12.1-32-02, the amount of time participating in the treatment program under this section is not "time spent in custody" and will not be a credit against any sentence to term of imprisonment.
5. ~~The cost for all drug abuse assessments and certified drug abuse treatment programs shall be initially paid by the department. The court shall order the person to reimburse the department for the assessment and~~

~~treatment expenses in accordance with the procedures of section 12-1-32-08. The department shall handle the collection of costs from the offenders in the same manner as it collects court costs, fees, and supervision fees.~~

- 6- In this section:
- a. "Department" means the department of corrections and rehabilitation; and
  - b. "Licensed addiction counselor" is a person licensed pursuant to section 43-45-05.1.
- 7- ~~The provisions of this section shall be implemented as a pilot project in Pembina, Walsh, and Grand Forks Counties effective three months from the date of receipt of a federal grant for methamphetamine treatment being applied for by the department of human services. The department shall collaborate management of the pilot project with the department of human services to ensure services under the federal grant program for one half of the offenders mandated by the court to submit to mandatory treatment, not to exceed twenty three individuals. The department shall hire a program manager to manage the pilot project, collect statistics regarding the operation of the program, track participants in the program, and provide a report to the attorney general, the legislative council for distribution during the November 2006 legislative council meeting, and the sixtieth legislative assembly detailing the number of participants in the program, the cost of the program, relapse statistics, and other data concerning the effectiveness of the program."~~

Page 3, replace lines 23 through 31 with:

**"SECTION 8. TRANSFER TO THE STATE PENITENTIARY LAND FUND - CONTINGENT APPROPRIATION.** The director of the office of management and budget shall transfer on July 1, 2007, \$41,000,000 from the general fund to the state penitentiary land fund established in North Dakota Century Code section 54-23.3-04 to be used for correctional facilities. The funds are appropriated to the department of corrections and rehabilitation for a project accepted and approved under Senate Bill No. 2260, as approved by the sixtieth legislative assembly, for the biennium beginning July 1, 2007, and ending June 30, 2009. All income earned on the fund must be deposited in the state penitentiary land fund.

**SECTION 9. APPROPRIATION - LEGISLATIVE COUNCIL.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$250,000, or so much of the sum as may be necessary, to the legislative council for prison facility alternative concepts and preliminary design development, as provided for in Senate Bill No. 2260, for the biennium beginning July 1, 2007, and ending June 30, 2009."

Page 4, remove lines 1 through 16

Page 5, line 3, replace "\$88,332,091" with "\$3,559,391"

Page 5, remove line 8

Page 5, line 9, replace "70,000" with "\$70,000"

Page 5, line 10, replace "1,498,091" with "1,725,391"

Page 5, line 12, replace "88,332,091" with "3,559,391"

Page 5, after line 15, insert:

**"SECTION 14. INTENT - TEMPORARY SALARIES - FIELD SERVICES.** It is the intent of the sixtieth legislative assembly that the department of corrections and rehabilitation may use \$250,000 of its 2007-09 biennium appropriation for temporary salaries for the field services division for supervision of offenders.

**SECTION 15. LEGISLATIVE COUNCIL STUDY - RETIREMENT CRITERIA FOR STATE CORRECTIONAL OFFICERS AND PEACE OFFICERS.** The legislative council shall consider studying, during the 2007-08 interim, retirement program criteria

and benefits for correctional officers and peace officers employed by state agencies, including the feasibility and desirability of allowing these employees to retire with full retirement benefits at age fifty-five or the "rule of 85". 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 16. SPACE, OPERATIONAL, AND STAFFING PLAN - BUDGET SECTION REPORT.** The department of corrections and rehabilitation shall prepare a space, operational, and staffing plan for the state penitentiary and James River correctional center. The plan must be based on the state penitentiary building project authorized by the sixtieth legislative assembly and the current facilities at the James River correctional center and the Missouri River correctional center. The plan must be presented at the first budget section meeting after March 1, 2008.

**SECTION 17. EMERGENCY.** Section 10 of this Act is declared to be an emergency measure."

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### House Bill No. 1015 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Office of Management and Budget						
Total all funds	\$0	\$0	\$41,000,000	\$41,000,000	\$42,000,000	(\$1,000,000)
Less estimated income						
General fund	\$0	\$0	\$41,000,000	\$41,000,000	\$42,000,000	(\$1,000,000)
Legislative Council						
Total all funds	\$0	\$0	\$250,000	\$250,000	\$0	\$250,000
Less estimated income						
General fund	\$0	\$0	\$250,000	\$250,000	\$0	\$250,000
Department of Corrections and Rehabilitation						
Total all funds	\$199,549,688	\$237,996,004	(\$83,401,203)	\$154,594,801	\$162,171,312	(\$7,576,511)
Less estimated income	26,853,489	23,929,493		23,929,493	23,929,493	
General fund	\$172,696,199	\$214,066,511	(\$83,401,203)	\$130,665,308	\$138,241,819	(\$7,576,511)
Bill Total						
Total all funds	\$199,549,688	\$237,996,004	(\$42,151,203)	\$195,844,801	\$204,171,312	(\$8,326,511)
Less estimated income	26,853,489	23,929,493		23,929,493	23,929,493	
General fund	\$172,696,199	\$214,066,511	(\$42,151,203)	\$171,915,308	\$180,241,819	(\$8,326,511)

#### House Bill No. 1015 - Office of Management and Budget - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Transfer to State Penitentiary land fund			\$41,000,000	\$41,000,000	\$42,000,000	(\$1,000,000)
Total all funds	\$0	\$0	\$41,000,000	\$41,000,000	\$42,000,000	(\$1,000,000)
Less estimated income						
General fund	\$0	\$0	\$41,000,000	\$41,000,000	\$42,000,000	(\$1,000,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

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

	TRANSFER TO STATE PENITENTIARY LAND FUND <sup>1</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Transfer to State Penitentiary land fund	\$41,000,000	\$41,000,000
Total all funds	\$41,000,000	\$41,000,000
Less estimated income		
General fund	\$41,000,000	\$41,000,000
FTE	0.00	0.00



<sup>1</sup> This amendment adds a section to transfer \$41 million from the general fund to the State Penitentiary land fund to be used for future correctional facilities accepted and approved under Senate Bill No. 2260.

### House Bill No. 1015 - Legislative Council - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Operating expenses			<u>\$250,000</u>	<u>\$250,000</u>		<u>\$250,000</u>
Total all funds	\$0	\$0	\$250,000	\$250,000	\$0	\$250,000
Less estimated income						
General fund	\$0	\$0	\$250,000	\$250,000	\$0	\$250,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

### Dept. 160 - Legislative Council - Detail of Conference Committee Changes

	ALTERNATIVE CONCEPTS AND PRELIMINARY DESIGN DEVELOPMENT <sup>1</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Operating expenses	<u>\$250,000</u>	<u>\$250,000</u>
Total all funds	\$250,000	\$250,000
Less estimated income		
General fund	\$250,000	\$250,000
FTE	0.00	0.00

<sup>1</sup> This amendment provides an appropriation to the Legislative Council for prison facility alternative concepts and preliminary design development as provided for in Senate Bill No. 2260.

### House Bill No. 1015 - Department of Corrections and Rehabilitation - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Field Services	\$35,953,086	\$35,213,361	(\$35,213,361)		\$38,657,169	(\$38,657,169)
Prisons Division	140,093,278	179,331,778	(179,331,778)		100,063,278	(100,063,278)
Juvenile Community Services	8,895,140	8,895,140	(8,895,140)		8,895,140	(8,895,140)
Youth Correctional Center	14,608,184	14,555,725	(14,555,725)		14,555,725	(14,555,725)
Adult Services			131,143,936	131,143,936		131,143,936
Youth Services			<u>23,450,865</u>	<u>23,450,865</u>		<u>23,450,865</u>
Total all funds	\$199,549,688	\$237,996,004	(\$83,401,203)	\$154,594,801	\$162,171,312	(\$7,576,511)
Less estimated income	<u>26,853,489</u>	<u>23,929,493</u>		<u>23,929,493</u>	<u>23,929,493</u>	
General fund	\$172,696,199	\$214,066,511	(\$83,401,203)	\$130,665,308	\$138,241,819	(\$7,576,511)
FTE	706.79	700.29	11.00	711.29	708.29	3.00

### Dept. 530 - Department of Corrections and Rehabilitation - Detail of Conference Committee Changes

	REMOVES FUNDING FOR PRISON EXPANSION <sup>1</sup>	RESTORES FUNDING FOR CHAPLAINS <sup>2</sup>	RESTORES PAROLE AND PROBATION OFFICERS <sup>3</sup>	RESTORES FUNDING FOR DEFERRED MAINTENANCE <sup>4</sup>	PROVIDES FUNDING FOR TEEN CHALLENGE <sup>5</sup>	PROVIDES FUNDING AND FTE POSITION FOR INTERAGENCY AGREEMENT <sup>6</sup>
Field Services			\$423,447		\$100,000	
Prisons Division	(\$85,000,000)	\$64,000		\$227,300		\$118,500
Juvenile Community Services						
Youth Correctional Center						
Adult Services						
Youth Services						
Total all funds	(\$85,000,000)	\$64,000	\$423,447	\$227,300	\$100,000	\$118,500
Less estimated income						
General fund	(\$85,000,000)	\$64,000	\$423,447	\$227,300	\$100,000	\$118,500
FTE	0.00	2.00	3.00	0.00	0.00	1.00

PROVIDES  
FUNDING FOR  
COMMUNITY  
SERVICE  
SUPERVISION

TRANSITION  
MEDICAL

ADDS 5 FTE  
POSITIONS TO  
REDUCE

COMBINES  
PRISONS  
DIVISION  
AND FIELD  
SERVICES  
INTO ADULT

COMBINES YCC  
AND JUVENILE  
COMMUNITY  
SERVICES  
INTO YOUTH

TOTAL  
CONFERENCE  
COMMITTEE

	GRANTS <sup>7</sup>	CARE <sup>8</sup>	CASELOAD <sup>9</sup>	SERVICES <sup>10</sup>	SERVICES <sup>11</sup>	CHANGES
Field Services	\$100,000		\$465,550	(\$36,302,358)		(\$35,213,361)
Prisons Division		\$100,000		(94,841,578)		(179,331,778)
Juvenile Community Services					(\$8,895,140)	(8,895,140)
Youth Correctional Center					(14,555,725)	(14,555,725)
Adult Services				131,143,936		131,143,936
Youth Services					<u>23,450,865</u>	<u>23,450,865</u>
Total all funds	\$100,000	\$100,000	\$465,550	\$0	\$0	(\$83,401,203)
Less estimated income						
General fund	\$100,000	\$100,000	\$465,550	\$0	\$0	(\$83,401,203)
FTE	0.00	0.00	5.00	0.00	0.00	11.00

<sup>1</sup> This amendment removes funding for the new building and demolition projects.

<sup>2</sup> This amendment restores funding removed by the House to convert 2 temporary chaplains to full-time equivalent positions.

<sup>3</sup> This amendment restores funding removed by the House for 3 FTE parole and probation officers, including operating expenses.

<sup>4</sup> This amendment restores \$227,300 of the \$667,500 removed by the House for deferred maintenance.

<sup>5</sup> This amendment adds funding for Teen Challenge.

<sup>6</sup> This amendment provides funding for 1 FTE position and related operating expenses for the interagency agreement with the Department of Human Services provided for in Senate Bill No. 2136.

<sup>7</sup> This amendment provides funding for community service supervision grants as provided for in Senate Bill No. 2243.

<sup>8</sup> This amendment provides funding for transition medical care for inmates.

<sup>9</sup> This amendment provides funding to add 5 FTE positions to reduce the caseload for Adult Services.

<sup>10</sup> This amendment combines the Prisons Division and Field Services line items into the Adult Services line item.

<sup>11</sup> This amendment combines the Youth Correctional Center and Juvenile Community Services line items into the Youth Services line item.

A section is added directing the Legislative Council to consider a study of the retirement criteria for state correctional officers and peace officers.

A section is added that amends North Dakota Century Code Section 19-03.1-45 relating to drug abuse assessment and treatment.

A section is added providing for a transfer from the general fund of \$41,000,000 to the State Penitentiary land fund.

A section is added providing an appropriation to the Legislative Council for prison facility alternative concepts and preliminary design.

A section is added to provide for a space, operational, and staffing plan and a report to the Budget Section regarding the plan.

A section is added authorizing Field Services to use \$250,000 of the 2007-09 biennium appropriation for temporary salaries for supervision.

A section is added providing for an emergency for Section 10.

This amendment combines the Prisons Division and Field Services line items into the Adult Services line item and combines the Youth Correctional Center and Juvenile Community Services line items into the Youth Services line item.

Reengrossed HB 1015 was placed on the Seventh order of business on the calendar.

#### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**REP. WIELAND MOVED** that the conference committee report on Reengrossed HB 1015 be adopted, which motion prevailed on a verification vote.

Reengrossed HB 1015, as amended, was placed on the Eleventh order.

**SECOND READING OF HOUSE BILL**

**HB 1015:** A BILL for an Act to provide an appropriation for defraying the expenses of the department of corrections and rehabilitation; to amend and reenact subsection 1 of section 12-65-08, subsection 2 of section 12.1-32-07, and section 19-03.1-45 of the North Dakota Century Code, relating to fees for the interstate transfer or travel of probationers, supervision fees, and drug treatment; to provide an exemption; to provide legislative intent; to provide for budget section approval; to provide for a transfer; to provide an appropriation; to provide for a report to the budget section; to provide for a legislative council study; and to declare an emergency.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 61 YEAS, 33 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Belter; Berg; Boehning; Brandenburg; Carlisle; Carlson; Charging; Clark; Dahl; Damschen; DeKrey; Dietrich; Dosch; Drovda; Froseth; Grande; Haas; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Johnson, D.; Johnson, N.; Karls; Kasper; Keiser; Kelsch, R.; Kempenich; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Martinson; Meier, L.; Metcalf; Monson; Nelson; Nottestad; Owens; Pietsch; Pollert; Porter; Price; Ruby; Skarphol; Sukut; Svedjan; Thoreson; Uglem; Vigasaa; Wald; Wall; Weiler; Weisz; Wieland; Wrangham; Speaker Delzer

**NAYS:** Aarsvold; Amerman; Bellew; Boe; Boucher; Conrad; Delmore; Ekstrom; Froelich; Glassheim; Griffin; Gruchalla; Guleson; Hanson; Hunskor; Kaldor; Kelsh, S.; Kerzman; Kroeber; Meyer, S.; Mueller; Myxter; Onstad; Pinkerton; Potter; Schmidt; Schneider; Solberg; Thorpe; Vig; Williams; Wolf; Zaiser

Reengrossed HB 1015 passed, the title was agreed to, but the emergency clause lost.

\*\*\*\*\*

**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 1015.

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

**MR. SPEAKER:** Your signature is respectfully requested on: SCR 4038.

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

**MR. SPEAKER:** The Senate has adopted the conference committee report on: SB 2014.

**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 2200, SB 2419.

**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 1126.

**ANNOUNCEMENT**

**SPEAKER DELZER ANNOUNCED** that the House stand in recess until 1:00 p.m..

**THE HOUSE RECONVENED** pursuant to recess taken, with Speaker Delzer presiding.

**ANNOUNCEMENT**

**SPEAKER DELZER ANNOUNCEMENT** that the House stand in recess until 1:30 p.m..

**THE HOUSE RECONVENED** pursuant to recess taken, with Speaker Delzer presiding.

**REPORT OF CONFERENCE COMMITTEE**

**SB 2200, as engrossed:** Your conference committee (Sens. Freborg, Flakoll, Taylor and Reps. R. Kelsch, Haas, Mueller) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1154-1183, adopt amendments as follows, and place SB 2200 on the Seventh order:

That the House recede from its amendments as printed on pages 1154-1183 of the Senate Journal and pages 1195-1224 of the House Journal and that Engrossed Senate Bill No. 2200 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 ten new sections to chapter 15.1-27, a new section to chapter 15.1-36, and two new sections to chapter 15.1-38 of the North Dakota Century Code, relating to the determination of state aid to school districts; to amend and reenact section 15.1-02-09, subsection 4 of section 15.1-06-04, and sections 15.1-23-19, 15.1-27-01, 15.1-27-02, 15.1-27-04, 15.1-27-08, 15.1-27-09, 15.1-27-10, 15.1-27-11, 15.1-27-15, 15.1-27-16, 15.1-27-17, 15.1-27-18, 15.1-27-19, 15.1-27-20, 15.1-27-35, 15.1-28-03, 15.1-29-01, 15.1-29-02, 15.1-29-12, 15.1-29-14, 15.1-29-15, 15.1-31-03, 15.1-31-04, 15.1-31-07, 15.1-32-08, 15.1-32-14, 15.1-32-15, 15.1-32-16, 15.1-32-18, 15.1-33-02, 15.1-36-02, and 57-15-14 of the North Dakota Century Code, relating to the determination of state aid to school districts; to repeal sections 15.1-07-28, 15.1-09-46, 15.1-27-05, 15.1-27-06, 15.1-27-07, 15.1-27-12, 15.1-27-14, 15.1-27-21, 15.1-27-32, 15.1-27-36, 15.1-27-37, and 15.1-27-38 of the North Dakota Century Code, relating to educational associations, the school district census, the school district equalization factor, weighting factors, supplemental payments, additional per student payments, property valuations, and teacher compensation payments; to provide an appropriation; to provide for a commission on education improvement; to provide for teacher compensation increases; to provide for future determinations of average daily membership; to provide for the distribution of transportation grants, reorganization planning grants, and contingent payments; to provide for a contingent transfer; to provide for a report to the legislative council; to provide an expiration date; and to declare an emergency.

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

**SECTION 1. AMENDMENT.** Section 15.1-02-09 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-02-09. School district finance facts report - Contents.** The superintendent of public instruction shall submit an annual report on the financial condition of school districts to the governor, legislative council, and the secretary of state by the end of February. The secretary of state shall transmit the report to state archivist for official and public use. The report must include:

1. The number of school districts in the state.
2. The financial condition of each school district, including its receipts and expenditures.
3. The value of all property owned or controlled by each school district.
4. The cost of education in each school district.
5. The number of teachers employed by each school district and their salaries.
6. The number of students in average daily membership, in weighted average daily membership, and in average daily attendance, in each school district, the grades in which ~~they~~ the students are enrolled, and, when applicable, the courses in which ~~they~~ the students are enrolled.
7. Information regarding the state's approved nonpublic schools.
8. Other statistical data on public education in the state.

**SECTION 2. AMENDMENT.** Subsection 4 of section 15.1-06-04 of the North Dakota Century Code is amended and reenacted as follows:

4. a. A During the 2007-08 school year, a full day of instruction consists of:
  - ~~a.~~ (1) At least five and one-half hours for elementary students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction; and
  - ~~b.~~ (2) At least six hours for high school students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction.

b. Beginning with the 2008-09 school year, a full day of instruction consists of:

- (1) At least five and one-half hours for kindergarten and elementary students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction; and
- (2) At least six hours for high school students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction.

**SECTION 3. AMENDMENT.** Section 15.1-23-19 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-23-19. Home education - State aid to school districts.** For purposes of allocating state aid to school districts, a child receiving home education is ~~deemed enrolled in the child's school district of residence if the child is monitored by an individual who is licensed to teach by the education standards and practices board or approved to teach by the education standards and practices board and employed by the public school district in which the child resides.~~ A school district is entitled to fifty percent of the per student payment provided in section 15.1-27-04 times the appropriate factor in section 15.1-27-06 or 15.1-27-07 for each child receiving home education. ~~If a child receiving home education is enrolled in public school classes, proportionate payments must be made. The total amount may not exceed the equivalent of one full per student payment times the appropriate weighting factor included in a school district's determination of average daily membership only for those days or portions of days that the child attends a public school.~~

**SECTION 4. AMENDMENT.** Section 15.1-27-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-01. Payments to school districts - Distribution.**

1. The superintendent of public instruction shall ~~determine~~ estimate the total state payments ~~made to each to which a school district during the previous fiscal~~ is entitled each year.
2. The superintendent of public instruction shall pay each district ten percent of the amount determined under subsection 1, within the limits of legislative appropriation, on or before August first and September first of each year. The superintendent shall pay each school district twenty percent of that amount, within the limits of legislative appropriation, on or before October first of each year.
3. The superintendent of public instruction shall ~~determine~~ estimate the amount that, in addition to the payments already made, is necessary to constitute the remainder of the amount due each district for the current school year.
4. On or before November first, the superintendent of public instruction shall pay to each district, within the limits of legislative appropriation, an amount that, in addition to the above payments, constitutes sixty percent of the sum due under this chapter.
5. On or before the first day of December, January, February, March, and April, payments equal to twenty percent of the total remaining payments must be made to each district.
6. If funds appropriated for distribution to districts as state aid become available after April first, the superintendent of public instruction shall distribute the newly available payments on or before June thirtieth.

**SECTION 5. AMENDMENT.** Section 15.1-27-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-02. Per student payments - Required reports.**

1. The superintendent of public instruction may not forward state aid payments to a school district beyond the October payment unless the district has filed the following with the superintendent:
  - a. ~~An annual average daily~~ The June thirtieth student membership and attendance report;
  - b. An annual school district financial report;
  - c. The September tenth fall enrollment report; and
  - d. The personnel report forms for licensed and nonlicensed employees.
2. On or before December fifteenth, each school district shall file with the superintendent of public instruction the taxable valuation and mill levy certifications. If a district fails to file the taxable valuation and mill levy certifications by the required date, the superintendent of public instruction may not forward to the district any state aid payments to which the district is entitled, until the taxable valuation and mill levy certifications are filed.

**SECTION 6.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Weighted average daily membership - Determination.**

1. For each school district, the superintendent of public instruction shall multiply by:
  - a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;
  - b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;
  - c. 0.60 the number of full-time equivalent students enrolled in a summer education program;
  - d. 0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;
  - e. 0.25 the number of full-time equivalent students enrolled in an alternative high school;
  - f. 0.25 the number of full-time equivalent students enrolled in an isolated elementary school;
  - g. 0.25 the number of full-time equivalent students enrolled in an isolated high school;
  - h. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;
  - i. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;
  - j. 0.14 the number of full-time equivalent students enrolled in a new immigrant English language learner program;
  - k. 0.067 the number of students enrolled in average daily membership, in order to support the provision of special education services; and
  - l. 0.02 the number of full-time equivalent students, other than those provided for in subdivision j, who are enrolled in an English language learner program.
2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

**SECTION 7.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**School district size weighting factor - Weighted student units.**

1. For each high school district in the state, the superintendent of public instruction shall assign a school district size weighting factor of:
  - a. 1.25 if the students in average daily membership number fewer than 185;
  - b. 1.24 if the students in average daily membership number at least 185 but fewer than 200;
  - c. 1.23 if the students in average daily membership number at least 200 but fewer than 215;
  - d. 1.22 if the students in average daily membership number at least 215 but fewer than 230;
  - e. 1.21 if the students in average daily membership number at least 230 but fewer than 245;
  - f. 1.20 if the students in average daily membership number at least 245 but fewer than 260;
  - g. 1.19 if the students in average daily membership number at least 260 but fewer than 270;
  - h. 1.18 if the students in average daily membership number at least 270 but fewer than 275;
  - i. 1.17 if the students in average daily membership number at least 275 but fewer than 280;
  - j. 1.16 if the students in average daily membership number at least 280 but fewer than 285;
  - k. 1.15 if the students in average daily membership number at least 285 but fewer than 290;
  - l. 1.14 if the students in average daily membership number at least 290 but fewer than 295;
  - m. 1.13 if the students in average daily membership number at least 295 but fewer than 300;
  - n. 1.12 if the students in average daily membership number at least 300 but fewer than 305;
  - o. 1.11 if the students in average daily membership number at least 305 but fewer than 310;
  - p. 1.10 if the students in average daily membership number at least 310 but fewer than 320;
  - q. 1.09 if the students in average daily membership number at least 320 but fewer than 335;
  - r. 1.08 if the students in average daily membership number at least 335 but fewer than 350;
  - s. 1.07 if the students in average daily membership number at least 350 but fewer than 360;
  - t. 1.06 if the students in average daily membership number at least 360 but fewer than 370;
  - u. 1.05 if the students in average daily membership number at least 370 but fewer than 380;

- v. 1.04 if the students in average daily membership number at least 380 but fewer than 390;
  - w. 1.03 if the students in average daily membership number at least 390 but fewer than 400;
  - x. 1.02 if the students in average daily membership number at least 400 but fewer than 600;
  - y. 1.01 if the students in average daily membership number at least 600 but fewer than 900; and
  - z. 1.00 if the students in average daily membership number at least 900.
2. For each elementary district in the state, the superintendent of public instruction shall assign a weighting factor of:
- a. 1.25 if the students in average daily membership number fewer than 125;
  - b. 1.17 if the students in average daily membership number at least 125 but fewer than 200; and
  - c. 1.00 if the students in average daily membership number at least 200.
3. The school district size weighting factor determined under this section and multiplied by a school district's weighted average daily membership equals the district's weighted student units.
4. Notwithstanding the provisions of this section, the school district size weighting factor assigned to a district may not be less than the factor arrived at when the highest number of students possible in average daily membership is multiplied by the school district size weighting factor for the subdivision immediately preceding the district's actual subdivision and then divided by the district's average daily membership.

**SECTION 8. AMENDMENT.** Section 15.1-27-04 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-04. Per student payment rate.**

- 1. a. The per student payment rate to which each school district is entitled for the first year of the biennium is ~~two~~ three thousand ~~seven~~ two hundred ~~sixty-five~~ fifty dollars.
  - b. The per student payment rate to which each school district is entitled for the second year of the biennium is ~~two~~ three thousand ~~eight~~ three hundred ~~seventy-nine~~ twenty-five dollars. ~~The per student amount is the basis for calculating state payments to school districts, as provided in sections 15.1-27-06 and 15.1-27-07.~~
2. In order to determine the state aid payment to which each district is entitled, the superintendent of public instruction shall multiply each district's weighted student units by the per student payment rate set forth in subsection 1.

**SECTION 9.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Kindergarten payments - Determination.** Notwithstanding the provisions of section 15.1-27-35, the superintendent of public instruction shall determine the payments to which a school district is entitled for providing full-time kindergarten during the 2008-09 school year by using the district's 2008 kindergarten fall enrollment count.

**SECTION 10.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Baseline funding - Determination - Minimum and maximum allowable increases.**



1. The superintendent of public instruction shall determine each school district's baseline funding per weighted student unit by:
  - a. Adding together all state aid received by the district during the 2006-07 school year;
  - b. Subtracting the amount received by the district during the 2006-07 school year for transportation aid, special education excess cost reimbursements, special education contracts, prior year funding adjustments, and per student payments for participation in educational associations governed by joint powers agreements; and
  - c. Dividing the amount determined under subdivision b by the district's 2007-08 weighted student units.
2.
  - a. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, for the 2007-08 school year, is at least equal to one hundred three and one-half percent of the baseline funding per weighted student unit, as established in subsection 1.
  - b. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, for each school year after the 2007-08 school year, is at least equal to one hundred six percent of the baseline funding per weighted student unit, as established in subsection 1.
3.
  - a. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, less any amount received as equity payments under section 15.1-27-11 per weighted student unit, does not exceed, for the 2007-08 school year, one hundred seven percent of the baseline funding per weighted student unit, as established in subsection 1.
  - b. Beginning with the 2008-09 school year, the maximum percentage of allowable growth in the baseline funding per weighted student unit provided in subdivision a must be annually increased by three percentage points, plus the district's share of any increased state aid for that year. Payments received by districts for the provision of full-day kindergarten do not constitute increases in state aid for purposes of this subdivision.

**SECTION 11. AMENDMENT.** Section 15.1-27-08 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-08. Per student payments - Unaccredited high schools.**

1. If a high school becomes unaccredited, the superintendent of public instruction shall determine the per student payment to which the school district is entitled during the first year in which the high school is unaccredited is the amount established in section 15.1-27-04. The school district is not entitled to the amount that results from applying the weighting factors provided in section 15.1-27-06. In each successive year, the per student payment to which the school district is entitled for each student in the unaccredited high school must be reduced by an additional two hundred dollars. by:
  - a. Applying the school district size weighting factor assigned under section 7 of this Act to all students in average daily membership in any public school in the district other than the unaccredited high school; and
  - b. Applying a weighting factor of 1.00 to all students in average daily membership in the unaccredited high school.
2. If the high school remains unaccredited for a second year, the superintendent of public instruction shall determine the per student payment to which the school district is entitled by:

- a. Applying the school district size weighting factor assigned under section 7 of this Act to all students in average daily membership in any public school in the district other than the unaccredited high school;
  - b. Applying a weighting factor of 1.00 to all students in average daily membership in the unaccredited high school; and
  - c. Reducing any payment to which the school district is entitled for each student in average daily membership in the unaccredited high school by two hundred dollars.
3. If the high school remains unaccredited for a third year, and each year thereafter, the superintendent of public instruction shall determine the per student payment to which the school district is entitled as provided in subsection 2, and the superintendent shall reduce the payment for each student as provided in subdivision c of subsection 2 by two hundred dollars each year.
  4. If a the high school regains its accreditation, the school district is entitled to the per student payments provided for accredited schools for the entire school year in which the school becomes accredited.

**SECTION 12. AMENDMENT.** Section 15.1-27-09 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-09. Per student payments - Unaccredited elementary schools.**

1. If an elementary school becomes unaccredited, the superintendent of public instruction may not reduce the per student payment to which the school district is entitled during the first year in which the school is unaccredited.
2. If a an elementary school district operates an remains unaccredited elementary school, the per student payment to which the school district is entitled during the first year in which the elementary school is unaccredited is the amount established in section 15.1-27-04. The school district is entitled to the amount that results from applying the weighting factors provided in section 15.1-27-07. In each successive for a second year, the superintendent of public instruction shall reduce the per student payment to which the school district is entitled for each student in average daily membership in the unaccredited elementary school ~~must be reduced by an additional~~ two hundred dollars.
3. If the elementary school remains unaccredited for a third year, and each year thereafter, the superintendent of public instruction shall reduce the payment for each student as provided in subsection 2 by two hundred dollars each year.
4. If a the elementary school regains its accreditation, the school district is entitled to the per student payments provided for accredited schools for the entire school year in which the school becomes accredited.

**SECTION 13. AMENDMENT.** Section 15.1-27-10 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-10. Per student payments - Special education.**

1. Except as provided in subsection 2, each biennium the superintendent of public instruction shall distribute moneys appropriated by the legislative assembly for per student special education payments to each school district in the state on the basis of students in average daily membership. The superintendent of public instruction shall forward the payments, as calculated under section 15.1-27-05, to eligible school districts in the same manner and at the same time that the superintendent distributes state aid payments. For purposes of this section, "special education" means the provision of special services to students who have special needs, including students who are gifted and talented. Expenditures under this section may not conflict with nonsupplanting and maintenance of effort provisions under the Individuals With Disabilities Education Act, 20 United States Code 1400 et seq.

- 2- Upon the written request of a school district, the superintendent of public instruction may forward all or a portion of ~~the moneys~~ any per student special education payments to which ~~the a~~ school district is entitled ~~under this section~~ directly to the special education unit of which the school district is a member.
- 3- 2. The superintendent of public instruction may withhold state special education funds due a school district if, in response to a complaint, the superintendent finds that the district is not providing a free appropriate public education to a student as required by law. Any withholding under this subsection may not exceed an amount equal to the cost of meeting the affected student's needs.

**SECTION 14. AMENDMENT.** Section 15.1-27-11 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-11. ~~High school districts~~—Supplemental Equity payments.**

1. The superintendent of public instruction shall ~~calculate the average valuation of property per student by dividing the number of students in average daily membership in grades one through twelve in a high school district into the sum of:~~
  - a- ~~The district's latest available net assessed and equalized taxable valuation of property; plus~~
  - b- ~~All tuition payments and county revenue received by the district, divided by the total of the district's general fund levy, high school transportation levy, and high school tuition levy.~~
2. The superintendent of public instruction shall verify that:
  - a- ~~The quotient arrived at under subsection 1 is less than the latest available statewide average taxable valuation per student;~~
  - b- ~~The district's educational expenditure per student is below the most recent available statewide average cost of education per student;~~
  - c- ~~The district has a general fund levy of at least one hundred eighty mills; and~~
  - d- ~~The district's unobligated general fund balance on the preceding June thirtieth is not in excess of thirty five percent of its actual expenditures, plus twenty thousand dollars.~~
3. If the superintendent of public instruction determines that the district meets all the requirements of subsection 2, the superintendent shall:
  - a- ~~Determine the difference between the latest available statewide average taxable valuation per student and the average taxable valuation per student in the high school district;~~
  - b- ~~Multiply the result determined under subdivision a by the number of students in average daily membership in grades one through twelve in the high school district;~~
  - c- ~~Multiply the result determined under subdivision b by the number of general fund mills levied by the district in excess of one hundred fifty, provided that any mills levied by the district which are in excess of two hundred ten may not be used in this calculation; and~~
  - d- ~~Multiply the result determined under subdivision c by a factor calculated by the superintendent of public instruction to result in the expenditure, over the course of the biennium, of the full amount provided for the purpose of this section.~~
4. ~~The result of the calculations under this section is the supplemental payment to which a high school district is entitled, in addition to any other amount provided under chapter 15.1-27.~~

- a. Divide the imputed taxable valuation of the state by the total average daily membership of all school districts in the state in order to determine the state average imputed taxable valuation per student.
  - b. Divide the imputed taxable valuation of each school district by the district's total average daily membership in order to determine each district's average imputed taxable valuation per student.
2.
  - a. If a school district's imputed taxable valuation per student is less than eighty-eight and one-half percent of the statewide imputed taxable valuation per student, the superintendent of public instruction shall calculate the valuation deficiency by:
    - (1) Determining the difference between eighty-eight and one-half percent of the state average imputed taxable valuation per student and the district's average imputed taxable valuation per student; and
    - (2) Multiplying that difference by the district's total average daily membership.
  - b. Beginning July 1, 2008, if a school district's imputed taxable valuation per student is less than ninety percent of the statewide imputed taxable valuation per student, the superintendent of public instruction shall calculate the valuation deficiency by:
    - (1) Determining the difference between ninety percent of the state average imputed taxable valuation per student and the district's average imputed taxable valuation per student; and
    - (2) Multiplying that difference by the district's total average daily membership.
3. Except as provided in subsection 4, the equity payment to which a district is entitled under this section equals the district's valuation deficiency multiplied by the lesser of:
  - a. The district's general fund mill levy; or
  - b. One hundred eighty-five mills.
4.
  - a. The equity payment to which a district is entitled may not exceed the district's taxable valuation multiplied by its general fund mill levy.
  - b. If a district's general fund levy is less than one hundred eighty-five mills, the superintendent of public instruction shall subtract the district's general fund mill levy from one hundred eighty-five mills, multiply the result by the district's taxable valuation, and subtract that result from the equity payment to which the district is otherwise entitled.
  - c. If a district's imputed taxable valuation per student is less than fifty percent of the statewide imputed taxable valuation per student, the payment to which the district is entitled under this section may not be less than twenty percent of the statewide imputed taxable valuation per student times the school district's average daily membership, multiplied by one hundred eighty-five mills.
5. In determining the amount to which a school district is entitled under this section, the superintendent of public instruction may not include any payments received by the district as a result of Public Law No. 81-874 [64 Stat. 1100; 20 U.S.C. 236 et seq.] and may not include in the district's average daily membership students who are dependents of members of the armed forces and students who are dependents of civilian employees of the department of defense.
6. For purposes of this section:

- a. "General fund levy" includes a district's high school transportation levy and its high school tuition levy.
- b. "Imputed taxable valuation" means the valuation of all taxable real property in the district plus an amount determined by dividing sixty percent of the district's mineral and tuition revenue by the district's general fund mill levy. Beginning July 1, 2008, "imputed taxable valuation" means the valuation of all taxable real property in the district plus an amount determined by dividing seventy percent of the district's mineral and tuition revenue by the district's general fund mill levy.
- c. "Mineral revenue" includes all revenue from county sources reported under code 2000 of the North Dakota school district financial accounting and reporting manual as developed by the superintendent of public instruction in accordance with section 15.1-02-08.
- d. "Tuition revenue" includes all revenue reported under code 1300 of the North Dakota school district financial accounting and reporting manual as developed by the superintendent of public instruction in accordance with section 15.1-02-08. "Tuition revenue" does not include tuition income received specifically for the operation of an educational program provided at a residential treatment facility.

**SECTION 15. AMENDMENT.** Section 15.1-27-15 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-15. ~~Per student payments--~~ Isolated schools.**

- 1.
  - a. ~~If an~~ An elementary school is isolated if it has fewer than fifty students in average daily membership and if fifteen percent or more of its students would have to travel beyond a fifteen-mile [24.15-kilometer] radius from their residences in order to attend another school, ~~the weighting factor provided under section 15.1 27 07 must be increased by twenty five percent. If the school has fewer than fifteen students, the payment received must be for fifteen students.~~
  - b. For purposes of determining state aid, an elementary school that is isolated is presumed to have at least fifteen students in average daily membership.
- 2.
  - a. ~~If a~~ A high school is isolated if it has fewer than thirty-five students in average daily membership and if fifteen percent or more of its students would have to travel beyond a ~~twenty mile [32.2 kilometer]~~ fifteen-mile [24.1-kilometer] radius from their residences in order to attend another school, ~~the weighting factor provided under section 15.1 27 06 must be increased by twenty five percent. If the school has fewer than twenty students, the payment received must be for twenty students.~~
  - b. For purposes of determining state aid, a high school that is isolated is presumed to have at least twenty students in average daily membership.

**SECTION 16. AMENDMENT.** Section 15.1-27-16 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-16. Per student payments - Cooperating districts.** ~~If, on or after July 1, 1997,~~ any school district receiving payments under this chapter cooperates with another school district for the joint provision of educational services under a plan approved by the superintendent of public instruction, ~~each cooperating district is entitled~~ the superintendent of public instruction shall, notwithstanding the provisions of section 7 of this Act, create and assign a separate weighting factor that allows the cooperating districts to receive, for a period of four years, at least the same per student payment for each high school and elementary student as the district received prior to initiation a payment rate equivalent to that which each district would have received had the cooperative plan not taken effect. The superintendent of public instruction shall compute the separate weighting factor to four decimal places and that weighting factor is effective for the duration of the cooperative plan.

**SECTION 17. AMENDMENT.** Section 15.1-27-17 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-17. Per student payments - Reorganization of school districts - Separate weighting factor.**

1. ~~If any school district receiving per student payments calculated under section 15.1-27-06 reorganized with another school district under chapter 15.1-12 before August 1, 1997, the school district resulting from the reorganization is entitled to receive the same per student payments for each high school student as each separate school district received for each high school student prior to the reorganization, for a period of four years.~~
2. ~~If any school district receiving per student payments calculated under this chapter reorganizes with another school district under chapter 15.1-12 after July 31, 1997, the school district resulting from the reorganization is entitled~~ Notwithstanding the provisions of section 7 of this Act, the superintendent of public instruction shall create and assign a separate weighting factor to:
  - a. Any school district that reorganized on or before June 30, 2007, and which was receiving per student payments in accordance with section 15.1-27-17, as that section existed on June 30, 2007; and
  - b. Any school district that reorganizes on or after July 1, 2007.
2. a. The separate weighting factor must allow the reorganized school district to receive the same per student payments for each high school and elementary student as a payment rate equivalent to that which each separate school district would have received for each high school and elementary student prior to the reorganization, for a period of four years had the reorganization not taken place.
  - b. The separate weighting factor must be computed to four decimal places.
  - c. The provisions of this subsection are effective for a period of four years from the date of the reorganization.
3. ~~The weighting factor for each district will be adjusted proportionately over a period of two years, following the period of time provided in subsection 1 or 2, until the adjusted weighting factor equals the weighting factor for the combined enrollment resulting from the reorganization. At the beginning of the fifth and at the beginning of the sixth years after the date of the reorganization, the superintendent of public instruction shall make proportionate adjustments in the assigned weighting factor so that beginning with the seventh year after the date of the reorganization, the weighting factor that will be applied to the reorganized district is that provided in section 7 of this Act.~~
4. ~~Notwithstanding the provisions of any other law, no school district may receive less in per student payments for the first year of its reorganization than the total amount that the districts participating in the reorganization received in per student payments for the school year immediately preceding the reorganization. If less than a whole school district participated in a reorganization, the superintendent of public instruction shall prorate the payments to which the newly reorganized district is entitled under this subsection.~~

**SECTION 18. AMENDMENT.** Section 15.1-27-18 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-18. Per student payments - Eligibility -~~Minimum amounts.~~**

1. In order to be counted for the purpose of calculating per student payments, as provided for by this chapter, a high school student must be enrolled in at least four high school units. The units may include career and technical education courses offered in accordance with chapter 15-20.1 and courses that are approved by the superintendent of public instruction and offered by another high school district.

2. If a student is enrolled for graduation in a nonpublic school or if a student is taking fewer than four high school units and is enrolled in an approved alternative high school education program, the school district in which the student is enrolled is entitled to receive proportionate payments.
3. ~~Each high school district must receive at least as much in total per student payments as it would have received if it had the highest number of students in the next lower weighting category.~~

**SECTION 19. AMENDMENT.** Section 15.1-27-19 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-19. Summer school courses and programs - Proportionate payments Payments to school districts.**

1. ~~Each school district that offers summer school courses at the high school level is entitled to receive proportionate payments provided each course offered~~ Before a weight may be assigned under section 6 of this Act for a student enrolled in a high school summer course, the superintendent of public instruction shall verify that the course satisfies requirements for graduation, comprises at least as many clock-hours as courses offered during the regular school term, and complies with rules adopted by the superintendent of public instruction.
2. ~~A school district that offers remedial~~ Before a weight may be assigned under section 6 of this Act for a student enrolled in an elementary summer school programs at the elementary level is entitled to receive proportionate payments provided the programs comply program, the superintendent of public instruction shall verify that the program complies with rules adopted by the superintendent of public instruction.
3. ~~The superintendent of public instruction may adopt rules regarding proportionate payments for remedial summer school programs at the elementary level and summer school courses at the high school level.~~
4. ~~Proportionate payments made under this section during a biennium for summer school courses or programs may not exceed one and one half percent of the total amount appropriated by the legislative assembly for state aid payments during the biennium, or eight million dollars, whichever is less. No more than seventy five percent of the amount made available under this subsection may be used to support summer school courses at the high school level and no more than twenty five percent of the amount made available under this subsection may be used to support remedial summer school programs at the elementary level.~~

**SECTION 20. AMENDMENT.** Section 15.1-27-20 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-20. ~~Per student~~ State aid payments - Claim by school district - Appeal.**

1. ~~Upon the completion of student registration and in no event later than September tenth of each year, the business manager of a school district claiming payments from state funds under the provisions of this chapter shall file a claim in the form and manner prescribed by the superintendent of public instruction. The business manager must provide the number of registered high school and elementary school students for whom payments are claimed and any other information requested by the superintendent of public instruction.~~
2. ~~The superintendent of public instruction shall compute the per student payments on the basis of the previous year's average daily membership less the number of students attending school during the current school year in another district under the provisions of open enrollment or the current year's fall enrollment, whichever provides the greater total payment. The superintendent shall make adjustments in the subsequent year according to a comparison between the average daily membership for the year for which the adjusted payment is being made and the year preceding the year for which the adjusted payment is being made, whichever is greater, for grade levels that existed in both years. The greater of the two preceding~~

~~years' average daily membership must be used in computing any adjustment in a district's per student aid payments.~~

- ~~3. School districts educating children of agricultural migratory workers and school districts offering approved summer courses during the months of June, July, and August are not restricted to payments for a one hundred eighty day school term.~~
- ~~4. Upon termination of the school year, the business manager of each school district that has received payments from state funds under the provisions of this chapter shall file with the school board a verified statement of the name, residence, and membership of each student and the units of high school work taken by each enrolled student.~~
- ~~5. On or before June thirtieth of each year, the school board shall certify to the superintendent of public instruction, in the form and manner prescribed by the superintendent, the students in average daily membership for the recently completed school year. The superintendent shall notify the school district of any student average daily membership that is disallowed.~~
- ~~6. A Any school district claiming state aid payments under this chapter shall provide to the superintendent of public instruction, at the time and in the manner requested by the superintendent, all information necessary for the processing of the claim.~~
2. If the superintendent of public instruction denies a district's claim for state aid payments, in whole or in part, the district may appeal the determination of the superintendent by submitting a written appeal to filing a written notice with the superintendent of public instruction on or before September fifteenth of the year in which the, within thirty days from the date on which the district received the original determination is made. The superintendent of public instruction may modify the original determination if the evidence submitted by the district justifies a modification. Upon appeal, or in a case when no if a timely appeal is not made, the determination of the superintendent of public instruction is final.

**SECTION 21.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**General fund levy - Impact on state aid.**

1. If in the first year of the 2007-09 biennium the general fund levy of a school district is less than one hundred fifty mills, the superintendent of public instruction shall:
  - a. Determine the difference in mills between the district's general fund levy and one hundred fifty;
  - b. Multiply the difference in mills determined under subdivision a by the district's total taxable valuation; and
  - c. Subtract the dollar amount determined under subdivision b from the total amount of state aid to which the district is otherwise entitled.
2. If in the second year of the 2007-09 biennium and each year thereafter, the general fund levy of a school district is less than one hundred fifty-five mills, the superintendent of public instruction shall:
  - a. Determine the difference in mills between the district's general fund levy and one hundred fifty-five;
  - b. Multiply the difference in mills determined under subdivision a by the district's total taxable valuation; and
  - c. Subtract the dollar amount determined under subdivision b from the total amount of state aid to which the district is otherwise entitled.

**SECTION 22.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:



**Taxable valuation - Impact on state aid.**

1. If a school district's imputed taxable valuation per student is greater than one hundred fifty percent of the state average imputed taxable valuation per student, the superintendent of public instruction shall:
  - a. Determine the difference between the district's imputed taxable valuation per student and one hundred fifty percent of the state average imputed taxable valuation per student;
  - b. Multiply the dollar amount determined under subdivision a by the district's average daily membership;
  - c. Multiply the dollar amount determined under subdivision b by one hundred eighty-five mills;
  - d. Multiply the dollar amount determined under subdivision c by a factor of 0.75; and
  - e. Subtract the dollar amount determined under subdivision d from the total amount of state aid to which the district is otherwise entitled.
2. For purposes of this section, "imputed taxable valuation" means the valuation of all taxable real property in the district plus an amount determined by dividing the district's mineral and tuition revenue by sixty percent of the district's general fund mill levy. Beginning July 1, 2008, "imputed taxable valuation" means the valuation of all taxable real property in the district plus an amount determined by dividing seventy percent of the district's mineral and tuition revenue by the district's general fund mill levy.

**SECTION 23. AMENDMENT.** Section 15.1-27-35 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-35. Average daily membership - Calculation.**

1. Average daily membership is calculated at the conclusion of the school year by adding the total number of days that each student in a given ~~classroom~~ grade, school, or school district is in attendance during a school calendar and the total number of days that each student in a given ~~classroom~~ grade, school, or school district is absent during a school calendar, and then dividing the sum by ~~one~~ the greater of:
  - a. The school district's calendar; or
  - b. One hundred eighty.
2. For purposes of calculating average daily membership, all students are deemed to be in attendance on:
  - ~~4-~~ a. The three holidays listed in subdivisions b through j of subsection 1 of section 15.1-06-02 and selected by the school board in consultation with district teachers;
  - ~~2-~~ b. The two days set aside for professional development activities under section 15.1-06-04; and
  - ~~3-~~ c. The two full days, or portions thereof, during which parent-teacher conferences are held or which are deemed by the board of the district to be compensatory time for parent-teacher conferences held outside regular school hours.
3. For purposes of calculating average daily membership:
  - a. A student enrolled full time in any grade from one through twelve may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.
  - b. During the 2007-08 school year, a student enrolled full time in an approved regular education kindergarten program may not exceed an average daily membership of 0.50. Beginning with the 2008-09

school year, a student enrolled full time in an approved regular education kindergarten program may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.

- c. A student enrolled full time, as defined by the superintendent of public instruction, in an approved early childhood special education program may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.

**SECTION 24.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Average daily membership - Reduction in grade levels.** If a school district offers fewer grade levels than the district offered the previous school year, the superintendent of public instruction shall determine the district's average daily membership using only those grade levels that the district offers during the current school year.

**SECTION 25.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Average daily membership - Dissolved school districts.** For purposes of determining state aid, the superintendent of public instruction shall amend the average daily membership of any school district that enrolls students who attended a dissolved school district during the school year prior to the dissolution.

**SECTION 26.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Payments to school districts - Unobligated general fund balance.** The superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of fifty percent of its actual expenditures, plus twenty thousand dollars. Beginning July 1, 2008, the superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty-five percent of its actual expenditures, plus twenty thousand dollars.

**SECTION 27.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Payments to school districts - Unobligated general fund balance - Exception.** Notwithstanding the provisions of section 26 of this Act, the superintendent of public instruction may not include any distribution provided for in the final subsection of section 28 of chapter 167 of the 2005 Session Laws, as amended in 2007 Senate Bill No. 2013 and approved by the sixtieth legislative assembly, in determining the unobligated general fund balance of a school district.

**SECTION 28. AMENDMENT.** Section 15.1-28-03 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-28-03. State tuition fund - Apportionment - Payment.** On or before the third Monday in each January, February, March, April, August, September, October, November, and December, the office of management and budget shall certify to the superintendent of public instruction the amount of the state tuition fund. The superintendent shall apportion the fund among the school districts of the state in proportion to the number of school age children residing in each district, as shown by the latest enumeration provided for by law and pay the amount apportioned to each school district. The superintendent shall make the payments required by this section at the same time as the per student payments required include the amount certified in determining the state aid payments to which each school district is entitled under chapter 15.1-27.

**SECTION 29. AMENDMENT.** Section 15.1-29-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-29-01. Education of students in bordering states - Payment of tuition.**

1. ~~Students~~ A student may attend a school in a bordering state in accordance with section 15.1-29-02 ~~under the following circumstances provided:~~
  - a. (1) ~~A The student who~~ lives within forty miles [64.37 kilometers] of another state; or
  - (2) ~~The student lives~~ in a county bordering on another state ~~may, with the; and~~
  - b. ~~The student has received approval of from the school board; attend a public school in a bordering state.~~
  - b. ~~A student who has attended a school district in a bordering state since, and including, the 1990-91 school year must be permitted to continue attending school in the district in the bordering state.~~
  - e. ~~A student whose sibling attended an out of state school during or before the 1990-91 school year must be permitted to attend school in the district the sibling attended in the bordering state of the student's school district of residence.~~
2. If the school board of the district in which the student resides denies a request for a student's attendance in and payment of tuition to another state, the student's parent may appeal the decision to the three-member committee referenced in section 15.1-29-06.
  - a. If the three-member committee determines that the student meets the terms of subdivision b or c of subsection 1, the student may attend school in the bordering state and the board of the student's school district of residence shall pay the tuition.
  - b. If the three-member committee determines the student falls within the terms of subdivision a of subsection 1, then the three-member committee shall make its decision using the criteria specified in section 15.1-29-06.
  - c. Notwithstanding the provisions of this section, if a student's school district of residence does not provide for the education of kindergarten students, the district may not pay tuition for a kindergarten student to attend school in a bordering state.
  - d. Any decision by the three-member committee regarding the payment of tuition for high school, elementary, or kindergarten students may be appealed by the school board or by the student's parent to the state board of public school education. A decision by the state board is final.
3. ~~a. The superintendent of public instruction shall forward all state aid payments for a~~ A student attending an out-of-state school ~~to under this section is deemed to be enrolled in the student's school district of residence for purposes of determining average daily membership.~~
  - b. The student's district of residence may reduce any tuition payment it must make to an out-of-state school by an amount commensurate with the tuition costs the district would be entitled to receive as compensation for a student from the out-of-state district enrolled in its school.
4. Nothing in this section requires that a school district of residence provide student transportation or payments in lieu of transportation for students attending out-of-state schools.

**SECTION 30. AMENDMENT.** Section 15.1-29-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-29-02. Education of students in bordering states - Contract - Tuition.**

1. A school district may contract with a school district in a bordering state for the education of students. A contract between school districts must provide for the payment of tuition at an agreed-upon amount.
2. ~~For purposes of per student payments and tuition apportionment payments,~~ a A student who attends school in a bordering state under a contract provided for by this section is deemed to be in attendance in the student's school district of residence. The student's school district of residence is liable to the school district of the bordering state for payments as provided in the contract.
3. A school district in this state may not agree to accept ~~students~~ a student from a bordering state unless the tuition payable equals or exceeds the ~~per student payment plus the tuition apportionment payment~~ amount of state aid that the district would have received from this state for a student in the same grade if ~~its~~ that student had been attending school in the bordering state.

**SECTION 31. AMENDMENT.** Section 15.1-29-12 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-29-12. Tuition payments - Determination.**

1. Except as provided in section 15.1-29-13, a school district sending a student to another district for purposes of education shall pay the full cost of education incurred by the admitting district.
2.
  - a. The admitting district shall determine the cost of education per student for its kindergarten, elementary, and high school students on the basis of its average daily membership and those expenditures permitted in determining the cost of education per student in section 15.1-27-03.
  - b. To the cost of education per student, the admitting district shall add the latest available statewide average per student cost for extracurricular activities and the state average capital outlay per student. The state average capital outlay per student is determined by dividing the total of all school districts' annual expenditures for sinking and interest funds, tax receipts to the building funds, and general fund expenditures for capital outlay by the average daily membership of the state.
  - c. The admitting district shall subtract the following from the amount arrived at under subdivision b:
    - (1) ~~The weighted per student payment received by the admitting district, less the average amount per North Dakota resident student enrolled in the school district realized from the deductions applied under section 15.1-27-06~~ multiplied by the admitting district's school size weighting factor; and
    - (2) Any credit for taxes paid to the admitting district by the student's parent.
  - d. The amount remaining is the full cost of education incurred by the admitting district and the tuition amount payable for the individual student. This chapter does not affect the right of a school board to charge and collect tuition from students who are not residents of this state, in accordance with section 15.1-29-02.

**SECTION 32. AMENDMENT.** Section 15.1-29-14 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-29-14. Student placement for noneducational purposes - Residency determination - Payment of tuition and tutoring charges.**

1.
  - a. Except as provided in subdivision b, for purposes of applying this chapter, a student's school district of residence is the district in which the student's custodial parent or legal guardian resides:

- (1) At the time that a state court, tribal court, juvenile supervisor, or the division of juvenile services issues an order requiring the student to stay for a prescribed period at a state-licensed foster home or at a state-licensed child care home or facility;
  - (2) At the time a county or state social service agency places the student, with the consent of the student's parent or legal guardian, at a state-licensed foster home or at a state-licensed child care home or facility;
  - (3) At the time the student is initially placed in a state-operated institution, even if the student is later placed at a state-licensed foster home or at a state-licensed child care home or facility; or
  - (4) At the time the student is placed voluntarily, by a parent or legal guardian, in a state-operated institution or in a state-licensed child care home, facility, or program, located outside the student's school district of residence, including those defined in sections 25-01.2-01 and 50-11-00.1.
- b. A determination regarding the student's school district of residence made under subdivision a is valid until the September fifteenth following the determination. On that date and each September fifteenth thereafter, the placing agency or the entity funding the student's placement shall determine the district in which the student's custodial parent or legal guardian resides and shall notify the district that it is deemed to be the student's district of residence for purposes of this chapter. If, however, the student is placed in accordance with paragraph 4 of subdivision a and the placement is privately funded, the administrator of the facility or program in which the student is placed shall determine the student's school district of residence and provide the notification required by this subdivision.
2. The student's school district of residence is obligated to pay:
  - a. All charges for tuition upon claim of the admitting district; and
  - b. All charges for tutoring services upon claim of an admitting facility, provided that the tutoring services are delivered by an individual who is licensed to teach by the education standards and practices board or approved to teach by the education standards and practices board.
3. The state shall pay the tuition and tutoring charges under subsection 2 from funds appropriated by the legislative assembly for state aid to schools if, on the September fifteenth after a student placement is made as provided for under subsection 1:
  - a. The student's custodial parent or legal guardian establishes residency outside this state;
  - b. A court orders a termination of parental rights with respect to the student's parents;
  - c. The student no longer has a custodial parent; or
  - d. The superintendent of public instruction has determined that all reasonable efforts to locate a parent or legal guardian have been unsuccessful.
4. If the student is voluntarily admitted to a state-licensed child care home or facility, or to a state-operated institution, the student's parent or, if one has been appointed, the student's legal guardian may appeal a determination under section 15.1-29-05 regarding the payment of tuition by filing a petition with the county superintendent of schools. Within fifteen days of receiving the petition, the three-member committee established under section 15.1-29-06 shall consult with the boards of the affected school districts and with the student's parent or legal guardian and render a decision regarding responsibility for the payment of tuition charges.

5. If the student's district of residence does not pay the required tuition, the admitting district or facility shall notify the superintendent of public instruction. Upon verification that tuition payments and tutoring charges are due and unpaid, the superintendent shall withhold an amount equal to the unpaid tuition and tutoring charges from state aid otherwise payable to the student's school district of residence until the tuition and tutoring charges that are due ~~has~~ have been fully paid.
6. An amount equal to the state average per student elementary or high school cost, depending on the student's grade of enrollment, is payable to the admitting district or facility as part of the cost of educating the student for the school year. The payment may not exceed the actual per student cost incurred by the admitting district or facility. The remainder of the actual cost of educating the student not covered by other payments or credits must be paid by the state, within the limits of legislative appropriations, from funds appropriated for the payment of special education contract charges in the case of a student with disabilities or from state aid payments to schools in all other cases.
7. If a student with disabilities placed in accordance with this section reaches age eighteen and continues to receive special education and related services, the student's school district of residence is deemed to be the same as that of the student's custodial parent until the special education services are concluded. The obligations of the student's school district of residence as provided in subsection 2 and the obligations of the state as provided in subsection 3 are applicable to all students described in this subsection.
8.
  - a. The placing agency or entity funding the student's placement shall provide written or electronic notice regarding an initial placement and all subsequent placements of a student to the superintendent of the student's school district of residence and to the superintendent of the admitting district:
    - (1) Within five working days after a placement is made under court order;
    - (2) Within five working days after an emergency placement is made; or
    - (3) At least ten working days prior to any other placement.
  - b. If, however, the student's parent or legal guardian voluntarily places the student in a state-operated institution or in a state-licensed child care home, facility, or program, located outside the student's school district of residence, including those defined in sections 25-01.2-01 and 50-11-00.1, and if the placement is privately funded, the administrator of the facility or program in which the student is placed shall determine the student's school district of residence and provide the notification required by this section.
  - c. The notice must include any information requested by the superintendent of public instruction for purposes of determining payment responsibility.
  - d. The placing agency shall afford the student's school district of residence reasonable opportunity to participate in permanency planning for the student.
9. Notwithstanding this section, educational services provided to a student by the youth correctional center are not subject to the payment of tuition and tutoring charges by either the student's school district of residence or the superintendent of public instruction.
10. For purposes of this section, "custodial parent" means the parent who has been awarded sole legal and physical custody of the student in a legal proceeding or, if there is currently no operative custody order, the parent with whom the student resides. If the student resides with both parents, then both are custodial parents.

**SECTION 33. AMENDMENT.** Section 15.1-29-15 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-29-15. Levy for tuition payments.** If the board of a school district approves tuition payments for students in grades seven through twelve or if the board is required to make tuition or tutoring payments under this chapter, the board may levy an amount sufficient to meet such payments, pursuant to subdivision c of subsection 1 of section 57-15-14.2.

**SECTION 34. AMENDMENT.** Section 15.1-31-03 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-31-03. Open enrollment - ~~Per—student State aid —Tuition apportionment.~~**

1. Once a student is enrolled in an admitting district, the student must remain enrolled in the admitting district until:
  - a. The student graduates;
  - b. The student relocates to another district;
  - c. The student's parent applies for enrollment in another school district; or
  - d. The student's parent notifies the student's school district of residence that the student will attend school in the school district of residence the following year.
2. ~~Payment for per student aid must be made to the admitting district in accordance with chapter 15.1-27.~~
3. ~~For purposes of tuition apportionment payments, a student whose application is approved under this section is considered a resident of the admitting district.~~
4. Except as specifically provided in this chapter, chapter 15.1-29 does not apply to students involved in open enrollment.

**SECTION 35. AMENDMENT.** Section 15.1-31-04 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-31-04. Open enrollment - Students with disabilities - Additional costs.** If an application under this chapter is approved for a student with a disability, the board of the student's school district of residence shall pay to the admitting district the costs incurred by the admitting district in providing special education and related services to the student ~~up to a maximum each school year of two and one-half times the state average per student elementary or high school cost, depending on the student's enrollment level, plus twenty percent of all remaining costs. The superintendent of public instruction shall reimburse the admitting district eighty percent of the remainder of the cost of educating the student with disabilities within the limits of legislative appropriations for that purpose. The superintendent of public instruction shall reimburse the student's school district of residence for all excess costs, as defined in section 15.1-32-18.~~

**SECTION 36. AMENDMENT.** Section 15.1-31-07 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-31-07. Students not subject to this chapter.** If a student, as a result of a school district dissolution or reorganization, resides in a district other than the one the student chooses to attend at the time of the dissolution or reorganization, the student is not subject to this chapter and may attend school in the chosen school district. ~~Notwithstanding section 15.1-28-03, the superintendent of public instruction shall forward payments from the state tuition fund made on behalf of the student to the student's chosen school district. The student may not be considered a student in average daily membership in the student's school district of residence for purposes of section 15.1-31-02.~~

**SECTION 37. AMENDMENT.** Section 15.1-32-08 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-32-08. School districts - Provision of special education.** Each school district shall provide special education, ~~singly or jointly with other districts, and related services as a single district, as a member of a multidistrict special education unit in accordance with this chapter 15.1-33, or as a participating district in a regional education association under chapter 15.1-09.1.~~ Each school district and entity providing special education shall cooperate with the director of special education and with the institutions of this state in the provision of special education.

**SECTION 38. AMENDMENT.** Section 15.1-32-14 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-32-14. Special education per student payments students - Contracts for placement.**

1. ~~If a student with disabilities receives special education services, the superintendent of public instruction shall forward any per student payments, payable on behalf of that student, directly to the school district in which the student receives such services.~~
2. ~~If a student with disabilities attends a special education summer program required by the student's individualized education program or services plan and approved by the superintendent of public instruction, the superintendent of public instruction shall forward any additional prorated per student payments, payable on behalf of the student, directly to the school district in which the student receives such services.~~
3. ~~If a student who is enrolled in a nonpublic school receives special education services in a public school, the superintendent of public instruction shall forward a proportionate per student payment to the school district in which the student receives the services.~~
4. ~~a. If in the opinion of an individualized education program team or a services plan team a student is unable to attend a public school in the special education unit to which the student's school district of residence belongs, the student's school district of residence shall contract with another public school that:~~
  - (1) a. Does not belong to the same special education unit;
  - (2) b. Is located in this state;
  - (3) c. Is willing to admit the student; and
  - (4) d. Is able to provide appropriate services to the student.
- ~~b. 2. The superintendent of public instruction shall approve in advance the terms of the contract and the services to be provided by the admitting school.~~
- ~~e. 3. The contract must provide that the student's school district of residence agrees to pay to the district in which the student receives services, as part of is liable for the cost of educating the student for the school year, an amount equal to two and one half times the state average per student elementary or high school cost, depending upon the student's level of enrollment, plus twenty percent of all remaining costs. The amount paid may not exceed the actual per student cost incurred by the admitting school, less any per student payment received on behalf of the student under this section.~~
- ~~d. The liability of the student's school district of residence must be reduced proportionately if the student attends the admitting school for less than an entire school year.~~
- ~~e. 4. Upon being notified by the district in which the student receives services that tuition payments provided for by this section are due and unpaid the student's school district of residence has not paid for services that were provided to the student, the superintendent of public instruction, after verification, shall withhold all state aid payments to which the student's school district of residence is entitled, until the tuition due has been paid.~~



- f. ~~The superintendent of public instruction shall provide to the school district in which the student receives services, within the limits of legislative appropriations, an amount equal to eighty percent of the remainder of the actual cost of educating the student with disabilities not covered by other payments or credits~~ required payments have been made.

**SECTION 39. AMENDMENT.** Section 15.1-32-15 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-32-15. Student with disabilities - Attendance at private institution or out-of-state public school.**

1. If in the opinion of an individualized education program team or an education services team a student is unable to attend a public school in the student's school district of residence because of a physical disability, a mental disability, or a learning disability, and if no public school in the state will accept the student and provide the necessary services, the student's school district of residence shall contract with:
  - a. A private, accredited, nonsectarian, nonprofit institution that is located within or outside of this state and which has the proper facilities for the education of the student; or
  - b. A public school located outside of this state that has proper facilities for the education of the student.
2. The superintendent of public instruction shall approve in advance the terms of the contract and the services to be provided by the admitting institution or school.
3. The contract must provide that the student's school district of residence ~~shall pay to the institution or school, as part of~~ is liable for the cost of educating the student, ~~an amount for the school year equal to two and one-half times the state average per student elementary or high school cost, depending upon the student's level of enrollment, plus twenty percent of all remaining costs.~~
4. ~~The amount paid may not exceed the actual per student cost incurred by the institution or school.~~
5. ~~The superintendent of public instruction shall provide to the student's school district of residence, within the limits of legislative appropriations, an amount equal to eighty percent of the remainder of the actual cost of educating the student with disabilities not covered by other payments or credits.~~
6. ~~The school district of residence is entitled to the per student payment for a student who receives services under this section.~~
4. A student who receives services under this section is deemed to be enrolled in the student's school district of residence for purposes of determining average daily membership.

**SECTION 40. AMENDMENT.** Section 15.1-32-16 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-32-16. Transportation services ~~—State reimbursement.~~** If a student's individualized education program or services plan requires the provision of transportation services, the student's school district of residence shall provide the services by any reasonably prudent means, including a regularly scheduled schoolbus, public transit, commercial transportation, chartered or other contracted transportation, and transportation provided by the student's parent or other responsible party.

**SECTION 41. AMENDMENT.** Section 15.1-32-18 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-32-18. Cost - Liability of school district for special education.** ~~If the cost of providing special education and related services to a student with disabilities, as determined by the superintendent of public instruction, exceeds the reimbursement~~

~~provided by the state, the student's school district of residence is liable to pay for each such student an amount over the state reimbursement up to a maximum each school year of two and one-half times the state average per student elementary cost of education or high school cost of education, depending on the student's level of enrollment, plus twenty percent of all remaining costs. The two and one-half times amount includes the amount that the school district is required to pay under section 15.1-32-14. The state is liable for eighty percent of the remaining cost of education and related services for each such student with disabilities within the limits of legislative appropriations.~~

1. Each year the superintendent of public instruction shall identify the approximately one percent of special education students statewide who are not eligible for cost reimbursement under section 15.1-29-14 and who require the greatest school district expenditures in order to provide them with special education and related services. This percentage represents the number of students that would qualify for excess cost reimbursement beyond the multiplier that is established in subsection 3.
2. The excess costs of providing special education and related services to these students are the responsibility of the state and the superintendent of public instruction shall reimburse the school districts for any excess costs incurred in the provision of special education and related services to the identified students.
3. "Excess costs" are those that exceed four and one-half times the state average cost of education per student and which are incurred by the special education students identified in subsection 1.
4. All costs of providing special education and related services to those students identified in subsection 1, other than excess costs reimbursed by the state, are the responsibility of the student's school district of residence.
5. In addition to any other reimbursements provided under this section, if a school district expends more than two percent of its annual budget for the provision of special education and related services to one student, the district shall notify the superintendent of public instruction. Upon verification, the superintendent shall reimburse the district for the difference between:
  - a. Two percent of the district's annual budget; and
  - b. The lesser of:
    - (1) The amount actually expended by the district for the provision of special education and related services to that student; or
    - (2) The amount representing four and one-half times the state average cost of education per student.

**SECTION 42. AMENDMENT.** Section 15.1-33-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-33-02. Multidistrict special education units - School district participation.** A school district may join a multidistrict special education unit or together with other school districts form a multidistrict special education unit for purposes of planning and delivering special education and related services. ~~Each school district shall participate in a multidistrict special education unit or have on file with the superintendent of public instruction a plan for providing special education and related services as a single district.~~ If a school district wishes to join a multidistrict special education unit from which it has been excluded, the school district may petition the superintendent of public instruction. A school district may appeal a decision of the superintendent under this section to the state board of public school education.

**SECTION 43. AMENDMENT.** Section 15.1-36-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-36-02. School construction projects - Loans.**

1. The board of university and school lands may authorize the use of moneys in the coal development trust fund established pursuant to section 21 of

article X of the Constitution of North Dakota and subsection 1 of section 57-62-02 to provide school construction loans, as described in this chapter. The outstanding principal balance of loans under this chapter may not exceed ~~forty~~ fifty million dollars. The board may adopt policies and rules governing school construction loans.

2. In order to be eligible for a loan under this section, the board of a school district shall:
  - a. Propose a construction project with a cost of at least one million dollars and an expected utilization of at least thirty years;
  - b. Obtain the approval of the superintendent of public instruction for ~~the~~ the construction project under section 15.1-36-01; and
  - ~~b-~~ c. Submit to the superintendent of public instruction an application containing all information deemed necessary by the superintendent, including potential alternative sources or methods of financing the construction project.
3. The superintendent of public instruction shall give priority to any district that meets the requirements for receipt of an equity payment under section 15.1-27-11.
4. If an eligible school district's imputed taxable valuation per student is less than eighty percent of the state average imputed valuation per student, the district is entitled to receive:
  - a. A school construction loan equal to the lesser of eight million dollars or eighty percent of the actual project cost;
  - b. An interest rate discount equal to at least fifty but not more than two hundred basis points below the prevailing tax-free bond rates; and
  - c. A term of repayment that may extend up to twenty years.
5. If an eligible school district's imputed taxable valuation per student is equal to at least eighty percent but less than ninety percent of the state average imputed taxable valuation per student, the district is entitled to receive:
  - a. A school construction loan equal to the lesser of seven million dollars or seventy percent of the actual project cost;
  - b. An interest rate buydown equal to at least fifty but not more than two hundred basis points below the prevailing tax-free bond rates; and
  - c. A term of repayment that may extend up to twenty years.
6. If an eligible school district's imputed taxable valuation per student is equal to at least ninety percent of the state average imputed taxable valuation per student, the district is entitled to receive:
  - a. A school construction loan equal to the lesser of two and one-half million dollars or thirty percent of the actual project cost;
  - b. An interest rate discount equal to at least fifty but not more than two hundred basis points below the prevailing tax-free bond rates; and
  - c. A term of repayment that may extend up to twenty years.
7. The board of a school district may submit its loan application to the superintendent of public instruction before or after receiving authorization of a bond issue in accordance with chapter 21-03. If the vote to authorize a bond issue precedes the application for a loan, the application must be acted upon by the superintendent expeditiously but no later than one hundred eighty days from the date it is received by the superintendent.
4. 8. The superintendent of public instruction shall consider each loan application in the order it received approval under section 15.1-36-01.

- 5- 9. If the superintendent of public instruction approves the loan, the superintendent may determine the loan amount. ~~In determining the amount of a loan, the superintendent shall take into account the cost of the construction project and the fiscal capacity of the school district.~~
- 6- ~~If the superintendent of public instruction approves the loan, the superintendent may determine the interest rate to be paid. The interest rate on a loan under this section may not exceed a rate of two percent below the net interest rate on comparable tax exempt obligations as determined on the date the application is approved by the superintendent pursuant to section 15.1-36-01. The interest rate may not exceed six percent.~~
- 7- ~~A school district may not receive a loan under this section unless the superintendent of public instruction determines that the district has an existing indebtedness equal to at least fifteen percent of its taxable valuation. In determining a school district's existing indebtedness, the superintendent shall include outstanding indebtedness authorized by an election under section 21-03-07 but not issued and indebtedness authorized to be paid with dedicated tax levies under subsection 7 of section 21-03-07 but not issued, the term of the loan, and the interest rate, in accordance with the requirements of this section.~~
- 8- 10. The superintendent of public instruction may adopt rules governing school construction loans.
- 9- 11. For purposes of this section, a construction project means the purchase, lease, erection, or improvement of any structure or facility by a school board, provided the acquisition or activity is within a school board's authority ~~and further provided that the acquisition or activity is estimated to cost in excess of fifty thousand dollars.~~

**SECTION 44.** A new section to chapter 15.1-36 of the North Dakota Century Code is created and enacted as follows:

**School construction projects - Reorganized districts - Interest subsidy.**

1. If under chapter 15.1-12 two or more school districts prepare a reorganization plan, agree in that plan to pursue a construction project, and obtain the approval of the superintendent of public instruction in accordance with this chapter, the newly reorganized district is eligible to receive up to three hundred basis points of interest rate buydown on the lesser of:
- a. Thirteen million five hundred thousand dollars; or
  - b. A percentage of the total project cost determined by:
    - (1) Allowing five percent for each school district that participated in the reorganization;
    - (2) Allowing five percent for each one hundred-square-mile [259-square-kilometer] increment that is added to the square miles [kilometers] of the geographically largest district participating in the reorganization;
    - (3) Allowing five percent for every ten students added to the enrollment of the district having the greatest number of enrolled students and participating in the reorganization; and
    - (4) Capping the allowable percentage at ninety percent of the total project cost.
2. In addition to the requirements of subsection 1, the percentage of cost subsidy determined under subdivision b of subsection 1 must equal at least twenty percent of the total project cost.

**SECTION 45.** A new section to chapter 15.1-38 of the North Dakota Century Code is created and enacted as follows:

**English language learner - Definition.** English language learner means a student who:

1. Is at least five years of age but has not reached the age of twenty-two;
2. Is enrolled in a school district in this state;
3. Has a primary language other than English or comes from an environment in which a language other than English significantly impacts the individual's level of English language proficiency; and
4. Has difficulty speaking, reading, writing, and understanding English, as evidenced by a language proficiency test approved by the superintendent of public instruction and aligned to the state English language proficiency standards and the state language proficiency test.

**SECTION 46.** A new section to chapter 15.1-38 of the North Dakota Century Code is created and enacted as follows:

**New immigrant English language learner - Definition.** A new immigrant English language learner is an English language learner who was not born in the United States and has not attended school in the United States for more than three school years or the monthly equivalent of three school years.

**SECTION 47. 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 percent up to a general fund levy of one hundred eighty-five mills on the dollar of the taxable valuation of the district, except that:

1. In any school district having a total population in excess of four thousand according to the last federal decennial census:
  - a. There may be levied any specific number of mills that upon resolution of the school board has been submitted to and approved by a majority of the qualified electors voting upon the question at any regular or special school district election.
  - b. There is no limitation upon the taxes which may be levied if upon resolution of the school board of any such district the removal of the mill levy limitation has been submitted to and approved by a majority of the qualified electors voting at any regular or special election upon such question.
2. In any school district having a total population of less than four thousand, there may be levied any specific number of mills that upon resolution of the school board has been approved by fifty-five percent of the qualified electors voting upon the question at any regular or special school election.
3. ~~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 percent increase which is otherwise permitted by this section may not exceed the amount of state aid payments lost as a result of applying the deduction provided in section 15.1-27-05 to the increased assessed valuation of the school district in a one-year period.~~

The question of authorizing or discontinuing such specific number of mills authority or unlimited taxing authority in any school district must be submitted to the qualified

electors at the next regular election upon resolution of the school board or upon the filing with the school board of a petition containing the signatures of qualified electors of the district equal in number to twenty 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 48. TRANSPORTATION GRANTS - DISTRIBUTION.**

1. a. During the first year of the 2007-09 biennium, the superintendent of public instruction shall calculate the payment to which each school district is entitled based on the state transportation formula as it existed on June 30, 2001, except that the superintendent shall provide reimbursement at the rate of:
  - (1) Fifty-one and one-half cents per mile for schoolbuses having a capacity of ten or more passengers and transporting students within city limits;
  - (2) Seventy-three and one-half cents per mile for schoolbuses having a capacity of ten or more passengers and transporting students in rural areas; and
  - (3) Forty cents per mile for vehicles having a capacity of nine or fewer passengers and transporting students in rural areas.
- b. During the second year of the 2007-09 biennium, the superintendent of public instruction shall distribute to each school district the same amount the district received under this section for transportation services provided during the first year of the biennium.
2. The superintendent of public instruction shall use the latest available student enrollment count in each school district in applying the provisions of the transportation formula as it existed on June 30, 2001.
3. If any moneys provided for transportation payments in the grants - transportation line item in Senate Bill No. 2013, as approved by the sixtieth legislative assembly, remain after application of the formula provided for in this section, the superintendent of public instruction shall prorate the remaining amounts according to the percentage of the total transportation formula amount to which each school district is entitled.
4. Nothing in this section authorizes the reimbursement of any costs incurred in providing transportation for student attendance at extracurricular activities or events.

#### **SECTION 49. SCHOOL DISTRICT REORGANIZATION PLANNING GRANTS.**

The superintendent of public instruction may expend up to \$100,000 from the grants - state school aid line item in subdivision 1 of section 3 of Senate Bill No. 2013, as approved by the sixtieth legislative assembly, for the purpose of providing planning grants to school districts participating in reorganizations under chapter 15.1-12, for the biennium beginning July 1, 2007, and ending June 30, 2009. A grant provided under this section may not exceed \$25,000 and may not be awarded unless the student enrollment of the participating districts exceeds three hundred sixty. If a grant is provided and the recipient districts vote not to reorganize, the superintendent of public instruction shall withhold the grant amount that each district received under this section from any state aid payable to the district.

#### **SECTION 50. APPROPRIATION - SCHOOL DISTRICT - DEFERRED MAINTENANCE AND PHYSICAL PLANT IMPROVEMENT GRANTS.**

1. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$5,000,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of awarding to eligible school districts deferred maintenance and physical plant improvement grants, in accordance with the provisions of this section, for the biennium beginning July 1, 2007, and ending June 30, 2009.
2. If the office of management and budget determines by April 30, 2008, that the June 30, 2008, ending balance of the state general fund will be more than \$30,000,000 in excess of the amount predicted by the office of management and budget at the conclusion of the 2007 legislative session, the superintendent of public instruction shall forward to each eligible school district:
  - a. Ten thousand dollars; plus
  - b. The school district's pro rata share of the remaining appropriation, calculated by using the latest available average daily membership of each school district.
3. If the general fund balance requirements of subsection 2 are not met and if the office of management and budget determines by April 30, 2009, that the June 30, 2009, ending balance of the state general fund will be more than \$30,000,000 in excess of the amount predicted by the office of management and budget at the conclusion of the 2007 legislative session, the superintendent of public instruction shall forward to each eligible school district:
  - a. Ten thousand dollars; plus
  - b. The school district's pro rata share of the remaining appropriation, calculated by using the latest available average daily membership of each school district.
4. Each school district accepting funds under this section shall apply those funds toward deferred maintenance and physical plant improvements and shall, by June 30, 2010:
  - a. Submit to the superintendent of public instruction documentation indicating the appropriate expenditure of the funds; or
  - b. Return the funds to the superintendent of public instructions for deposit in the general fund.
5. For purposes of this section, an "eligible school district" is a school district that:
  - a. Has a general fund levy equal to at least one hundred fifty mills;
  - b. Is not precluded from receiving state aid by the provisions of section 26 of this Act; and
  - c. Provides an equal monetary match for any amount received under this section.

**SECTION 51. NORTH DAKOTA COMMISSION ON EDUCATION  
IMPROVEMENT - MEMBERSHIP - DUTIES - REPORT TO LEGISLATIVE COUNCIL -  
REIMBURSEMENT FOR EXPENSES.**

1. The North Dakota commission on education improvement consists of:
  - a. (1) The governor or an individual designated by the governor, who shall serve as the chairman;
  - (2) One individual, appointed by the governor, who is employed as the superintendent of a high school district having more than one thousand students in average daily membership;

- (3) One individual, appointed by the governor, who is employed as the superintendent of a high school district having more than two hundred twenty but fewer than one thousand students in average daily membership;
  - (4) One individual, appointed by the governor, who is employed as the superintendent of a high school district having fewer than two hundred twenty students in average daily membership;
  - (5) One individual, appointed by the governor, who is employed as a school district business manager;
  - (6) The chairman of the senate education committee or the chairman's designee;
  - (7) The chairman of the house education committee or the chairman's designee;
  - (8) The senate minority leader or the leader's designee;
  - (9) One legislator appointed by the chairman of the legislative council; and
  - (10) The superintendent of public instruction or an assistant superintendent designated by the superintendent of public instruction; and
- b. One nonvoting member representing the North Dakota council of educational leaders, one nonvoting member representing the North Dakota education association, and one nonvoting member representing the North Dakota school boards association.
2. The commission shall establish its own duties and rules of operation and procedure, including rules relating to appointments, terms of office, vacancies, quorums, and meetings, provided that the duties and the rules do not conflict with any provisions of this section.
  3. The members of the commission are entitled to reimbursement for actual and necessary expenses incurred in the same manner as state officials. The superintendent of public instruction shall use up to \$40,000 from moneys appropriated in the grants - state school aid line item in section 3 of Senate Bill No. 2013, as approved by the sixtieth legislative assembly, to provide the reimbursements.
  4. The commission shall examine the current system of delivering and financing public elementary and secondary education and shall develop recommendations addressing educational adequacy, the equitable distribution of state education funds, the allocation of funding responsibility between federal, state, and local sources, and any other matters that could result in the improvement of elementary and secondary education in the state.
  5. The commission shall provide periodic reports to the governor and to the legislative council.

**SECTION 52. USE OF NEW MONEY - TEACHER COMPENSATION INCREASES - REPORTS TO LEGISLATIVE COUNCIL.**

1. During the 2007-09 biennium, the board of each school district shall use an amount equal to at least seventy percent of all new money received by the district for per student payments to increase the compensation paid to teachers and to provide compensation to teachers who begin employment with the district on or after July 1, 2007.
2. For purposes of this section, the superintendent of public instruction shall calculate the amount of new money received by a district during the 2007-09 biennium by:
  - a. Determining the total amount of state dollars received by each district during the 2005-07 biennium as per student payments, tuition



apportionment payments, special education per student payments, and English language learner payments;

- b. Determining the total amount of state dollars received by each district during the 2007-09 biennium as per student payments, provided that neither equity payments under section 15.1-27-11 nor contingency distributions are to be included in the total; and
    - c. Subtracting the amount arrived at under subdivision a from the amount arrived at under subdivision b.
3. School districts providing educational services under a cooperative agreement approved by the superintendent of public instruction must, for purposes of this section, be treated as a single district.
4.
  - a. The provisions of this section do not apply to a school district if the board of the school district, after a public hearing at which public testimony and documentary evidence are accepted, determines in its discretion and by an affirmative vote of two-thirds of the members of the board that complying with the provisions of subsection 1 would place the school district in the position of having insufficient fiscal resources to meet the school district's other obligations.
  - b. Within ten days of the vote required by subdivision a, the school board shall notify the superintendent of public instruction of its action and shall file a report detailing the grounds for its determination and action.
  - c. The superintendent of public instruction shall report all notices received under this subsection to an interim committee designated by the legislative council.

**SECTION 53. MILITARY INSTALLATION SCHOOL DISTRICTS - ELIGIBILITY FOR STATE AID AND EQUITY PAYMENTS.** If at any time the board of a United States military installation school district assumes responsibility for the direct provision of education to its students, the superintendent of public instruction shall include all students being educated by the board in the district's average daily membership, both for purposes of determining any state aid to which the district is entitled and for purposes of determining any equity payments to which the district is entitled under section 15.1-27-11.

**SECTION 54. AREA CAREER AND TECHNOLOGY CENTERS - ESTABLISHMENT GRANTS - COST-SHARE INCENTIVES.**

1. The state board for career and technical education shall use \$1,200,000 from the grants line item in section 3 of House Bill No. 1019, as approved by the sixtieth legislative assembly, to award grants for the purpose of assisting with the establishment of at least two new area career and technology centers in areas of the state that, as of July 1, 2007, are not served by an existing center. The board shall award the grants on a competitive basis and shall require a twenty-five percent match by a number of students who will be served and to alignment of the proposed area career and technology center with existing educational associations governed by joint powers agreements.
2. The state board for career and technical education shall use \$800,000 from the grants line item in section 3 of House Bill No. 1019, as approved by the sixtieth legislative assembly, to increase cost-share incentives for area career and technology centers.

**SECTION 55. CONTINGENT MONEY.** If any money appropriated to the superintendent of public instruction for state aid payments to school districts remains after the superintendent complies with all statutory payment obligations imposed for the biennium beginning July 1, 2007, and ending June 30, 2009, the superintendent shall:

1. Use the first \$1,000,000, or so much of that amount as may be necessary, to pay any state obligations in excess of the amount appropriated for special education contract charges;
2. Use the next \$2,000,000, or so much of that amount as may be necessary, for the purpose of providing additional per student payments to school

districts participating in regional education associations under chapter 15.1-09.1;

3. Use the next \$550,000, or so much of that amount as may be necessary, for the purpose of providing additional payments to school districts serving English language learners and new immigrant English language learners, in accordance with chapter 15.1-38;
4. Use the next \$200,000, or so much of that amount as may be necessary, for the purpose of providing additional payments to school districts offering an adult education program during the 2007-09 biennium; and
5. Use the remainder of the moneys to provide additional per student payments on a prorated basis according to the latest available average daily membership of each school district.

**SECTION 56. CONTINGENT TRANSFER BY BANK OF NORTH DAKOTA FOR SPECIAL EDUCATION.** If during the biennium beginning July 1, 2007, and ending June 30, 2009, the superintendent of public instruction determines that, using all available sources, there are insufficient funds with which to fully reimburse school districts for the excess costs of serving the one percent of special education students statewide who require the greatest school district expenditures in order to be provided with special education and related services, the industrial commission shall transfer from the earnings and accumulated and undivided profits of the Bank of North Dakota the amount the superintendent of public instruction certifies is necessary to provide the statutorily required level of reimbursement. The superintendent of public instruction shall file for introduction legislation requesting that the sixty-first legislative assembly return any amount transferred under this section to the Bank of North Dakota.

**SECTION 57. REPEAL.** Section 15.1-09-46 of the North Dakota Century Code is repealed.

**SECTION 58. REPEAL.** Sections 15.1-07-28, 15.1-27-05, 15.1-27-06, 15.1-27-07, 15.1-27-12, 15.1-27-14, 15.1-27-21, 15.1-27-32, 15.1-27-36, 15.1-27-37, and 15.1-27-38 of the North Dakota Century Code are repealed.

**SECTION 59. EXPIRATION DATE.** Section 27 of this Act is effective through June 30, 2007, and after that date is ineffective.

**SECTION 60. EMERGENCY.** Sections 27, 51, 57, and 59 of this Act are declared to be an emergency measure."

Renumber accordingly

Engrossed SB 2200 was placed on the Seventh order of business on the calendar.

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

**REP. R. KELSCH MOVED** that the conference committee report on Engrossed SB 2200 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2200, as amended, was placed on the Fourteenth order.

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

**SB 2200:** A BILL for an Act to create and enact ten new sections to chapter 15.1-27, a new section to chapter 15.1-36, and two new sections to chapter 15.1-38 of the North Dakota Century Code, relating to the determination of state aid to school districts; to amend and reenact section 15.1-02-09, subsection 4 of section 15.1-06-04, and sections 15.1-23-19, 15.1-27-01, 15.1-27-02, 15.1-27-04, 15.1-27-08, 15.1-27-09, 15.1-27-10, 15.1-27-11, 15.1-27-15, 15.1-27-16, 15.1-27-17, 15.1-27-18, 15.1-27-19, 15.1-27-20, 15.1-27-35, 15.1-28-03, 15.1-29-01, 15.1-29-02, 15.1-29-12, 15.1-29-14, 15.1-29-15, 15.1-31-03, 15.1-31-04, 15.1-31-07, 15.1-32-08, 15.1-32-14, 15.1-32-15, 15.1-32-16, 15.1-32-18, 15.1-33-02, 15.1-36-02, and 57-15-14 of the North Dakota Century Code, relating to the determination of state aid to school districts; to repeal sections 15.1-07-28, 15.1-09-46, 15.1-27-05, 15.1-27-06, 15.1-27-07, 15.1-27-12, 15.1-27-14, 15.1-27-21, 15.1-27-32, 15.1-27-36, 15.1-27-37, and 15.1-27-38 of the North Dakota Century Code, relating to educational associations, the school district census, the school district equalization factor, weighting factors, supplemental payments, additional per student payments, property valuations, and teacher compensation payments; to provide an appropriation; to provide for a commission on education improvement; to provide for teacher compensation increases; to provide for

future determinations of average daily membership; to provide for the distribution of transportation grants, reorganization planning grants, and contingent payments; to provide for a contingent transfer; to provide for a report to the legislative council; to provide an expiration date; and to declare an emergency.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 78 YEAS, 15 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Clark; Conrad; Dahl; Damschen; Delmore; Dietrich; Dosch; Ekstrom; Glassheim; Grande; Gruchalla; Gulleson; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Monson; Mueller; Myxter; Nelson; Nottestad; Onstad; Owens; Pietsch; Pollert; Porter; Potter; Price; Ruby; Schmidt; Schneider; Sukut; Svedjan; Thoreson; Uglem; Vig; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wolf; Zaiser

**NAYS:** Charging; Drovdal; Froelich; Froseth; Griffin; Hunskor; Kempenich; Kerzman; Meyer, S.; Pinkerton; Skarphol; Solberg; Thorpe; Wrangham; Speaker Delzer

**ABSENT AND NOT VOTING:** DeKrey

Engrossed SB 2200, as amended, passed, the title was agreed to, and the emergency clause was declared carried.

\*\*\*\*\*

#### REQUEST

**REP. DEKREY REQUESTED** that the record show he intended to vote YEA on SB 2200, but he was out of the chamber, which request was granted.

#### MOTION

**REP. BERG MOVED** that Engrossed HB 1515, which is on the Seventh order, be rereferred to the **Conference Committee**, which motion prevailed. Pursuant to Rep. Berg's motion, Engrossed HB 1515 was rereferred.

#### MOTION

**REP. BERG MOVED** that Engrossed HB 1004, which is on the Seventh order, be rereferred to the **Conference Committee**, which motion prevailed. Pursuant to Rep. Berg's motion, Engrossed HB 1004 was rereferred.

#### 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 2200.

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

**MR. SPEAKER:** The President has signed: HB 1127, HB 1263, HB 1319, HB 1359, HB 1435, HB 1462, HB 1463.

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

**MR. SPEAKER:** The Senate has adopted the conference committee report on: HB 1002, HB 1005, HB 1006, HB 1106, HB 1126.

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

**MR. SPEAKER:** Your signature is respectfully requested on: SCR 4039.

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

**MR. SPEAKER:** The Senate has introduced HB 1522 which is being transmitted to the House for second reading.

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

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: HB 1007, HB 1011, HB 1433.

#### ANNOUNCEMENT

**SPEAKER DELZER ANNOUNCED** that the House stand in recess until 3:00 p.m..

**THE HOUSE RECONVENED** pursuant to recess taken, with Speaker Delzer presiding.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. KLEIN MOVED** that the conference committee report on Engrossed HB 1016 as printed on HJ pages 1678-1680 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1016, as amended, was placed on the Eleventh order.

**SECOND READING OF HOUSE BILL**

**HB 1016:** A BILL for an Act to provide an appropriation for defraying the expenses of job service North Dakota; and to amend and reenact section 52-02.1-02 of the North Dakota Century Code, relating to job service North Dakota program services.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 92 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; Damschen; DeKrey; Delmore; Dietrich; Dosch; Drovda; Ekstrom; Froelich; Froseth; Glassheim; Grande; Griffin; Gruchalla; Gulleon; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Hunsakor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kingsbury; Klein; Klemin; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Myxter; Nelson; Nottestad; Onstad; Owens; Pietsch; Pinkerton; Pollert; Porter; Potter; Price; Ruby; Schmidt; Schneider; Skarphol; Solberg; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vig; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wolf; Wrangham; Zaiser; Speaker Delzer

**ABSENT AND NOT VOTING:** Kerzman; Koppelman

Reengrossed HB 1016 passed and the title was agreed to.

\*\*\*\*\*

**REPORT OF CONFERENCE COMMITTEE**

**HB 1019, as engrossed:** Your conference committee (Sens. Christmann, Grindberg, Mathern and Reps. Monson, Carlson, Gulleon) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1404-1406, adopt amendments as follows, and place HB 1019 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1404-1406 of the House Journal and pages 976-978 of the Senate Journal and that Engrossed House Bill No. 1019 be amended as follows:

Page 1, line 2, after "education" insert "; to create and enact a new section to chapter 15-20.1 and three new sections to chapter 54-60 of the North Dakota Century Code, relating to an elementary student entrepreneurship grant program and a workforce enhancement grant program; to amend and reenact section 43-18-24 of the North Dakota Century Code, relating to a penalty for violating the state plumbing code; to provide a transfer; and to provide legislative intent"

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

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

1,650,000"

Page 1, line 24, replace "2,988,825" with "4,638,825"

Page 2, line 2, replace "3,244,307" with "4,894,307"

Page 2, line 13, replace "1,350,000" with "3,000,000"

Page 2, line 15, replace "31,120,808" with "32,770,808"

Page 2, line 17, replace "20,085,093" with "21,735,093"

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

**"SECTION 5. WORKFORCE TRAINING GRANTS.** The workforce training line item in section 3 of this Act includes the sum of \$1,650,000, or so much of the sum as may be necessary, for the purpose of providing supplemental workforce training grants

to the institutions of higher education assigned primary responsibility for workforce training in this state, for the biennium beginning July 1, 2007, and ending June 30, 2009.

**SECTION 6.** A new section to chapter 15-20.1 of the North Dakota Century Code is created and enacted as follows:

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

**SECTION 7. AMENDMENT.** Section 43-18-24 of the North Dakota Century Code as amended in section 2 of Senate Bill No. 2060, as approved by the sixtieth legislative assembly, is amended and reenacted as follows:

**43-18-24. Violation of chapter - Penalty.** Any person that violates the state plumbing code adopted under section 43-18-09; violates section 43-18-10, 43-18-11, 43-18-11.4, 43-18-17.2, or 43-18-23; or works under the license of another person in a manner that is in violation of section 43-18-13 is guilty of a class B misdemeanor.

**SECTION 8.** A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

**Workforce enhancement council.** The workforce enhancement council consists of the private sector members of the workforce development council, the director of the department of career and technical education, and the director of the division of workforce development, who shall serve as chairman.

**SECTION 9.** A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

**Workforce enhancement council - Grants.** The workforce enhancement council shall recommend to the commissioner the approval of grants to institutions of higher education assigned primary responsibility for workforce training in this state to be used to create or enhance training programs that address workforce needs of private sector companies. A grant made under this section may be used for curriculum development, equipment, recruitment of participants, and training and certification for instructors but may not be used to supplant funding for current operations. The department may distribute funds under this section after:

1. The division of workforce development certifies that a proposed training program meets a critical workforce shortage in a target industry or other high demand occupation and is expected to lead to employment in this state; and
2. The proposed recipient provides the department with detailed documentation of private sector participation, including the availability of one dollar of matching funds for each dollar of state funds.

**SECTION 10.** A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

**Workforce enhancement fund - Continuing appropriation.** The workforce enhancement fund is a special fund in the state treasury. All funds in the workforce enhancement fund are appropriated to the department of commerce on a continuing basis for the purpose of implementing and administering sections 7 and 8 of this Act. Interest earned by the fund must be credited to the fund.

**SECTION 11. TRANSFER - APPROPRIATION.** The office of management and budget shall transfer \$2,000,000 from the general fund to the workforce enhancement fund for the biennium beginning July 1, 2007, and ending June 30, 2009.

**SECTION 12. LEGISLATIVE INTENT.** It is the intent of the legislative assembly that the state board for career and technical education use \$250,000, or so much of the sum as may be necessary, from the grants line item in section 3 of this Act,

for the purpose of providing grants to support the North Dakota elementary student entrepreneurship program."

Page 2, remove line 30

Page 3, remove lines 1 and 2

ReNUMBER accordingly

# STATEMENT OF PURPOSE OF AMENDMENT:

## House Bill No. 1019 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Office of Management and Budget						
Total all funds	\$0	\$0	\$2,000,000	\$2,000,000	\$0	\$2,000,000
Less estimated income						
General fund	\$0	\$0	\$2,000,000	\$2,000,000	\$0	\$2,000,000
Board for Career and Technical Education						
Total all funds	\$30,320,808	\$31,120,808	\$1,650,000	\$32,770,808	\$34,770,808	(\$2,000,000)
Less estimated income	11,035,715	11,035,715		11,035,715	11,035,715	
General fund	\$19,285,093	\$20,085,093	\$1,650,000	\$21,735,093	\$23,735,093	(\$2,000,000)
Bill Total						
Total all funds	\$30,320,808	\$31,120,808	\$3,650,000	\$34,770,808	\$34,770,808	\$0
Less estimated income	11,035,715	11,035,715		11,035,715	11,035,715	
General fund	\$19,285,093	\$20,085,093	\$3,650,000	\$23,735,093	\$23,735,093	\$0

## House Bill No. 1019 - Office of Management and Budget - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Transfer to workforce enhancement fund			\$2,000,000	\$2,000,000		\$2,000,000
Total all funds	\$0	\$0	\$2,000,000	\$2,000,000	\$0	\$2,000,000
Less estimated income						
General fund	\$0	\$0	\$2,000,000	\$2,000,000	\$0	\$2,000,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

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

	TRANSFER TO WORKFORCE ENHANCEMENT FUND <sup>1</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Transfer to workforce enhancement fund	\$2,000,000	\$2,000,000
Total all funds	\$2,000,000	\$2,000,000
Less estimated income		
General fund	\$2,000,000	\$2,000,000
FTE	0.00	0.00

<sup>1</sup> This amendment transfers \$2,000,000 from the general fund to the workforce enhancement fund.

## House Bill No. 1019 - Board for Career and Technical Education - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$3,576,832	\$3,576,832		\$3,576,832	\$3,576,832	
Operating expenses	986,606	986,606		986,606	986,606	
Grants	23,500,116	24,300,116		24,300,116	25,300,116	(\$1,000,000)
Adult farm management	549,802	549,802		549,802	549,802	
Workforce training	1,350,000	1,350,000	\$1,650,000	3,000,000	4,000,000	(1,000,000)
Postsecondary education vocational grant	357,452	357,452		357,452	357,452	
Total all funds	\$30,320,808	\$31,120,808	\$1,650,000	\$32,770,808	\$34,770,808	(\$2,000,000)

Less estimated income	<u>11,035,715</u>	<u>11,035,715</u>	<u>11,035,715</u>	<u>11,035,715</u>	
General fund	\$19,285,093	\$20,085,093	\$1,650,000	\$21,735,093	\$23,735,093 (\$2,000,000)
FTE	27.50	27.50	0.00	27.50	27.50 0.00

**Dept. 270 - Board for Career and Technical Education - Detail of Conference Committee Changes**

	PROVIDES FUNDING FOR WORKFORCE TRAINING GRANTS <sup>1</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages		
Operating expenses		
Grants		
Adult farm management		
Workforce training	\$1,650,000	\$1,650,000
Postsecondary education vocational grant		
Total all funds	\$1,650,000	\$1,650,000
Less estimated income		
General fund	\$1,650,000	\$1,650,000
FTE	0.00	0.00

<sup>1</sup> This amendment provides funding for workforce training grants to the institutions of higher education.

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

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

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

Sections are added to provide new sections to North Dakota Century Code Chapter 54-60 relating to the creation of a work enhancement council, grants provided by the council, and to create a workforce enhancement fund, from which the Department of Commerce will receive a continuing appropriation.

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

Engrossed HB 1019 was placed on the Seventh order of business on the calendar.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. GULLESON MOVED** that the conference committee report on Engrossed HB 1019 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1019, as amended, was placed on the Eleventh order.

**SECOND READING OF HOUSE BILL**

**HB 1019:** A BILL for an Act to provide an appropriation for defraying the expenses of the state board for career and technical education; to create and enact a new section to chapter 15-20.1 and three new sections to chapter 54-60 of the North Dakota Century Code, relating to an elementary student entrepreneurship grant program and a workforce enhancement grant program; to amend and reenact section 43-18-24 of the North Dakota Century Code, relating to a penalty for violating the state plumbing code; to provide a transfer; 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 91 YEAS, 2 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; Damschen; DeKrey; Delmore; Dietrich; Dosch; Ekstrom; Froelich; Froseth; Glassheim; Grande; Griffin; Gruchalla; Gulleason; 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; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Myxter; Nelson; Nottestad; Onstad; Owens; Pietsch; Pinkerton; Pollert; Porter; Potter; Price; Schmidt; Schneider;

Skarphol; Solberg; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vig; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wolf; Wrangham; Zaiser; Speaker Delzer

**NAYS:** Drovdal; Ruby

**ABSENT AND NOT VOTING:** Kerzman

Reengrossed HB 1019 passed and the title was agreed to.

\*\*\*\*\*

#### REPORT OF CONFERENCE COMMITTEE

**HB 1020, as engrossed:** Your conference committee (Sens. Bowman, Holmberg, Lindaas and Reps. Klein, Hawken, Guleson) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1416-1421, adopt amendments as follows, and place HB 1020 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1416-1421 of the House Journal and pages 1230-1234 of the Senate Journal and that Engrossed House Bill No. 1020 be amended as follows:

Page 1, line 3, replace "section" with "sections 4-41-02 and"

Page 1, line 4, after the first "to" insert "industrial hemp licenses and"

Page 1, line 5, replace "for a study; to authorize hemp seed procurement" with "legislative intent; to provide for a report to the sixty-first legislative assembly"

Page 3, line 7, replace "4,214,956" with "3,989,956"

Page 3, line 8, replace "(207,238)" with "(99,438)"

Page 3, line 9, replace "4,007,718" with "3,890,518"

Page 3, line 11, replace "3,163,685" with "3,046,485"

Page 3, line 14, replace "770,428" with "720,428"

Page 3, line 16, replace "282,631" with "232,631"

Page 3, line 19, replace "11,002,726" with "11,119,654"

Page 3, line 20, replace "10,965,630" with "11,072,603"

Page 3, line 21, replace "37,096" with "47,051"

Page 3, line 24, replace "10,276,066" with "11,885,735"

Page 3, line 25, replace "(2,951,489)" with "(1,559,949)"

Page 3, line 26, replace "13,227,555" with "13,445,684"

Page 4, line 2, replace "(155,724)" with "(105,724)"

Page 4, line 3, replace "762,491" with "862,491"

Page 4, line 5, replace "3,364,839" with "3,514,839"

Page 4, line 7, replace "2,767,775" with "2,917,775"

Page 4, line 12, replace "19,478,742" with "19,689,626"

Page 4, line 13, replace "9,972,373" with "11,470,886"

Page 4, line 14, replace "29,451,115" with "31,160,512"

Page 4, line 24, replace "41,757,455" with "41,532,455"

Page 4, line 25, replace "630,000" with "737,800"



Page 4, line 26, replace "42,387,455" with "42,270,255"

Page 4, line 28, replace "18,521,831" with "18,404,631"

Page 5, line 1, replace "2,673,111" with "2,623,111"

Page 5, line 3, replace "1,193,392" with "1,143,392"

Page 5, line 6, replace "27,455,663" with "27,572,591"

Page 5, line 7, replace "26,255,663" with "26,362,636"

Page 5, line 8, replace "1,200,000" with "1,209,955"

Page 5, line 11, replace "85,732,779" with "87,342,448"

Page 5, line 12, replace "41,711,157" with "43,102,697"

Page 5, line 13, replace "44,021,622" with "44,239,751"

Page 5, line 20, replace "3,774,816" with "3,824,816"

Page 5, line 21, replace "3,034,369" with "3,134,369"

Page 5, line 23, replace "24,870,515" with "25,020,515"

Page 5, line 25, replace "11,154,084" with "11,304,084"

Page 5, line 30, replace "76,090,929" with "76,301,813"

Page 6, line 1, replace "108,258,940" with "109,757,453"

Page 6, line 2, replace "184,349,869" with "186,059,266"

Page 6, after line 20, insert:

**"SECTION 7. AMENDMENT.** Section 4-41-02 of the North Dakota Century Code is amended and reenacted as follows:

**4-41-02. Industrial hemp - Licensure - Reporting requirements - Continuing appropriation.**

1. Any person desiring to grow industrial hemp for commercial purposes shall apply to the agriculture commissioner for a license on a form prescribed by the commissioner. The application for a license must include the name and address of the applicant and the legal description of the land area to be used to produce industrial hemp. Except for employees of the agricultural experiment station or the North Dakota state university extension service involved in research and extension related activities, the commissioner shall require each applicant for initial licensure to submit to a statewide and nationwide criminal history check. The nationwide criminal history check must be conducted in the manner provided in section 12-60-24. All costs associated with the background check are the responsibility of the applicant. Criminal history records provided to the commissioner under this section are confidential. The commissioner may use the records only in determining an applicant's eligibility for licensure. Any person with a prior criminal conviction is not eligible for licensure. If the applicant has completed the application process to the satisfaction of the commissioner, the commissioner shall issue the license, which is valid for a period of one year. Any person licensed under this section is presumed to be growing industrial hemp for commercial purposes. A license required by this section is not conditioned on or subject to review or approval by the United States drug enforcement agency.
2. Each licensee must file with the commissioner documentation indicating that the seeds planted were of a type and variety certified to have no more than three-tenths of one percent tetrahydrocannabinol and a copy of any contract to grow industrial hemp. Each licensee shall notify the commissioner of the sale or distribution of any industrial hemp grown by

the licensee, and the names of the persons to whom the hemp was sold or distributed.

3. The commissioner shall adopt rules to allow the industrial hemp to be tested during growth for tetrahydrocannabinol levels and to allow for supervision of the industrial hemp during its growth and harvest. To provide sufficient funds to pay costs associated with monitoring and testing industrial hemp in the state, the commissioner shall assess each applicant a fee of five dollars per acre. The minimum fee assessed must be one hundred fifty dollars per applicant. Collections from this fee must be deposited in the attorney general's operating fund and are hereby appropriated to the attorney general to be used to enforce this chapter."

Page 7, replace lines 29 through 31 with:

**"SECTION 10. LEGISLATIVE INTENT - BEEF RESEARCH FACILITY.** It is the intent of the sixtieth legislative assembly that before proceeding with a beef research facility, a documented agreement as to the location of the facility must be provided to the main research center from applicable city and county government officials.

**SECTION 11. LEGISLATIVE INTENT - OPERATING POOL FUNDING.** It is the intent of the sixtieth legislative assembly that the appropriation from the permanent oil tax trust fund as provided in subdivision 4 of section 3 of this Act is to be available only for providing funding for operations of the Dickinson research center and the amount provided is to be limited to the lesser of \$750,000 or the amount actual oil revenues are less than budgeted for the research center for the biennium beginning July 1, 2007, and ending June 30, 2009.

**SECTION 12. LEGISLATIVE INTENT - USE OF LIVESTOCK FACILITIES.** It is the intent of the sixtieth legislative assembly that the agricultural experiment station consider options to ensure that the use of the livestock facilities at Dickinson, Hettinger, Carrington, and Streeter are being maximized.

**SECTION 13. NATIONAL CATTLEMEN'S BEEF ASSOCIATION FUNDING - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY.** The agricultural experiment station shall provide a report to the sixty-first legislative assembly regarding the funding received during the biennium beginning July 1, 2007, and ending June 30, 2009, from the national cattlemen's beef association."

Page 8, remove lines 1 through 6

Page 8, line 18, replace "\$9,032,750" with "\$8,732,750"

Page 8, line 24, replace "350,000" with "400,000"

Page 8, remove line 31

Page 9, line 2, replace "75,000" with "25,000"

Page 9, line 3, replace "9,782,750" with "9,482,750"

Page 9, line 5, replace "\$10,107,750" with "\$7,907,750"

Page 9, line 6, after "3" insert "and section 7" and replace "is" with "are"

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### House Bill No. 1020 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Transportation Institute						
Total all funds	\$27,479,547	\$27,455,663	\$116,928	\$27,572,591	\$27,595,591	(\$23,000)
Less estimated income	26,255,663	26,255,663	106,973	26,362,636	26,362,636	
General fund	\$1,223,884	\$1,200,000	\$9,955	\$1,209,955	\$1,232,955	(\$23,000)

Branch Research Centers

**76th DAY****MONDAY, APRIL 23, 2007****1773**

Total all funds	\$24,374,515	\$24,870,515	\$150,000	\$25,020,515	\$24,620,515	\$400,000
Less estimated income	<u>13,716,431</u>	<u>13,716,431</u>		<u>13,716,431</u>	<u>13,716,431</u>	
General fund	\$10,658,084	\$11,154,084	\$150,000	\$11,304,084	\$10,904,084	\$400,000
NDSU Extension Service						
Total all funds	\$41,322,455	\$42,387,455	(\$117,200)	\$42,270,255	\$42,195,255	\$75,000
Less estimated income	<u>23,865,624</u>	<u>23,865,624</u>		<u>23,865,624</u>	<u>23,865,624</u>	
General fund	\$17,456,831	\$18,521,831	(\$117,200)	\$18,404,631	\$18,329,631	\$75,000
Northern Crops Institute						
Total all funds	\$2,598,111	\$2,673,111	(\$50,000)	\$2,623,111	\$2,673,111	(\$50,000)
Less estimated income	<u>1,479,719</u>	<u>1,479,719</u>		<u>1,479,719</u>	<u>1,479,719</u>	
General fund	\$1,118,392	\$1,193,392	(\$50,000)	\$1,143,392	\$1,193,392	(\$50,000)
Main Research Station						
Total all funds	\$86,698,779	\$85,732,779	\$1,609,669	\$87,342,448	\$87,362,448	(\$20,000)
Less estimated income	<u>41,261,157</u>	<u>41,711,157</u>	<u>1,391,540</u>	<u>43,102,697</u>	<u>43,127,697</u>	<u>(25,000)</u>
General fund	\$45,437,622	\$44,021,622	\$218,129	\$44,239,751	\$44,234,751	\$5,000
Agronomy Seed Farm						
Total all funds	\$1,230,346	\$1,230,346	\$0	\$1,230,346	\$1,230,346	\$0
Less estimated income	<u>1,230,346</u>	<u>1,230,346</u>		<u>1,230,346</u>	<u>1,230,346</u>	
General fund	\$0	\$0	\$0	\$0	\$0	\$0
Bill Total						
Total all funds	\$183,703,753	\$184,349,869	\$1,709,397	\$186,059,266	\$185,677,266	\$382,000
Less estimated income	<u>107,808,940</u>	<u>108,258,940</u>	<u>1,498,513</u>	<u>109,757,453</u>	<u>109,782,453</u>	<u>(25,000)</u>
General fund	\$75,894,813	\$76,090,929	\$210,884	\$76,301,813	\$75,894,813	\$407,000

**House Bill No. 1020 - Transportation Institute - Conference Committee Action**

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Transportation Institute	<u>\$27,479,547</u>	<u>\$27,455,663</u>	<u>\$116,928</u>	<u>\$27,572,591</u>	<u>\$27,595,591</u>	<u>(\$23,000)</u>
Total all funds	\$27,479,547	\$27,455,663	\$116,928	\$27,572,591	\$27,595,591	(\$23,000)
Less estimated income	<u>26,255,663</u>	<u>26,255,663</u>	<u>106,973</u>	<u>26,362,636</u>	<u>26,362,636</u>	
General fund	\$1,223,884	\$1,200,000	\$9,955	\$1,209,955	\$1,232,955	(\$23,000)
FTE	43.40	43.40	0.00	43.40	43.40	0.00

**Dept. 627 - Transportation Institute - Detail of Conference Committee Changes**

	ADDS FUNDING FOR ADDITIONAL 1 PERCENT SALARY INCREASE <sup>1</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Transportation Institute	<u>\$116,928</u>	<u>\$116,928</u>
Total all funds	\$116,928	\$116,928
Less estimated income	<u>106,973</u>	<u>106,973</u>
General fund	\$9,955	\$9,955
FTE	0.00	0.00

<sup>1</sup> This amendment provides for the Upper Great Plains Transportation Institute to receive a 5 percent salary increase effective July 1, 2007, and a 5 percent increase effective July 1, 2008. The conference committee agreed to the Senate action.

The House reduced the general fund appropriation for operations of the Upper Great Plains Transportation Institute by \$23,884. The Senate restored \$23,000 of this funding. The conference committee agreed to the House action.

**House Bill No. 1020 - Branch Research Centers - Conference Committee Action**

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Dickinson Research Center	\$6,077,229	\$6,077,229		\$6,077,229	\$6,077,229	
Central Grasslands Research Center	<u>2,267,506</u>	<u>2,267,506</u>		<u>2,267,506</u>	<u>2,267,506</u>	
Hettinger Research Center	2,441,212	2,441,212		2,441,212	2,441,212	
Langdon Research Center	1,697,293	1,697,293		1,697,293	1,697,293	
North Central Research Center	<u>3,524,816</u>	<u>3,774,816</u>	<u>\$50,000</u>	<u>3,824,816</u>	<u>3,474,816</u>	<u>\$350,000</u>
Williston Research Center	2,884,369	3,034,369	100,000	3,134,369	3,084,369	50,000
Carrington Research Center	<u>5,482,090</u>	<u>5,578,090</u>		<u>5,578,090</u>	<u>5,578,090</u>	
Total all funds	\$24,374,515	\$24,870,515	\$150,000	\$25,020,515	\$24,620,515	\$400,000
Less estimated income	<u>13,716,431</u>	<u>13,716,431</u>		<u>13,716,431</u>	<u>13,716,431</u>	
General fund	\$10,658,084	\$11,154,084	\$150,000	\$11,304,084	\$10,904,084	\$400,000

FTE	95.26	96.86	1.00	97.86	96.86	1.00
-----	-------	-------	------	-------	-------	------

**Dept. 628 - Branch Research Centers - Detail of Conference Committee Changes**

	PROVIDES ADDITIONAL FUNDING FOR IRRIGATION RESEARCH POSITION <sup>1</sup>	RESTORES FUNDING FOR LABORATORY AND GREENHOUSE <sup>2</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Dickinson Research Center			
Central Grasslands Research Center			
Hettinger Research Center			
Langdon Research Center		\$50,000	\$50,000
North Central Research Center			100,000
Williston Research Center	\$100,000		
Carrington Research Center			
Total all funds	\$100,000	\$50,000	\$150,000
Less estimated income			
General fund	\$100,000	\$50,000	\$150,000
FTE	1.00	0.00	1.00

<sup>1</sup> The Senate provided an additional \$50,000 for costs associated with an irrigation research position at the Williston Research Center which was added by the House. This amendment provides additional funding for salaries and operating costs needed for the position. The conference committee increased this appropriation to \$100,000 and authorized an additional 1 FTE research technician position for the project. The total authorized for the Williston irrigation project is \$250,000 from the general fund and 2 FTE positions.

<sup>2</sup> The conference committee restored the \$50,000 appropriation removed by the House for the North Central Research Center laboratory and greenhouse project. The total appropriation for the project is \$400,000.

The House added \$300,000 from the general fund for a maintenance shop and equipment storage facility at the North Central Research Center. The Senate removed this funding. The conference committee agreed with the House action for this project.

**House Bill No. 1020 - NDSU Extension Service - Conference Committee Action**

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Extension Service	\$40,692,455	\$41,757,455	(\$225,000)	\$41,532,455	\$41,457,455	\$75,000
Soil Conservation Committee	<u>630,000</u>	<u>630,000</u>	<u>107,800</u>	<u>737,800</u>	<u>737,800</u>	
Total all funds	\$41,322,455	\$42,387,455	(\$117,200)	\$42,270,255	\$42,195,255	\$75,000
Less estimated income	<u>23,865,624</u>	<u>23,865,624</u>		<u>23,865,624</u>	<u>23,865,624</u>	
General fund	\$17,456,831	\$18,521,831	(\$117,200)	\$18,404,631	\$18,329,631	\$75,000
FTE	257.86	260.46	0.00	260.46	260.46	0.00

**Dept. 630 - NDSU Extension Service - Detail of Conference Committee Changes**

	ADDS FUNDING FOR SOIL CONSERVATION GRANTS <sup>1</sup>	ADDS FUNDING FOR SMITHSONIAN SOIL EXHIBIT <sup>2</sup>	REDUCES FUNDING FOR PARENTING RESOURCE CENTERS <sup>3</sup>	REDUCES FUNDING FOR HORTICULTURIST POSITION <sup>4</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Extension Service			(\$175,000)	(\$50,000)	(\$225,000)
Soil Conservation Committee	<u>\$100,000</u>	<u>\$7,800</u>			<u>107,800</u>
Total all funds	\$100,000	\$7,800	(\$175,000)	(\$50,000)	(\$117,200)
Less estimated income					
General fund	\$100,000	\$7,800	(\$175,000)	(\$50,000)	(\$117,200)
FTE	0.00	0.00	0.00	0.00	0.00

<sup>1</sup> The Senate added \$100,000 for soil conservation grants. The conference committee agreed with this action.

<sup>2</sup> The Senate added \$7,800 for costs relating to the Smithsonian soil exhibit. The conference committee agreed to this action.

<sup>3</sup> The Senate removed the \$300,000 of funding added by the House for statewide parenting resource centers. The conference committee agreed to provide \$125,000 for statewide parenting resource centers.

<sup>4</sup> The conference committee reduced funding added by the House for a horticulturist position by \$50,000, from \$250,000 to \$200,000.

**House Bill No. 1020 - Northern Crops Institute - Conference Committee Action**

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Northern Crops Institute	<u>\$2,598,111</u>	<u>\$2,673,111</u>	<u>(\$50,000)</u>	<u>\$2,623,111</u>	<u>\$2,673,111</u>	<u>(\$50,000)</u>
Total all funds	\$2,598,111	\$2,673,111	(\$50,000)	\$2,623,111	\$2,673,111	(\$50,000)
Less estimated income	<u>1,479,719</u>	<u>1,479,719</u>		<u>1,479,719</u>	<u>1,479,719</u>	
General fund	\$1,118,392	\$1,193,392	(\$50,000)	\$1,143,392	\$1,193,392	(\$50,000)
FTE	11.20	11.20	0.00	11.20	11.20	0.00

**Dept. 638 - Northern Crops Institute - Detail of Conference Committee Changes**

	REMOVES FUNDING FOR EXTRAORDINARY REPAIRS <sup>1</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Northern Crops Institute	<u>(\$50,000)</u>	<u>(\$50,000)</u>
Total all funds	(\$50,000)	(\$50,000)
Less estimated income		
General fund	(\$50,000)	(\$50,000)
FTE	0.00	0.00

<sup>1</sup> The conference committee reduced funding added by the House for extraordinary repairs by \$50,000, from \$75,000 to \$25,000.

**House Bill No. 1020 - Main Research Station - Conference Committee Action**

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Main Research Station	<u>\$86,698,779</u>	<u>\$85,732,779</u>	<u>\$1,609,669</u>	<u>\$87,342,448</u>	<u>\$87,362,448</u>	<u>(\$20,000)</u>
Total all funds	\$86,698,779	\$85,732,779	\$1,609,669	\$87,342,448	\$87,362,448	(\$20,000)
Less estimated income	<u>41,261,157</u>	<u>41,711,157</u>	<u>1,391,540</u>	<u>43,102,697</u>	<u>43,127,697</u>	<u>(25,000)</u>
General fund	\$45,437,622	\$44,021,622	\$218,129	\$44,239,751	\$44,234,751	\$5,000
FTE	348.08	348.88	0.00	348.88	348.88	0.00

**Dept. 640 - Main Research Station - Detail of Conference Committee Changes**

	REMOVES FUNDING FOR INDUSTRIAL HEMP RESEARCH <sup>1</sup>	ADDS FUNDING FOR ADDITIONAL 1 PERCENT SALARY INCREASE <sup>2</sup>	ADDS FUNDING FOR DESIGN OF BEEF RESEARCH FACILITY <sup>3</sup>	ADDS AUTHORITY FOR BEEF RESEARCH FACILITY <sup>4</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Main Research Station	<u>(\$300,000)</u>	<u>\$829,669</u>	<u>\$80,000</u>	<u>\$1,000,000</u>	<u>\$1,609,669</u>
Total all funds	(\$300,000)	\$829,669	\$80,000	\$1,000,000	\$1,609,669
Less estimated income		<u>391,540</u>		<u>1,000,000</u>	<u>1,391,540</u>
General fund	(\$300,000)	\$438,129	\$80,000	\$0	\$218,129
FTE	0.00	0.00	0.00	0.00	0.00

<sup>1</sup> The Senate removed funding added by the House for conducting industrial hemp research at the Main Research Center and removed Sections 9 and 10 of Engrossed House Bill No. 1020 relating to a hemp procurement study and authorization. The conference committee agreed to this action.

<sup>2</sup> This amendment provides for agriculture research and extension agencies to receive a 5 percent salary increase effective July 1, 2007, and a 5 percent increase effective July 1, 2008. The Main Research Center will allocate the funding between the Main Research Center, branch research centers, North Dakota State University Extension Service, Northern Crops Institute, and Agronomy Seed Farm. The conference committee increased the general fund appropriation by \$25,000 and reduced the special funds spending authority by \$25,000 to address the approximate \$50,000 shortfall needed for the salary increase.

<sup>3</sup> The Senate added funding for a study and development of plans for the Agricultural Research Center. The conference committee indicated the funding was for design and engineering costs for a beef research facility and reduced the funding to \$80,000.

<sup>4</sup> The Senate provided spending authority for a beef research facility. The conference committee agreed to this action.

The Senate added a section of intent providing that if the Main Research Center proceeds with a beef research center in Fargo, appropriate city and county officials agree to the location of the facility. The conference committee agreed to this action.

The Senate provided that the operating pool of \$750,000 from the permanent oil tax trust fund be used for operating costs at the Dickinson Research Center and be limited to the amount oil revenues are less than budgeted for the biennium. The conference committee agreed to this action.

The Senate added a section of intent that the livestock facilities at Dickinson, Hettinger, Carrington, and Streeter be examined to ensure the use of the facilities are being maximized. The conference committee agreed to this action.

The Senate provided for the Agricultural Experiment Station to provide a report to the 61st Legislative Assembly regarding funding received from the National Cattlemen's Beef Association. The conference committee agreed to this action.

The conference committee added a section relating to licensure requirements to grow industrial hemp for commercial purposes.

#### **House Bill No. 1020 - Agronomy Seed Farm - Conference Committee Action**

The Senate did not change the House version.

Engrossed HB 1020 was placed on the Seventh order of business on the calendar.

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

**REP. KLEIN MOVED** that the conference committee report on Engrossed HB 1020 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1020, as amended, was placed on the Eleventh order.

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

**REP. SKARPHOL MOVED** that the conference committee report on Engrossed HB 1021 as printed on HJ pages 1680-1683 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1021, as amended, was placed on the Eleventh order.

#### **SECOND READING OF HOUSE BILL**

**HB 1021:** A BILL for an Act to provide an appropriation for defraying the expenses of the information technology department; to create and enact a new section to chapter 15.1-02, a new section to chapter 23-01, a new subsection to section 54-35-15.2, and a new section to chapter 54-59 of the North Dakota Century Code, relating to the superintendent of public instruction, creation of a health information technology steering committee, the powers and duties of the information technology committee, and the borrowing authority of the information technology department; and to declare an emergency.

#### **ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 87 YEAS, 6 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; Damschen; DeKrey; Delmore; Dietrich; Ekstrom; Froelich; Froseth; Glassheim; Grande; Griffin; Gruchalla; Gulletson; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Hunsakor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Metcalf; Meyer, S.; Monson; Mueller; Myxter; Nelson; Nottestad; Onstad; Owens; Pietsch; Pinkerton; Pollert; Porter; Potter; Price; Ruby; Schmidt; Schneider; Skarphol; Solberg; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vig; Vigesaa; Wald; Wall; Weisz; Wieland; Williams; Wolf; Zaiser

**NAYS:** Dosch; Drovdal; Meier, L.; Weiler; Wrangham; Speaker Delzer

**ABSENT AND NOT VOTING:** Kerzman

Reengrossed HB 1021 passed, the title was agreed to, and the emergency clause was declared carried.

\*\*\*\*\*

**REPORT OF CONFERENCE COMMITTEE**

**HB 1460, as engrossed:** Your conference committee (Sens. Klein, Hacker, Potter and Reps. N. Johnson, Keiser, Boe) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1465-1466, adopt amendments as follows, and place HB 1460 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1465 and 1466 of the House Journal and on pages 1283 and 1284 of the Senate Journal and that Engrossed House Bill No. 1460 be amended as follows:

Page 1, line 1, after "to" insert "create and enact a new section to chapter 65-02 of the North Dakota Century Code, relating to employee awards and incentive spending authority; to"

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

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

Page 1, remove lines 5 through 23

Page 2, remove lines 1 through 30

Page 3, remove lines 1 through 19

Page 3, line 26, overstrike ", at least one of which must be a participant in"

Page 3, line 27, overstrike "the risk management program, at least two" and insert immediately thereafter ". Two" and overstrike "which" and insert immediately thereafter "the employer members"

Page 3, line 28, after "premiums" insert ", which at the time of the member's initial appointment were" and overstrike ", at least" and insert immediately thereafter an underscored semicolon

Page 3, line 29, overstrike "which" and insert immediately thereafter "the employer members" and overstrike "of" and insert immediately thereafter ", which at the time of the member's initial appointment was at least"

Page 3, line 30, overstrike ", at least" and insert immediately thereafter an underscored semicolon and overstrike "which" and insert immediately thereafter "the employer members"

Page 3, line 31, overstrike "of" and insert immediately thereafter ", which at the time of the member's initial appointment was", overstrike the comma and insert immediately thereafter an underscored semicolon, and overstrike "at"

Page 4, line 1, overstrike "least one" and insert immediately thereafter "two of the employer members must be" and overstrike "representative" and insert immediately thereafter "representatives"

Page 4, line 2, overstrike the first "representative" and insert immediately thereafter "representatives"

Page 4, line 4, overstrike "; at least one member must have"

Page 4, line 5, overstrike "received workforce safety and insurance benefits; and at least" and insert immediately thereafter ". Of the three employee members,"

Page 4, line 6, after "labor" insert "and one other member must have received workforce safety and insurance wage-loss benefits at some time during the ten years before the member's initial appointment"

Page 4, line 15, overstrike "Board members" and insert immediately thereafter "A board member whose initial appointment was before August 1, 2007,"

Page 4, line 16, remove the overstrike over "~~three~~" and insert immediately thereafter "consecutive terms and a board member whose initial appointment was after July 31, 2007, may not serve more than"

Page 4, line 22, overstrike "the"

Page 4, line 25, replace "greater North Dakota chamber of commerce" with "a coordinating committee appointed by the governor, composed of representatives from the associated general contractors of North Dakota, the North Dakota petroleum council, the greater North Dakota chamber of commerce, the North Dakota motor carriers association, the North Dakota healthcare association, the national federation of independent business, the lignite energy council, and other statewide business interests"

Page 4, line 26, remove "working together with other business organizations in the state"

Page 5, line 1, remove "two"

Page 5, line 2, overstrike "nonorganized labor" and insert immediately thereafter "two"

Page 5, line 3, after "representatives" insert "who do not represent organized labor"

Page 5, after line 7, insert:

"e. The governor may reject a list of potential candidates representing employers, organized labor, or the North Dakota medical association and request that the submitting entity submit a new list of potential candidates."

"**SECTION 2.** A new section to chapter 65-02 of the North Dakota Century Code is created and enacted as follows:

**Spending authority - Limited.** Notwithstanding any other law enacted by the sixtieth legislative assembly, any statement of legislative intent, any statement of purpose of amendment, or other provision of law, the organization may not expend funds for the purpose of providing workers' compensation education or training for public officials other than the director and members of the board, or for providing awards, other than service awards or other awards or incentives allowed under law and applicable to executive branch agencies. For purposes of this section, award does not include a nonwage, cash disbursement to an organization employee through a performance-based system for employee recognition."

Page 5, line 11, replace "Under section 1 of this Act, a board" with "The board member serving on August 1, 2007, as the representative of the risk management program shall serve the remainder of the appointed term as the employer at-large representative. The employee board member serving on August 1, 2007, as the employee who has received workforce safety and insurance benefits shall continue to serve through the expiration of the member's appointed term, regardless of the member's wage-loss benefit history."

**SECTION 4. WORKFORCE SAFETY AND INSURANCE - LEGISLATIVE COUNCIL STUDY.** The legislative council shall consider studying, during the 2007-08 interim, the workforce safety and insurance governance changes made during the 2007 legislative session. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly."

Page 5, remove lines 12 through 18

Renumber accordingly

Engrossed HB 1460 was placed on the Seventh order of business on the calendar.



**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. N. JOHNSON MOVED** that the conference committee report on Engrossed HB 1460 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1460, as amended, was placed on the Eleventh order.

**SECOND READING OF HOUSE BILL**

**HB 1460:** A BILL for an Act to create and enact a new section to chapter 65-02 of the North Dakota Century Code, relating to employee awards and incentive spending authority; to amend and reenact section 65-02-03.1 of the North Dakota Century Code, relating to the workforce safety and insurance board membership; to provide for a legislative council study; and to provide for application and transition.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 88 YEAS, 5 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Charging; Clark; Conrad; Dahl; Damschen; DeKrey; Delmore; Dietrich; Dosch; Drovdal; Ekstrom; Froelich; Froseth; Glassheim; Grande; Griffin; Gruchalla; Guleson; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Hunskor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kingsbury; Klein; Klemm; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Myxter; Nelson; Nottestad; Onstad; Owens; Pietsch; Pinkerton; Pollert; Porter; Potter; Price; Ruby; Schmidt; Schneider; Solberg; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vig; Vigasaa; Wall; Weiler; Weisz; Wieland; Williams; Wolf; Wrangham; Zaiser; Speaker Delzer

**NAYS:** Bellew; Carlisle; Carlson; Skarphol; Wald

**ABSENT AND NOT VOTING:** Kerzman

Reengrossed HB 1460 passed and the title was agreed to.

\*\*\*\*\*

**REPORT OF CONFERENCE COMMITTEE**

**HB 1093, as engrossed:** Your conference committee (Sens. Wardner, Christmann, O'Connell and Reps. Weiler, Grande, Pinkerton) recommends that the **SENATE RECEDE** from the Senate amendments on HJ page 1068, adopt amendments as follows, and place HB 1093 on the Seventh order:

That the Senate recede from its amendments as printed on page 1068 of the House Journal and page 853 of the Senate Journal and that Engrossed House Bill No. 1093 be amended as follows:

Page 1, line 3, after "fund" insert "; to provide legislative intent"

Page 1, line 15, replace "two" with "three"

Page 1, after line 19, insert:

**"SECTION 2. LEGISLATIVE INTENT - LIGNITE LITIGATION.** It is the intent of the legislative assembly that \$500,000 of the amount allocated to the lignite research fund in section 1 of this Act is to be used to pay for fees associated with lignite litigation that may be brought by the state to protect and promote the continued development of lignite resources. If activities associated with the litigation are not initiated by January 1, 2009, the \$500,000 must be returned to the general fund."

Renumber accordingly

Engrossed HB 1093 was placed on the Seventh order of business on the calendar.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. WEILER MOVED** that the conference committee report on Engrossed HB 1093 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1093, as amended, was placed on the Eleventh order.

**SECOND READING OF HOUSE BILL**

**HB 1093:** A BILL for an Act to amend and reenact subsection 1 of section 57-60-14 of the North Dakota Century Code, relating to allocation of the privilege tax on coal conversion facilities to the lignite research fund; to provide legislative intent; 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 85 YEAS, 8 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; Damschen; DeKrey; Delmore; Dietrich; Dosch; Drovdal; Ekstrom; Froelich; Froseth; Grande; Gulleon; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Hunsakor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kempenich; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Myxter; Nottestad; Onstad; Owens; Pietsch; Pinkerton; Pollert; Porter; Potter; Price; Ruby; Schmidt; Schneider; Skarphol; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wrangham; Zaiser; Speaker Delzer

**NAYS:** Glassheim; Griffin; Gruchalla; Kelsh, S.; Nelson; Solberg; Vig; Wolf

**ABSENT AND NOT VOTING:** Kerzman

Reengrossed HB 1093 passed and the title was agreed to.

\*\*\*\*\*

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. KLEMIN MOVED** that the conference committee report on Engrossed SB 2256 as printed on HJ pages 1698-1699 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2256, as amended, was placed on the Fourteenth order.

**SECOND READING OF SENATE BILL**

**SB 2256:** A BILL for an Act to amend and reenact the new section to chapter 12.1-20 of the North Dakota Century Code as created by section 1 of House Bill No. 1472, as approved by the sixtieth legislative assembly, relating to sexual offenders on school property.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 92 YEAS, 1 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; Damschen; DeKrey; Delmore; Dietrich; Dosch; Drovdal; Ekstrom; Froelich; Froseth; Glassheim; Grande; Griffin; Gruchalla; Gulleon; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Hunsakor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Myxter; Nelson; Nottestad; Onstad; Owens; Pietsch; Pinkerton; Pollert; Porter; Potter; Price; Ruby; Schneider; Skarphol; Solberg; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vig; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wolf; Wrangham; Zaiser; Speaker Delzer

**NAYS:** Schmidt

**ABSENT AND NOT VOTING:** Kerzman

Engrossed SB 2256, as amended, passed and the title was agreed to.

\*\*\*\*\*

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. L. MEIER MOVED** that the conference committee report on Engrossed SB 2309 as printed on HJ pages 1701-1702 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2309, as amended, was placed on the Fourteenth order.

**SECOND READING OF SENATE BILL**

**SB 2309:** A BILL for an Act to create and enact a new section to chapter 15.1-21 of the North Dakota Century Code, relating to high school coursework requirements; and 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, the roll was called and there were 71 YEAS, 21 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Belter; Berg; Boehning; Boucher; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; Delmore; Dietrich; Dosch; Drovdal; Ekstrom; Glassheim; Grande; Griffin; Gruchalla; Gulleson; Haas; Hanson; Hatlestad; Hawken; Heller; Herbel; Hofstad; Hunsakor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kingsbury; Klein; Klemm; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Myxter; Nelson; Nottestad; Onstad; Pietsch; Porter; Potter; Price; Schneider; Skarphol; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vig; Wall; Weiler; Wieland; Wolf; Zaiser

**NAYS:** Amerman; Bellew; Brandenburg; Damschen; DeKrey; Froelich; Froseth; Headland; Kempenich; Owens; Pinkerton; Pollert; Ruby; Schmidt; Solberg; Vigasaa; Wald; Weisz; Williams; Wrangham; Speaker Delzer

**ABSENT AND NOT VOTING:** Boe; Kerzman

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

\*\*\*\*\*

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. DEKREY MOVED** that the conference committee report on Engrossed SB 2392 as printed on HJ page 1702 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2392, as amended, was placed on the Fourteenth order.

**SECOND READING OF SENATE BILL**

**SB 2392:** A BILL for an Act to amend and reenact subsection 2 of section 40-05-06 of the North Dakota Century Code, relating to the imposition of fees by cities for certain vehicle and traffic violations; and to declare an emergency.

**ROLL CALL**

The question being on the final passage of the bill, which has been read, the roll was called and there were 5 YEAS, 88 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Boe; Froelich; Klein; Nelson; Speaker Delzer

**NAYS:** Aarsvold; Amerman; Bellew; Belter; Berg; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; Damschen; DeKrey; Delmore; Dietrich; Dosch; Drovdal; Ekstrom; Froseth; Glassheim; Grande; Griffin; Gruchalla; Gulleson; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Hunsakor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kingsbury; Klemm; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Myxter; Nottestad; Onstad; Owens; Pietsch; Pinkerton; Pollert; Porter; Potter; Price; Ruby; Schmidt; Schneider; Skarphol; Solberg; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vig; Vigasaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wolf; Wrangham; Zaiser

**ABSENT AND NOT VOTING:** Kerzman

Engrossed SB 2392 lost.

\*\*\*\*\*

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. THORESON MOVED** that the conference committee report on SB 2002 as printed on HJ page 1501 be adopted, which motion prevailed on a voice vote.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. SKARPHOL MOVED** that the conference committee report on SB 2004 as printed on HJ page 1501 be adopted, which motion prevailed on a voice vote.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. SKARPHOL MOVED** that the conference committee report on SB 2005 as printed on HJ pages 1684-1685 be adopted, which motion prevailed on a voice vote.

SB 2005, as amended, was placed on the Fourteenth 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 79 YEAS, 13 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Bellew; Belter; Berg; Boehning; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; Damschen; Delmore; Dietrich; Dosch; Drovda; Ekstrom; Froseth; Glassheim; Grande; Gruchalla; Gulleson; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Hunsakor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Martinson; Meier, L.; Metcalf; Monson; Mueller; Myxter; Nelson; Nottestad; Owens; Pietsch; Pinkerton; Pollert; Porter; Potter; Price; Ruby; Schneider; Skarphol; Solberg; Sukut; Svedjan; Thoreson; Uglem; Vigasaa; Wald; Wall; Weiler; Weisz; Williams; Wolf; Wrangham; Speaker Delzer

**NAYS:** Amerman; Boe; Boucher; DeKrey; Froelich; Griffin; Kroeber; Meyer, S.; Onstad; Schmidt; Thorpe; Vig; Wieland

**ABSENT AND NOT VOTING:** Kerzman; Zaiser

SB 2005, as amended, passed and the title was agreed to.

\*\*\*\*\*

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. KEMPENICH MOVED** that the conference committee report on Engrossed SB 2008 as printed on HJ pages 1685-1689 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2008, as amended, was placed on the Fourteenth order.

**SECOND READING OF SENATE BILL**

**SB 2008:** A BILL for an Act to provide an appropriation for defraying the expenses of the public service commission; to amend and reenact sections 49-01-05, 64-02-10, 64-02-13, and 64-02-13.1 of the North Dakota Century Code, relating to the salary of public service commissioners and testing of weighing and measuring devices; to provide for a legislative council study; to provide for a report to the legislative assembly; and to provide for a report to the budget section.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 93 YEAS, 0 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; Damschen; DeKrey; Delmore; Dietrich; Dosch; Drovda; Ekstrom; Froelich; Froseth; Glassheim; Grande; Griffin; Gruchalla; Gulleson; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Hunsakor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Myxter; Nelson; Nottestad; Onstad; Owens; Pietsch; Pinkerton; Pollert; Porter; Potter; Price; Ruby; Schmidt; Schneider; Skarphol; Solberg; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vig; Vigasaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wolf; Wrangham; Zaiser; Speaker Delzer

**ABSENT AND NOT VOTING:** Kerzman

Engrossed SB 2008, as amended, passed and the title was agreed to.

\*\*\*\*\*

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. KLEIN MOVED** that the conference committee report on Engrossed SB 2009 as printed on HJ pages 1689-1693 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2009, as amended, was placed on the Fourteenth order.

**SECOND READING OF SENATE BILL**

**SB 2009:** A BILL for an Act to provide an appropriation for defraying the expenses of the agriculture commissioner; to amend and reenact sections 4-01-21 and 4-37-02 of the North Dakota Century Code, relating to the salary of the agriculture commissioner and to the agriculture in the classroom council; to provide for transfers; to provide for legislative intent; to provide for a legislative council study; to provide for a performance audit; to provide for a report to the budget section; and to declare an emergency.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 93 YEAS, 0 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; Damschen; DeKrey; Delmore; Dietrich; Dosch; Drovda; Ekstrom; Froelich; Froseth; Glassheim; Grande; Griffin; Gruchalla; Gulleon; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Hunsdor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Myxter; Nelson; Nottestad; Onstad; Owens; Pietsch; Pinkerton; Pollert; Porter; Potter; Price; Ruby; Schmidt; Schneider; Skarphol; Solberg; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vig; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wolf; Wrangham; Zaiser; Speaker Delzer

**ABSENT AND NOT VOTING:** Kerzman

Engrossed SB 2009, as amended, passed, the title was agreed to, and the emergency clause was declared carried.

\*\*\*\*\*

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. CARLISLE MOVED** that the conference committee report on Engrossed SB 2010 as printed on HJ page 1501 be adopted, which motion prevailed on a voice vote.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. THORESON MOVED** that the conference committee report on SB 2011 as printed on HJ page 1513 be adopted, which motion prevailed on a voice vote.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. CARLSON MOVED** that the conference committee report on Engrossed SB 2016 as printed on HJ pages 1513-1516 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2016, as amended, was placed on the Fourteenth order.

**SECOND READING OF SENATE BILL**

**SB 2016:** A BILL for an Act to provide an appropriation for defraying the expenses of the office of the adjutant general; to provide for a transfer; to provide statements of legislative intent; to provide for a legislative council study; and to amend and reenact section 6 of chapter 17 of the 2005 Session Laws, relating to the payment of adjusted compensation to veterans.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 92 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; Damschen; DeKrey; Delmore; Dietrich; Dosch; Drovda; Ekstrom; Froelich; Froseth; Glassheim; Grande; Griffin; Gruchalla; Gulleon; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Hunsdor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Myxter; Nelson; Nottestad; Onstad; Owens; Pietsch; Pollert; Porter; Potter; Price; Ruby; Schmidt;

Schneider; Skarphol; Solberg; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vig; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wolf; Wrangham; Zaiser; Speaker Delzer

**ABSENT AND NOT VOTING:** Kerzman; Pinkerton

Engrossed SB 2016, as amended, passed and the title was agreed to.

\*\*\*\*\*

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

**REP. WALD MOVED** that the conference committee report on Engrossed SB 2017 as printed on HJ pages 1693-1695 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2017, as amended, was placed on the Fourteenth order.

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

**SB 2017:** A BILL for an Act to provide an appropriation for defraying the expenses of the game and fish department; to provide for a statement of legislative intent; to provide for a report to the legislative council; to provide for a study; and to declare an emergency.

#### **ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 89 YEAS, 2 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; Damschen; DeKrey; Delmore; Dietrich; Dosch; Ekstrom; Froseth; Glassheim; Grande; Griffin; Gruchalla; Guleson; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Hofstad; Hunskor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Monson; Mueller; Myxter; Nelson; Nottestad; Onstad; Owens; Pietsch; Pinkerton; Pollert; Porter; Potter; Price; Ruby; Schmidt; Schneider; Skarphol; Solberg; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vig; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wolf; Wrangham; Zaiser; Speaker Delzer

**NAYS:** Drovdal; Meyer, S.

**ABSENT AND NOT VOTING:** Froelich; Herbel; Kerzman

Engrossed SB 2017, as amended, passed, the title was agreed to, and the emergency clause was declared carried.

\*\*\*\*\*

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

**REP. MARTINSON MOVED** that the conference committee report on SB 2018 as printed on HJ pages 1695-1698 be adopted, which motion prevailed on a voice vote.

SB 2018, as amended, was placed on the Fourteenth 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 88 YEAS, 3 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; Damschen; DeKrey; Delmore; Dietrich; Dosch; Drovdal; Ekstrom; Froelich; Froseth; Glassheim; Grande; Griffin; Gruchalla; Guleson; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Hofstad; Hunskor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kempenich; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Myxter; Nelson; Nottestad; Onstad; Owens; Pietsch; Pinkerton; Porter; Potter; Price; Ruby; Schmidt; Schneider; Skarphol; Solberg; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vig; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wolf; Wrangham

**NAYS:** Pollert; Zaiser; Speaker Delzer

**ABSENT AND NOT VOTING:** Herbel; Kelsh, S.; Kerzman

SB 2018, as amended, passed and the title was agreed to.

\*\*\*\*\*

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

**REP. WALD MOVED** that the conference committee report on Engrossed SB 2019 as printed on HJ pages 1539-1541 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2019, as amended, was placed on the Fourteenth order.

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

**SB 2019:** A BILL for an Act to provide an appropriation for defraying the expenses of the parks and recreation department and the International Peace Garden; to provide contingent appropriations for the international music camp and boat ramp improvements; to provide for a transfer; to amend and reenact section 54-44.4-02 of the North Dakota Century Code, relating to state procurement; to provide for a report; and to declare an emergency.

#### **ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 90 YEAS, 3 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; DeKrey; Delmore; Dietrich; Dosch; Drovdal; Ekstrom; Froelich; Froseth; Glassheim; Grande; Griffin; Gruchalla; Gulletson; 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; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Myxter; Nelson; Nottestad; Onstad; Pietsch; Pinkerton; Pollert; Porter; Potter; Price; Schmidt; Schneider; Skarphol; Solberg; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vig; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wolf; Wrangham; Zaiser; Speaker Delzer

**NAYS:** Damschen; Owens; Ruby

**ABSENT AND NOT VOTING:** Kerzman

Engrossed SB 2019, as amended, passed, the title was agreed to, and the emergency clause was declared carried.

\*\*\*\*\*

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

**REP. CARLISLE MOVED** that the conference committee report on SB 2022 as printed on HJ page 1518 be adopted, which motion prevailed on a voice vote.

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

**REP. PORTER MOVED** that the conference committee report on Engrossed SB 2288 as printed on HJ pages 1699-1701 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2288, as amended, was placed on the Fourteenth order.

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

**SB 2288:** A BILL for an Act to provide for a biomass energy center; to create and enact a new chapter to title 54 of the North Dakota Century Code, relating to a renewable energy council and development fund; to amend and reenact sections 4-14.1-09 and 39-04-39 of the North Dakota Century Code, relating to ethanol and renewable fuels incentives and distribution of motor vehicle registration fees; to provide an appropriation; and to provide a continuing appropriation.

#### **ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 84 YEAS, 9 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; Damschen; DeKrey; Delmore; Dietrich; Drovdal; Ekstrom; Froelich; Glassheim; Grande; Griffin; Gruchalla; Gulleson; 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; Kroeber; Martinson; Meier, L.; Meyer, S.; Monson; Mueller; Myxter; Nelson; Nottestad; Onstad; Pietsch; Pinkerton; Pollert; Porter; Potter; Price; Ruby; Schmidt; Schneider; Skarphol; Solberg; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vig; Vigesaa; Wall; Weisz; Wieland; Williams; Wolf; Zaiser

**NAYS:** Bellew; Dosch; Froseth; Metcalf; Owens; Wald; Weiler; Wrangham; Speaker Delzer

**ABSENT AND NOT VOTING:** Kerzman

Engrossed SB 2288, as amended, passed and the title was agreed to.

\*\*\*\*\*

**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 1016, HB 1019, HB 1021, HB 1093, HB 1460.

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

**MR. PRESIDENT:** The House has adopted the conference committee report on: SB 2002, SB 2004, SB 2010, SB 2011, SB 2022.

**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 2005, SB 2008, SB 2009, SB 2016, SB 2017, SB 2019, SB 2256, SB 2288, SB 2309.

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

**MR. SPEAKER:** The President has appointed Sen. O'Connell to replace Sen. Tallackson on the Conference Committee on HB 1012.

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

**MR. SPEAKER:** The Senate has not adopted the conference committee report on: SB 2012.

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

**MR. SPEAKER:** The Senate has not adopted the conference committee report on: HB 1233.

**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 2032.

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

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: HB 1466.

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

**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently failed: SB 2392.

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

**MR. PRESIDENT:** The Speaker has signed: SB 2046, SB 2180, SB 2352, SCR 4038, SCR 4039.

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

**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1002, HB 1005, HB 1006, HB 1007, HB 1011, HB 1106, HB 1126, HB 1433.

**ANNOUNCEMENT**

**SPEAKER DELZER ANNOUNCED** that the House stand in recess until 5:30 p.m..

**THE HOUSE RECONVENED** pursuant to recess taken, with Speaker Delzer presiding.

**ANNOUNCEMENT**

**SPEAKER DELZER ANNOUNCED** that the House stand in recess until 6:00 p.m..



THE HOUSE RECONVENED pursuant to recess taken, with Speaker Delzer presiding.

#### ANNOUNCEMENT

**SPEAKER DELZER ANNOUNCED** that HB 1522 was referred to the **Appropriations Committee**.

#### FIRST READING OF SENATE CONCURRENT RESOLUTION

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

Was read the first time.

#### MOTION

**REP. MONSON MOVED** that the rules be suspended, that SCR 4037 not be referred to committee, but be read in its entirety, be printed in the Journal, and placed on the calendar for immediate second reading and final passage, which motion prevailed.

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

#### SENATE CONCURRENT RESOLUTION NO. 4037

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

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

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

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

**WHEREAS**, the North Dakota Sportfishing Congress and its constituent fishing, sportsmen's, and wildlife clubs have unanimously approved a resolution requesting the United States Army Corps of Engineers to modify its master plan to set aside specifically designated shore-fishing access areas along the shores of Lake Sakakawea and Lake Oahe; and

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

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

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

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

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

#### SECOND READING OF SENATE CONCURRENT RESOLUTION

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

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

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

\*\*\*\*\*

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The House has passed unchanged: SCR 4037.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1001, as engrossed:** Your conference committee (Sens. Christmann, Holmberg, Seymour and Reps. Carlson, Carlisle, Williams) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1471-1473, adopt amendments as follows, and place HB 1001 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1471-1473 of the House Journal and pages 1289-1291 of the Senate Journal and that Engrossed House Bill No. 1001 be amended as follows:

Page 1, line 2, replace "create and enact a new section to chapter 54-03 and a new section to" with "provide for a legislative council review"

Page 1, remove lines 3 and 4

Page 1, line 5, remove "including legislative intent items" and after "transfers" insert "; to provide an exception; to amend and reenact subdivision c of subsection 7 of section 54-03-20 and subsection 1 of section 54-35-10 of the North Dakota Century Code, relating to legislative leaders' monthly compensation and interim legislative council pay; to provide an effective date"

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

Page 2, line 12, replace "21,182" with "(19,342)"

Page 2, line 16, replace "4,540,893" with "4,664,904"

Page 2, line 18, replace "4,560,892" with "4,684,904"

Page 2, line 21, replace "702,547" with "603,058"

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

Page 2, line 25, replace "790,778" with "714,789"

Page 2, line 26, replace "5,351,670" with "5,349,693"

Page 2, line 28, replace "5,331,670" with "5,379,693"

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

Page 3, line 7, replace "3,038,955" with "2,998,431"

Page 3, line 11, replace "14,053,117" with "14,177,129"

Page 3, line 14, replace "5,907,752" with "5,808,263"

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

Page 3, line 17, replace "8,579,719" with "8,503,730"

Page 3, line 18, replace "22,632,836" with "22,680,859"

Page 3, line 31, replace "\$4,310,827" with "\$4,260,827"

Page 4, line 7, replace "400,000" with "350,000"

Page 4, line 8, replace "4,310,827" with "4,260,827"

Page 4, replace lines 19 through 31 with:

**"SECTION 7. COMMITTEE ROOM RENOVATION FUNDING - EXPENDITURE DETERMINATION.** Any expenditure of funds relating to \$100,000 of

the \$200,000 provided for committee room renovations in subdivision 1 of section 3 of this Act must be approved by a majority of the senate members of the legislative management committee. Any expenditures relating to the remaining \$100,000 for committee room renovations must be approved by a majority of the house of representatives members of the legislative management committee for the biennium beginning July 1, 2007, and ending June 30, 2009.

**SECTION 8. LEGISLATIVE COUNCIL - REVIEW OF STAFF SERVICES - FUTURE STAFFING NEEDS.** The legislative council shall review legislative council staff services during the 2007-08 interim for the purpose of determining future legislative staffing needs. The review must include the appropriateness of the current organizational structure as it relates to future staffing needs and address the potential effect of the information technology applications system and pending retirements on staffing needs, succession planning, and knowledge transfer. Recommendations for staffing and organizational changes must be reflected in the legislative council's 2009-11 budget request.

**SECTION 9. AMENDMENT.** Subdivision c of subsection 7 of section 54-03-20 of the North Dakota Century Code is amended and reenacted as follows:

- c. The majority and minority leaders of the house and senate and the chairman of the legislative council, if the chairman is not a majority or minority leader, are each entitled to receive as compensation, in addition to any other compensation or expense reimbursement provided by law, the sum of two hundred ~~fifty~~ sixty dollars per month during the biennium for their execution of public duties.

**SECTION 10. AMENDMENT.** Subdivision c of subsection 7 of section 54-03-20 of the North Dakota Century Code is amended and reenacted as follows:

- c. The majority and minority leaders of the house and senate and the chairman of the legislative council, if the chairman is not a majority or minority leader, are each entitled to receive as compensation, in addition to any other compensation or expense reimbursement provided by law, the sum of two hundred ~~sixty~~ seventy dollars per month during the biennium for their execution of public duties.

**SECTION 11. AMENDMENT.** Subsection 1 of section 54-35-10 of the North Dakota Century Code is amended and reenacted as follows:

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

**SECTION 12. ADDITIONAL LODGING REIMBURSEMENT FOR APRIL 2007 - LEGISLATIVE ASSEMBLY.** Notwithstanding the \$900 per calendar month lodging maximum provided in section 54-03-20 for members of the legislative assembly during a legislative session, a member of the sixtieth legislative assembly is entitled to lodging reimbursement as provided in section 44-08-04 for state officers and employees for each calendar day the sixtieth legislative assembly is in session during the month of April 2007.

**SECTION 13. EFFECTIVE DATE.** Section 9 of this Act becomes effective on July 1, 2007, section 10 of this Act becomes effective on July 1, 2008, and section 11 of this Act becomes effective on July 1, 2009."

Page 5, remove lines 1 though 13

ReNUMBER accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### House Bill No. 1001 - Summary of Conference Committee Action

Legislative Assembly						
Total all funds	\$13,918,501	\$14,053,117	\$124,012	\$14,177,129	\$14,127,129	\$50,000
Less estimated income						
General fund	\$13,918,501	\$14,053,117	\$124,012	\$14,177,129	\$14,127,129	\$50,000
Legislative Council						
Total all funds	\$8,298,218	\$8,579,719	(\$75,989)	\$8,503,730	\$8,503,730	\$0
Less estimated income						
General fund	\$8,298,218	\$8,579,719	(\$75,989)	\$8,503,730	\$8,503,730	\$0
Bill Total						
Total all funds	\$22,216,719	\$22,632,836	\$48,023	\$22,680,859	\$22,630,859	\$50,000
Less estimated income						
General fund	\$22,216,719	\$22,632,836	\$48,023	\$22,680,859	\$22,630,859	\$50,000

### House Bill No. 1001 - Legislative Assembly - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$6,691,021	\$6,691,021	\$164,536	\$6,855,557	\$6,855,557	
Operating expenses	2,904,339	3,038,955	(40,524)	2,998,431	2,948,431	\$50,000
Capital assets	206,000	206,000		206,000	206,000	
National Conference of State Legislatures	206,314	206,314		206,314	206,314	
Legislative applications replacements	3,910,827	3,910,827		3,910,827	3,910,827	
Total all funds	\$13,918,501	\$14,053,117	\$124,012	\$14,177,129	\$14,127,129	\$50,000
Less estimated income						
General fund	\$13,918,501	\$14,053,117	\$124,012	\$14,177,129	\$14,127,129	\$50,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

### Dept. 150 - Legislative Assembly - Detail of Conference Committee Changes

	REDUCES FUNDING FOR COMPUTERS <sup>1</sup>	ADDS MILEAGE FUNDING <sup>2</sup>	REMOVES FUNDING FOR PILOT PROJECT <sup>3</sup>	ADDS FUNDING FOR LEGISLATIVE PAY <sup>4</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages				\$164,536	\$164,536
Operating expenses	(\$50,000)	\$19,476	(\$10,000)		(40,524)
Capital assets					
National Conference of State Legislatures					
Legislative applications replacements					
Total all funds	(\$50,000)	\$19,476	(\$10,000)	\$164,536	\$124,012
Less estimated income					
General fund	(\$50,000)	\$19,476	(\$10,000)	\$164,536	\$124,012
FTE	0.00	0.00	0.00	0.00	0.00

<sup>1</sup> Funding added by the House for Legislative Assembly computer equipment is reduced to provide a total of \$350,000 from the general fund. The Senate version provided \$300,000.

<sup>2</sup> Funding is added for legislator mileage reimbursement during legislative sessions in accordance with provisions of House Bill No. 1107, the same as the Senate version.

<sup>3</sup> The funding and section added by the House providing for a personal communicator device pilot project are removed. The Senate also removed these items.

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

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

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

Sections added by the conference committee:

- Provide for a Legislative Council review of staff services and future staffing needs.
- Increase legislative leaders' additional compensation of \$250 per month by 4 percent for the first year of the biennium and by 3.85 percent for the second year.
- Increase legislator compensation for attending interim committee meetings to \$135 per day effective July 1, 2009.
- Allow additional lodging reimbursement for legislators for April 2007.

#### House Bill No. 1001 - Legislative Council - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$5,637,138	\$5,907,752	(\$99,489)	\$5,808,263	\$5,808,263	
Operating expenses	2,604,080	2,614,967	23,500	2,638,467	2,638,467	
Capital assets	<u>57,000</u>	<u>57,000</u>		<u>57,000</u>	<u>57,000</u>	
Total all funds	\$8,298,218	\$8,579,719	(\$75,989)	\$8,503,730	\$8,503,730	\$0
Less estimated income						
General fund	\$8,298,218	\$8,579,719	(\$75,989)	\$8,503,730	\$8,503,730	\$0
FTE	33.00	34.00	(1.00)	33.00	33.00	0.00

#### Dept. 160 - Legislative Council - Detail of Conference Committee Changes

	INCREASES EQUITY FUNDING 1	ADDS MILEAGE FUNDING 2	REMOVES NEW FISCAL POSITION 3	ADDS FUNDING FOR LEGISLATIVE PAY 4	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	\$18,000		(\$140,614)	\$23,125	(\$99,489)
Operating expenses		\$23,500			23,500
Capital assets					
Total all funds	\$18,000	\$23,500	(\$140,614)	\$23,125	(\$75,989)
Less estimated income					
General fund	\$18,000	\$23,500	(\$140,614)	\$23,125	(\$75,989)
FTE	0.00	0.00	(1.00)	0.00	(1.00)

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

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

3 The new fiscal staff position added by the House is removed. The Senate also removed this position.

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

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

Engrossed HB 1001 was placed on the Seventh order of business on the calendar.

#### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**REP. CARLSON MOVED** that the conference committee report on Engrossed HB 1001 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1001, as amended, was placed on the Eleventh order.

#### SECOND READING OF HOUSE BILL

**HB 1001:** A BILL for an Act providing an appropriation for defraying the expenses of the legislative branch of state government; to provide for a legislative council review; to provide for transfers; to provide an exception; to amend and reenact subdivision c of subsection 7 of section 54-03-20 and subsection 1 of section 54-35-10 of the North Dakota Century Code, relating to legislative leaders' monthly compensation and interim legislative council pay; to provide an effective date; and to declare an emergency.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 85 YEAS, 6 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; Damschen; DeKrey; Delmore; Dietrich; Dosch; Drovda; Ekstrom; Froseth; Glassheim; Grande; Griffin; Gruchalla; Gulletson; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Hofstad; Hunsaker; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Meyer, S.; Monson; Myxter; Nelson; Nottestad; Onstad; Owens; Pietsch; Pinkerton; Pollert; Porter; Potter; Price; Ruby; Schmidt; Skarphol; Solberg; Sukut; Svedjan; Thorpe; Uglem; Vig; Vigasaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wolf; Speaker Delzer

**NAYS:** Froelich; Metcalf; Mueller; Schneider; Thoreson; Wrangham

**ABSENT AND NOT VOTING:** Herbel; Kerzman; Zaiser

Reengrossed HB 1001 passed, the title was agreed to, and the emergency clause was declared carried.

\*\*\*\*\*

**REPORT OF CONFERENCE COMMITTEE**

**SB 2014:** Your conference committee (Sens. Fischer, Grindberg, O'Connell and Reps. Bellew, Kreidt, Ekstrom) recommends that the **HOUSE RECEDE** from the House amendments on SJ page 1504 and place SB 2014 on the Seventh order.

SB 2014 was placed on the Seventh order of business on the calendar.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. BELLEW MOVED** that the conference committee report on SB 2014 be adopted, which motion prevailed on a voice vote.

SB 2014 was placed on the Fourteenth order.

**SECOND READING OF SENATE BILL**

**SB 2014:** A BILL for an Act to provide an appropriation for defraying the expenses of the committee on protection and advocacy; and to provide legislative intent.

**ROLL CALL**

The question being on the final passage of the bill, which has been read, the roll was called and there were 84 YEAS, 8 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; Damschen; DeKrey; Delmore; Dietrich; Dosch; Drovda; Ekstrom; Froelich; Froseth; Glassheim; Grande; Griffin; Gruchalla; Gulletson; Haas; Hanson; Hatlestad; Hawken; Heller; Hofstad; Hunsaker; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Myxter; Nelson; Nottestad; Onstad; Owens; Pietsch; Pinkerton; Porter; Potter; Price; Schmidt; Schneider; Skarphol; Solberg; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vig; Vigasaa; Wald; Wall; Weisz; Williams; Wolf; Zaiser

**NAYS:** Bellew; Headland; Pollert; Ruby; Weiler; Wieland; Wrangham; Speaker Delzer

**ABSENT AND NOT VOTING:** Herbel; Kerzman

SB 2014 passed and the title was agreed to.

\*\*\*\*\*

**MOTION**

**REP. MONSON MOVED** that HB 1233 be moved to the top of the calendar, which motion prevailed.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1233, as engrossed:** Your conference committee (Sens. Tollefson, Oehlke, Anderson and Reps. Brandenburg, Headland, S. Kelsh) recommends that the **SENATE RECEDE** from

the Senate amendments on HJ pages 1154-1155, adopt amendments as follows, and place HB 1233 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1154 and 1155 of the House Journal and page 1023 of the Senate Journal and that Engrossed House Bill No. 1233 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact section 57-38-01.8 of the North Dakota Century Code, relating to assignment of a wind energy device installation tax credit; and to provide an effective date.

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

**SECTION 1. AMENDMENT.** Section 57-38-01.8 of the North Dakota Century Code is amended and reenacted as follows:

**57-38-01.8. Income tax credit for installation of geothermal, solar, or wind energy devices.**

1. Any taxpayer filing a North Dakota income tax return pursuant to the provisions of this chapter may claim a credit for the cost of a geothermal, solar, or wind energy device installed before January 1, 2011, in a building or on property owned or leased by the taxpayer in North Dakota. The credit provided in this section for a device installed before January 1, 2001, must be in an amount equal to five percent per year for three years, and for a device installed after December 31, 2000, must be in an amount equal to three percent per year for five years of the actual cost of acquisition and installation of the geothermal, solar, or wind energy device and must be subtracted from any income tax liability of the taxpayer as determined pursuant to the provisions of this chapter.
2. For the purposes of this section:
  - a. "Geothermal energy device" means a system or mechanism or series of mechanisms designed to provide heating or cooling or to produce electrical or mechanical power, or any combination of these, by a method which extracts or converts the energy naturally occurring beneath the earth's surface in rock structures, water, or steam.
  - b. "Solar or wind energy device" means a system or mechanism or series of mechanisms designed to provide heating or cooling or to produce electrical or mechanical power, or any combination of these, or to store any of these, by a method which converts the natural energy of the sun or wind.
3. If a geothermal, solar, or wind energy device is a part of a system which uses other means of energy, only that portion of the total system directly attributable to the cost of the geothermal, solar, or wind energy device may be included in determining the amount of the credit. The costs of installation may not include costs of redesigning, remodeling, or otherwise altering the structure of a building in which a geothermal, solar, or wind energy device is installed.
4. A partnership, subchapter S corporation, limited partnership, limited liability company, or any other passthrough entity that installs a geothermal, solar, or wind energy device in a building or on property owned or leased by the passthrough entity must be considered to be the taxpayer for purposes of this section, and the amount of the credit allowed with respect to the entity's investments must be determined at the passthrough entity level. The amount of the total credit determined at the entity level must be passed through to the partners, shareholders, or members in proportion to their respective interests in the passthrough entity.
5. If a taxpayer entitled to the credit provided by this section is a member of a group of corporations filing a North Dakota consolidated tax return using the combined reporting method, the credit may be claimed against the aggregate North Dakota tax liability of all of the corporations included in the North Dakota consolidated return.

6. The credit allowed under this section may not exceed the liability for tax under this chapter. If the amount of credit determined under this section exceeds the liability for tax under this chapter, the excess may be used as a credit carryover to each of the five succeeding taxable years.
7. All or part of the unused credit allowed under this section may be sold, assigned, or otherwise transferred by the taxpayer to the purchaser of the power generated by the device as part of the consideration in a power purchase agreement, or to any North Dakota taxpayer that constructs or expands an electricity transmission line in North Dakota after August 1, 2007. The taxpayer receiving the assignment of the credit is entitled to claim the credit against that taxpayer's tax liability under this chapter beginning with the tax year in which the power purchase agreement or the tax credit purchase agreement was fully executed by the parties and the geothermal, solar, or wind energy device is installed. If the credit is transferred to an entity that constructs or expands transmission lines, the amount of credit claimed by that entity in any taxable year may not exceed the actual cost of acquisition and installation of the transmission lines constructed in North Dakota for that taxable year.
  - a. A purchaser of the tax credit must claim the credit beginning with the tax year in which the purchase agreement is fully executed by the parties and the geothermal, solar, or wind energy device is installed. A purchaser of a tax credit under this section has only the right to claim and use the credit under the terms that would have applied to the tax credit transferor, except that in the case of a credit that is sold, assigned, or otherwise transferred by the taxpayer to the tax credit transferor, the credit allowed under this section may not exceed sixty percent of the liability for tax of the tax credit purchaser under this chapter. This subsection does not limit the ability of the tax credit purchaser to reduce the tax liability of the purchaser, regardless of the actual tax liability of the tax credit transferor.
  - b. The tax credit transferor may sell the credit to only one tax credit purchaser each taxable year. The tax credit purchaser may not sell, assign, or otherwise transfer the credit purchased under the purchase agreement.
  - c. If the taxpayer elects to sell, assign, or otherwise transfer an excess credit under this subsection, the tax credit transferor and the tax credit purchaser shall file jointly with the tax commissioner a copy of the purchase agreement affecting the tax credit transfer and a statement containing the name, address, and taxpayer identification number of any party to the transfer; the total installed cost of the qualifying geothermal, solar, or wind energy device; the amount of the credit being transferred; the gross proceeds received by the transferor; and the tax year for which the credit may be claimed. The purchase agreement must state clearly the purchase price associated with the tax credit sold. The taxpayer and the purchaser also shall file a document allowing the tax commissioner to disclose tax information to either party for the purpose of verifying the correctness of the transferred tax credit. The purchase agreement, supporting statement, and confidentiality waiver must be filed within thirty days after the date the purchase agreement is fully executed. The tax commissioner may audit the returns and assess or issue refunds, notwithstanding any other time limitation prescribed under law which may have expired for the purchaser.
  - d. If the amount of the credit available under this section is changed as a result of an amended return filed by the transferor or as the result of an audit conducted by the internal revenue service or the tax commissioner, the transferor shall report to the purchaser the adjusted credit amount within thirty days of the amended return or within thirty days of the final determination made by the internal revenue service or the tax commissioner. The tax credit purchaser shall file amended returns reporting the additional tax due or claiming a refund as provided in section 57-38-38 or 57-38-40.



- e. The total amount of credits that can be sold by all taxpayers is limited to three million dollars each biennium. This limit applies on the basis of the date of installation of the geothermal, solar, or wind energy device.
- f. Gross proceeds received under the purchase agreement by the tax credit transferor for the sale, assignment, or transfer of the tax credit must be allocated to North Dakota. The amount assigned under this subsection may not be reduced by the taxpayer's income apportioned to North Dakota or any North Dakota net operating loss of the taxpayer.
- g. Within four years after the date of the credit assignment, the tax commissioner may audit the returns of the credit transferor and the purchaser to verify the correctness of the amount of the transferred credit and, if necessary, assess the credit purchaser if additional tax is found due. This subdivision does not limit or restrict any other time period prescribed in this chapter for the assessment of tax.
- h. The tax commissioner may adopt rules to permit verification of the validity, timeliness, and limitations on the sale of the tax credit transferred under this section.

**SECTION 2. EFFECTIVE DATE.** This Act is effective for geothermal, solar, or wind energy devices installed after December 31, 2006."

Renumber accordingly

Engrossed HB 1233 was placed on the Seventh order of business on the calendar.

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

**REP. BRANDENBURG MOVED** that the conference committee report on Engrossed HB 1233 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1233, as amended, was placed on the Eleventh order.

#### **SECOND READING OF HOUSE BILL**

**HB 1233:** A BILL for an Act to amend and reenact section 57-38-01.8 of the North Dakota Century Code, relating to assignment of a wind energy device installation tax credit; and to provide an effective date.

#### **ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 84 YEAS, 7 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Belter; Berg; Boe; Boehning; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; Damschen; DeKrey; Delmore; Drovda; Ekstrom; Froelich; Froseth; Glassheim; Grande; Griffin; Gruchalla; Guleson; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Hofstad; Hunsakor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kempenich; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Myxter; Nelson; Nottestad; Onstad; Owens; Pietsch; Pollert; Porter; Potter; Price; Ruby; Schmidt; Schneider; Skarphol; Solberg; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vig; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wolf; Zaiser

**NAYS:** Bellew; Boucher; Dietrich; Dosch; Pinkerton; Wrangham; Speaker Delzer

**ABSENT AND NOT VOTING:** Herbel; Kelsh, S.; Kerzman

Reengrossed HB 1233 passed and the title was agreed to.

\*\*\*\*\*

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

**MR. SPEAKER:** The Senate has not adopted the conference committee report on: HB 1460.

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

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: HB 1016, HB 1019, HB 1093, HB 1311.

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

**MR. SPEAKER:** Your signature is respectfully requested on: SB 2200.

**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 1001, HB 1233.

**ANNOUNCEMENT**

**SPEAKER DELZER ANNOUNCED** that the House stand in recess until 8:00 p.m..

**THE HOUSE RECONVENED** pursuant to recess taken, with Speaker Delzer presiding.

**MOTION**

**REP. BERG MOVED** that the House Conference Committee on HB 1012 be referred back to Conference Committee, which motion prevailed.

**MOTION**

**REP. BERG MOVED** that Rep. Weisz be replaced by Rep. Skarphol on the House Conference Committee on HB 1012.

**REQUEST**

**REP. BERG REQUESTED** a recorded roll call vote, which request was granted.

**ROLL CALL**

The question being on the motion to replace Rep. Weisz with Rep. Skarphol on the House Conference Committee on HB 1012, the roll was called and there were 45 YEAS, 48 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Bellew; Belter; Berg; Boehning; Brandenburg; Carlisle; Carlson; Clark; Dahl; Dietrich; Dosch; Drovdal; Froseth; Grande; Haas; Hatlestad; Headland; Heller; Herbel; Kasper; Keiser; Kelsch, R.; Kempenich; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Meier, L.; Monson; Pietsch; Pollert; Porter; Ruby; Skarphol; Sukut; Svedjan; Thoreson; Uglem; Wald; Wall; Weiler; Wieland; Wrangham; Speaker Delzer

**NAYS:** Aarsvold; Amerman; Boe; Boucher; Charging; Conrad; Damschen; DeKrey; Delmore; Ekstrom; Froelich; Glassheim; Griffin; Gruchalla; Guleson; Hanson; Hawken; Hofstad; Hunsakor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kelsh, S.; Kingsbury; Kroeber; Martinson; Metcalf; Meyer, S.; Mueller; Myxter; Nelson; Nottestad; Onstad; Owens; Pinkerton; Potter; Price; Schmidt; Schneider; Solberg; Thorpe; Vig; Vigesaa; Weisz; Williams; Wolf; Zaiser

**ABSENT AND NOT VOTING:** Kerzman

The motion to replace Rep. Weisz with Rep. Skarphol on the House Conference Committee on HB 1012 failed.

**REPORT OF CONFERENCE COMMITTEE**

**SB 2030, as engrossed:** Your conference committee (Sens. G. Lee, Flakoll, Taylor and Reps. R. Kelsch, L. Meier, Mueller) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1214-1217, adopt amendments as follows, and place SB 2030 on the Seventh order:

That the House recede from its amendments as printed on pages 1214-1217 of the Senate Journal and pages 1247-1250 of the House Journal and that Engrossed Senate Bill No. 2030 be amended as follows:

Page 1, line 1, after "enact" insert "a new section to chapter 15.1-09," and after "15.1-09.1" insert ", and a new section to chapter 15.1-13"

Page 1, line 2, replace "area service providers" with "authorization for prekindergarten programs, regional education associations, and student teaching requirements" and after "sections" insert "12.1-06-05,"

Page 1, line 3, after "Code" insert "and section 28 of chapter 167 of the 2005 Session Laws" and after "to" insert "the renouncement of criminal intent,"

Page 1, line 4, replace "and" with a comma and after "managers" insert ", and contingent distributions of per student payments"

Page 1, line 5, remove the first "and" and after "15.1-27-40" insert ", and 54-35-21"

Page 1, line 6, after "agreements" insert "and the no child left behind statutory committee", remove "and", and after "provide" insert "for legislative council studies; to provide"

Page 1, line 7, after "council" insert "; to provide an effective date; and to declare an emergency"

Page 1, after line 8, insert:

**"SECTION 1. AMENDMENT.** Section 12.1-06-05 of the North Dakota Century Code, as amended by section 1 of Senate Bill No. 2262, as approved by the sixtieth legislative assembly, is amended and reenacted as follows:

**12.1-06-05. General provisions.**

1. The definition of an offense in sections 12.1-06-01 to 12.1-06-04 does not apply to another offense also defined in sections 12.1-06-01 to 12.1-06-04.
2. Whenever "attempt" or "conspiracy" is made an offense outside this chapter, it means attempt or conspiracy, as the case may be, as defined in this chapter.
3.
  - a. Other than as provided in subsection 4, in a prosecution under section 12.1-06-01, it is an affirmative defense that, under circumstances manifesting a voluntary and complete renunciation of criminal intent, the defendant avoided the commission of the crime attempted by abandoning any criminal effort and, if mere abandonment was insufficient to accomplish such avoidance, by taking further and affirmative steps which prevented the commission thereof.
  - b. Other than as provided in subsection 4, in a prosecution under section 12.1-06-03 or 12.1-06-04, it is an affirmative defense that, under circumstances manifesting a voluntary and complete renunciation of criminal intent, the defendant prevented the commission of the crime solicited or of the crime or crimes contemplated by the conspiracy.
  - c. A renunciation is not "voluntary and complete" within the meaning of this section if it is motivated in whole or in part by (1) a belief that a circumstance exists which increases the probability of detection or apprehension of the defendant or another participant in the criminal operation, or which makes more difficult the consummation of the crime, or (2) a decision to postpone the criminal conduct until another time or to substitute another victim, or another but similar objective.
4. An individual ~~under the age of twenty-one~~ is immune from prosecution under this chapter if:
  - a. The individual voluntarily and completely renounced the individual's criminal intent;
  - b. The individual is a student enrolled in an elementary school, middle school, or a high school in this state or is enrolled at an institution of higher education in this state;
  - c. The offense would have resulted in:
    - (1) Harm to another student enrolled in an elementary school, middle school, or a high school in this state;
    - (2) Harm to another student enrolled in an institution of higher education in this state;
    - (3) Harm to an employee of a school district or a nonpublic school in this state; ~~or~~
    - ~~(3)~~ (4) Harm to an employee of an institution of higher education in this state; or

(5) ~~Damage to a school building or school property of a school district in this state or property of an institution of higher education in this state; and~~

d. The renunciation was given to a law enforcement officer ~~or~~ to an administrator of a school or school district in this state, ~~or to an official of an institution of higher education in this state~~ before any harm to others or damage to property occurs."

Page 1, line 13, replace "area service providers" with "regional education associations"

Page 1, line 15, replace "area service providers" with "regional education associations"

Page 4, after line 4, insert:

**"SECTION 5.** A new section to chapter 15.1-09 of the North Dakota Century Code is created and enacted as follows:

**Prekindergarten program - Authorization - Support.** The board of a school district may establish a prekindergarten program and may receive and expend any state moneys specifically appropriated for the program, any federal funds specifically appropriated or approved for the program, and any gifts, grants, and donations specifically given for the program."

Page 4, line 7, replace "area service provider" with "regional education association"

Page 4, line 11, replace "**Area service provider**" with "**Regional education association**"

Page 4, line 13, replace "an area service provider" with "a regional education association"

Page 5, line 1, replace "area service providers" with "regional education associations"

Page 5, line 2, replace "area service providers from providing" with "regional education associations to provide"

Page 5, line 9, replace "an area service provider" with "a regional education association"

Page 5, line 12, replace "an area service provider" with "a regional education association"

Page 5, line 15, replace "an area service provider" with "a regional education association"

Page 6, line 19, replace "an area service provider" with "a regional education association"

Page 7, line 9, replace "area service provider" with "regional education association"

Page 7, line 11, replace "area service provider" with "regional education association"

Page 7, line 12, replace "area service provider" with "regional education association"

Page 7, line 13, replace "area service provider" with "regional education association"

Page 7, line 14, remove "area service"

Page 7, line 15, remove "provider"

Page 7, line 16, replace "**Area service providers**" with "**Regional education association**"

Page 7, line 17, replace "An area service provider" with "A regional education association"

Page 7, line 20, replace "**Area service providers**" with "**Regional education association**"

Page 7, line 21, replace "An area service provider" with "A regional education association"

Page 7, line 28, replace "**Area service providers**" with "**Regional education association**"

Page 7, line 29, replace "An area service provider" with "A regional education association"

Page 7, after line 31, insert:

**"15.1-09.1-06. Regional education associations - Receipt and use of moneys.** The board of a regional education association may receive and expend moneys for the provision of administrative functions, student services, and any other lawful activities."

Page 8, line 1, replace "**15.1-09.1-06**" with "**15.1-09.1-07**" and replace "an area" with "a regional education association"

Page 8, line 2, remove "service provider"

Page 8, line 3, replace "provider's" with "association's"

Page 8, line 4, replace "provider's" with "association's"

Page 8, line 5, replace "**15.1-09.1-07. Area service provider**" with "**15.1-09.1-08. Regional education association**"

Page 8, line 6, replace "an area service provider" with "a regional education association"

Page 8, line 8, replace "provider" with "association"

Page 8, line 10, replace "area service" with "regional education association"

Page 8, line 11, remove "provider" and replace "provider's" with "association's"

Page 8, line 12, replace "**15.1-09.1-08**" with "**15.1-09.1-09**"

Page 8, line 13, replace "an area service provider" with "a regional education association"

Page 8, line 18, replace "**15.1-09.1-09**" with "**15.1-09.1-10**" and replace "**area service provider**" with "**a regional education association**"

Page 8, line 21, replace "an area service provider" with "a regional education association" and replace "area service provider of" with "association in"

Page 8, line 22, replace "is a member" with "participates"

Page 8, line 27, replace "an area service provider" with "a regional education association"

Page 8, after line 29, insert:

**"SECTION 7.** A new section to chapter 15.1-13 of the North Dakota Century Code is created and enacted as follows:

**Student teaching requirements - Teachers licensed in other states.** If an individual who is or was licensed to teach in another state applies for a license to teach in this state, the education standards and practices board may not impose on the individual any student teaching requirements as a condition of licensure. This section is applicable to an individual who graduated from a state-approved regular education program but not to an individual who completed an alternative education program as a condition of licensure."

Page 9, line 4, replace "an area service provider" with "a regional education association"

Page 9, after line 18, insert:

**"SECTION 10. AMENDMENT.** Section 28 of chapter 167 of the 2005 Session Laws is amended and reenacted as follows:

**SECTION 28. CONTINGENCY.** If any moneys appropriated for per student payments and transportation payments in the grants - state school aid line item in House Bill No. 1013, as approved by the fifty-ninth legislative assembly, remain after payment of all statutory obligations for per student and transportation payments during the biennium beginning July 1, 2005, and ending June 30, 2007, and after the superintendent of public instruction has fulfilled any directives contained in section 27 of this Act, the superintendent shall distribute the remaining moneys as follows:

1. The superintendent of public instruction shall use the first \$450,000, or so much of that amount as may be necessary, to provide additional payments

to school districts serving English language learners in accordance with section 15.1-27-12.

2. The superintendent of public instruction shall use the next \$1,000,000, or so much of that amount as may be necessary, for the purpose of providing additional ~~per student~~ payments to school districts participating in eligible educational associations in accordance with section 32 of this Act.
  - a. The superintendent of public instruction shall distribute during the 2007-09 biennium \$45,000, or so much of that amount as may be necessary, as grants in the amount of five thousand dollars each to any educational association that commits to the development and implementation of a teacher mentoring program for first-year, second-year, and third-year teachers employed by school districts participating in the association. If any of this amount remains after meeting the requirements of this subdivision, the superintendent shall distribute those funds as additional per student payments on a prorated basis to school districts participating in educational associations.
  - b. The superintendent of public instruction shall distribute \$955,000, or so much of the sum as may be necessary, as additional per student payments to school districts participating in eligible educational associations as provided in section 32 of chapter 167 of the 2005 Session Laws.
3. The superintendent of public instruction shall use the remainder of the moneys to provide additional per student payments on a prorated basis according to the latest available average daily membership of each school district.

**SECTION 11. LEGISLATIVE COUNCIL STUDY - HIGH SCHOOL CURRICULA.** The legislative council shall consider studying, during the 2007-08 interim, the appropriateness and adequacy of high school curricula, with respect to preparing students for higher education and for the workplace. The study should examine curricular changes implemented in other states and expectations placed on students in other countries. 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 12. LEGISLATIVE COUNCIL STUDY - SERVICES TO ENGLISH LANGUAGE LEARNERS.** The legislative council shall consider studying, during the 2007-08 interim, the delivery of services to English language learners, including federal requirements, instructional options, assistance from the private sector, and the short-term and long-term budgetary impacts on the school districts and taxpayers of the state. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

**SECTION 13. LEGISLATIVE COUNCIL STUDY - REAUTHORIZATION OF THE NO CHILD LEFT BEHIND ACT.** The legislative council shall consider studying, during the 2007-08 interim, the reauthorization of the No Child Left Behind Act, including the effect of proposed changes on the students, teachers, and school districts of this state, the manner in which state assessments are conducted, the reporting and utilization of assessment results, and the performance of North Dakota students. 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 14. LEGISLATIVE COUNCIL STUDY - AFTERSCHOOL PROGRAMS.** The legislative council shall consider studying, during the 2007-08 interim, federally funded afterschool programs being offered to North Dakota students, including the content of the programs, applicable regulations, targeted students, and the direct and indirect costs and benefits of the programs. 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 15. LEGISLATIVE COUNCIL STUDY - TEACHER MENTORING.** The legislative council shall consider studying, during the 2007-08 interim, the feasibility and desirability of supporting teacher mentoring programs in urban and rural school

districts and the most effective and efficient ways teacher mentoring programs could be implemented and delivered, including consideration of the identification and preparation of mentors and the styles, strategies, and professional development needs that would assist novice teachers in surviving, thriving, and ultimately deciding to consider teaching as a lifelong career. 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 16. LEGISLATIVE COUNCIL STUDY - REGIONAL EDUCATION ASSOCIATIONS.** The legislative council shall consider studying, during the 2007-08 interim, the short-term and long-term evolution of regional education associations and shall include the feasibility and desirability of regional education associations becoming political subdivisions; whether teachers should be employed directly by regional education associations, and whether that employment should include bargaining rights, contract renewal and nonrenewal provisions, participation in the teachers' fund for retirement, and participation in the state's uniform group insurance program; the impact that allowing regional education associations to hire teachers directly would have on the recruitment and retention of teachers currently employed by school districts and on teacher salary levels; whether teacher employment contracts, if offered by regional education associations, would have to parallel those of participating school districts with respect to common school calendars, annual or personal leave provisions, and other contractual benefits; the conduct of evaluations, if teachers are employed directly by regional education associations, including who will conduct the evaluations, their frequency, and the criteria upon which the evaluations are based; the organizational structure of regional education associations, including the qualifications of administrative or supervisory personnel; the governance structure of regional education associations; and state level oversight. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly."

Page 9, line 19, replace "**AREA SERVICE PROVIDERS**" with "**REGIONAL EDUCATION ASSOCIATIONS**"

Page 9, line 20, remove "**GOVERNED BY JOINT POWERS AGREEMENTS**"

Page 9, line 22, replace "area service provider" with "regional education association"

Page 9, line 24, replace "area service provider" with "regional education association"

Page 9, line 25, replace "area service providers" with "regional education associations"

Page 9, line 30, remove "and" and after "15.1-27-40" insert ", and 54-35-21"

Page 9, after line 31, insert:

**"SECTION 19. EFFECTIVE DATE.** Sections 2 through 9 and sections 11 through 18 of this Act become effective on July 1, 2007.

**SECTION 20. EMERGENCY.** This Act is declared to be an emergency measure."

Renumber accordingly

Engrossed SB 2030 was placed on the Seventh order of business on the calendar.

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

**REP. R. KELSCH MOVED** that the conference committee report on Engrossed SB 2030 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2030, as amended, was placed on the Fourteenth order.

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

**SB 2030:** A BILL for an Act to create and enact a new section to chapter 15.1-09, chapter 15.1-09.1, and a new section to chapter 15.1-13 of the North Dakota Century Code, relating to authorization for prekindergarten programs, regional education associations, and student teaching requirements; to amend and reenact sections 12.1-06-05, 15.1-02-08, 15.1-07-23, 15.1-09-33, 15.1-32-08, and 15.1-33-02 of the North Dakota Century Code and section 28 of chapter 167 of the 2005 Session Laws, relating to the renouncement of criminal intent, accounting procedures, school district business managers, and contingent distributions of per student payments; to repeal sections

15.1-07-28, 15.1-07-30, 15.1-27-40, and 54-35-21 of the North Dakota Century Code, relating to criteria for and expenditures by educational associations governed by joint powers agreements and the no child left behind statutory committee; to provide for legislative council studies; to provide for a report to the legislative council; to provide an effective date; and to declare an emergency.

### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 71 YEAS, 22 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Bellew; Berg; Boe; Boehning; Boucher; Brandenburg; Carlson; Charging; Clark; Conrad; Dahl; DeKrey; Delmore; Dietrich; Ekstrom; Glassheim; Grande; Griffin; Gruchalla; Gulleson; Haas; Hanson; Hatlestad; Hawken; Herbel; Hofstad; Hunsakor; Johnson, D.; Johnson, N.; Kaldor; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kingsbury; Klein; Klemin; Koppelman; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Myxter; Nelson; Nottestad; Onstad; Owens; Pietsch; Pinkerton; Porter; Potter; Price; Schmidt; Schneider; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vig; Wall; Weisz; Williams; Wolf; Zaiser

**NAYS:** Belter; Carlisle; Damschen; Dosch; Drovdal; Froelich; Froseth; Headland; Heller; Karls; Kempenich; Kreidt; Pollert; Ruby; Skarphol; Solberg; Vigesaa; Wald; Weiler; Wieland; Wrangham; Speaker Delzer

**ABSENT AND NOT VOTING:** Kerzman

Engrossed SB 2030, as amended, passed, the title was agreed to, and the emergency clause was declared carried.

\*\*\*\*\*

### MOTION

**REP. MONSON MOVED** that HB 1003 be moved to the top of the Seventh order, which motion prevailed.

### REPORT OF CONFERENCE COMMITTEE

**HB 1003, as engrossed:** Your conference committee (Sens. Holmberg, Christmann, Robinson and Reps. Wald, Monson, Aarsvold) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1346-1357, adopt amendments as follows, and place HB 1003 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1346-1357 of the House Journal and pages 1025-1035 of the Senate Journal and that Engrossed House Bill No. 1003 be amended as follows:

Page 1, line 3, remove "to provide for"

Page 1, line 4, remove "a transfer;"

Page 1, line 6, replace "sections 1 and 2 of House Bill No. 1031, as" with "section 15-12-27 of the North Dakota Century Code, relating to North Dakota state university's eighteenth street development fund"

Page 1, line 7, remove "approved by the sixtieth legislative assembly, relating to the budgeting process"

Page 5, replace lines 5 through 31 with:

**"SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION.** The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the North Dakota university system office and to the various entities and institutions under the supervision of the state board of higher education which are included in the appropriation in section 3 of this Act as follows:

Subdivision 1.

NORTH DAKOTA UNIVERSITY SYSTEM OFFICE AND INSTITUTIONS

Capital assets	\$2,225,971
Competitive research program	460,000
Board initiatives	(1,486,500)
System governance	314,972



Common information services	10,914,000
Operations pool	(388,559)
Equity pool	(2,000,000)
Contingency and capital emergency	(436,923)
Professional liability insurance	(250,000)
Student financial assistance grants	2,483,095
Professional student exchange program	595,666
Scholars program	616,489
Native American scholarships	128,638
Education incentive programs	<u>512,412</u>
Total all funds - Adjustments/enhancements	\$13,689,261
Less estimated income - Adjustments/enhancements	<u>2,817,754</u>
Total general fund - Adjustments/enhancements	\$10,871,507

## Subdivision 2.

## BISMARCK STATE COLLEGE

Operations	\$2,719,759
Capital assets	<u>2,707,161</u>
Total all funds - Adjustments/enhancements	\$5,426,920
Less estimated income - Adjustments/enhancements	<u>1,988,750</u>
Total general fund - Adjustments/enhancements	\$3,438,170

## Subdivision 3.

## LAKE REGION STATE COLLEGE

Operations	\$1,072,401
Capital assets	<u>2,745,667</u>
Total all funds - Adjustments/enhancements	\$3,818,068
Less estimated income - Adjustments/enhancements	<u>3,007,600</u>
Total general fund - Adjustments/enhancements	\$810,468

## Subdivision 4.

## WILLISTON STATE COLLEGE

Operations	\$819,714
Capital assets	<u>(5,879,277)</u>
Total all funds - Adjustments/enhancements	(\$5,059,563)
Less estimated income - Adjustments/enhancements	<u>(5,660,000)</u>
Total general fund - Adjustments/enhancements	\$600,437

## Subdivision 5.

## UNIVERSITY OF NORTH DAKOTA

Operations	\$13,655,628
Capital assets	<u>(18,303,224)</u>
Total all funds - Adjustments/enhancements	(\$4,647,596)
Less estimated income - Adjustments/enhancements	<u>(23,911,554)</u>
Total general fund - Adjustments/enhancements	\$19,263,958

## Subdivision 6.

## NORTH DAKOTA STATE UNIVERSITY

Operations	\$13,115,343
Capital assets	<u>4,016,935</u>
Total all funds - Adjustments/enhancements	\$17,132,278
Less estimated income - Adjustments/enhancements	<u>(3,000,000)</u>
Total general fund - Adjustments/enhancements	\$20,132,278

## Subdivision 7.

## NORTH DAKOTA STATE COLLEGE OF SCIENCE

Operations	\$2,544,966
Capital assets	<u>1,198,613</u>
Total all funds - Adjustments/enhancements	\$3,743,579
Less estimated income - Adjustments/enhancements	<u>565,500</u>
Total general fund - Adjustments/enhancements	\$3,178,079

## Subdivision 8.

## DICKINSON STATE UNIVERSITY

Operations	\$2,017,745
Capital assets	<u>(465,484)</u>
Total all funds - Adjustments/enhancements	\$1,552,261
Less estimated income - Adjustments/enhancements	<u>(1,100,557)</u>
Total general fund - Adjustments/enhancements	\$2,652,818

## Subdivision 9.

## MAYVILLE STATE UNIVERSITY

Operations	\$1,037,261
Capital assets	130,969
Total all funds - Adjustments/enhancements	\$1,168,230
Less estimated income - Adjustments/enhancements	(600,000)
Total general fund - Adjustments/enhancements	\$1,768,230

## Subdivision 10.

## MINOT STATE UNIVERSITY

Operations	\$2,652,994
Capital assets	367,024
Total all funds - Adjustments/enhancements	\$3,020,018
Less estimated income - Adjustments/enhancements	(7,128,385)
Total general fund - Adjustments/enhancements	\$10,148,403

## Subdivision 11.

## VALLEY CITY STATE UNIVERSITY

Operations	\$1,443,234
Capital assets	2,487,819
Total all funds - Adjustments/enhancements	\$3,931,053
Less estimated income - Adjustments/enhancements	2,200,000
Total general fund - Adjustments/enhancements	\$1,731,053

## Subdivision 12.

## MINOT STATE UNIVERSITY - BOTTINEAU

Operations	\$389,302
Capital assets	(5,699,023)
Total all funds - Adjustments/enhancements	(\$5,309,721)
Less estimated income - Adjustments/enhancements	(5,748,000)
Total general fund - Adjustments/enhancements	\$438,279

## Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE  
AND HEALTH SCIENCES

Operations	\$2,868,187
Total general fund - Adjustments/enhancements	\$2,868,187

## Subdivision 14.

## NORTH DAKOTA FOREST SERVICE

Operations	\$409,473
Capital assets	78,566
Total all funds - Adjustments/enhancements	\$488,039
Less estimated income - Adjustments/enhancements	22,485
Total general fund - Adjustments/enhancements	\$465,554
Total general fund - Section 2	\$78,367,421
Total estimated income - Section 2	(\$36,546,407)
Total all funds - Section 2	\$41,821,014

**SECTION 3. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the North Dakota university system office and the various entities and institutions under the supervision of the state board of higher education for the purpose of defraying the expenses of those entities and institutions, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

## Subdivision 1.

## NORTH DAKOTA UNIVERSITY SYSTEM OFFICE AND INSTITUTIONS

Capital assets	\$16,504,112
Competitive research program	5,650,000
Board initiatives	398,500
System governance	5,883,394
Title II	695,600
Common information services	31,477,093
Professional liability insurance	1,100,000
Student financial assistance grants	5,987,497
Professional student exchange program	2,722,946
Scholars program	1,478,566

Native American scholarships	380,626
Education incentive programs	<u>1,740,314</u>
Total all funds	\$74,018,648
Less estimated income	<u>5,417,530</u>
Total general fund appropriation	\$68,601,118

## Subdivision 2.

## BISMARCK STATE COLLEGE

Operations	\$19,585,307
Capital assets	<u>6,695,942</u>
Total all funds	\$26,281,249
Less estimated income	<u>5,734,050</u>
Total general fund appropriation	\$20,547,199

## Subdivision 3.

## LAKE REGION STATE COLLEGE

Operations	\$6,462,390
Capital assets	<u>3,133,204</u>
Total all funds	\$9,595,594
Less estimated income	<u>3,007,600</u>
Total general fund appropriation	\$6,587,994

## Subdivision 4.

## WILLISTON STATE COLLEGE

Operations	\$6,572,711
Capital assets	<u>2,257,198</u>
Total all funds	\$8,829,909
Less estimated income	<u>2,300,000</u>
Total general fund appropriation	\$6,529,909

## Subdivision 5.

## UNIVERSITY OF NORTH DAKOTA

Operations	\$106,207,230
Capital assets	<u>81,828,875</u>
Total all funds	\$188,036,105
Less estimated income	<u>73,920,000</u>
Total general fund appropriation	\$114,116,105

## Subdivision 6.

## NORTH DAKOTA STATE UNIVERSITY

Operations	\$88,919,993
Capital assets	<u>43,209,161</u>
Total all funds	\$132,129,154
Less estimated income	<u>34,500,000</u>
Total general fund appropriation	\$97,629,154

## Subdivision 7.

## NORTH DAKOTA STATE COLLEGE OF SCIENCE

Operations	\$27,531,794
Capital assets	<u>4,756,865</u>
Total all funds	\$32,288,659
Less estimated income	<u>3,370,420</u>
Total general fund appropriation	\$28,918,239

## Subdivision 8.

## DICKINSON STATE UNIVERSITY

Operations	\$16,729,372
Capital assets	<u>9,018,763</u>
Total all funds	\$25,748,135
Less estimated income	<u>8,000,000</u>
Total general fund appropriation	\$17,748,135

## Subdivision 9.

## MAYVILLE STATE UNIVERSITY

Operations	\$10,040,891
Capital assets	<u>1,989,963</u>
Total all funds	\$12,030,854
Less estimated income	<u>900,000</u>
Total general fund appropriation	\$11,130,854

## Subdivision 10.

## MINOT STATE UNIVERSITY

Operations	\$29,868,843
Capital assets	<u>9,578,894</u>
Total all funds	\$39,447,737
Less estimated income	<u>1,406,615</u>
Total general fund appropriation	\$38,041,122

## Subdivision 11.

## VALLEY CITY STATE UNIVERSITY

Operations	\$13,249,760
Capital assets	<u>2,996,235</u>
Total all funds	\$16,245,995
Less estimated income	<u>2,200,000</u>
Total general fund appropriation	\$14,045,995

## Subdivision 12.

## MINOT STATE UNIVERSITY - BOTTINEAU

Operations	\$4,723,762
Capital assets	<u>410,702</u>
Total all funds	\$5,134,464
Less estimated income	<u>252,000</u>
Total general fund appropriation	\$4,882,464

## Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE  
AND HEALTH SCIENCES

Operations	<u>\$34,229,189</u>
Total general fund appropriation	\$34,229,189

## Subdivision 14.

## NORTH DAKOTA FOREST SERVICE

Operations	\$3,335,119
Capital assets	<u>180,204</u>
Total all funds	\$3,515,323
Less estimated income	<u>997,486</u>
Total general fund appropriation	\$2,517,837
Total general fund appropriation - Section 3	\$465,525,314
Total estimated income appropriation - Section 3	\$142,005,701
Total all funds appropriation - Section 3	\$607,531,015
Grand total general fund appropriation - H.B. 1003	\$465,675,314
Grand total estimated income appropriation - H.B. 1003	\$164,719,701
Grand total all funds appropriation - H.B. 1003	\$630,395,015

**SECTION 4. APPROPRIATION.** There is appropriated out of any moneys in the general fund, not otherwise appropriated, the sum of \$150,000, or so much of the sum as may be necessary, to Dickinson state university for the purpose of providing one-time startup funding for establishing a Theodore Roosevelt center, for the biennium beginning July 1, 2007, and ending June 30, 2009."

Page 6, remove lines 1 through 31

Page 7, remove lines 1 through 30

Page 8, remove lines 1 through 30

Page 9, remove lines 1 through 30

Page 10, remove lines 1 through 31

Page 11, remove lines 1 through 30

Page 12, remove lines 1 through 23

Page 12, line 24, after "INITIATIVES" insert "- REPORT TO THE SIXTY-FIRST LEGISLATIVE ASSEMBLY", after "The" insert "board initiatives line item in subdivision 1 of section 3 of this Act includes the", and remove "of the funding included in"

Page 12, line 25, remove "the board initiatives line item in subdivision 1 of section 3 of this Act must be used"

Page 12, line 26, after "funds" insert "and the sum of \$98,500 for a recruiting initiative for Minot state university - Bottineau. The funding for the initiative is provided for a two-year pilot basis. Minot state university - Bottineau shall report on the effectiveness of the initiative to the appropriations committees of the sixty-first legislative assembly"

Page 13, remove lines 1 through 4

Page 13, line 5, replace "\$28,652,267" with "\$31,477,093"

Page 13, remove lines 14 through 18

Page 13, line 20, replace "\$1,000,000" with "\$750,000"

Page 13, line 25, replace "\$317,460" with "\$523,380"

Page 13, line 29, replace "\$900,000" with "\$7,783,315"

Page 13, line 30, after "fund" insert "of which \$2,773,800 is for northern tier network infrastructure, \$4,109,515 is for steamline projects at the state college of science, Valley City state university, and Minot state university - Bottineau, and \$900,000 is"

Page 16, remove lines 27 through 31

Page 17, line 1, after "**LIMIT**" insert "- **BUDGET SECTION APPROVAL**"

Page 17, line 4, after "year" insert "unless the board receives prior budget section approval"

Page 17, replace lines 5 through 31 with:

**"SECTION 19. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY.** The grand total appropriation in section 3 of this Act includes \$28,382,068 from the general fund and \$7,583,315 from the permanent oil tax trust fund for one-time funding items identified in this section. This amount is not part of the institutions' base budgets to be used in preparing the 2009-11 executive budget. The North Dakota university system 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.

Northern tier network infrastructure from permanent oil tax trust fund	\$2,773,800
ConnectND system support	2,300,000
Common information system pool parity funding	420,000
Deferred maintenance	10,893,033
Capital projects	13,808,235
Capital projects from permanent oil tax trust fund	4,809,515
Campus initiatives	<u>960,800</u>
Total	\$35,965,383"

Page 18, remove lines 1 through 15

Page 18, line 17, replace "make available" with "use"

Page 18, line 19, replace "the payment of any consulting services relating to the legislative" with "completing and furnishing the thatcher hall renovation and addition at Minot state university - Bottineau"

Page 18, line 20, remove "council study of higher education"

Page 18, after line 21, insert:

**"SECTION 21. LEGISLATIVE INTENT - NORTHERN TIER NETWORK.** It is the intent of the sixtieth legislative assembly that higher education institutions utilizing the northern tier network be responsible for funding the related ongoing maintenance costs for the network.

**SECTION 22. NORTH DAKOTA STATE UNIVERSITY - COLLEGE OF BUSINESS BUILDING.** The state board of higher education may enter an agreement or agreements with the North Dakota state university foundation or other private entity and do all things necessary and proper to authorize construction by the foundation or

other private entity of a college of business building off the North Dakota state university campus, using donations, gifts, or other private funds.

### **SECTION 23. LEGISLATIVE COUNCIL STUDY - HIGHER EDUCATION.**

1. The legislative council shall consider appointing a higher education committee for the 2007-08 interim. If appointed, the committee shall spend a majority of time studying the means by which the North Dakota university system can further contribute to developing and attracting the human capital to meet North Dakota's economic and workforce needs, and if time allows, the committee may visit select higher education institutions.
2. The study must focus on ways to increase postsecondary access, improve the quality of education, contain costs and other means, including productivity, to maximize the usage of the North Dakota university system in meeting the human capital needs of the state.
3. The study must include a review of policy recommendations, as appropriate, which address the postsecondary delivery system, including the mix of institutions, educational attainment gaps, degree production gaps, recruitment and retention of students, and workforce training needs.
4. The study must include a review of the impact of the state's changing demographics on the university system long-term financing plan.
5. The study must recommend goals for each of the higher education cornerstones.
6. The study may include the use of a higher education roundtable format.
7. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.
8. The state board of higher education also shall take the recommendations into account and make appropriate changes to practices, board policy, and budget needs and allocation.

**SECTION 24. LEGISLATIVE COUNCIL STUDY - PROFESSIONAL STUDENT EXCHANGE PROGRAMS.** The legislative council shall consider studying, during the 2007-08 interim, higher education professional student exchange programs. The study should include review of:

1. The amount of annual tuition and fees paid by students for health care-related professional education programs.
2. The amount of annual support fees paid by the state for health care-related professional education programs.
3. The number of state-supported slots funded and demand for state-supported slots, including the consideration of basing the number of slots on the estimated workforce needs to fill positions due to retirements, geographic, and professional specific service needs.
4. The present repayment provisions and loan forgiveness programs to determine cost-effectiveness, equality issues, and development of program enhancements that would aid in the recruitment of professional students to return to the state to practice their chosen profession.
5. Discontinuation of the contracts with the western interstate commission on higher education for access to veterinary medicine programs and consideration of negotiating contracts for veterinary medicine with Kansas, Iowa, and Minnesota.

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 25. LEGISLATIVE INTENT - BISMARCK FAMILY PRACTICE CENTER.** It is the intent of the sixtieth legislative assembly that the university of North

Dakota school of medicine and health sciences may construct, renovate, remodel, purchase, or lease a building for the Bismarck family practice center."

Page 20, line 9, replace "Sections 1 and 2 of House Bill No. 1031, as approved by the" with "Section 15-12-27 of the North Dakota Century Code is"

Page 20, line 10, remove "sixtieth legislative assembly, are"

Page 20, line 11, replace "25" with "27"

Page 20, line 14, replace the comma with "and"

Page 20, line 15, remove ", and contingency and capital emergency"

Page 20, line 16, replace "9" with "4, 8, 15, 16," and replace "15" with "22"

Renumber accordingly

## STATEMENT OF PURPOSE OF AMENDMENT:

### House Bill No. 1003 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
University System office						
Total all funds	\$73,348,533	\$72,080,990	\$1,937,658	\$74,018,648	\$74,718,648	(\$700,000)
Less estimated income	2,437,810	2,686,810	2,730,720	5,417,530	2,643,730	2,773,800
General fund	\$70,910,723	\$69,394,180	(\$793,062)	\$68,601,118	\$72,074,918	(\$3,473,800)
Bismarck State College						
Total all funds	\$20,799,330	\$20,587,433	\$5,693,816	\$26,281,249	\$26,479,080	(\$197,831)
Less estimated income	27,805	27,805	5,706,245	5,734,050	5,707,555	26,495
General fund	\$20,771,525	\$20,559,628	(\$12,429)	\$20,547,199	\$20,771,525	(\$224,326)
Lake Region State College						
Total all funds	\$9,660,871	\$9,607,299	(\$11,705)	\$9,595,594	\$9,660,871	(\$65,277)
Less estimated income	3,007,600	2,007,600	1,000,000	3,007,600	3,007,600	
General fund	\$6,653,271	\$7,599,699	(\$1,011,705)	\$6,587,994	\$6,653,271	(\$65,277)
Williston State College						
Total all funds	\$7,996,300	\$8,830,366	(\$457)	\$8,829,909	\$8,896,300	(\$66,391)
Less estimated income	1,400,000	2,300,000		2,300,000	2,300,000	
General fund	\$6,596,300	\$6,530,366	(\$457)	\$6,529,909	\$6,596,300	(\$66,391)
University of North Dakota						
Total all funds	\$193,608,905	\$191,861,920	\$174,185	\$192,036,105	\$193,108,905	(\$1,072,800)
Less estimated income	78,200,000	74,100,000	3,820,000	77,920,000	77,700,000	220,000
General fund	\$115,408,905	\$117,761,920	(\$3,645,815)	\$114,116,105	\$115,408,905	(\$1,292,800)
UND Medical Center						
Total all funds	\$33,874,938	\$34,238,963	(\$9,774)	\$34,229,189	\$34,574,938	(\$345,749)
Less estimated income						
General fund	\$33,874,938	\$34,238,963	(\$9,774)	\$34,229,189	\$34,574,938	(\$345,749)
North Dakota State University						
Total all funds	\$119,527,336	\$133,439,378	\$10,689,776	\$144,129,154	\$145,027,336	(\$898,182)
Less estimated income	20,500,000	35,500,000	11,000,000	46,500,000	46,000,000	500,000
General fund	\$99,027,336	\$97,939,378	(\$310,224)	\$97,629,154	\$99,027,336	(\$1,398,182)
State College of Science						
Total all funds	\$38,830,758	\$38,917,159	\$85,500	\$39,002,659	\$39,280,758	(\$278,099)
Less estimated income	8,414,000	8,414,000	1,670,420	10,084,420	8,414,000	1,670,420
General fund	\$30,416,758	\$30,503,159	(\$1,584,920)	\$28,918,239	\$30,866,758	(\$1,948,519)
Dickinson State University						
Total all funds	\$25,917,119	\$25,729,961	\$168,174	\$25,898,135	\$25,917,119	(\$18,984)
Less estimated income	8,000,000	8,000,000		8,000,000	8,000,000	
General fund	\$17,917,119	\$17,729,961	\$168,174	\$17,898,135	\$17,917,119	(\$18,984)
Mayville State University						
Total all funds	\$11,736,719	\$12,208,021	(\$177,167)	\$12,030,854	\$11,879,752	\$151,102
Less estimated income	900,000	900,000		900,000	900,000	
General fund	\$10,836,719	\$11,308,021	(\$177,167)	\$11,130,854	\$10,979,752	\$151,102
Minot State University						
Total all funds	\$39,698,842	\$39,445,085	\$2,652	\$39,447,737	\$39,749,442	(\$301,705)
Less estimated income	5,575,550	1,239,150	167,465	1,406,615	1,239,150	167,465
General fund	\$34,123,292	\$38,205,935	(\$164,813)	\$38,041,122	\$38,510,292	(\$469,170)
Valley City State University						
Total all funds	\$15,979,831	\$15,851,252	\$394,743	\$16,245,995	\$16,379,831	(\$133,836)
Less estimated income			2,200,000	2,200,000		2,200,000
General fund	\$15,979,831	\$15,851,252	(\$1,805,257)	\$14,045,995	\$16,379,831	(\$2,333,836)
Minot State University - Bottineau						
Total all funds	\$5,182,179	\$5,138,046	(\$3,582)	\$5,134,464	\$5,182,179	(\$47,715)
Less estimated income	12,905	12,905	239,095	252,000	12,905	239,095
General fund	\$5,169,274	\$5,125,141	(\$242,677)	\$4,882,464	\$5,169,274	(\$286,810)
Forest Service						
Total all funds	\$3,538,935	\$3,513,993	\$1,330	\$3,515,323	\$3,538,935	(\$23,612)
Less estimated income	997,486	997,486		997,486	997,486	

General fund	\$2,541,449	\$2,516,507	\$1,330	\$2,517,837	\$2,541,449	(\$23,612)
Bill Total						
Total all funds	\$599,700,596	\$611,449,866	\$18,945,149	\$630,395,015	\$634,394,094	(\$3,999,079)
Less estimated income	<u>129,473,156</u>	<u>136,185,756</u>	<u>28,533,945</u>	<u>164,719,701</u>	<u>156,922,426</u>	<u>7,797,275</u>
General fund	\$470,227,440	\$475,264,110	(\$9,588,796)	\$465,675,314	\$477,471,668	(\$11,796,354)

## House Bill No. 1003 - General Fund Summary

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
University System office	\$70,910,723	\$69,394,180	(\$793,062)	\$68,601,118	\$72,074,918	(\$3,473,800)
Bismarck State College	20,771,525	20,559,628	(12,429)	20,547,199	20,771,525	(224,326)
Lake Region State College	6,653,271	7,599,699	(1,011,705)	6,587,994	6,653,271	(65,277)
Williston State College	6,596,300	6,530,366	(457)	6,529,909	6,596,300	(66,391)
University of North Dakota	115,408,905	117,761,920	(3,645,815)	114,116,105	115,408,905	(1,292,800)
UND Medical Center	33,874,938	34,238,963	(9,774)	34,229,189	34,574,938	(345,749)
North Dakota State University	99,027,336	97,939,378	(310,224)	97,629,154	99,027,336	(1,398,182)
State College of Science	30,416,758	30,503,159	(1,584,920)	28,918,239	30,866,758	(1,948,519)
Dickinson State University	17,917,119	17,729,961	168,174	17,898,135	17,917,119	(18,984)
Mayville State University	10,836,719	11,308,021	(177,167)	11,130,854	10,979,752	151,102
Minot State University	34,123,292	38,205,935	(164,813)	38,041,122	38,510,292	(469,170)
Valley City State University	15,979,831	15,851,252	(1,805,257)	14,045,995	16,379,831	(2,333,836)
Minot State University - Bottineau	5,169,274	5,125,141	(242,677)	4,882,464	5,169,274	(286,810)
Forest Service	<u>2,541,449</u>	<u>2,516,507</u>	<u>1,330</u>	<u>2,517,837</u>	<u>2,541,449</u>	<u>(23,612)</u>
Total general fund	\$470,227,440	\$475,264,110	(\$9,588,796)	\$465,675,314	\$477,471,668	(\$11,796,354)

## Detail of Conference Committee Changes to the General Fund

	RESTORES COMPENSATION PACKAGE TO 5/5 1	ALLOCATES FUNDING FOR MAYVILLE STATE UNIVERSITY MASTER PLAN TO OPERATIONS 2	INCREASES FUNDING FOR THE COMPETITIVE RESEARCH PROGRAM 3	INCREASES FUNDING FOR BOARD INITIATIVES 4	DECREASES FUNDING FOR SYSTEM GOVERNANCE 5	INCREASES FUNDING FOR SUPPORT OF THE CONNECTND SYSTEM 6
University System office	\$199,479	(\$250,000)	\$150,000	\$98,500	(\$200,000)	\$2,300,000
Bismarck State College	211,897					
Lake Region State College	53,572					
Williston State College	65,934					
University of North Dakota	1,246,985					
UND Medical Center	335,975					
North Dakota State University	1,087,958					
State College of Science	263,599					
Dickinson State University	187,158					
Mayville State University	88,198	250,000				
Minot State University	304,357					
Valley City State University	128,579					
Minot State University - Bottineau	44,133					
Forest Service	<u>24,942</u>					
Total general fund	\$4,242,766	\$0	\$150,000	\$98,500	(\$200,000)	\$2,300,000
	INCREASES FUNDING FOR THE NORTHERN TIER NETWORK AND CHANGES FUNDING SOURCE 7	REMOVES FUNDING FOR THE OPERATIONS POOL 8	REMOVES FUNDING FOR CONTINGENCY AND CAPITAL EMERGENCY 9	DECREASES FUNDING FOR PROFESSIONAL LIABILITY INSURANCE 10	INCREASES FUNDING FOR THE KANSAS STATE UNIVERSITY VETERINARY MEDICINE PROGRAM 11	REMOVES FUNDING FOR EDUCATION INCENTIVE PROGRAMS 12
University System office	(\$2,400,000)	(\$144,559)	(\$296,482)	(\$250,000)		
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total general fund	(\$2,400,000)	(\$144,559)	(\$296,482)	(\$250,000)	\$0	\$0
	PROVIDES 1 PERCENT OPERATING REDUCTION	ADJUSTS FUNDING FOR OPERATIONS 13	ADJUSTS FUNDING FOR CAPITAL ASSETS 14	TOTAL GENERAL FUND CHANGES		
University System office				(\$793,062)		
Bismarck State College	(\$197,831)		(\$26,495)	(12,429)		
Lake Region State College	(65,277)		(1,000,000)	(1,011,705)		
Williston State College	(66,391)			(457)		
University of North Dakota	(1,072,800)		(3,820,000)	(3,645,815)		
UND Medical Center	(345,749)			(9,774)		
North Dakota State University	(898,182)		(500,000)	(310,224)		
State College of Science	(278,099)	\$100,000	(1,670,420)	(1,584,920)		
Dickinson State University	(168,984)	150,000		168,174		



Mayville State University	(98,898)		(416,467)	(177,167)
Minot State University	(301,705)		(167,465)	(164,813)
Valley City State University	(133,836)	400,000	(2,200,000)	(1,805,257)
Minot State University - Bottineau	(47,715)		(239,095)	(242,677)
Forest Service	(23,612)			1,330
Total general fund	(\$3,699,079)	\$650,000	(\$10,039,942)	(\$9,588,796)

## House Bill No. 1003 - Other Funds Summary

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
University System office	\$2,437,810	\$2,686,810	\$2,730,720	\$5,417,530	\$2,643,730	\$2,773,800
Bismarck State College	27,805	27,805	5,706,245	5,734,050	5,707,555	26,495
Lake Region State College	3,007,600	2,007,600	1,000,000	3,007,600	3,007,600	
Williston State College	1,400,000	2,300,000		2,300,000	2,300,000	
University of North Dakota	78,200,000	74,100,000	3,820,000	77,920,000	77,700,000	220,000
UND Medical Center						
North Dakota State University	20,500,000	35,500,000	11,000,000	46,500,000	46,000,000	500,000
State College of Science	8,414,000	8,414,000	1,670,420	10,084,420	8,414,000	1,670,420
Dickinson State University	8,000,000	8,000,000		8,000,000	8,000,000	
Mayville State University	900,000	900,000		900,000	9,000,000	
Minot State University	5,575,550	1,239,150	167,465	1,406,615	1,239,150	167,465
Valley City State University			2,200,000	2,200,000		2,200,000
Minot State University - Bottineau	12,905	12,905	239,095	252,000	12,905	239,095
Forest Service	997,486	997,486		997,486	997,486	
Total other funds	\$129,473,156	\$136,185,756	\$28,533,945	\$164,719,701	\$156,922,426	\$7,797,275

## Detail of Conference Committee Changes to Other Funds

	RESTORES COMPENSATION PACKAGE TO 5/5 <sup>1</sup>	ALLOCATES FUNDING FOR MAYVILLE STATE UNIVERSITY MASTER PLAN TO OPERATIONS <sup>2</sup>	INCREASES FUNDING FOR THE COMPETITIVE RESEARCH PROGRAM <sup>3</sup>	INCREASES FUNDING FOR BOARD INITIATIVES <sup>4</sup>	DECREASES FUNDING FOR SYSTEM GOVERNANCE <sup>5</sup>	INCREASES FUNDING FOR SUPPORT OF THE CONNECTND SYSTEM <sup>6</sup>
University System office						
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total other funds	\$0	\$0	\$0	\$0	\$0	\$0

	INCREASES FUNDING FOR THE NORTHERN TIER NETWORK AND CHANGES FUNDING SOURCE <sup>7</sup>	REMOVES FUNDING FOR THE OPERATIONS POOL <sup>8</sup>	REMOVES FUNDING FOR CONTINGENCY AND CAPITAL EMERGENCY <sup>9</sup>	DECREASES FUNDING FOR PROFESSIONAL LIABILITY INSURANCE <sup>10</sup>	INCREASES FUNDING FOR THE KANSAS STATE UNIVERSITY VETERINARY MEDICINE PROGRAM <sup>11</sup>	REMOVES FUNDING FOR EDUCATION INCENTIVE PROGRAMS <sup>12</sup>
University System office	\$2,773,800				\$205,920	(\$249,000)
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total other funds	\$2,773,800	\$0	\$0	\$0	\$205,920	(\$249,000)

	PROVIDES 1 PERCENT OPERATING REDUCTION	ADJUSTS FUNDING FOR OPERATIONS <sup>13</sup>	ADJUSTS FUNDING FOR CAPITAL ASSETS <sup>14</sup>	TOTAL OTHER FUNDS CHANGES
University System office				\$2,730,720
Bismarck State College			\$5,706,245	5,706,245
Lake Region State College			1,000,000	1,000,000
Williston State College				
University of North Dakota			3,820,000	3,820,000
UND Medical Center				
North Dakota State University			11,000,000	11,000,000
State College of Science			1,670,420	1,670,420
Dickinson State University				

Mayville State University			167,465	167,465
Minot State University			2,200,000	2,200,000
Valley City State University			239,095	239,095
Minot State University - Bottineau				
Forest Service				
Total other funds	\$0	\$0	\$25,803,225	\$28,533,945

## House Bill No. 1003 - All Funds Summary

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
University System office	\$73,348,533	\$72,080,990	\$1,937,658	\$74,018,648	\$74,718,648	(\$700,000)
Bismarck State College	20,799,330	20,587,433	5,693,816	26,281,249	26,479,080	(197,831)
Lake Region State College	9,660,871	9,607,299	(11,705)	9,595,594	9,660,871	(65,277)
Williston State College	7,996,300	8,830,366	(457)	8,829,909	8,896,300	(66,391)
University of North Dakota	193,608,905	191,861,920	174,185	192,036,105	193,108,905	(1,072,800)
UND Medical Center	33,874,938	34,238,963	(9,774)	34,229,189	34,574,938	(345,749)
North Dakota State University	119,527,336	133,439,378	10,689,776	144,129,154	145,027,336	(898,182)
State College of Science	38,830,758	38,917,159	85,500	39,002,659	39,280,758	(278,099)
Dickinson State University	25,917,119	25,729,961	168,174	25,898,135	25,917,119	(18,984)
Mayville State University	11,736,719	12,208,021	(177,167)	12,030,854	11,879,752	151,102
Minot State University	39,698,842	39,445,085	2,652	39,447,737	39,749,442	(301,705)
Valley City State University	15,979,831	15,851,252	394,743	16,245,995	16,379,831	(133,836)
Minot State University - Bottineau	5,182,179	5,138,046	(3,582)	5,134,464	5,182,179	(47,715)
Forest Service	3,538,935	3,513,993	1,330	3,515,323	3,538,935	(23,612)
Total all funds	\$599,700,596	\$611,449,866	\$18,945,149	\$630,395,015	\$634,394,094	(\$3,999,079)
FTE	2134.59	2136.59	0.00	2136.59	2136.59	0.00

## Detail of Conference Committee Changes to All Funds

	RESTORES COMPENSATION PACKAGE TO 5/5 <sup>1</sup>	ALLOCATES FUNDING FOR MAYVILLE STATE UNIVERSITY MASTER PLAN TO OPERATIONS <sup>2</sup>	INCREASES FUNDING FOR THE COMPETITIVE RESEARCH PROGRAM <sup>3</sup>	INCREASES FUNDING FOR BOARD INITIATIVES <sup>4</sup>	DECREASES FUNDING FOR SYSTEM GOVERNANCE <sup>5</sup>	INCREASES FUNDING FOR SUPPORT OF THE CONNECTND SYSTEM <sup>6</sup>
University System office	\$199,479	(\$250,000)	\$150,000	\$98,500	(\$200,000)	\$2,300,000
Bismarck State College	211,897					
Lake Region State College	53,572					
Williston State College	65,934					
University of North Dakota	1,246,985					
UND Medical Center	335,975					
North Dakota State University	1,087,958					
State College of Science	263,599					
Dickinson State University	187,158					
Mayville State University	88,198	250,000				
Minot State University	304,357					
Valley City State University	128,579					
Minot State University - Bottineau	44,133					
Forest Service	24,942					
Total all funds	\$4,242,766	\$0	\$150,000	\$98,500	(\$200,000)	\$2,300,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	INCREASES FUNDING FOR THE NORTHERN TIER NETWORK AND CHANGES FUNDING SOURCE <sup>7</sup>	REMOVES FUNDING FOR THE OPERATIONS POOL <sup>8</sup>	REMOVES FUNDING FOR CONTINGENCY AND CAPITAL EMERGENCY <sup>9</sup>	DECREASES FUNDING FOR PROFESSIONAL LIABILITY INSURANCE <sup>10</sup>	INCREASES FUNDING FOR THE KANSAS STATE UNIVERSITY VETERINARY MEDICINE PROGRAM <sup>11</sup>	REMOVES FUNDING FOR EDUCATION INCENTIVE PROGRAMS <sup>12</sup>
University System office	\$373,800	(\$144,559)	(\$296,482)	(\$250,000)	\$205,920	(\$249,000)
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total all funds	\$373,800	(\$144,559)	(\$296,482)	(\$250,000)	\$205,920	(\$249,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	PROVIDES 1 PERCENT OPERATING REDUCTION	ADJUSTS FUNDING FOR OPERATIONS <sup>13</sup>	ADJUSTS FUNDING FOR CAPITAL ASSETS <sup>14</sup>	TOTAL ALL FUNDS CHANGES
University System office			\$1,937,658	\$1,937,658
Bismarck State College	(\$197,831)		5,693,816	5,693,816
Lake Region State College	(65,277)		(11,705)	(11,705)
Williston State College	(66,391)		(457)	(457)
University of North Dakota	(1,072,800)		174,185	174,185

UND Medical Center	(345,749)			(9,774)
North Dakota State University	(898,182)		10,500,000	10,689,776
State College of Science	(278,099)	\$100,000		85,500
Dickinson State University	(168,984)	150,000		168,174
Mayville State University	(98,898)		(416,467)	(177,167)
Minot State University	(301,705)			2,652
Valley City State University	(133,836)	400,000		394,743
Minot State University - Bottineau	(47,715)			(3,582)
Forest Service	(23,612)			1,330
Total all funds	(\$3,699,079)	\$650,000	\$15,763,283	\$18,945,149
FTE	0.00	0.00	0.00	0.00

- 1 This amendment restores funding for salary increases of 5 percent for each year of the 2007-09 biennium, same as the Senate version.
- 2 This amendment allocates \$250,000 of the \$1 million from the general fund included in the executive budget recommendation for Mayville State University for deferred maintenance and developing a long-range master plan to the university for support of campus operations. This allocation was not included in either the House or Senate version.
- 3 This amendment increases funding for competitive research by \$150,000 from the general fund, from \$5,550,000 as provided for in the executive budget recommendation to \$5,650,000, same as the Senate version.
- 4 This amendment increases funding for board initiatives by \$98,500 from the general fund, from \$300,000 to \$398,500. The funding of \$98,500 is to be used for a recruiting initiative for Minot State University - Bottineau. The initiative is a pilot project and Minot State University - Bottineau is to report to the 61st Legislative Assembly on the effectiveness of the initiative. This increase was also included in the Senate version although in the Senate version it was a shared initiative between Minot State University - Bottineau and Minot State University.
- 5 This amendment decreases funding for system governance by \$200,000 from the general fund. This decrease was not included in either the House or Senate version.
- 6 This amendment increases one-time funding provided for support of the ConnectND system by \$2,300,000 from the general fund, from \$3,700,000 as provided for in the executive budget to \$6,000,000, same as the Senate version.
- 7 This amendment increases funding for the Northern Tier Network project by \$373,800, from \$2,400,000 to \$2,773,800, and changes the funding source from the general fund to the permanent oil tax trust fund. The following is a summary of funding for the Northern Tier Network project:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund	\$1,000,000	\$2,400,000	\$2,773,800	
Permanent oil tax trust fund				\$2,773,800
Total	\$1,000,000	\$2,400,000	\$2,773,800	\$2,773,800

- 8 This amendment removes funding of \$144,559 from the general fund for the operations pool, same as the Senate version.
- 9 This amendment removes funding of \$296,482 from the general fund for contingency and capital emergency, same as the Senate version.
- 10 This amendment decreases funding for professional liability insurance by \$250,000 from the general fund. This decrease was not included in either the House or Senate version.
- 11 This amendment increases funding for the Kansas State University veterinary medicine program by \$205,920, from \$317,460 to \$523,380 from the student loan trust fund, to fund five new students per year in the 2007-09 biennium, same as the Senate version.
- 12 This amendment decreases funding for the education incentive programs by \$249,000, from \$1,989,314, as provided for by the House, to \$1,227,902. The additional funding of \$249,000 was related to increases in the teacher shortage loan forgiveness program as provided in House Bill No. 1249. House Bill No. 1249 was defeated by the Senate; therefore, the additional funding provided for in House Bill No. 1003 is removed. This decrease was also included in the Senate version.
- 13 Dickinson State University - This amendment provides funding of \$150,000 from the general fund for one-time startup funding for establishing a Theodore Roosevelt Center. This funding was not included in the House or Senate version.

State College of Science and Valley City State University - This amendment provides funding of \$500,000 from the general fund to support campus operations at the State College of Science (\$100,000) and Valley City State University (\$400,000), same as the Senate version.

- 14 Bismarck State College - This amendment appropriates funding of \$5,679,750 from special funds for reauthorization of the college's student housing project.

This amendment also requires an additional local match for the college's Schafer Hall renovation of \$26,495. The following is a summary of funding for the project:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund	\$515,195	\$515,195	\$515,195	\$488,700
Special funds	27,805	27,805	27,805	54,300
Total	\$543,000	\$543,000	\$543,000	\$543,000

Lake Region State College - This amendment changes the funding source for the college's wind energy project as follows:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund		\$1,000,000		
Special funds	\$3,007,600	2,007,600	\$3,007,600	\$3,007,600
Total	\$3,007,600	\$3,007,600	\$3,007,600	\$3,007,600

University of North Dakota - This amendment changes the funding source of the UND School of Medicine and Health Sciences new Bismarck family medicine residency facility as follows:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund		\$3,600,000		
Special funds	<u>\$4,500,000</u>	<u>400,000</u>	<u>\$4,000,000</u>	<u>\$4,000,000</u>
Total	\$4,500,000	\$4,000,000	\$4,000,000	\$4,000,000

This amendment also requires a local match for the university's O'Kelly Hall and Ireland laboratory renovation of \$220,000. The following is a summary of funding for the project:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund	<u>\$2,200,000</u>	<u>\$2,200,000</u>	<u>\$2,200,000</u>	<u>\$1,980,000</u>
Special funds				<u>220,000</u>
Total	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000

North Dakota State University - This amendment increases the special funds appropriation to the university to reauthorize the Bison Sports Arena renovation project by \$10,500,000, from \$15,000,000 to \$25,500,000, same as the Senate version.

This amendment also requires a local match for the university's Minard Hall renovation of \$500,000. The following is a summary of funding for the project:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund	<u>\$500,000</u>	<u>\$500,000</u>	<u>\$500,000</u>	<u>\$4,500,000</u>
Special funds				<u>500,000</u>
Total	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000

State College of Science - This amendment changes the funding source for the college's steamline project from the general fund to the permanent oil tax trust fund. The following is a summary of funding for the project:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund	<u>\$1,670,420</u>	<u>\$1,670,420</u>	<u>\$1,670,420</u>	
Permanent oil tax trust fund				<u>\$1,670,420</u>
Total	\$1,670,420	\$1,670,420	\$1,670,420	\$1,670,420

Mayville State University - This amendment decreases funding added by the House for the payoff of special assessments and other deferred maintenance issues by \$416,467 from the general fund, from \$559,500 to \$143,033, same as the Senate version.

Minot State University - This amendment requires an additional local match for the university's Swain Hall renovation and addition of \$167,465. The following is a summary of funding for the project:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund	<u>\$2,500,000</u>	<u>\$6,500,000</u>	<u>\$6,500,000</u>	<u>\$6,332,535</u>
Special funds	<u>4,536,150</u>	<u>536,150</u>	<u>536,150</u>	<u>703,615</u>
Total	\$7,036,150	\$7,036,150	\$7,036,150	\$7,036,150

Valley City State University - This amendment changes the funding source for the university's steamline project from the general fund to the permanent oil tax trust fund. The following is a summary of funding for the project:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund	<u>\$2,200,000</u>	<u>\$2,200,000</u>	<u>\$2,200,000</u>	
Permanent oil tax trust fund				<u>\$2,200,000</u>
Total	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000

Minot State University - Bottineau - This amendment changes the funding source for the university's steamline project from the general fund to the permanent oil tax trust fund. The following is a summary of funding for the project:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund	<u>\$239,095</u>	<u>\$239,095</u>	<u>\$239,095</u>	
Permanent oil tax trust fund				<u>\$230,095</u>
Special funds	<u>12,905</u>	<u>12,905</u>	<u>12,905</u>	<u>12,905</u>
Total	\$252,000	\$252,000	\$252,000	\$252,000

## House Bill No. 1003 - Other Changes - Conference Committee Action

This amendment also:

- Amends Section 17 of the engrossed bill to provide that the State Board of Higher Education shall limit any annual tuition increase for the 2007-08 and 2008-09 academic years to not more than 5 percent for each year unless the board receives prior Budget Section approval, same as the Senate version.
- Adds a section to provide that participating higher education institutions are responsible for funding maintenance costs associated with the Northern Tier Network, same as the Senate version.
- Adds a section to allow the State Board of Higher Education to authorize construction of a College of Business building off the North Dakota State University campus, same as the Senate version.
- Adds sections to provide for a study of higher education and professional student exchange programs and removes study language added by the House, same as the Senate version.
- Amends Section 23 of the engrossed bill relating to the use of unspent 2005-07 general fund appropriations to provide that the State Board of Higher Education shall use \$200,000 of the unspent 2005-07 general fund appropriation for completing and furnishing the Thatcher Hall renovation and addition at Minot State University - Bottineau, same as the Senate version.
- Amends Section 26 of the engrossed bill to remove the repeal of Sections 1 and 2 of House Bill No. 1031 and to repeal Section 15-12-27 of the North Dakota Century Code relating to North Dakota State University's 18th Street Development Fund, same as the Senate version.
- Adds a section of legislative intent regarding the UND School of Medicine Bismarck family practice center.
- Amends the one-time funding section and emergency clause for the bill as appropriate.

Engrossed HB 1003 was placed on the Seventh order of business on the calendar.

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

**REP. WALD MOVED** that the conference committee report on Engrossed HB 1003 be adopted, which motion failed on a verification vote.

#### **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 1003.

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

**MR. SPEAKER:** The President has appointed Sen. Tallackson to replace Sen. O'Connell on the Conference Committee on HB 1012.

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

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: HB 1001, HB 1021, HB 1233.

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

**MR. SPEAKER:** Your signature is respectfully requested on: SB 2002, SB 2004, SB 2005, SB 2008, SB 2009, SB 2010, SB 2011, SB 2016, SB 2017, SB 2019, SB 2022, SB 2256, SB 2288, SB 2309, SCR 4037.

#### **MOTION**

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

#### **MOTION**

**REP. MONSON MOVED** that the House be on the Fifth, Seventh, and Thirteenth orders of business and at the conclusion of those orders, the House stand adjourned until 8:00 a.m., Tuesday, April 24, 2007, which motion prevailed.

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

**HB 1017, as engrossed:** Your conference committee (Sens. Wardner, Krebsbach, Tallackson and Reps. Carlson, Owens, Glassheim) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1485-1494, adopt amendments as follows, and place HB 1017 on the Seventh order:

That the Senate recede from its amendments on pages 1485-1494 of the House Journal and pages 1295-1304 of the Senate Journal and that Engrossed House Bill No. 1017 be amended as follows:

Page 1, line 2, after "hearings" insert "; to amend and reenact sections 39-01-16, 39-02-03.1, 39-06-34, 39-06.1-11, 39-06.2-10.6, 39-06.2-10.7, and 39-06.2-10.8, subsection 1 of section 39-20-03.1, section 39-20-03.2, subsection 1 of section 39-20-04, sections 39-20-05 and 39-20-06, and subsection 1 of section 54-57-03 of the North Dakota Century Code, relating to the transfer of administrative hearings from the department of transportation to the office of administrative hearings; to provide for transition; and to provide an effective date"

Page 1, line 14, replace "226,747" with "571,989"

Page 1, line 15, replace "107,500" with "159,442"

Page 1, line 16, replace "334,247" with "731,431"

Page 1, line 21, replace "1,269,674" with "1,614,916"

Page 1, line 22, replace "374,417" with "426,359"

Page 1, line 23, replace "1,644,091" with "2,041,275"

Page 1, after line 23, insert:

**"SECTION 4. AMENDMENT.** Section 39-01-16 of the North Dakota Century Code is amended and reenacted as follows:

**39-01-16. Hearing on alleged violations.**

1. Any person having information that a licensed dealer has violated any provisions of this title may file with the director an affidavit specifically ~~setting forth such~~ stating the facts of the violation. Upon receipt of ~~such~~ the affidavit, the director shall investigate the violation alleged in the affidavit. If, after investigation, the director determines that the dealer's license will be revoked or suspended, a notice of intent to revoke or suspend the license must be mailed to the dealer by certified mail. The notice must provide the dealer with an opportunity for a hearing ~~prior to~~ before the effective date of the license revocation or suspension. A record of ~~such hearings~~ the hearing must be made by stenographic notes or use of an electronic recording device.
2. If after ~~such~~ the hearing the ~~director~~ administrative law judge finds the violation charged in the affidavit has been proved by the evidence, an order must be served on the licensee revoking or suspending the dealer's license for a period of time to be determined by the director. ~~Such~~ The action may be appealed to the district court by following the appeal procedure set forth in chapter 28-32, except that the order revoking or suspending the license is ineffective while the appeal is pending.

~~The director has the power to appoint an administrative hearing officer to conduct the hearing, administer oaths, and subpoena and examine witnesses. The administrative hearing officer shall submit the findings to the director for consideration and final decision.~~

3. Any witness called by the prosecution, except a peace officer while on duty, ~~shall~~ must receive the same fees and mileage as a witness in a civil case in district court.

**SECTION 5. AMENDMENT.** Section 39-02-03.1 of the North Dakota Century Code is amended and reenacted as follows:

**39-02-03.1. Director to provide notice and opportunity for hearing ~~prior to~~ before cancellation, revocation, suspension, or rescission of a motor vehicle registration or a certificate of title to a motor vehicle.** ~~Whenever, under~~ Under the laws pertaining to the cancellation, revocation, suspension, or rescission of a registration of a motor vehicle or a certificate of title to a motor vehicle, if a determination has been made to cancel, revoke, suspend, or rescind either the registration or certificate of title, or both, the director shall provide the legal and registered owner with notice of ~~such~~ the cancellation, revocation, suspension, or rescission and the opportunity for a hearing. ~~Such~~ The notice must be sent by registered or certified mail, return receipt requested,

not less than ten days ~~prior to~~ before the effective date of the cancellation, revocation, suspension, or rescission.

**SECTION 6. AMENDMENT.** Section 39-06-34 of the North Dakota Century Code is amended and reenacted as follows:

**39-06-34. Director may require reexamination.** In addition to other powers set forth in this chapter, the director, having good cause to believe that a licensed operator is incompetent or otherwise not qualified to be licensed, may upon written notice of at least five days to the licensee require the licensee to submit to such physical, mental, or driver's examination as may be deemed necessary. If the director has good cause to believe that the licensed operator presents an immediate danger to the motoring public, the director may immediately, and without prior notice, suspend the operator's license pending the examination. The notice of suspension must provide the operator with the opportunity for a hearing within five days of the receipt of the notice of suspension. When a hearing is requested it must be conducted under section 39-06-33 and the ~~hearing officer's~~ administrative law judge's recommended decision must be rendered within two days of the conclusion of the hearing. Upon the conclusion of such examination the director shall take action as may be appropriate and may suspend or revoke the license of such person or permit the licensee to retain the license, or may issue a license subject to restrictions as permitted under section 39-06-17. Refusal or neglect of the licensee to submit to such examination shall be grounds for suspension or revocation of the license.

**SECTION 7. AMENDMENT.** Section 39-06.1-11 of the North Dakota Century Code is amended and reenacted as follows:

**39-06.1-11. Temporary restricted license - Ignition interlock device.**

1. Except as provided under subsection 2, if the director has suspended a license under section 39-06.1-10 or has extended a suspension or revocation under section 39-06-43, upon receiving written application from the offender affected, the director may for good cause issue a temporary restricted operator's license valid for the remainder of the suspension period after seven days of the suspension period have passed.
2. If the director has suspended a license under chapter 39-20, or after a violation of section 39-08-01 or equivalent ordinance, upon written application of the offender the director may issue for good cause a temporary restricted license that takes effect after thirty days of the suspension have been served after a first offense under section 39-08-01 or chapter 39-20. The director may not issue a temporary restricted license to any offender whose operator's license has been revoked under section 39-20-04 or suspended upon a second or subsequent offense under section 39-08-01 or chapter 39-20, except that a temporary restricted license may be issued for good cause if the offender has not committed an offense for a period of two years before the date of the filing of a written application that must be accompanied by a report from an addiction facility or if the offender is participating in the drug court program and has not committed an offense for a period of three hundred sixty-five days before the date of the filing of a written application that must be accompanied by a recommendation from the district court. The director may ~~conduct~~ request a hearing for the purposes of obtaining information, reports, and evaluations from courts, law enforcement, and citizens to determine the offender's conduct and driving behavior during the prerequisite period of time. The director may also require that an ignition interlock device be installed in the offender's vehicle.
3. The director may not issue a temporary restricted license for a period of license revocation or suspension imposed under subsection 5 of section 39-06-17, section 39-06-31, or subsection 3.1 of section 39-06.1-10. A temporary restricted license may be issued for suspensions ordered under subsection 7 of section 39-06-32 if it could have been issued had the suspension resulted from in-state conduct.
4. A restricted license issued under this section is solely for the use of a motor vehicle during the licensee's normal working hours and may contain any other restrictions authorized by section 39-06-17. Violation of a restriction imposed according to this section is deemed a violation of section 39-06-17.

**SECTION 8. AMENDMENT.** Section 39-06.2-10.6 of the North Dakota Century Code is amended and reenacted as follows:

**39-06.2-10.6. Administrative hearing on request.**

1. Before issuing an order of suspension, revocation, or disqualification under section 39-06.2-10, the director shall afford that person an opportunity for a hearing as provided by section 39-20-05, if the person mails a request for the hearing to the director within ten days after the date of issuance of the temporary driver's permit.
2. If the issue to be determined by the hearing concerns license suspension for operating a commercial motor vehicle while having an alcohol concentration of at least four one-hundredths of one percent by weight, the hearing must be before ~~a hearing officer assigned by the director~~ an administrative law judge and at a time and place designated by the director of the office of administrative hearings. The hearing must be recorded and its scope may cover only the issues of whether the arresting officer had reasonable grounds to believe the person had been driving or was in actual physical control of a commercial motor vehicle in violation of section 39-06.2-10.1, whether the person was lawfully detained, whether the person was tested in accordance with section 39-06.2-10.2, and whether the test results show the person had an alcohol concentration of at least four one-hundredths of one percent by weight. For purposes of this section, a copy of a certified copy of an analytical report of a blood or urine sample from the office of the director of the state crime laboratory or the director's designee, or a certified copy of the checklist and test records from a certified breath test operator establish prima facie the alcohol concentration shown therein. Whether the person was warned that the privilege to drive might be suspended based on the results of the test is not an issue.
3. If the issue to be determined by the hearing concerns license revocation for refusing to submit to a test under section 39-06.2-10.2, the hearing must be before ~~a hearing officer assigned by the director~~ an administrative law judge at a time and place designated by the director of the office of administrative hearings. The hearing must be recorded. The scope of a hearing for refusing to submit to a test under section 39-06.2-10.2 may cover only the issues of whether a law enforcement officer had reasonable grounds to believe the person had been driving or was in actual physical control of a commercial motor vehicle in violation of section 39-06.2-10.1, whether the person was lawfully detained, and whether that person refused to submit to the test or tests. The scope of a hearing for refusing to submit to a test under subsection 3 of section 39-06.2-10.4 may cover only the issues of whether the law enforcement officer had reason to believe the person committed a moving traffic violation or was involved in a traffic accident as a driver, whether in conjunction with the violation or the accident the officer has, through the officer's observations, formulated an opinion that the person's body contains alcohol and, whether the person refused to submit to the onsite screening test. Whether the person was warned that the privilege to drive would be revoked or denied for refusal to submit to the test or tests is not an issue.
4. At a hearing under this section, the regularly kept records of the director may be introduced. Those records establish prima facie their contents without further foundation. For purposes of this chapter, the following are deemed regularly kept records of the director: any copy of a certified copy of an analytical report of a blood or urine sample received by the director from the director of the state crime laboratory or the director's designee or a law enforcement officer, a certified copy of the checklist and test records received by the director from a certified breath test operator, and any copy of a certified copy of a certificate of the director of the state crime laboratory or the director's designee relating to approved methods, devices, operators, materials, and checklists used for testing for alcohol concentration received by the director from the director of the state crime laboratory or the director's designee, or the recorder, unless the board of county commissioners has designated a different official to maintain the certificate.



5. At the close of the hearing, the ~~hearing officer~~ administrative law judge shall notify the person of the ~~hearing officer's~~ administrative law judge's findings of fact, conclusions of law, and decision based on the findings and conclusions and shall immediately deliver to the person a copy of the decision. If the ~~hearing officer~~ administrative law judge does not find in favor of the person, the copy of the decision serves as the director's official notification to the person of the revocation, suspension, or denial of driving privileges in this state. If the ~~hearing officer~~ administrative law judge finds, based on a preponderance of the evidence, that the person refused a test under section 39-06.2-10.2 or that the person had an alcohol concentration of at least four one-hundredths of one percent by weight, the ~~hearing officer shall~~ administrative law judge immediately shall take possession of the person's temporary driver's permit issued under this chapter. If the ~~hearing officer~~ administrative law judge does not find against the person, the ~~hearing officer~~ administrative law judge shall sign, date, and mark on the person's permit an extension of driving privileges for the next twenty days and shall return the permit to the person. The ~~hearing officer~~ administrative law judge shall report the findings, conclusions, and decisions to the director within ten days of the conclusion of the hearing. If the ~~hearing officer~~ administrative law judge has determined in favor of the person, the director shall return the person's commercial driver's license by regular mail to the address on file with the director under section 39-06.2-08.
6. If the person who requested a hearing under this section fails to appear at the hearing without justification, the right to the hearing is waived, and the ~~hearing officer's~~ administrative law judge's determination on license revocation, suspension, or denial will be based on the written request for hearing, law enforcement officer's report, and other evidence as may be available. On the date for which the hearing is scheduled, the ~~hearing officer~~ administrative law judge shall mail to the person, by regular mail, at the address on file with the director under section 39-06-20, or at any other address for the person or the person's legal representative supplied in the request for hearing, a copy of the decision which serves as the director's official notification to the person of the revocation, suspension, or denial of driving privileges in this state. Even if the person for whom the hearing is scheduled fails to appear at the hearing, the hearing is deemed to have been held on the date for which it is scheduled for purposes of appeal under section 39-06.2-10.7.
7. An administrative law judge assigned by the director of the office of administrative hearings to conduct a hearing under this section shall maintain and secure all related documents and evidence to maintain the privacy of records that have been affirmed which contain personal information.

**SECTION 9. AMENDMENT.** Section 39-06.2-10.7 of the North Dakota Century Code is amended and reenacted as follows:

**39-06.2-10.7. Judicial review.** ~~Any person whose commercial driver's license or privilege has been suspended, revoked, or denied party adversely affected by the decision of the hearing officer~~ administrative law judge under section 39-06.2-10.6 may appeal within seven days after the date of the hearing under section 39-06.2-10.6 as shown by the date of the ~~hearing officer's~~ administrative law judge's decision, section 28-32-42 notwithstanding, by serving on the director and filing a notice of appeal and specifications of error in the district court in the county where the events occurred for which the demand for a test was made, or in the county in which the administrative hearing was held. The court shall set the matter for hearing, and the petitioner shall give twenty days' notice of the hearing to the director ~~and to the hearing officer who rendered the decision. Neither the director nor the~~. The court may not stay the decision pending decision on appeal. Within twenty days after receipt of the notice of appeal, the director ~~or the hearing officer who rendered the decision~~ shall file in the office of the clerk of court to which the appeal is taken a certified transcript of the testimony and all other proceedings. It is the record on which the appeal must be determined. ~~No~~ The court may not hear additional evidence ~~may be heard~~. The court shall affirm the decision of the ~~director or hearing officer~~ administrative law judge unless ~~if the court~~ finds the evidence insufficient to warrant the conclusion reached by the ~~director or hearing officer~~ administrative law judge. The court may direct that the matter be returned to the ~~director or hearing officer~~ administrative law judge for rehearing and the presentation of additional evidence.

**SECTION 10. AMENDMENT.** Section 39-06.2-10.8 of the North Dakota Century Code is amended and reenacted as follows:

**39-06.2-10.8. Temporary driver's permit.** A temporary driver's permit extends driving privileges for twenty-five days, unless earlier terminated by the decision of a ~~hearing officer~~ an administrative law judge under section 39-06.2-10.6. The law enforcement officer must sign and note the date of issuance on the temporary driver's permit. The temporary driver's permit serves as the director's official notification to the driver of the director's intent to revoke, suspend, or deny driving privileges in this state. ~~No~~ A temporary driver's permit may not be issued for the period covered by an out-of-service order.

**SECTION 11. AMENDMENT.** Subsection 1 of section 39-20-03.1 of the North Dakota Century Code is amended and reenacted as follows:

1. The law enforcement officer shall immediately take possession of the person's operator's license if it is then available and shall immediately issue to that person a temporary operator's permit if the person then has valid operating privileges, extending driving privileges for the next twenty-five days, or until earlier terminated by the decision of a ~~hearing officer~~ an administrative law judge under section 39-20-05. The law enforcement officer shall sign and note the date on the temporary operator's permit. The temporary operator's permit serves as the director's official notification to the person of the director's intent to revoke, suspend, or deny driving privileges in this state.

**SECTION 12. AMENDMENT.** Section 39-20-03.2 of the North Dakota Century Code is amended and reenacted as follows:

**39-20-03.2. Action following test result or on refusing test by nonresident operator.** If a person licensed in another state refuses in this state to submit to a test provided under section 39-20-01 or 39-20-14, or who submits to a test under section 39-20-01, 39-20-02, or 39-20-03 and the test results show the person to have an alcohol concentration of at least eight one-hundredths of one percent by weight or, with respect to a person under twenty-one years of age, an alcohol concentration of at least two one-hundredths of one percent by weight at the time of performance of a test within two hours after driving or being in physical control of a motor vehicle, the following procedures apply:

1. Without taking possession of the person's out-of-state operator's license, the law enforcement officer shall issue to the person a notification of the test results and a temporary operator's permit extending nonresident operating privileges in this state for twenty-five days from the date of issuance or until earlier terminated by the decision of a ~~hearing officer~~ an administrative law judge under section 39-20-05. The temporary permit must be signed and dated by the officer and serves as the director's official notification to the person of the director's intent to revoke, suspend, or deny driving privileges in this state, and of the hearing procedures under this chapter.
2. If the test was administered by saliva or urine sample or by drawing blood, the law enforcement officer, on reviewing the alcohol concentration analysis showing the person had an alcohol concentration of at least eight one-hundredths of one percent by weight or, with respect to a person under twenty-one years of age, an alcohol concentration of at least two one-hundredths of one percent by weight, shall mail or issue to the person a notification of the test results, a temporary operator's permit extending nonresident operating privileges in this state for twenty-five days from the date of mailing or issuance or until earlier terminated by the decision of a ~~hearing officer~~ an administrative law judge under section 39-20-05, and notice of the intent to revoke, suspend, or deny driving privileges in this state, together with the notice provided under section 39-06.1-07 of the procedures available under this chapter. The temporary operator's permit must be signed and dated by the officer.
3. The law enforcement officer, within five days of issuing the temporary operator's permit, shall forward to the director a certified written report in the form required by the director and a certified copy of the operational checklist and test records of a breath test and a copy of the certified copy

of the analytical report for a blood, saliva, or urine test for all tests administered at the direction of the officer. If the person was issued a temporary operator's permit because of the person's refusal to submit to a test under sections 39-20-01 and 39-20-14, the report must include information as provided in section 39-20-04. If the person was issued a temporary operator's permit because of the results of a test, the report must show that the officer had reasonable grounds to believe the person had been driving or was in actual physical control of a motor vehicle while in violation of section 39-08-01, or equivalent ordinance, that the person was lawfully arrested, that the person was tested for alcohol concentration under this chapter, and that the results of the test show that the person had an alcohol concentration of at least eight one-hundredths of one percent by weight or, with respect to a person under twenty-one years of age, an alcohol concentration of at least two one-hundredths of one percent by weight.

**SECTION 13. AMENDMENT.** Subsection 1 of section 39-20-04 of the North Dakota Century Code is amended and reenacted as follows:

1. If a person refuses to submit to testing under section 39-20-01 or 39-20-14, none may be given, but the law enforcement officer shall immediately take possession of the person's operator's license if it is then available and shall immediately issue to that person a temporary operator's permit, if the person then has valid operating privileges, extending driving privileges for the next twenty-five days or until earlier terminated by a decision of ~~a hearing officer~~ an administrative law judge under section 39-20-05. The law enforcement officer shall sign and note the date on the temporary operator's permit. The temporary operator's permit serves as the director's official notification to the person of the director's intent to revoke driving privileges in this state and of the hearing procedures under this chapter. The director, upon the receipt of that person's operator's license and a certified written report of the law enforcement officer in the form required by the director, forwarded by the officer within five days after issuing the temporary operator's permit, showing that the officer had reasonable grounds to believe the person had been driving or was in actual physical control of a motor vehicle while in violation of section 39-08-01 or equivalent ordinance or, for purposes of section 39-20-14, had reason to believe that the person committed a moving traffic violation or was involved in a traffic accident as a driver, and in conjunction with the violation or accident the officer has, through the officer's observations, formulated an opinion that the person's body contains alcohol, that the person was lawfully arrested if applicable, and that the person had refused to submit to the test or tests under section 39-20-01 or 39-20-14, shall revoke that person's license or permit to drive and any nonresident operating privilege for the appropriate period under this section, or if the person is a resident without a license or a permit to operate a motor vehicle in this state, the director shall deny to the person the issuance of a license or permit for the appropriate period under this section after the date of the alleged violation, subject to the opportunity for a prerevocation hearing and postrevocation review as provided in this chapter. In the revocation of the person's operator's license the director shall give credit for time in which the person was without an operator's license after the day of the person's refusal to submit to the test except that the director may not give credit for time in which the person retained driving privileges through a temporary operator's permit issued under this section or section 39-20-03.2. The period of revocation or denial of issuance of a license or permit under this section is:
  - a. One year if the person's driving record shows that within the five years preceding the most recent violation of this section, the person's operator's license has not previously been suspended, revoked, or issuance denied for a violation of this chapter or section 39-08-01 or equivalent ordinance.
  - b. Three years if the person's driving record shows that within the five years preceding the most recent violation of this section, the person's operator's license has been once previously suspended, revoked, or issuance denied for a violation of this chapter or section 39-08-01 or equivalent ordinance.

- c. Four years if the person's driving record shows that within the five years preceding the most recent violation of this section, the person's operator's license has at least twice previously been suspended, revoked, or issuance denied under this chapter, or for a violation of section 39-08-01 or equivalent ordinance, or any combination of the same, and the suspensions, revocations, or denials resulted from at least two separate arrests.

**SECTION 14. AMENDMENT.** Section 39-20-05 of the North Dakota Century Code is amended and reenacted as follows:

**39-20-05. Administrative hearing on request.**

1. Before issuing an order of suspension, revocation, or denial under section 39-20-04 or 39-20-04.1, the director shall afford that person an opportunity for a hearing if the person mails or communicates by other means authorized by the director a request for the hearing to the director within ten days after the date of issuance of the temporary operator's permit. The hearing must be held within thirty days after the date of issuance of the temporary operator's permit. If ~~no~~ a hearing is not requested within the time limits in this section, and ~~no~~ an affidavit is not submitted within the time limits under subsection 2 of section 39-20-04, the expiration of the temporary operator's permit serves as the director's official notification to the person of the revocation, suspension, or denial of driving privileges in this state.
2. If the issue to be determined by the hearing concerns license suspension for operating a motor vehicle while having an alcohol concentration of at least eight one-hundredths of one percent by weight or, with respect to a person under twenty-one years of age, an alcohol concentration of at least two one-hundredths of one percent by weight, the hearing must be before ~~a hearing officer assigned by the director~~ an administrative law judge and at a time and place designated by the director ~~of the office of administrative hearings~~. The hearing must be recorded and its scope may cover only the issues of whether the arresting officer had reasonable grounds to believe the person had been driving or was in actual physical control of a vehicle in violation of section 39-08-01 or equivalent ordinance or, with respect to a person under twenty-one years of age, the person had been driving or was in actual physical control of a vehicle while having an alcohol concentration of at least two one-hundredths of one percent by weight; whether the person was placed under arrest, unless the person was under twenty-one years of age and the alcohol concentration was less than eight one-hundredths of one percent by weight, then arrest is not required and is not an issue under any provision of this chapter; whether the person was tested in accordance with section 39-20-01 or 39-20-03 and, if applicable, section 39-20-02; and whether the test results show the person had an alcohol concentration of at least eight one-hundredths of one percent by weight or, with respect to a person under twenty-one years of age, an alcohol concentration of at least two one-hundredths of one percent by weight. For purposes of this section, a copy of a certified copy of an analytical report of a blood, urine, or saliva sample from the director of the state crime laboratory or the director's designee or a certified copy of the checklist and test records from a certified breath test operator establish prima facie the alcohol concentration shown therein. Whether the person was informed that the privilege to drive might be suspended based on the results of the test is not an issue.
3. If the issue to be determined by the hearing concerns license revocation for refusing to submit to a test under section 39-20-01 or 39-20-14, the hearing must be before ~~a hearing officer assigned by the director~~ an administrative law judge at a time and place designated by the director ~~of the office of administrative hearings~~. The hearing must be recorded. The scope of a hearing for refusing to submit to a test under section 39-20-01 may cover only the issues of whether a law enforcement officer had reasonable grounds to believe the person had been driving or was in actual physical control of a vehicle in violation of section 39-08-01 or equivalent ordinance or, with respect to a person under twenty-one years of age, the person had been driving or was in actual physical control of a vehicle while having an alcohol concentration of at least two one-hundredths of one percent by weight; whether the person was placed under arrest; and whether that

person refused to submit to the test or tests. The scope of a hearing for refusing to submit to a test under section 39-20-14 may cover only the issues of whether the law enforcement officer had reason to believe the person committed a moving traffic violation or was involved in a traffic accident as a driver, whether in conjunction with the violation or the accident the officer has, through the officer's observations, formulated an opinion that the person's body contains alcohol and, whether the person refused to submit to the onsite screening test. Whether the person was informed that the privilege to drive would be revoked or denied for refusal to submit to the test or tests is not an issue.

4. At a hearing under this section, the regularly kept records of the director may be introduced. Those records establish prima facie their contents without further foundation. For purposes of this chapter, the following are deemed regularly kept records of the director: any copy of a certified copy of an analytical report of a blood, urine, or saliva sample received by the director from the director of the state crime laboratory or the director's designee or a law enforcement officer, a certified copy of the checklist and test records received by the director from a certified breath test operator, and any copy of a certified copy of a certificate of the director of the state crime laboratory or the director's designee relating to approved methods, devices, operators, materials, and checklists used for testing for alcohol concentration received by the director from the director of the state crime laboratory, the director's designee, or the recorder, unless the board of county commissioners has designated a different official to maintain the certificate.
5. At a hearing under this section, the administrative law judge may introduce records, conduct examinations, and present evidence relating to the issues to be determined at the hearing. The department may be represented by legal counsel at any hearing under this section.
6. ~~At the close of the hearing, the hearing officer~~ administrative law judge shall notify the person of the ~~hearing officer's~~ administrative law judge's findings of fact, conclusions of law, and decision based on the findings and conclusions and shall immediately deliver to the person a copy of the decision. If the ~~hearing officer~~ administrative law judge does not find in favor of the person, the copy of the decision serves as the director's official notification to the person of the revocation, suspension, or denial of driving privileges in this state. If the ~~hearing officer~~ administrative law judge finds, based on a preponderance of the evidence, that the person refused a test under section 39-20-01 or 39-20-14 or that the person had an alcohol concentration of at least eight one-hundredths of one percent by weight or, with respect to a person under twenty-one years of age, an alcohol concentration of at least two one-hundredths of one percent by weight, the ~~hearing officer shall~~ administrative law judge immediately ~~shall~~ take possession of the person's temporary operator's permit issued under this chapter. If the ~~hearing officer~~ administrative law judge does not find against the person, the ~~hearing officer~~ administrative law judge shall sign, date, and mark on the person's permit an extension of driving privileges for the next twenty days and shall return the permit to the person. The ~~hearing officer~~ administrative law judge shall report the findings, conclusions, and decisions to the director within ten days of the conclusion of the hearing. If the ~~hearing officer~~ administrative law judge has determined in favor of the person, the director shall return the person's operator's license by regular mail to the address on file with the director under section 39-06-20.
- 6- 7. If the person who requested a hearing under this section fails to appear at the hearing without justification, the right to the hearing is waived, and the ~~hearing officer's~~ administrative law judge's determination on license revocation, suspension, or denial will be based on the written request for hearing, law enforcement officer's report, and other evidence as may be available. The ~~hearing officer shall~~ administrative law judge, on the date for which the hearing is scheduled, ~~shall~~ mail to the person, by regular mail, at the address on file with the director under section 39-06-20, or at any other address for the person or the person's legal representative supplied in the request for hearing, a copy of the decision which serves as the director's official notification to the person of the revocation, suspension, or denial of driving privileges in this state. Even if the person for whom the hearing is scheduled fails to appear at the hearing, the hearing is deemed

to have been held on the date for which it is scheduled for purposes of appeal under section 39-20-06.

**SECTION 15. AMENDMENT.** Section 39-20-06 of the North Dakota Century Code is amended and reenacted as follows:

**39-20-06. Judicial review.** Any ~~person whose operator's license or privilege has been suspended, revoked, or denied~~ party adversely affected by the decision of the ~~hearing officer~~ administrative law judge under section 39-20-05 may appeal within seven days after the date of the hearing under section 39-20-05 as shown by the date of the ~~hearing officer's~~ administrative law judge's decision, section 28-32-42 notwithstanding, by serving on the director and filing a notice of appeal and specifications of error in the district court in the county where the events occurred for which the demand for a test was made, or in the county in which the administrative hearing was held. The court shall set the matter for hearing, and the petitioner shall give twenty days' notice of the hearing to the director ~~and to the hearing officer who rendered the decision.~~ Neither the director nor the ~~hearing officer~~. The court may not stay the decision pending decision on appeal. Within twenty days after receipt of the notice of appeal, the director ~~or the hearing officer who rendered the decision~~ shall file in the office of the clerk of court to which the appeal is taken a certified transcript of the testimony and all other proceedings. It is the record on which the appeal must be determined. ~~No~~ The court may not hear additional evidence ~~may be heard~~. The court shall affirm the decision of the ~~director or hearing officer~~ administrative law judge unless ~~it the court~~ finds the evidence insufficient to warrant the conclusion reached by the ~~director or hearing officer~~ administrative law judge. The court may direct that the matter be returned to the ~~director or hearing officer~~ administrative law judge for rehearing and the presentation of additional evidence.

**SECTION 16. AMENDMENT.** Subsection 1 of section 54-57-03 of the North Dakota Century Code is amended and reenacted as follows:

1. Notwithstanding the authority granted in chapter 28-32 allowing agency heads or other persons to preside in an administrative proceeding, all adjudicative proceedings of administrative agencies under chapter 28-32, except those of the public service commission, the industrial commission, the insurance commissioner, workforce safety and insurance, the state engineer, ~~the department of transportation~~, job service North Dakota, and the labor commissioner, must be conducted by the office of administrative hearings in accordance with the adjudicative proceedings provisions of chapter 28-32 and any rules adopted pursuant to chapter 28-32. ~~But,~~ Appeals ~~appeals~~ hearings pursuant to section 61-03-22 and drainage appeals from water resource boards to the state engineer pursuant to chapter 61-32 must be conducted by the office of administrative hearings. ~~Additionally, hearings~~ Hearings of the department of corrections and rehabilitation for the parole board in accordance with chapter 12-59; regarding parole violations; job discipline and dismissal appeals to the board of higher education; Individuals With Disabilities Education Act and section 504 due process hearings of the superintendent of public instruction; and chapter 37-19.1 veterans' preferences hearings for any agency must be conducted by the office of administrative hearings in accordance with applicable laws.

**SECTION 17. TRANSITION.** The office of administrative hearings shall hire as employees all full-time department of transportation hearing officer employees who currently conduct hearings for the department of transportation.

**SECTION 18. EFFECTIVE DATE.** Sections 4 through 17 of this Act become effective on August 1, 2008."

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### House Bill No. 1017 - Office of Administrative Hearings - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$1,269,674	\$1,269,674	\$345,242	\$1,614,916	\$1,614,916	
Operating expenses	<u>424,417</u>	<u>374,417</u>	<u>51,942</u>	<u>426,359</u>	<u>426,359</u>	

Total all funds	\$1,694,091	\$1,644,091	\$397,184	\$2,041,275	\$2,041,275	\$0
Less estimated income	<u>1,694,091</u>	<u>1,644,091</u>	<u>397,184</u>	<u>2,041,275</u>	<u>2,041,275</u>	
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	8.00	8.00	5.00	13.00	13.00	0.00

#### Dept. 140 - Office of Administrative Hearings - Detail of Conference Committee Changes

	ADDS FUNDING FOR DEPARTMENT OF TRANSPORTATION HEARINGS <sup>1</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	\$345,242	\$345,242
Operating expenses	<u>51,942</u>	<u>51,942</u>
Total all funds	\$397,184	\$397,184
Less estimated income	<u>397,184</u>	<u>397,184</u>
General fund	\$0	\$0
FTE	5.00	5.00

<sup>1</sup> The Senate added funding relating to the transfer of Department of Transportation hearings to the Office of Administrative Hearings effective August 1, 2008. The conference committee agreed with this action.

The Senate incorporated the provisions of Senate Bill No. 2375, which transfers Department of Transportation hearings responsibility to the Office of Administrative Hearings, into House Bill No. 1017. The effective date of the transfer is August 1, 2008. The conference committee agreed with this action and provided that the Office of Administrative Hearings shall hire as employees the four full-time Department of Transportation hearing officer employees who currently conduct hearings for the Department of Transportation.

Engrossed HB 1017 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**HB 1049, as engrossed:** Your conference committee (Sens. Tollefson, Oehlke, Anderson and Reps. Weiler, Skarphol, Vig) recommends that the **SENATE RECEDE** from the Senate amendments on HJ page 1451, adopt amendments as follows, and place HB 1049 on the Seventh order:

That the Senate recede from its amendments as printed on page 1451 of the House Journal and pages 925 and 926 and page 1274 of the Senate Journal and that Engrossed House Bill No. 1049 be amended as follows:

Page 1, line 3, after the comma insert "section 57-39.2-03.6,"

Page 1, line 4, after the comma insert "subsection 3 of section 57-40.2-02.1,"

Page 1, line 6, after "tax" insert "rate reduction and" and after the first "for" insert "sales of natural gas and for"

Page 1, line 7, after "57-39.2-03.6" insert "and subsection 3 of section 57-40.2-02.1"

Page 3, after line 16, insert:

**"SECTION 2. AMENDMENT.** Section 57-39.2-03.6 of the North Dakota Century Code is amended and reenacted as follows:

**57-39.2-03.6. Sales tax rate on natural gas sales.** Notwithstanding any other provisions of this chapter, the rate of the tax imposed under this chapter upon the gross receipts of retailers from all sales at retail of natural gas to retail consumers or users is ~~four one percent from January 1, 1993, through December 31, 1993; three percent from January 1, 1994, through December 31, 1994; and two percent after December 31, 1994.~~

Page 3, after line 24, insert:

**"SECTION 5. AMENDMENT.** Subsection 3 of section 57-40.2-02.1 of the North Dakota Century Code is amended and reenacted as follows:

3. An excise tax is imposed on the storage, use, or consumption in this state of natural gas consumed by a final user at the rate of ~~four one percent from January 1, 1993, through December 31, 1993; three percent from January 1, 1994, through December 31, 1994; and two percent after December 31, 1994,~~ if sales tax has not been applied as provided by section 57-39.2-03.6."

Page 4, line 3, after "is" insert "exempt from the special fuel tax imposed by section 57-43.2-02 and subject to a tax at a rate of two cents per gallon under section 57-43.2-03 from January 1, 2008, through June 30, 2009, and after that date is"

Page 4, line 9, replace "Special fuel, other than" with "Propane"

Page 4, line 10, remove "diesel fuel," and after "is" insert "exempt from the special fuel tax imposed by section 57-43.2-02 and subject to a tax at a rate of one percent under section 57-43.2-03 from January 1, 2008, through June 30, 2009, and thereafter is"

Page 4, line 11, after the underscored period insert "Special fuel, other than diesel fuel and propane, sold for use as heating fuel is exempt from the special fuel tax imposed by section 57-43.2-02 and subject to a tax at a rate of two cents per gallon under section 57-43.2-03 from January 1, 2008, through June 30, 2009, and thereafter is exempt from the special fuel tax imposed by sections 57-43.2-02 and 57-43.2-03 at the time the fuel is sold to the consumer."

Page 4, line 18, after "57-39.2-03.6" insert "and subsection 3 of section 57-40.2-02.1" and replace "is" with "are"

Page 4, line 20, replace "This" with "Sections 1, 2, 3, 5, and 6 of this" and replace "is" with "are"

Page 4, line 21, replace "June 30" with "December 31" and after the period insert "Sections 4 and 7 of this Act are effective for taxable events occurring after June 30, 2009."

Renumber accordingly

Engrossed HB 1049 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**HB 1246:** Your conference committee (Sens. Erbele, J. Lee, Heckaman and Reps. Nelson, Weisz, Potter) recommends that the **SENATE RECEDE** from the Senate amendments on HJ page 1123, adopt amendments as follows, and place HB 1246 on the Seventh order:

That the Senate recede from its amendments as printed on page 1123 of the House Journal and page 803 of the Senate Journal and that House Bill No. 1246 be amended as follows:

Page 1, line 1, replace "create and enact a new section to chapter 50-24.1 of the North Dakota" with "provide for a report to the legislative council"

Page 1, line 2, remove "Century Code," and after the semicolon insert "and"

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

Page 1, replace lines 5 through 11 with:

**"SECTION 1. DEPARTMENT OF HUMAN SERVICES REPORT ON MEDICAL ASSISTANCE DENTAL SERVICES - REPORT TO LEGISLATIVE COUNCIL.** Before August 1, 2008, the department of human services shall report to the legislative council on the status of medical assistance recipients' access to dental services."

Page 1, line 13, replace "\$1,150,106" with "\$160,000"

Page 1, line 15, replace "\$2,042,955" with "\$284,198"

Page 1, line 16, after "of" insert "increasing" and after "funding" insert "of children's"

Page 1, remove lines 18 and 19

Renumber accordingly

HB 1246 was placed on the Seventh order of business on the calendar.



**REPORT OF CONFERENCE COMMITTEE**

**HB 1296, as reengrossed:** Your conference committee (Sens. Erbele, Dever, Warner and Reps. Wieland, Bellew, Metcalf) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1325-1326, adopt amendments as follows, and place HB 1296 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1325 and 1326 of the House Journal and page 962 of the Senate Journal and that Reengrossed House Bill No. 1296 be amended as follows:

Page 2, after line 2, insert:

**"23-40-03. Strategic plan.** The state department of health shall establish and update regularly a strategic plan for an integrated emergency medical services program in this state which includes a comprehensive statewide emergency medical services system. The strategic plan may include consideration of transportation distances to hospitals, the size of service areas, the distance between emergency medical services operations, the age of emergency medical services personnel, the use of and the willingness to use first responders, the feasibility of consolidation of emergency medical services operations, the types of calls received, and call volume."

Page 2, line 3, replace "**23-40-03**" with "**23-40-04**"

Page 2, line 4, after the first "determinations" insert ", level of local matching funds determinations,"

Page 2, line 6, replace "and continually update this strategic plan for an" with "a sliding percent formula for determining the percentage of an applicant's local matching fund obligation. The sliding percent formula must be based on the department's strategic plan and must include consideration of how the applicant fits into the strategic plan and consideration of the needs of emergency medical services operations in the applicant's neighboring service areas."

Page 2, remove line 7

Page 2, line 8, remove "emergency medical services system."

Page 2, line 10, replace "equal to seventy-five" with "at the level determined by the state health officer, but which must be at least ten percent but not more than ninety"

Page 2, line 12, replace "**23-40-04**" with "**23-40-05**"

Page 2, line 16, replace "**23-40-05**" with "**23-40-06**"

Page 3, line 6, replace "**23-40-04**" with "**23-40-05**"

Page 3, line 22, replace "\$1,000,000" with "\$1,250,000"

Renumber accordingly

Reengrossed HB 1296 was placed on the Seventh order of business on the calendar.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1515, as engrossed:** Your conference committee (Sens. Tollefson, Urlacher, Heitkamp and Reps. Porter, Monson, S. Kelsh) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1438-1439, adopt amendments as follows, and place HB 1515 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1438 and 1439 of the House Journal and page 1017 of the Senate Journal and that Engrossed House Bill No. 1515 be amended as follows:

Page 1, line 1, replace the second "and" with a comma

Page 1, line 2, after "54-17" insert ", and, if Senate Bill No. 2288 of the sixtieth legislative assembly becomes effective, a new section to chapter 54-17"

Page 1, line 3, replace "and" with a comma

Page 1, line 4, after "program" insert ", and to establish a biomass incentive and research fund; to provide a transfer"

Page 1, line 17, replace "A" with "If Senate Bill No. 2288 of the sixtieth legislative assembly does not become effective, a"

Page 2, replace lines 22 through 27 with:

"10. Work in cooperation with the game and fish department to establish a private land open to sportsmen program biomass demonstration project.

**SECTION 3.** If Senate Bill No. 2288 is approved by the legislative assembly and becomes effective, a new section to chapter 54-17 of the North Dakota Century Code is created and enacted as follows:

**Biomass incentive and research program.** The industrial commission in coordination with the renewable energy council may:

1. Establish an incentive program to assist the agricultural community to demonstrate the production, harvest, storage, and delivery of a biomass feedstock on a commercial scale to a private sector end user.
2. Establish a project on a scale sufficient to enable at least one group of cooperating agricultural producers, and preferably two groups in different regions of the state, to produce, harvest, store, and deliver biomass feedstock to an end user at commercial scale.
3. Give priority on a perennial grass feedstock due to the state's resource potential, although residual feedstocks are eligible for consideration.
4. Establish procedures for competitive applications by cooperating agricultural producers organized through a limited liability corporation, cooperative, or other appropriate ownership structure, that can demonstrate in their application the commitment of a commercial end user to purchase the biomass produced and adequate technical support to accomplish the biomass production, harvest, storage, and delivery to that end user.
5. Provide funds for incentives, including producer payments to provide income support during the critical biomass stand establishment period of two years without harvest, in the case of native grasses, or other perennial biomass crops.
6. Ensure that activities enumerated in this section qualify for the agriculture partnership in assisting community expansion program.
7. Arrange for the provision of technical assistance services determined by participating producers in their application to the industrial commission.
8. Provide incentive support targeted to producer entities that successfully apply to the industrial commission rather than the commercial biomass end user.
9. Provide funds for a front-end engineering and design study for a cellulosic ethanol and nanowhiskers project.
10. Work in cooperation with the game and fish department to establish a private land open to sportsmen program biomass demonstration project.

**SECTION 4.** A new section to chapter 54-17 of the North Dakota Century Code is created and enacted as follows:

**Biomass incentive and research fund.** The biomass incentive and research fund is a special fund in the state treasury. The industrial commission shall establish the guidelines and procedures for use of the fund. All earnings of the fund must be credited to the fund.

**SECTION 5. TRANSFER - APPROPRIATION.** The industrial commission may transfer up to \$1,000,000 from the beginning farmer revolving loan fund located at the Bank of North Dakota and up to \$1,000,000 from the biofuel partnership in assisting

community expansion fund to the biomass incentive and research fund. The funds are appropriated for the biennium beginning July 1, 2007, and ending June 30, 2009.

**SECTION 6. ORGANIC ADVISORY BOARD - GRANT.** The industrial commission may grant up to \$30,000 from the biomass incentive and research fund to the agriculture commissioner to support organic agriculture initiatives and programs during the biennium beginning July 1, 2007, and ending June 30, 2009."

Renumber accordingly

Engrossed HB 1515 was placed on the Seventh order of business on the calendar.

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

**SB 2032, as reengrossed:** Your conference committee (Sens. Urlacher, Cook, Triplett and Reps. Belter, Drovdal, S. Kelsh) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1445-1453, adopt amendments as follows, and place SB 2032 on the Seventh order:

That the House recede from its amendments as printed on pages 1445-1453 of the Senate Journal and pages 1615-1623 of the House Journal and that Reengrossed Senate Bill No. 2032 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 two new sections to chapter 57-38 and two new subsections to section 57-38-30.3 of the North Dakota Century Code, relating to income tax marriage penalty relief and a homestead income tax credit; to amend and reenact sections 57-02-08.1, 57-12-09, 57-15-14, 57-20-07.1, and 57-55-04 of the North Dakota Century Code, relating to the homestead credit, notice of assessment increases, school district levy limitations, contents of property tax statements, payment of real estate taxes, and mobile home taxes; to provide an appropriation; to provide for a legislative council study; and to provide an effective date.

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

**SECTION 1. AMENDMENT.** Section 57-02-08.1 of the North Dakota Century Code is amended and reenacted as follows:

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

1. a. Any person sixty-five years of age or older or permanently and totally disabled, in the year in which the tax was levied, with an income that does not exceed the limitations of subdivision c is entitled to receive a reduction in the assessment on the taxable valuation on the person's homestead. An exemption under this subsection applies regardless of whether the person is the head of a family.
- b. The exemption under this subsection continues to apply if the person does not reside in the homestead and the person's absence is due to confinement in a nursing home, hospital, or other care facility, for as long as the portion of the homestead previously occupied by the person is not rented to another person.
- c. The exemption must be determined according to the following schedule:
  - (1) If the person's income is not in excess of ~~eight ten~~ thousand ~~five hundred~~ dollars, a reduction of one hundred percent of the taxable valuation of the person's homestead up to a maximum reduction of three thousand ~~thirty-eight~~ three hundred seventy-five dollars of taxable valuation.
  - (2) If the person's income is in excess of ~~eight ten~~ thousand ~~five hundred~~ dollars and not in excess of ~~ten~~ twelve thousand dollars, a reduction of eighty percent of the taxable valuation of the person's homestead up to a maximum reduction of two thousand ~~four~~ seven hundred ~~thirty~~ dollars of taxable valuation.

- (3) If the person's income is in excess of ~~ten~~ twelve thousand dollars and not in excess of ~~eleven~~ fourteen thousand ~~five hundred~~ dollars, a reduction of sixty percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~one two thousand eight hundred twenty-three~~ twenty-five dollars of taxable valuation.
  - (4) If the person's income is in excess of ~~eleven~~ fourteen thousand ~~five hundred~~ dollars and not in excess of ~~thirteen~~ sixteen thousand dollars, a reduction of forty percent of the taxable valuation of the person's homestead up to a maximum reduction of one thousand ~~two~~ three hundred ~~fifteen~~ fifty dollars of taxable valuation.
  - (5) If the person's income is in excess of ~~thirteen~~ sixteen thousand dollars and not in excess of ~~fourteen~~ seventeen thousand five hundred dollars, a reduction of twenty percent of the taxable valuation of the person's homestead up to a maximum reduction of six hundred ~~eight~~ seventy-five dollars of taxable valuation.
- d. Persons residing together, as spouses or when one or more is a dependent of another, are entitled to only one exemption between or among them under this subsection. Persons residing together, who are not spouses or dependents, who are coowners of the property are each entitled to a percentage of a full exemption under this subsection equal to their ownership interests in the property.
- e. This subsection does not reduce the liability of any person for special assessments levied upon any property.
- f. Any person claiming the exemption under this subsection shall sign a verified statement of facts establishing the person's eligibility.
- g. A person is ineligible for the exemption under this subsection if the value of the assets of the person and any dependent residing with the person, excluding the unencumbered value of the person's residence that the person claims as a homestead, exceeds fifty thousand dollars, including the value of any assets divested within the last three years. For purposes of this subdivision, the unencumbered valuation of the homestead is limited to one hundred thousand dollars.
- h. The assessor shall attach the statement filed under subdivision f to the assessment sheet and shall show the reduction on the assessment sheet.
- i. An exemption under this subsection terminates at the end of the taxable year of the death of the applicant.
2.
  - a. Any person who would qualify for an exemption under subdivisions a and c of subsection 1 except for the fact that the person rents living quarters is eligible for refund of a portion of the person's annual rent deemed by this subsection to constitute the payment of property tax.
  - b. For the purpose of this subsection, twenty percent of the annual rent, exclusive of any federal rent subsidy and of charges for any utilities, services, furniture, furnishings, or personal property appliances furnished by the landlord as part of the rental agreement, whether expressly set out in the rental agreement, must be considered as payment made for property tax. When any part of the twenty percent of the annual rent exceeds four percent of the annual income of a qualified applicant, the applicant is entitled to receive a refund from the state general fund for that amount in excess of four percent of the person's annual income, but the refund may not be in excess of two hundred forty dollars. If the calculation for the refund is less than five dollars, a minimum of five dollars must be sent to the qualifying applicant.
  - c. Persons who reside together, as spouses or when one or more is a dependent of another, are entitled to only one refund between or among them under this subsection. Persons who reside together in a

rental unit, who are not spouses or dependents, are each entitled to apply for a refund based on the rent paid by that person.

- d. Each application for refund under this subsection must be made to the tax commissioner before the first day of June of each year by the person claiming the refund. The tax commissioner may grant an extension of time to file an application for good cause. The tax commissioner shall issue refunds to applicants.
  - e. This subsection does not apply to rents or fees paid by a person for any living quarters, including a nursing home licensed pursuant to section 23-16-01, if those living quarters are exempt from property taxation and the owner is not making a payment in lieu of property taxes.
  - f. A person may not receive a refund under this section for a taxable year in which that person received an exemption under subsection 1.
- 3. All forms necessary to effectuate this section must be prescribed, designed, and made available by the tax commissioner. The county directors of tax equalization shall make these forms available upon request.
  - 4. A person whose homestead is a farm structure exempt from taxation under subsection 15 of section 57-02-08 may not receive any property tax credit under this section.
  - 5. For the purposes of this section:
    - a. "Dependent" has the same meaning it has for federal income tax purposes.
    - b. "Homestead" has the same meaning as provided in section 47-18-01.
    - c. "Income" means income for the most recent complete taxable year from all sources, including the income of any dependent of the applicant, and including any county, state, or federal public assistance benefits, social security, or other retirement benefits, but excluding any federal rent subsidy, any amount excluded from income by federal or state law, and medical expenses paid during the year by the applicant or the applicant's dependent which is not compensated by insurance or other means.
    - d. "Medical expenses" has the same meaning as it has for state income tax purposes, except that for transportation for medical care the person may use the standard mileage rate allowed for state officer and employee use of a motor vehicle under section 54-06-09.
    - e. "Permanently and totally disabled" means the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or has lasted or can be expected to last for a continuous period of not less than twelve months as established by a certificate from a licensed physician.

**SECTION 2. AMENDMENT.** Section 57-12-09 of the North Dakota Century Code is amended and reenacted as follows:

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

and the notice must show the true and full value as defined by law of the property, including improvements, that the assessor used in making the assessment for the current year and for the year in which the last assessment was made and must also show the date prescribed by law for the meeting of the local equalization board of the assessment district in which the property is located and the meeting date of the county equalization board. The notice must be mailed or delivered ~~to the property owner at least ten days in advance of the meeting date of the local equalization board and must be mailed or delivered~~ at the expense of the assessment district for which the assessor is employed.

**SECTION 3. AMENDMENT.** Section 57-15-14 of the North Dakota Century Code is amended and reenacted as follows:

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

1. In any school district having a total population in excess of four thousand according to the last federal decennial census:
  - a. There may be levied any specific number of mills that upon resolution of the school board has been submitted to and approved by a majority of the qualified electors voting upon the question at any regular or special school district election.
  - b. There is no limitation upon the taxes which may be levied if upon resolution of the school board of any such district the removal of the mill levy limitation has been submitted to and approved by a majority of the qualified electors voting at any regular or special election upon such question.
2. In any school district having a total population of less than four thousand, there may be levied any specific number of mills that upon resolution of the school board has been approved by fifty-five percent of the qualified electors voting upon the question at any regular or special school election.
3. After June 30, 2007, in any school district election for approval by electors of unlimited or increased levy authority under subsection 1 or 2, the ballot must specify the number of mills, the percentage increase in dollars levied, or that unlimited levy authority is proposed for approval, and the number of taxable years for which that approval is to apply. After June 30, 2007, approval by electors of unlimited or increased levy authority under subsection 1 or 2 may not be effective for more than ten taxable years.
4. In any school district in which the total assessed valuation of property has increased twenty percent or more over the prior year and in which as a result of that increase the school district is entitled to less in state aid payments provided in chapter 15.1-27 because of the deduction required in section 15.1-27-05, there may be levied any specific number of mills more in dollars than was levied in the prior year up to a general fund levy of one hundred eighty-five mills on the dollar of the taxable valuation of the school district. The additional levy authorized by this subsection may be levied for not more than two years because of any twenty percent or greater annual increase in assessed valuation. The total amount of revenue generated in excess of the eighteen percent increase which is otherwise permitted by this section may not exceed the amount of state aid payments lost as a result of applying the deduction provided in section 15.1-27-05 to the increased assessed valuation of the school district in a one-year period.

The question of authorizing or discontinuing such specific number of mills authority or unlimited taxing authority in any school district must be submitted to the qualified electors at the next regular election upon resolution of the school board or upon the filing with the school board of a petition containing the signatures of qualified electors of the district equal in number to ~~twenty ten percent of the number of persons enumerated in the school census for that district for the most recent year such census was taken, unless such census is greater than four thousand in which case only fifteen percent of the number of persons enumerated in the school census is required~~ electors who cast

votes in the most recent election in the school district. However, not fewer than twenty-five signatures are required unless the district has fewer than twenty-five qualified electors, in which case the petition must be signed by not less than twenty-five percent of the qualified electors of the district. In those districts with fewer than twenty-five qualified electors, the number of qualified electors in the district must be determined by the county superintendent for such county in which such school is located. However, the approval of discontinuing either such authority does not affect the tax levy in the calendar year in which the election is held. The election must be held in the same manner and subject to the same conditions as provided in this section for the first election upon the question of authorizing the mill levy.

**SECTION 4. AMENDMENT.** Section 57-20-07.1 of the North Dakota Century Code is amended and reenacted as follows:

**57-20-07.1. County treasurer to mail real estate tax statement.** On or before December twenty-sixth of each year, the county treasurer shall mail a real estate tax statement to the owner of each parcel of real property at the owner's last-known address. The statement must be provided in a manner that allows the taxpayer to retain a printed record of the obligation for payment of taxes and special assessments as provided in the statement. If a parcel of real property is owned by more than one individual, the county treasurer shall send only one statement to one of the owners of that property. Additional copies of the tax statement will be sent to the other owners upon their request and the furnishing of their names and addresses to the county treasurer. ~~Such tax statements~~ The tax statement must include a dollar valuation of the true and full value as defined by law of the property and the total mill levy applicable. The tax statement must include, or be accompanied by a separate sheet, with three columns showing, for the taxable year to which the tax statement applies and the two immediately preceding taxable years, the property tax levy in dollars against the parcel by the county and school district and any city or township that levied taxes against the parcel. 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 5.** A new section to chapter 57-38 of the North Dakota Century Code is created and enacted as follows:

**Marriage penalty credit.**

1. A married couple filing a joint return under section 57-38-30.3 is allowed a credit of not to exceed three hundred dollars per couple as determined under this section. The tax commissioner shall adjust the maximum amount of the credit under this subsection each taxable year at the time and rate adjustments are made to rate schedules under subdivision g of subsection 1 of section 57-38-30.3.
2. The credit under this section is the difference between the tax on the couple's joint North Dakota taxable income under the rates and income levels in subdivision b of subsection 1 of section 57-38-30.3 and the sum of the tax under the rates and income levels of subdivision a of subsection 1 of section 57-38-30.3 on the earned income of the lesser-earning spouse, and the tax under the rates and income levels of subdivision a of subsection 1 of section 57-38-30.3 on the couple's joint North Dakota taxable income, minus the earned income of the lesser-earning spouse.
3. The tax commissioner shall prepare and make available to taxpayers a comprehensive table showing the credit under this section at brackets of earnings of the lesser-earning spouse and joint taxable income. The brackets of earnings may not be more than two thousand dollars.
4. For a nonresident or part-year resident, the credit under this section must be adjusted based on the percentage calculated under subdivision f of subsection 1 of section 57-38-30.3.
5. For purposes of this section:
  - a. "Earned income" means the sum of the following, to the extent included in North Dakota taxable income:
    - (1) Earned income as defined in section 32(c)(2) of the Internal Revenue Code;

- (2) Income received from a retirement pension, profit-sharing, stock bonus, or annuity plan; and
- (3) Social security benefits as defined in section 86(d)(1) of the Internal Revenue Code.
- b. "Earned income of the lesser-earning spouse" means the earned income of the spouse with the lesser amount of earned income for the taxable year minus the sum of:
  - (1) The amount for one exemption under section 151(d) of the Internal Revenue Code; and
  - (2) One-half of the amount of the standard deduction under section 63(c)(2)(A)(4) of the Internal Revenue Code.

**SECTION 6.** A new section to chapter 57-38 of the North Dakota Century Code is created and enacted as follows:

**Homestead income tax credit - Rules.**

- 1. In addition to any other credit or deduction allowed by law for a homeowner, an individual is entitled to a credit against the tax imposed under section 57-38-29 or section 57-38-30.3 for taxable years 2007 and 2008 in the amount of ten percent of property taxes or mobile home taxes that became due during the income tax taxable year and are paid which were levied against the individual's homestead in this state. For purposes of this section, "property taxes" does not include any special assessments.
- 2. For purposes of this section, "homestead" means the dwelling occupied by the individual as the individual's primary residence and, if that residence is in this state, any residential or agricultural property owned by that individual in this state.
- 3.
  - a. The amount of the credit under this section may not exceed one thousand dollars for married persons filing a joint return or five hundred dollars for a single individual or married individuals filing separate returns.
  - b. The amount of the credit under this section may not exceed the taxpayer's tax liability under this chapter.
- 4. The amount of the credit under subsection 3 in excess of the taxpayer's tax liability may be carried forward for up to five years.
- 5. Persons owning property together are entitled to only one credit for a parcel of property between or among them under this section. Persons owning property together are each entitled to a percentage of the credit for a single individual under this section equal to their ownership interests in the property.
- 6. This section is not subject to subsection 1 or subsection 2 of section 57-38-45.
- 7. The tax commissioner shall adopt rules to provide for filing and verification of claims of credits under this section.
- 8.
  - a. If, on November 15, 2008, the total amount of tax credits claimed under this section exceeds forty-four million dollars, the tax commissioner shall reduce the rate of the credit under subsection 1. The adjusted credit rate must be calculated by the tax commissioner as follows:
    - (1) The tax commissioner shall determine the percentage by which the credits claimed under this section exceeds forty-four million dollars.
    - (2) The difference between the number one and the amount calculated under subdivision a multiplied by ten percent is the adjusted credit rate for the 2008 taxable year.



- b. The tax commissioner shall report any adjustment under this subsection to the budget section of the legislative council for review.

**SECTION 7.** Two new subsections to section 57-38-30.3 of the North Dakota Century Code are created and enacted as follows:

A taxpayer filing a return under this section is entitled to the credit provided under section 5 of this Act.

A taxpayer filing a return under this section is entitled to the credit provided under section 6 of this Act.

**SECTION 8. AMENDMENT.** Section 57-55-04 of the North Dakota Century Code is amended and reenacted as follows:

**57-55-04. Taxes - How determined - Disbursement.** The director of tax equalization shall determine the tax for each mobile home by placing an evaluation on the mobile home based upon its assessed value and by adjusting the valuation of the mobile home by the percentage provided in section 57-02-27 to determine its taxable valuation under standards and guides determined by the state tax commissioner and applying that evaluation to the preceding year's total mill levies applying to property within the taxing district in which the mobile home is located. The county treasurer shall provide a tax statement for each mobile home subject to taxation under this chapter, including three columns showing, for the taxable year to which the tax statement applies and the two immediately preceding taxable years, the property tax levy in dollars against the mobile home by the county and school district and any city or township that levied taxes against the mobile home. If a mobile home is acquired or moved into this state during the calendar year and a tax permit has not been previously issued for such mobile home in this state for such year, the tax is determined by computing the remaining number of months of the current year to the nearest full month and multiplying that number by one-twelfth of the amount which would be due for the full year. The taxes collected under this chapter must be disbursed in the same year they are collected and in the same manner as real estate taxes for the preceding year are disbursed.

**SECTION 9. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$3,604,000, or so much of the sum as may be necessary, to the state tax commissioner for the purpose of enhanced funding for the expanded homestead tax credit as provided in this Act, for the biennium beginning July 1, 2007, and ending June 30, 2009.

**SECTION 10. LEGISLATIVE COUNCIL STUDY.** The legislative council shall study in each interim through 2012 the feasibility and desirability of property tax reform and providing property tax relief to taxpayers of the state, with the goal of reduction of each taxpayer's annual property tax bill to an amount that is not more than one and one-half percent of the true and full value of property, and including examination of the proper measure of education funding from local taxation and state resources and the variability of funding resources among taxing districts and examination of improved collection and reporting of property tax information to identify residency of property owners with minimized administrative difficulty. The legislative council shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the legislative assembly subsequent to each interim.

**SECTION 11. EFFECTIVE DATE.** Sections 1, 3, and 4 of this Act are effective for taxable years beginning after December 31, 2006. Section 8 of this Act is effective for taxable years beginning after December 31, 2007, for mobile home taxes. Section 2 of this Act is effective for taxable years beginning after December 31, 2007. Sections 5, 6, and 7 of this Act are effective for taxable years beginning after December 31, 2006."

Renumber accordingly

Reengrossed SB 2032 was placed on the Seventh order of business on the calendar.

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

**SB 2293:** Your conference committee (Sens. Tollefson, Urlacher, Triplett and Reps. Porter, Damschen, S. Meyer) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 755-756 and place SB 2293 on the Seventh order.

SB 2293 was placed on the Seventh order of business on the calendar.

**REPORT OF CONFERENCE COMMITTEE**

**SB 2379, as reengrossed:** Your conference committee (Sens. Erbele, J. Lee, Warner and Reps. Weisz, Pietsch, Schneider) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 983-984, adopt amendments as follows, and place SB 2379 on the Seventh order:

That the House recede from its amendments as printed on pages 983 and 984 of the Senate Journal and pages 1052 and 1053 of the House Journal and that Reengrossed Senate Bill No. 2379 be amended as follows:

Page 1, line 1, remove "conduct an assessment of"

Page 1, line 2, remove "the possible nursing student population and to"

Page 1, line 3, after "laboratory" insert "; to provide statements of legislative intent; to provide for a report to the legislative council"

Page 1, line 17, replace "medical association" with "nurses association nursing practice council leadership team"

Page 1, line 23, replace "2007 to 2009" with "July 1, 2007, through December 31, 2009"

Page 2, remove lines 1 through 5

Page 2, line 6, replace "4." with "3.", replace "The" with "If the consortium secures nonstate funds to cover the capital costs of a mobile clinical nursing simulation laboratory program, the", and replace "shall" with "may"

Page 2, line 8, replace the underscored comma with "and"

Page 2, line 9, replace ", and provide" with an underscored period

Page 2, remove lines 10 through 12

Page 2, line 13, replace "5." with "4." and replace "The" with "If the consortium establishes a mobile clinical nursing simulation laboratory program, the"

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

Page 2, line 21, after the second "the" insert "simulation laboratory program and the activities of the"

Page 2, line 23, replace "\$500,000" with "\$200,000"

Page 2, line 25, replace "nursing education consortium" with "costs of a simulation laboratory program"

Page 2, after line 26, insert:

**"SECTION 3. STATE BOARD OF HIGHER EDUCATION - LEGISLATIVE INTENT.** It is the intent of the legislative assembly that the state board of higher education establish and implement a policy and procedure for institutions of higher education under the control of the board to participate in systemwide initiatives.

**SECTION 4. COMPETITIVE GRANT ELIGIBILITY - LEGISLATIVE INTENT.** It is the intent of the legislative assembly that the nursing education consortium apply for public and private grants to assist in financing section 1 of this Act and that state agencies interpret grant application guidelines broadly to allow the nursing education consortium to be eligible to apply for grants."

ReNUMBER accordingly

Reengrossed SB 2379 was placed on the Seventh order of business on the calendar.

**REPORT OF CONFERENCE COMMITTEE**

**SB 2419, as reengrossed:** Your conference committee (Sens. Lyson, Wardner, Triplett and Reps. Porter, Damschen, S. Meyer) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1385-1389, adopt amendments as follows, and place SB 2419 on the Seventh order:

That the House recede from its amendments as printed on pages 1385-1389 of the Senate Journal and pages 1541-1545 of the House Journal and that Reengrossed Senate Bill No. 2419 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 chapter 57-51.2 of the North Dakota Century Code, relating to agreements with the Three Affiliated Tribes to share revenue from state taxes on oil and gas production within the boundaries of the Fort Berthold Reservation; to provide an effective date; to provide an expiration date; and to declare an emergency.

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

**SECTION 1.** Chapter 57-51.2 of the North Dakota Century Code is created and enacted as follows:

**57-51.2-01. Authority to enter agreements.** The governor, in consultation with the tax commissioner, may enter agreements with the Three Affiliated Tribes relating to taxation and regulation of oil and gas exploration and production within the boundaries of the Fort Berthold Reservation.

**57-51.2-02. Agreement requirements.** An agreement under this chapter is subject to the following:

1. The only taxes subject to agreement are the state's oil and gas gross production and oil extraction taxes attributable to production from wells located within the exterior boundaries of the Fort Berthold Reservation.
2. The state's oil and gas gross production tax under chapter 57-51 must apply to all wells located within the Fort Berthold Reservation.
3. The state's oil extraction tax under chapter 57-51.1 as applied to oil and gas production attributable to trust lands on the Fort Berthold Reservation may not exceed six and one-half percent but may be reduced through negotiation between the governor and the Three Affiliated Tribes.
4. Any exemptions for oil and gas production from trust lands under chapters 57-51 and 57-51.1 do not apply to production within the boundaries of the Fort Berthold Reservation except as otherwise provided in the agreement.
5. The allocation of revenue from oil and gas production taxes on the Fort Berthold Reservation must be as follows:
  - a. Production attributable to trust lands. All revenues and exemptions from all oil and gas gross production and oil extraction taxes attributable to production from trust lands on the Fort Berthold Reservation must be evenly divided between the tribe and the state.
  - b. All other production. The tribe must receive twenty percent of the total oil and gas gross production taxes collected from all production attributable to nontrust lands on the Fort Berthold Reservation in lieu of the application of the Three Affiliated Tribes' fees and taxes related to production on such lands. The state must receive the remainder.
  - c. The state's share of the revenue as divided in subdivisions a and b is subject to distribution among political subdivisions as provided in chapters 57-51 and 57-51.1.
6. An oil or gas well that is drilled and completed during the time of an agreement under this chapter must be subject to the terms of the agreement for the life of the well.
7. The Three Affiliated Tribes must agree not to impose a tribal tax or any fee on future production of oil and gas on the Fort Berthold Reservation during the term of the agreement.
8. To address situations in which the tax commissioner refunds taxes to a taxpayer, the agreement must allow the tax commissioner to offset future distributions to the tribe.

9. The tax commissioner must retain authority to administer and enforce chapters 57-51 and 57-51.1 as applied to wells subject to any agreement authorized by this chapter.
10. An oil or gas well that is drilled and completed during the time an agreement under this chapter is in effect is subject to state regulatory provisions for the life of the well in addition to any other applicable regulatory provisions.
11. The federal district court for the western division of North Dakota is the venue for any dispute arising from a revenue-sharing agreement between the state and the Three Affiliated Tribes.

**57-51.2-03. Statutory inconsistencies superseded.** This chapter supersedes any inconsistent provisions of chapters 57-51 and 57-51.1 and any inconsistent provisions of state law relating to regulatory provisions and state law relating to oil and gas exploration and production and administration of those provisions.

**57-51.2-04. Reports.** After entering an agreement under this chapter the governor shall file a report with the legislative council describing the agreement's negotiations and terms and thereafter shall file biennial reports with the legislative council describing the agreement's implementation and any difficulties in its implementation.

**57-51.2-05. Inapplicability of chapter 54-40.2.** Chapter 54-40.2 does not apply to any agreement entered under chapter 57-51.2.

**SECTION 2. EFFECTIVE DATE - EXPIRATION DATE.** This Act is effective for oil production after June 30, 2007. This Act is ineffective after June 30, 2009, unless by that date the governor's office notifies the tax commissioner and legislative council that an agreement has been entered with the Three Affiliated Tribes under chapter 57-51.2.

**SECTION 3. EMERGENCY.** This Act is declared to be an emergency measure."

Renumber accordingly

Reengrossed SB 2419 was placed on the Seventh order of business on the calendar.

#### REPORT OF STANDING COMMITTEE

**HB 1522: Appropriations Committee (Rep. Svedjan, Chairman)** recommends **DO PASS** (23 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1522 was placed on the Eleventh order on the calendar.

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

**Buell J. Reich, Chief Clerk**