

## JOURNAL OF THE HOUSE

## Sixty-first Legislative Assembly

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Bismarck, April 13, 2009

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

The prayer was offered by Pastor Steve Wisthoff, First Baptist Church, Bismarck.

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

A quorum was declared by the Speaker.

## CORRECTION AND REVISION OF THE JOURNAL

**MR. SPEAKER:** Your **Committee on Correction and Revision of the Journal (Rep. Delzer, Chairman)** has carefully reexamined the Journal of the 58th and 61st Days and recommends that it be corrected as follows and when so corrected, recommends that it be approved:

Page 1168, line 21, replace "Engrossed HB 1029, as amended" with "Reengrossed HB 1029"

Page 1168, line 45, replace "HB 1113" with "Engrossed HB 1113"

Page 1169, line 18, replace "Engrossed HB 1435, as amended" with "Reengrossed HB 1435"

Page 1169, line 44, replace "Engrossed HB 1463, as amended" with "Reengrossed HB 1463"

Page 1321, line 7, insert "Rep." after "offered by"

Page 1321, line 16, replace "line 29" with "line 35"

Page 1325, line 53, replace "p.m." with "a.m."

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

## SIXTH ORDER OF BUSINESS

**SPEAKER MONSON DEEMED** approval of the amendments to Reengrossed SB 2014, Engrossed SB 2064, SB 2227, SB 2277, Engrossed SB 2353, and SCR 4035.

SCR 4035, as amended, was placed on the Tenth order of business on the calendar for the succeeding legislative day.

Reengrossed SB 2014, Engrossed SB 2064, SB 2227, SB 2277, and Engrossed SB 2353, as amended, were placed on the Fourteenth order of business on the calendar for the succeeding legislative day.

## COMMUNICATION FROM GOVERNOR JOHN HOEVEN

This is to inform you that on April 9, 2009, I have signed the following: HB 1070, HB 1362, and HB 1460.

Also, on April 10, 2009, I have signed the following: HB 1027.

## MOTION

**REP. VIGESAA MOVED** that House Rule 508 be suspended and the deadline be moved to the 64th legislative day, which motion prevailed.

## MOTION

**REP. VIGESAA MOVED** that Engrossed SCR 4030, which is on the Fourteenth order, be rereferred to the **Constitutional Revision Committee**, which motion prevailed. Pursuant to Rep. Vigesaa's motion, Engrossed SCR 4030 was rereferred.

## SECOND READING OF SENATE BILL

**SB 2393:** A BILL for an Act to provide an appropriation to the department of emergency services for emergency snow removal grants; and to declare an emergency.

**ROLL CALL**

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

**YEAS:** Amerman; Bellew; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlson; Clark; Conklin; Conrad; Dahl; Damschen; DeKrey; Delmore; Delzer; Dosch; Drovdal; Ekstrom; Frantsvog; Froelich; Froseth; Glassheim; Grande; Griffin; Gruchalla; Hanson; Hatlestad; Hawken; Headland; Heller; Hofstad; Holman; Hunskor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, J.; Kelsh, S.; Kempenich; Kerzman; Kilichowski; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Mock; Mueller; Myxter; Nathe; Nelson; Nottestad; Onstad; Pietsch; Pinkerton; Pollert; Porter; Potter; Ruby; Rust; Schatz; Schmidt; Schneider; Skarphol; Sukut; Svedjan; Thoreson; Thorpe; Uglen; Vig; Vigesaa; Wald; Wall; Weisz; Williams; Winrich; Wolf; Wrangham; Zaiser; Speaker Monson

**NAYS:** Weiler

**ABSENT AND NOT VOTING:** Wieland

Reengrossed SB 2393 passed, the title was agreed to, and the emergency clause was declared carried.

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**SECOND READING OF SENATE BILL**

**SB 2228:** A BILL for an Act to create and enact a new chapter to title 17 of the North Dakota Century Code, relating to the creation of a biofuel blender pump incentive fund; to amend and reenact sections 19-10-19, 19-10-20, and 19-10-21 of the North Dakota Century Code, relating to petroleum products; to provide an effective date; 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, and has committee recommendation of DO PASS, the roll was called and there were 84 YEAS, 9 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlson; Conklin; Conrad; Dahl; DeKrey; Delmore; Delzer; Dosch; Drovdal; Ekstrom; Frantsvog; Froelich; Glassheim; Grande; Griffin; Gruchalla; Hanson; Hatlestad; Hawken; Headland; Heller; Hofstad; Holman; Hunskor; Johnson, D.; Johnson, N.; Kaldor; Karls; Keiser; Kelsch, R.; Kelsh, J.; Kelsh, S.; Kempenich; Kerzman; Kilichowski; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Mock; Mueller; Myxter; Nelson; Nottestad; Onstad; Pietsch; Pinkerton; Pollert; Porter; Ruby; Rust; Schatz; Schmidt; Schneider; Sukut; Svedjan; Thoreson; Thorpe; Uglen; Vig; Vigesaa; Wald; Wall; Weisz; Williams; Winrich; Wolf; Wrangham; Zaiser; Speaker Monson

**NAYS:** Bellew; Clark; Damschen; Froseth; Kasper; Nathe; Potter; Skarphol; Weiler

**ABSENT AND NOT VOTING:** Wieland

Reengrossed SB 2228, as amended, passed, the title was agreed to, and the emergency clause was declared carried.

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**SECOND READING OF SENATE BILL**

**SB 2225:** A BILL for an Act to create and enact a new subsection to section 10-30.5-02 of the North Dakota Century Code, relating to the North Dakota development fund; to amend and reenact subsection 1 of section 6-09.14-01 of the North Dakota Century Code, relating to eligibility under the partnership in assisting community expansion program; to establish a grant program for early childhood facilities; to provide a report to the budget section; to provide an appropriation; and to provide an expiration date.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 68 YEAS, 25 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Bellew; Berg; Boe; Boehning; Boucher; Carlson; Clark; Conklin; Conrad; Dahl; Delmore; Dosch; Ekstrom; Frantsvog; Froelich; Glassheim; Grande; Griffin; Gruchalla; Hanson; Hatlestad; Hawken; Heller; Hofstad; Holman; Hunsakor; Johnson, D.; Johnson, N.; Kaldor; Kelsch, R.; Kelsh, J.; Kelsh, S.; Kerzman; Kilichowski; Kingsbury; Klemin; Koppelman; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Mock; Mueller; Myxter; Nelson; Nottestad; Onstad; Pinkerton; Potter; Schatz; Schmidt; Schneider; Sukut; Thoreson; Thorpe; Uglem; Vig; Vigesaa; Wald; Wall; Williams; Winrich; Wolf; Zaiser; Speaker Monson

**NAYS:** Belter; Brandenburg; Damschen; DeKrey; Delzer; Drovdal; Froseth; Headland; Karls; Kasper; Keiser; Kempenich; Klein; Kreidt; Nathe; Pietsch; Pollert; Porter; Ruby; Rust; Skarphol; Svedjan; Weiler; Weisz; Wrangham

**ABSENT AND NOT VOTING:** Wieland

Engrossed SB 2225, as amended, passed and the title was agreed to.

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## SECOND READING OF SENATE BILL

**SB 2221:** A BILL for an Act to create and enact a new subsection to section 57-60-01 and section 57-60-02.1 of the North Dakota Century Code, relating to a credit against privilege taxes on coal conversion facilities for carbon dioxide capture; to amend and reenact section 57-60-03 of the North Dakota Century Code, relating to measurement and recording of carbon dioxide capture; and to provide an effective date.

## ROLL CALL

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

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

**ABSENT AND NOT VOTING:** Wieland

Reengrossed SB 2221 passed and the title was agreed to.

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## SEVENTH ORDER OF BUSINESS

### MOTION

**REP. PINKERTON MOVED** that the report of the Minority as printed on HJ pages 960-961 be substituted for the report of the Majority on reengrossed SB 2199.

### REQUEST

**REP. VIGESAA REQUESTED** a recorded roll call vote on the motion that the report of the Minority be substituted for the report of the Majority on reengrossed SB 2199, which request was granted.

### ROLL CALL

The question being on the motion that the report of the Minority be substituted for the report of the Majority on reengrossed SB 2199, the roll was called and there were 36 YEAS, 56 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Boe; Boucher; Conklin; Conrad; Delmore; Ekstrom; Froelich; Glassheim; Griffin; Gruchalla; Hanson; Holman; Hunsakor; Kaldor; Kelsh, J.; Kelsh, S.; Kerzman; Kilichowski; Kroeber; Metcalf; Meyer, S.; Mock; Mueller; Myxter; Onstad; Pinkerton; Potter; Schmidt; Schneider; Thorpe; Vig; Williams; Winrich; Wolf; Zaiser

**NAYS:** Bellew; Belter; Berg; Boehning; Brandenburg; Carlson; Clark; Dahl; Damschen; DeKrey; Delzer; Dosch; Drovdal; Frantsvog; Froseth; Grande; Hatlestad; Hawken; Headland; Heller; Hofstad; Johnson, D.; Johnson, N.; Karls; Kasper; Keiser; Kempenich; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Martinson; Meier, L.; Nathe; Nelson; Nottestad; Pietsch; Pollert; Porter; Ruby; Rust; Schatz; Skarphol; Sukut; Svedjan; Thoreson; Uglem; Vigesaa; Wald; Wall; Weiler; Weisz; Wrangham; Speaker Monson

**ABSENT AND NOT VOTING:** Kelsch, R.; Wieland

The motion that the report of the Minority be substituted for the report of the Majority on reengrossed SB 2199 failed, therefore, the report of the Majority was adopted.

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

**SB 2199:** A BILL for an Act to create a property tax relief sustainability fund; to create and enact two new subdivisions to subsection 3 of section 57-15-01.1 and chapter 57-64 of the North Dakota Century Code, relating to allocation of state funds to school districts for mill levy reduction grants; to amend and reenact sections 57-15-14, 57-15-31, and 57-38-30 and subsection 1 of section 57-38-30.3 of the North Dakota Century Code, relating to property tax levies of school districts, corporate income tax rates, and income tax rates for individuals, estates, and trusts; to provide an appropriation; to provide for transfers; and to provide an effective date.

#### **ROLL CALL**

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 77 YEAS, 17 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Bellew; Belter; Boe; Boehning; Brandenburg; Carlson; Clark; Conklin; Dahl; DeKrey; Delmore; Delzer; Dosch; Drovdal; Ekstrom; Frantsvog; Froseth; Glassheim; Grande; Griffin; Gruchalla; Hanson; Hatlestad; Hawken; Headland; Heller; Hofstad; Holman; Hunsakor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, J.; Kelsh, S.; Kempenich; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Meyer, S.; Mock; Mueller; Myxter; Nathe; Nelson; Nottestad; Onstad; Pietsch; Pollert; Porter; Rust; Schatz; Schneider; Skarphol; Sukut; Svedjan; Thoreson; Uglem; Vigesaa; Wald; Wall; Weiler; Wieland; Williams; Winrich; Wrangham; Speaker Monson

**NAYS:** Berg; Boucher; Conrad; Damschen; Froelich; Kerzman; Kilichowski; Metcalf; Pinkerton; Potter; Ruby; Schmidt; Thorpe; Vig; Weisz; Wolf; Zaiser

Reengrossed SB 2199 passed and the title was agreed to.

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#### **MOTION**

**REP. VIGESAA MOVED** that the House stand in recess until 4:00 p.m., which motion prevailed.

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

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

**REP. GRANDE MOVED** that the Speaker appoint a committee of three to act with a like committee from the Senate as a Conference Committee on SB 2163, which motion prevailed.

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

**SB 2163:** Reps. Boehning, Dahl, Wolf

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

**REP. RUBY MOVED** that the Speaker appoint a committee of three to act with a like committee from the Senate as a Conference Committee on SB 2223, which motion prevailed.

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

**SB 2223:** Reps. Vigesaa, Sukut, Gruchalla

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

**REP. GRANDE MOVED** that the Speaker appoint a committee of three to act with a like committee from the Senate as a Conference Committee on SB 2251, which motion prevailed.

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

**SB 2251:** Reps. Froseth, Boehning, Amerman

**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. SVEDJAN MOVED** that the House do not concur in the Senate amendments to Engrossed HB 1014 as printed on HJ page 1027 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER APPOINTED** as a Conference Committee on Engrossed HB 1014: Reps. Bellew, Kreidt, Kerzman.

**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. DEKREY MOVED** that the House do not concur in the Senate amendments to Reengrossed HB 1040 as printed on HJ page 1325 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER APPOINTED** as a Conference Committee on Reengrossed HB 1040: Reps. Kretschmar, Hatlestad, Delmore.

**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. GRANDE MOVED** that the House do not concur in the Senate amendments to Reengrossed HB 1057 as printed on HJ page 1044 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER APPOINTED** as a Conference Committee on Reengrossed HB 1057: Reps. Kasper, Nathe, Amerman.

**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. D. JOHNSON MOVED** that the House do not concur in the Senate amendments to Engrossed HB 1110 as printed on HJ page 906 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER APPOINTED** as a Conference Committee on Engrossed HB 1110: Reps. Wall, Uglen, Boe.

**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. GRANDE MOVED** that the House do not concur in the Senate amendments to Engrossed HB 1116 as printed on HJ page 1115 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER APPOINTED** as a Conference Committee on Engrossed HB 1116: Reps. Nathe, L. Meier, Conklin.

**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. PORTER MOVED** that the House do not concur in the Senate amendments to HB 1216 as printed on HJ page 851 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER APPOINTED** as a Conference Committee on HB 1216: Reps. DeKrey, Porter, Hunsakor.

**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. WEISZ MOVED** that the House do not concur in the Senate amendments to HB 1269 as printed on HJ page 1115 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER APPOINTED** as a Conference Committee on HB 1269: Reps. Hofstad, Damschen, Holman.

**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. GRANDE MOVED** that the House do not concur in the Senate amendments to HB 1436 as printed on HJ page 1270 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER APPOINTED** as a Conference Committee on HB 1436: Reps. Grande, Carlson, Schneider.

**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. BELTER MOVED** that the House do not concur in the Senate amendments to Engrossed HB 1489 as printed on HJ page 1009 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER APPOINTED** as a Conference Committee on Engrossed HB 1489: Reps. Headland, Brandenburg, Schmidt.

**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. GRANDE MOVED** that the House do not concur in the Senate amendments to HB 1490 as printed on HJ page 1174 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER APPOINTED** as a Conference Committee on HB 1490: Reps. Froseth, Karls, Winrich.

**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. GRANDE MOVED** that the House do not concur in the Senate amendments to Engrossed HB 1510 as printed on HJ page 1062 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER APPOINTED** as a Conference Committee on Engrossed HB 1510: Reps. Dahl, L. Meier, Winrich.

**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. KOPPELMAN MOVED** that the House do not concur in the Senate amendments to Engrossed HCR 3019 as printed on HJ page 1138 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER APPOINTED** as a Conference Committee on Engrossed HCR 3019: Reps. Hatlestad, Schatz, Griffin.

**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. KOPPELMAN MOVED** that the House do not concur in the Senate amendments to HCR 3054 as printed on HJ page 1138 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER APPOINTED** as a Conference Committee on HCR 3054: Reps. Koppelman, Schatz, Schneider.

**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. RUBY MOVED** that the House do concur in the Senate amendments to HB 1195 as printed on HJ page 1117, which motion prevailed on a voice vote.

HB 1195 was placed on the Eleventh order of business.

**SECOND READING OF HOUSE BILL**

**HB 1195:** A BILL for an Act to create and enact a new section to chapter 22-02 of the North Dakota Century Code, relating to indemnity agreements in motor carrier transportation contracts.

**ROLL CALL**

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

**YEAS:** Amerman; Bellew; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlson; Clark; Conklin; Conrad; Damschen; Delmore; Delzer; Dosch; Drovdal; Ekstrom; Frantsovog; Froelich; Froseth; Glassheim; Grande; Griffin; Gruchalla; Hanson; Hatlestad; Hawken; Headland; Heller; Hofstad; Holman; Hunsakor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, J.; Kelsh, S.; Kempenich; Kerzman; Kilichowski; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Mock; Mueller; Myxter; Nathe; Nelson; Nottestad; Onstad; Pietsch; Pinkerton; Pollert; Porter; Potter; Ruby; Rust; Schatz; Schmidt; Schneider; Skarphol; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vig; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Winrich; Wolf; Wrangham; Zaiser; Speaker Monson

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

Engrossed HB 1195 passed and the title was agreed to.

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**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. BELTER MOVED** that the House do not concur in the Senate amendments to Engrossed HB 1249 as printed on HJ page 889, which motion prevailed on a voice vote.

Engrossed HB 1249 was placed on the Eleventh order of business.

**SECOND READING OF HOUSE BILL**

**HB 1249:** A BILL for an Act to create and enact a new section to chapter 5-01 of the North Dakota Century Code, relating to a domestic distillery license; and to amend and reenact sections 5-03-06 and 5-03-07 of the North Dakota Century Code, relating to examination by and reports to the tax commissioner and the imposition of tax on alcoholic beverages sold in this state.

**ROLL CALL**

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

**YEAS:** Amerman; Bellew; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlson; Clark; Conklin; Conrad; Damschen; Delmore; Delzer; Dosch; Drovdal; Ekstrom; Frantsovog; Froelich; Froseth; Glassheim; Grande; Griffin; Gruchalla; Hanson; Hatlestad; Hawken; Headland; Heller; Hofstad; Holman; Hunsakor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, J.; Kelsh, S.; Kempenich; Kerzman; Kilichowski; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Mock; Mueller; Myxter; Nathe; Nelson; Nottestad; Onstad; Pietsch; Pinkerton; Pollert; Porter; Potter; Ruby; Rust; Schatz; Schmidt; Schneider; Skarphol; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vig; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Winrich; Wolf; Wrangham; Zaiser; Speaker Monson

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

Reengrossed HB 1249 passed and the title was agreed to.

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**MOTION**

**REP. VIGESAA MOVED** that HB 1237, HB 1238, HB 1286, and HB 1333 be moved to the bottom of the Twelfth order, which motion prevailed.

**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. WEISZ MOVED** that the House do concur in the Senate amendments to HB 1263 as printed on HJ page 1118, which motion prevailed on a voice vote.

HB 1263 was placed on the Eleventh order of business.

**SECOND READING OF HOUSE BILL**

**HB 1263:** A BILL for an Act to create and enact a new section to chapter 50-32 of the North Dakota Century Code, relating to duties of assisted living facilities; and to provide for a legislative council study.

**ROLL CALL**

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 80 YEAS, 12 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlson; Clark; Conklin; Conrad; Damschen; Delmore; Dosch; Ekstrom; Frantsvog; Froelich; Froseth; Glassheim; Grande; Griffin; Gruchalla; Hanson; Hatlestad; Hawken; Heller; Hofstad; Holman; Hunskor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, J.; Kelsh, S.; Kerzman; Kilichowski; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Mock; Mueller; Myxter; Nathe; Nelson; Nottestad; Onstad; Pietsch; Pinkerton; Porter; Potter; Rust; Schatz; Schmidt; Schneider; Sukut; Thoreson; Thorpe; Uglem; Vig; Vigesaa; Wall; Weiler; Weisz; Wieland; Williams; Winrich; Wolf; Zaiser

**NAYS:** Bellew; Delzer; Drovdal; Headland; Kempenich; Pollert; Ruby; Skarphol; Svedjan; Wald; Wrangham; Speaker Monson

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

Engrossed HB 1263 passed and the title was agreed to.

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**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. PORTER MOVED** that the House do concur in the Senate amendments to Engrossed HB 1278 as printed on HJ page 1141, which motion prevailed on a voice vote.

Engrossed HB 1278, as amended, was placed on the Eleventh order of business.

**SECOND READING OF HOUSE BILL**

**HB 1278:** A BILL for an Act to amend and reenact sections 61-24.5-04, 61-24.5-07, and 61-24.5-08 of the North Dakota Century Code, relating to members of the board of directors of the southwest water authority.

**ROLL CALL**

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

**YEAS:** Amerman; Bellew; Belter; Berg; Boehning; Boucher; Brandenburg; Carlson; Clark; Conklin; Conrad; Damschen; Dosch; Ekstrom; Frantsvog; Froelich; Gruchalla; Hanson; Hatlestad; Hawken; Headland; Hofstad; Holman; Hunskor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, J.; Kelsh, S.; Kerzman; Kingsbury; Klemin; Koppelman; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Mock; Mueller; Myxter; Nathe; Onstad; Pietsch; Pinkerton; Pollert; Porter; Potter; Ruby; Schneider; Sukut; Svedjan; Thoreson; Uglem; Vigesaa; Wall; Weiler; Weisz; Wieland; Williams; Winrich; Wolf; Zaiser; Speaker Monson

**NAYS:** Boe; Delmore; Delzer; Drovdal; Froseth; Glassheim; Grande; Griffin; Heller; Kempenich; Kilichowski; Klein; Kreidt; Meyer, S.; Nelson; Nottestad; Rust; Schatz; Schmidt; Skarphol; Thorpe; Vig; Wald; Wrangham

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

Reengrossed HB 1278 passed and the title was agreed to.

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**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. KEISER MOVED** that the House do concur in the Senate amendments to HB 1284 as printed on HJ page 1064, which motion prevailed on a voice vote.

HB 1284, as amended, was placed on the Eleventh order of business.



**SECOND READING OF HOUSE BILL**

**HB 1284:** A BILL for an Act to create and enact chapter 26.1-33.4 of the North Dakota Century Code, relating to the national conference of insurance legislators Life Settlements Model Act; to amend and reenact subsections 19 and 21 of section 10-04-02 of the North Dakota Century Code, relating to the definition of the terms viatical or life settlement contract and security; to repeal chapter 26.1-33.3 of the North Dakota Century Code, relating to viatical settlement contracts; and to provide a penalty.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 91 YEAS, 0 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Bellew; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlson; Clark; Conklin; Conrad; Damschen; Delmore; Delzer; Dosch; Ekstrom; Frantsvog; Froelich; Froseth; Glassheim; Grande; Griffin; Gruchalla; Hanson; Hatlestad; Hawken; Headland; Heller; Hofstad; Holman; Hunskor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, J.; Kelsh, S.; Kempenich; Kerzman; Kilichowski; Kingsbury; Klein; Klemm; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Mock; Mueller; Myxter; Nathe; Nelson; Nottestad; Onstad; Pietsch; Pinkerton; Pollert; Porter; Potter; Ruby; Rust; Schatz; Schmidt; Schneider; Skarphol; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vig; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Winrich; Wolf; Wrangham; Zaiser; Speaker Monson

**ABSENT AND NOT VOTING:** Dahl; DeKrey; Drovdal

Engrossed HB 1284 passed and the title was agreed to.

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**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. WEISZ MOVED** that the House do concur in the Senate amendments to Engrossed HB 1307 as printed on HJ page 889, which motion prevailed on a voice vote.

Engrossed HB 1307, as amended, was placed on the Eleventh order of business.

**SECOND READING OF HOUSE BILL**

**HB 1307:** A BILL for an Act to amend and reenact section 50-24.4-07 of the North Dakota Century Code, relating to nonallowable costs in nursing home ratesetting.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 91 YEAS, 0 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Bellew; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlson; Clark; Conklin; Conrad; Damschen; Delmore; Delzer; Dosch; Drovdal; Ekstrom; Frantsvog; Froelich; Froseth; Glassheim; Grande; Griffin; Gruchalla; Hanson; Hatlestad; Hawken; Headland; Heller; Hofstad; Holman; Hunskor; Johnson, D.; Johnson, N.; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, J.; Kelsh, S.; Kempenich; Kerzman; Kilichowski; Kingsbury; Klein; Klemm; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Mock; Mueller; Myxter; Nathe; Nelson; Nottestad; Onstad; Pietsch; Pinkerton; Pollert; Porter; Potter; Ruby; Rust; Schatz; Schmidt; Schneider; Skarphol; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vig; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Winrich; Wolf; Wrangham; Zaiser; Speaker Monson

**ABSENT AND NOT VOTING:** Dahl; DeKrey; Kaldor

Reengrossed HB 1307 passed and the title was agreed to.

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**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. BELTER MOVED** that the House do concur in the Senate amendments to Engrossed HB 1317 as printed on HJ page 1272, which motion prevailed on a voice vote.

Engrossed HB 1317, as amended, was placed on the Eleventh order of business.

**SECOND READING OF HOUSE BILL**

**HB 1317:** A BILL for an Act to amend and reenact subsection 2 of section 53-06.1-12 of the North Dakota Century Code, relating to gaming and excise taxes; and to provide an effective date.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 81 YEAS, 9 NAYS, 0 EXCUSED, 4 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Belter; Berg; Boehning; Boucher; Brandenburg; Carlson; Clark; Conklin; Conrad; Delmore; Dosch; Ekstrom; Frantsvog; Froelich; Froseth; Glassheim; Grande; Griffin; Hanson; Hatlestad; Hawken; Headland; Heller; Hofstad; Holman; Hunsakor; Johnson, D.; Johnson, N.; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, J.; Kelsh, S.; Kempenich; Kerzman; Kilichowski; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Mock; Myxter; Nathe; Nelson; Nottestad; Onstad; Pietsch; Pinkerton; Pollert; Porter; Potter; Schatz; Schmidt; Schneider; Skarphol; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vig; Wald; Wall; Weiler; Weisz; Wieland; Williams; Winrich; Wolf; Wrangham; Zaiser; Speaker Monson

**NAYS:** Bellew; Boe; Damschen; Delzer; Gruchalla; Mueller; Ruby; Rust; Vigesaa

**ABSENT AND NOT VOTING:** Dahl; DeKrey; Drovdal; Kaldor

Reengrossed HB 1317 passed and the title was agreed to.

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

**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1023, HB 1032, HB 1042, HB 1044, HB 1083, HB 1088, HB 1093, HB 1171, HB 1207, HCR 3008, HCR 3013, HCR 3025, HCR 3032.

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

**MR. PRESIDENT:** The House has passed unchanged: SB 2221.

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

**MR. PRESIDENT:** The House has amended and subsequently passed: SB 2199, SB 2225.

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

**MR. PRESIDENT:** The House has passed, the emergency clause carried, unchanged: SB 2393.

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

**MR. PRESIDENT:** The House has amended, subsequently passed, and the emergency clause carried: SB 2228.

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

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

**SB 2163:** Reps. Boehning; Dahl; Wolf

**SB 2223:** Reps. Vigesaa; Sukut; Gruchalla

**SB 2251:** Reps. Froseth; Boehning; Amerman

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

**MR. PRESIDENT:** The House does not concur in the Senate amendments to HB 1014, HB 1040, HB 1057, HB 1110, HB 1116, HB 1216, HB 1269, HB 1436, HB 1489, HB 1490, HB 1510, HCR 3019, and HCR 3054 and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

**HB 1014:** Reps. Bellew; Kreidt; Kerzman

**HB 1040:** Reps. Kretschmar; Hatlestad; Delmore

**HB 1057:** Reps. Kasper; Nathe; Amerman

**HB 1110:** Reps. Wall; Uglem; Boe

**HB 1116:** Reps. Nathe; L. Meier; Conklin

**HB 1216:** Reps. DeKrey; Porter; Hunsakor

**HB 1269:** Reps. Hofstad; Damschen; Holman

**HB 1436:** Reps. Grande; Carlson; Schneider

**HB 1489:** Reps. Headland; Brandenburg; Schmidt

HB 1490: Reps. Froseth; Karls; Winrich  
HB 1510: Reps. Dahl; L. Meier; Winrich  
HCR3019: Reps. Hatlestad; Schatz; Griffin  
HCR3054: Reps. Koppelman; Schatz; Schneider

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

**MR. PRESIDENT:** The House has concurred in the Senate amendments and subsequently passed: HB 1195, HB 1249, HB 1263, HB 1278, HB 1284, HB 1307, and HB 1317.

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

**MR. PRESIDENT:** The Speaker has signed: SB 2363.

**MESSAGE TO THE HOUSE FROM THE SENATE (FRAN A. GRONBERG, SECRETARY)**

**MR. SPEAKER:** The President has signed: HB 1043, HB 1045, HB 1071, HB 1217, HB 1240, HB 1256, HB 1289, HB 1306, HB 1339, HB 1452, HB 1530, HB 1556, HB 1562.

**MESSAGE TO THE HOUSE FROM THE SENATE (FRAN A. GRONBERG, SECRETARY)**

**MR. SPEAKER:** The Senate has passed and your favorable consideration is requested on: SCR 4033.

**MESSAGE TO THE HOUSE FROM THE SENATE (FRAN A. GRONBERG, SECRETARY)**

**MR. SPEAKER:** The Senate has concurred in the House amendments and passed: SB 2047, SB 2081, SB 2082, SB 2096, SB 2100, SB 2101, SB 2128, SB 2131, SB 2155, SB 2157, SB 2168, SB 2192, SB 2218, SB 2243, SB 2279, SB 2318, SB 2355, SB 2372, and SB 2405.

**MESSAGE TO THE HOUSE FROM THE SENATE (FRAN A. GRONBERG, SECRETARY)**

**MR. SPEAKER:** The Senate has amended and subsequently passed: HB 1009, HB 1090.

**SENATE AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1009**

Page 1, line 3, replace "section" with "sections 4-01-19 and" and after "to" insert "marketing program revenue and"

Page 1, line 4, remove "and" and after "study" insert "; and to declare an emergency"

Page 1, line 13, replace "1,145,262" with "1,649,478" and replace "8,130,102" with "8,634,318"

Page 1, line 14, replace "1,065,577" with "1,302,999" and replace "5,779,960" with "6,017,382"

Page 1, line 17, replace "78,623" with "283,623" and replace "2,378,325" with "2,583,325"

Page 1, line 20, replace "3,293,462" with "4,240,100" and replace "20,380,612" with "21,327,250"

Page 1, line 21, replace "2,141,162" with "2,620,208" and replace "13,529,488" with "14,008,534"

Page 1, line 22, replace "1,152,300" with "1,619,892" and replace "6,851,124" with "7,318,716"

Page 1, line 23, replace "2.00" with "5.00" and replace "69.50" with "72.50"

Page 2, line 3, replace "\$3,529,556" with "\$3,578,548"

Page 2, line 12, replace "\$768,800" with "\$968,800"

Page 3, line 5, replace "agriculture commissioner" with "state board of animal health" and replace ", within the commissioner's 2009-11 biennium appropriation" with "increase the number of"

Page 3, remove line 6

Page 3, line 8, replace "commissioner" with "board"

Page 3, after line 9, insert:

**"SECTION 8. OFFICE SPACE LEASE FUNDING.** The operating expenses line item of section 1 of this Act includes the sum of \$120,000 from the general fund which the agriculture commissioner may use to lease additional office space for department purposes.

**SECTION 9. PROJECT SAFE SEND - 2009 FLOOD PESTICIDE CLEANUP.**

The operating expenses line item of section 1 of this Act includes the sum of \$40,000 from the general fund which the agriculture commissioner shall use for the collection of damaged pesticides resulting from 2009 flooding under the project safe send program for the period beginning with the effective date of this Act and ending June 30, 2011.

**SECTION 10. AMENDMENT.** Section 4-01-19 of the North Dakota Century Code is amended and reenacted as follows:

**4-01-19. Marketing bureau.** The agriculture commissioner shall establish and maintain a marketing bureau for the purpose of gathering and disseminating statistical information on agricultural marketing problems of the state and engaging in marketing services of agricultural products. Any moneys received or generated by the pride of Dakota program must be deposited in the ~~general~~ agriculture department operating fund in the state treasury."

Page 3, after line 15, insert:

**"SECTION 12. EMERGENCY.** The sum of \$40,000 for project safe send included in the operating expenses line item of section 1 of this Act is declared to be an emergency measure."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT - LC 98010.0204 FN 3**

A copy of the statement of purpose of amendment is on file in the Legislative Council Office.

**SENATE AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1090**

Page 1, line 8, remove "including a postsecondary education program in the pursuit of"

Page 1, line 9, remove "a one-year, two-year, or four-year degree"

Page 4, line 3, remove "Child care assistance may be paid for up to two years for an eligible caretaker who"

Page 4, remove line 4

Page 4, line 5, remove "or four-year degree or certificate."

Page 4, line 24, after "investigation" insert "as provided under section 50-11.1-06.2 and"

Renumber accordingly

**MESSAGE TO THE HOUSE FROM THE SENATE (FRAN A. GRONBERG, SECRETARY)**

**MR. SPEAKER:** The Senate has amended, subsequently passed, and the emergency clause carried: HB 1019.

**SENATE AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1019**

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

Page 1, line 3, after "reenact" insert "subsection 5 of section 55-08-05 and"

Page 1, line 4, after "grants" insert "and concession agreements; to provide legislative intent; and to declare an emergency"

Page 1, line 16, replace "233,516" with "292,752" and replace "2,182,685" with "2,241,921"

Page 1, line 17, replace "2,013,331" with "3,222,777" and replace "12,912,192" with "14,121,638"

Page 1, line 18, replace "(855,725)" with "(543,415)" and replace "7,780,799" with "8,093,109"

Page 1, line 20, replace "2,226,522" with "3,807,514" and replace "23,711,076" with "25,292,068"

Page 1, line 21, replace "(1,504,114)" with "(1,200,063)" and replace "11,844,003" with "12,148,054"

Page 1, line 22, replace "3,730,636" with "5,007,577" and replace "11,867,073" with "13,144,014"

Page 1, line 23, replace "0" with "2.50" and replace "50.50" with "53.00"

Page 2, line 4, replace "404,254" with "490,854" and replace "1,141,108" with "1,227,708"

Page 2, line 7, replace "4,254" with "90,854" and replace "1,141,108" with "1,227,708"

Page 2, line 9, replace "204,254" with "290,854" and replace "1,141,108" with "1,227,708"

Page 2, line 14, replace "3,934,890" with "5,298,431" and replace "13,008,181" with "14,371,722"

Page 2, line 15, replace "(1,704,114)" with "(600,063)" and replace "11,844,003" with "12,948,054"

Page 2, line 16, replace "2,230,776" with "4,698,368" and replace "24,852,184" with "27,319,776"

Page 2, line 22, replace "2,010,514" with "2,359,768"

Page 2, line 25, replace "0" with "86,600"

Page 2, line 29, replace "2,485,514" with "2,921,368"

Page 3, after line 18, insert:

**"SECTION 6. AMENDMENT.** Subsection 5 of section 55-08-05 of the North Dakota Century Code is amended and reenacted as follows:

5. Provide facilities for the sale to the public of food, nonintoxicating beverages, except beer and wine sales as provided in subsections 6 and 7, and other merchandise and personal services of a suitable nature, and make buildings, structures, and other recreational facilities available for use and occupancy by the public, or contract for the lease of the buildings, structures, and facilities to a concessionaire to be operated on the terms and compensation basis as the director determines to be in the best interest of the state. The duration of a concession agreement may not exceed twenty years. A bond must be required of each concessionaire in the amount the director determines, conditioned upon the faithful performance of all duties under the lease and proper accounting for all funds."

Page 4, after line 11, insert:

**"SECTION 8. LEGISLATIVE INTENT - FEDERAL FISCAL STIMULUS FUNDS.** It is the intent of the sixty-first legislative assembly that the Fort Abraham Lincoln foundation be encouraged to seek federal fiscal stimulus funds for architectural and archeological services at Fort Abraham Lincoln.

**SECTION 9. APPROPRIATION - FEDERAL FISCAL STIMULUS FUNDS - ADDITIONAL FUNDING APPROVAL.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated from federal funds made available to the state under the federal American Recovery and Reinvestment Act of 2009, not otherwise appropriated, to the parks and recreation department, for the period beginning with the effective date of this Act and ending June 30, 2011, as follows:

Turtle River state park pedestrian bridge	\$300,000
Turtle Mountain scenic byway acquisition/trails	200,000
Fort Abraham Lincoln CCC building rehabilitation	<u>300,000</u>
Total federal funds	\$800,000

The parks and recreation department may seek emergency commission and budget section approval under chapter 54-16 for authority to spend any additional federal funds received under the federal American Recovery and Reinvestment Act of 2009 in excess of the amounts appropriated in this section, for the period beginning with the effective date of this Act and ending June 30, 2011.

Any federal funds appropriated under this section are not a part of the agency's 2011-13 base budget. Any program expenditures made with these funds will not be replaced with state funds after the federal American Recovery and Reinvestment Act of 2009 funds are no longer available.

**SECTION 10. EMERGENCY.** Section 9 of this Act is declared to be an emergency measure."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT - LC 98019.0213 FN 6**

A copy of the statement of purpose of amendment is on file in the Legislative Council Office.

**MESSAGE TO THE HOUSE FROM THE SENATE (FRAN A. GRONBERG, SECRETARY)**

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

**HB 1158:** Sens. Olafson; Nething; Schneider

**HB 1194:** Sens. Wanzek; Klein; Potter

**MESSAGE TO THE HOUSE FROM THE SENATE (FRAN A. GRONBERG, SECRETARY)**

**MR. SPEAKER:** The Senate does not concur in the House amendments to SB 2005, SB 2114, SB 2116, SB 2171, SB 2250, SB 2267, SB 2293, SB 2373, SB 2415, and SB 2421 and the President has appointed as a conference committee to act with a like committee from the House on:

**SB 2005:** Sens. Wardner; Holmberg; Mathern

**SB 2114:** Sens. Lyson; Olafson; Schneider

**SB 2116:** Sens. Lyson; Olafson; Fiebiger

**SB 2171:** Sens. Olafson; Nething; Fiebiger

**SB 2250:** Sens. Nething; Olafson; Fiebiger

**SB 2267:** Sens. Olafson; Nething; Nelson

**SB 2293:** Sens. Nething; Lyson; Fiebiger

**SB 2373:** Sens. Miller; Cook; Triplett

**SB 2415:** Sens. Lyson; Olafson; Schneider

**SB 2421:** Sens. Olafson; Lyson; Fiebiger

**MESSAGE TO THE HOUSE FROM THE SENATE (FRAN A. GRONBERG, SECRETARY)**

**MR. SPEAKER:** Your signature is respectfully requested on: SB 2363.

**MOTION**

**REP. VIGESAA MOVED** that the absent member be excused, which motion prevailed.

**MOTION**

**REP. VIGESAA MOVED** that the House be on the Fourth, 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 14, 2009, which motion prevailed.

**REPORT OF STANDING COMMITTEE**

**SB 2001, as engrossed: Appropriations Committee (Rep. Svedjan, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 11 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2001 was placed on the Sixth order on the calendar.

Page 1, line 2, after the second semicolon insert "to create and enact a new section to chapter 54-03 and a new section to chapter 54-35 of the North Dakota Century Code, relating to reimbursement of broadband and certain wireless expenses of members of the legislative assembly and to a legislative budget committee;"

Page 1, line 3, after "54-03-20" insert ", section 54-44.1-04, subsection 7 of section 54-44.1-06, and section 54-44.1-07"

Page 1, line 4, after "compensation" insert ", budget requests, and drafts of appropriation bills" and after the second semicolon insert "to provide for a legislative council study;"

Page 1, line 19, replace "1,224,000" with "794,000" and replace "1,430,000" with "1,000,000"

Page 1, line 24, replace "6,528,252" with "6,098,252" and replace "16,444,554" with "16,014,554"

Page 2, line 5, replace "925,394" with "1,073,394" and replace "6,728,369" with "6,876,369"

Page 2, line 6, replace "758,046" with "892,246" and replace "3,393,934" with "3,528,134"

Page 2, line 9, replace "1,474,440" with "1,756,640" and replace "10,163,303" with "10,445,503"

Page 2, line 11, replace "1,474,440" with "1,756,640" and replace "10,093,303" with "10,375,503"

Page 2, line 12, replace "0.00" with "1.00" and replace "33.00" with "34.00"

Page 2, line 18, replace "8,002,692" with "7,854,892" and replace "26,537,857" with "26,390,057"

Page 2, line 20, replace "8,002,692" with "7,854,892" and replace "26,607,857" with "26,460,057"

Page 2, line 29, replace "1,430,000" with "1,000,000"

Page 2, line 30, replace "5,433,327" with "5,003,327"

Page 3, after line 12, insert:

"State employee compensation study	0	100,000"
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Page 3, line 14, replace "70,000" with "170,000"

Page 3, line 30, replace "\$715,000" with "the sum of \$350,000"

Page 3, line 31, replace "\$1,430,000" with "\$1,000,000"

Page 4, line 2, replace "the remaining \$715,000" with "a separate sum of \$550,000 of the \$1,000,000"

Page 4, line 4, after "committee" insert "and any expenditures relating to the remaining \$100,000 must be approved by all members of this committee"

Page 4, after line 11, insert:

**"SECTION 7. LEGISLATIVE COUNCIL STUDY - STATE EMPLOYEE COMPENSATION.** During the 2009-10 interim, the legislative council shall consider studying the classified state employee compensation system, including a review of the development and determination of pay grades and classifications. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-second legislative assembly."

Page 4, after line 27, insert:

**"SECTION 10.** A new section to chapter 54-03 of the North Dakota Century Code is created and enacted as follows:

Payment for broadband internet and smartphone data services for legislators.

1. Each member of the legislative assembly may receive from the information technology department broadband internet service to be used for legislative business. If a member elects to receive broadband internet service for legislative business from a provider other than the information technology department, the member is entitled to be reimbursed for the cost of the service if the legislative council determines that the purchase of that service from the provider will result in a cost-savings to the state, based upon the average cost of the information technology department to provide service to other members of the legislative assembly.
2. A member of the legislative assembly who acquires a smartphone to be used for legislative business may receive associated data services from the information technology department. If a member elects to receive smartphone data services for legislative business from a provider other than the information technology department, the member is entitled to be

reimbursed for the cost of the service if the legislative council determines that the purchase of that service from the provider will result in a cost-savings to the state, based upon the average cost of the information technology department to provide the service to other members of the legislative assembly.

3. The legislative council shall establish guidelines and procedures for reimbursement under this section, including requiring necessary documentation of expenses being claimed.

**SECTION 11.** A new section to chapter 54-35 of the North Dakota Century Code is created and enacted as follows:

**Legislative budget committee - Creation - Duties.** The legislative council, during each biennium, shall appoint a legislative budget committee to coordinate and direct activities involved in the development of budget recommendations to assist the legislative assembly as it develops policy and provides appropriations for the operations of state government. The legislative budget committee, with the assistance of the legislative budget analyst and auditor, shall:

1. Develop recommendations for the office of management and budget to include in its forms and guidelines for agencies to use in preparing budget requests;
2. Review, analyze, and evaluate budgets, budget requests, programs, and activities of state agencies, institutions, and departments;
3. Develop budget-related recommendations pertaining to the state budget or any portion of that budget, including revenues and appropriations to assist the legislative assembly as it develops policy and provides appropriations for the operations of state government; and
4. Prepare drafts of appropriations acts for the next biennium providing funding at the same base level approved by the most recently adjourned special or regular session of the legislative assembly and any draft amendments to these acts to implement recommendations of the committee.

**SECTION 12. AMENDMENT.** Section 54-44.1-04 of the North Dakota Century Code is amended and reenacted as follows:

**(Effective after June 30, 2009) Budget estimates of budget units filed with the office of the budget and the legislative council - Deadline.** The head of each budget unit, not later than July fifteenth of each year next preceding the session of the legislative assembly, shall submit to the office of the budget and the legislative council, estimates of financial requirements of the person's budget unit for the next two fiscal years, on the forms and in the manner prescribed by the office of the budget considering recommendations of the legislative council, with such explanatory data as is required by the office of the budget and such additional data as the head of the budget unit wishes to submit. The estimates so submitted must bear the approval of the board or commission of each budget unit for which a board or commission is constituted. The director of the budget, subject to approval by the legislative council, may extend the filing date for any budget unit if the director finds there is some circumstance that makes it advantageous to authorize the extension. If a budget unit has not submitted its estimate of financial requirements by the required date or within a period of extension set by the director of the budget, the director of the budget shall prepare the budget unit's estimate of financial requirements except the estimate may not exceed ninety percent of the budget unit's previous biennial appropriation. The director of the budget or a subordinate officer as the director shall designate shall examine the estimates and shall afford to the heads of budget units reasonable opportunity for explanation in regard thereto and, when requested, shall grant to the heads of budget units a hearing thereon which must be open to the public.

**SECTION 13. AMENDMENT.** Subsection 7 of section 54-44.1-06 of the North Dakota Century Code, as effective after June 30, 2009, is amended and reenacted as follows:

7. Drafts of a proposed amendment to a general appropriations act and special appropriations acts embodying the budget data and recommendations of the governor for appropriations for the next biennium



and drafts of such revenues and other acts recommended by the governor for putting into effect the proposed financial plan. ~~The recommended general appropriation for each budget unit must be specified in a separate section of the general appropriations act.~~

**SECTION 14. AMENDMENT.** Section 54-44.1-07 of the North Dakota Century Code is amended and reenacted as follows:

**54-44.1-07. Presentation of budget data - How presented to the legislative assembly.** The director of the budget or the director's designee shall present the budget data information in section 54-44.1-06, except the drafts of ~~acts~~ amendments required by subsection 7 of that section, and make available sufficient copies thereof to the legislative assembly at the organizational session. The drafts of ~~acts~~ amendments required by subsection 7 of section 54-44.1-06 must be submitted to the legislative council within seven days after the day of adjournment of the organizational session. The budget data must be completed and made available to the legislative assembly in such form as may be prescribed by the legislative council. The legislative council shall set the time and place at which such budget data is to be presented."

Page 4, line 28, replace "7" with "8"

Page 4, line 29, replace "8" with "9"

Renumber accordingly

#### **STATEMENT OF PURPOSE OF AMENDMENT - LC 98001.0212 FN 11**

A copy of the statement of purpose of amendment is on file in the Legislative Council Office.

#### **REPORT OF STANDING COMMITTEE**

**SB 2003, as reengrossed: Appropriations Committee (Rep. Svedjan, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (17 YEAS, 8 NAYS, 0 ABSENT AND NOT VOTING). Reengrossed SB 2003 was placed on the Sixth order on the calendar.

Page 1, line 3, after the second semicolon insert "to create and enact three new sections to chapter 15-62.2 of the North Dakota Century Code, relating to merit scholarships for students attending certain institutions of higher education; to amend and reenact subsections 1 and 3 of section 15-10-37 and sections 15-62.2-02 and 15.1-01-02 of the North Dakota Century Code, relating to student financial assistance grants, technology grants, and joint meetings of the state's education boards;"

Page 1, line 6, replace "provide" with "provided"

Page 1, line 19, replace "765,707" with "1,703,718" and replace "7,047,601" with "7,985,612"

Page 2, line 1, replace "1,248,728" with "3,386,525" and replace "7,236,225" with "9,374,022"

Page 2, after line 3, insert:

"Merit scholarships	0	3,000,000	3,000,000"
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Page 2, line 8, replace "436,030" with "1,436,030" and replace "2,176,344" with "3,176,344"

Page 2, line 13, replace "7,256,984" with "14,332,792" and replace "75,731,832" with "82,807,640"

Page 2, line 15, replace "6,551,756" with "13,627,564" and replace "71,682,874" with "78,758,682"

Page 2, line 21, replace "4,312,999" with "3,896,421" and replace "24,046,679" with "23,630,101"

Page 2, line 24, replace "8,063,136" with "7,646,558" and replace "28,040,297" with "27,623,719"

Page 2, line 26, replace "7,653,636" with "7,237,058" and replace "27,630,797" with "27,214,219"

Page 3, line 1, replace "1,238,516" with "1,042,287" and replace "7,749,864" with "7,553,635"

Page 3, line 4, replace "3,942,243" with "3,746,014" and replace "10,497,253" with "10,301,024"

Page 3, line 6, replace "3,942,243" with "3,746,014" and replace "10,497,253" with "10,301,024"

Page 3, line 12, replace "1,159,630" with "1,024,495" and replace "7,582,134" with "7,446,999"

Page 3, line 15, replace "12,526,632" with "12,391,497" and replace "19,035,611" with "18,900,476"

Page 3, line 17, replace "3,151,632" with "3,016,497" and replace "9,660,611" with "9,525,476"

Page 3, line 23, replace "18,364,555" with "15,923,492" and replace "125,376,385" with "122,935,322"

Page 3, line 24, replace "54,219,000" with "43,019,000" and replace "56,519,545" with "45,319,545"

Page 3, line 26, replace "79,762,229" with "66,121,166" and replace "189,074,604" with "175,433,541"

Page 3, line 28, replace "36,743,229" with "23,102,166" and replace "146,055,604" with "132,414,541"

Page 4, line 3, replace "19,628,094" with "14,665,029" and replace "109,221,724" with "104,258,659"

Page 4, line 6, replace "96,083,911" with "91,120,846" and replace "187,369,766" with "182,406,701"

Page 4, line 8, replace "37,983,911" with "33,020,846" and replace "129,269,766" with "124,306,701"

Page 4, line 14, replace "4,101,922" with "3,966,787" and replace "31,492,290" with "31,357,155"

Page 4, line 17, replace "17,972,065" with "17,836,930" and replace "46,115,765" with "45,980,630"

Page 4, line 19, replace "10,836,065" with "10,700,930" and replace "38,979,765" with "38,844,630"

Page 4, line 25, replace "3,116,332" with "3,772,639" and replace "19,972,442" with "20,628,749"

Page 4, line 28, replace "6,778,504" with "7,434,811" and replace "24,018,304" with "24,674,611"

Page 4, line 29, replace the second underscored zero with "350,000" and replace the third underscored zero with "350,000"

Page 4, line 30, replace "6,778,504" with "7,084,811" and replace "24,018,304" with "24,324,611"

Page 5, line 5, replace "1,399,686" with "1,264,551" and replace "11,514,751" with "11,379,616"

Page 5, line 8, replace "11,936,631" with "11,801,496" and replace "22,260,690" with "22,125,555"

Page 5, line 10, replace "8,268,131" with "8,132,996" and replace "18,592,190" with "18,457,055"

Page 5, line 16, replace "4,339,273" with "4,066,475" and replace "34,434,395" with "34,161,597"

Page 5, line 19, replace "30,934,384" with "30,661,586" and replace "61,626,376" with "61,353,578"

Page 5, line 21, replace "8,684,384" with "8,411,586" and replace "39,376,376" with "39,103,578"

Page 5, line 27, replace "1,785,999" with "1,650,864" and replace "15,136,136" with "15,001,001"

Page 5, line 30, replace "22,590,920" with "22,455,785" and replace "36,199,473" with "36,064,338"

Page 6, line 1, replace "4,090,920" with "3,955,785" and replace "17,699,473" with "17,564,338"

Page 6, line 7, replace "922,959" with "852,824" and replace "5,682,507" with "5,612,372"

Page 6, line 8, replace "2,800,000" with "3,080,000" and replace "2,909,725" with "3,189,725"

Page 6, line 10, replace "3,819,980" with "4,029,845" and replace "8,689,253" with "8,899,118"

Page 6, line 12, replace "1,819,980" with "2,029,845" and replace "6,689,253" with "6,899,118"

Page 6, line 18, replace "7,172,600" with "6,581,701" and replace "41,200,301" with "40,609,402"

Page 6, line 19, replace "7,172,600" with "6,581,701" and replace "41,200,301" with "40,609,402"

Page 6, line 21, replace "7,172,600" with "6,581,701" and replace "41,200,301" with "40,609,402"

Page 7, line 7, replace "145,140,779" with "132,111,587" and replace "585,208,335" with "572,179,143"

Page 7, line 8, replace "165,163,228" with "184,323,148" and replace "169,504,444" with "188,664,364"

Page 7, line 9, replace "310,304,007" with "316,434,735" and replace "754,712,779" with "760,843,507"

Page 7, after line 9, insert:

**"SECTION 2. CONTINGENT FUNDING - LAKE REGION STATE COLLEGE.**

The capital assets line item in subdivision 3 of section 1 of this Act includes \$2,609,920 from the general fund for a wind energy project at lake region state college which may be spent only to the extent that federal funds appropriated in section 3 of this Act are not available for these purposes.

**SECTION 3. APPROPRIATION - FEDERAL FISCAL STIMULUS FUNDS - ADDITIONAL FUNDING APPROVAL.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated from federal funds made available to the state under the federal American Recovery and Reinvestment Act of 2009, not otherwise appropriated, to the North Dakota university system, for the period beginning with the effective date of this Act and ending June 30, 2011, as follows:

Lake region state college - Wind energy project	<u>\$2,609,920</u>
Total federal funds	\$2,609,920

The North Dakota university system may seek emergency commission and budget section approval under chapter 54-16 for authority to spend any additional federal funds received under the federal American Recovery and Reinvestment Act of 2009 in excess of the amounts appropriated under this section, for the period beginning with the effective date of this Act and ending June 30, 2011.

Any federal funds appropriated under this section are not a part of the agency's 2011-13 base budget. Any program expenditures made with these funds will not be replaced with state funds after the federal American Recovery and Reinvestment Act of 2009 funds are no longer available.

**SECTION 4. APPROPRIATION - FEDERAL FISCAL STABILIZATION - OTHER GOVERNMENT SERVICES FUNDS - ADDITIONAL FUNDING APPROVAL.** The funds provided in this section, or so much of the funds as may be necessary, are

appropriated from federal fiscal stabilization - other government services funds made available to the governor under the federal American Recovery and Reinvestment Act of 2009, not otherwise appropriated, to the North Dakota university system, for the period beginning with the effective date of this Act and ending June 30, 2011, for the following capital construction project:

Minot state university Swain hall	\$5,000,000
University of North Dakota education building	11,200,000
Total federal funds	\$16,200,000

The North Dakota university system may seek emergency commission and budget section approval under chapter 54-16 for authority to spend any additional federal funds received under the federal American Recovery and Reinvestment Act of 2009 in excess of the amounts appropriated under this section, for the period beginning with the effective date of this Act and ending June 30, 2011.

Any federal funds appropriated under this section are not a part of the agency's 2011-13 base budget. Any program expenditures made with these funds will not be replaced with state funds after the federal American Recovery and Reinvestment Act of 2009 funds are no longer available."

Page 7, line 24, replace "49,928,248" with "39,008,248"

Page 7, line 25, replace "164,458,000" with "183,267,920"

Page 7, line 30, replace "234,611,248" with "242,501,168"

Page 8, line 1, replace "164,458,000" with "183,267,920"

Page 8, line 2, replace "70,153,248" with "59,233,248"

Page 8, after line 6, insert:

**"SECTION 6. PERMANENT OIL TAX TRUST FUND - DICKINSON STATE UNIVERSITY.** The estimated income line item in subdivision 8 of section 1 of this Act includes \$350,000 from the permanent oil tax trust fund for operations of Dickinson state university, for the biennium beginning July 1, 2009, and ending June 30, 2011."

Page 10, after line 13, insert:

**"SECTION 19. CAPITAL ASSETS - MINOT STATE UNIVERSITY.** The sum of \$2,500,000, or so much of the sum as may be necessary, included in the capital assets line item in subdivision 10 of section 1 of this Act, may be used to refurbish the existing coal boiler or in combination with or to match federal or other funds to design and install a geothermal energy system, for the biennium beginning July 1, 2009, and ending June 30, 2011.

**SECTION 20. USE OF UNSPENT 2007-09 GENERAL FUND APPROPRIATIONS - TWO-YEAR COLLEGE MARKETING.** The state board of higher education shall use \$200,000 of the North Dakota university system office unspent 2007-09 general fund appropriation authorized to continue under section 54-44.1-11 for marketing and awareness efforts of two-year colleges and technical careers, for the biennium beginning July 1, 2009, and ending June 30, 2011.

**SECTION 21. USE OF UNSPENT 2007-09 GENERAL FUND APPROPRIATIONS - NORTHERN TIER NETWORK.** The state board of higher education shall use \$1,100,000 of the North Dakota university system office unspent 2007-09 general fund appropriation authorized to continue under section 54-44.1-11 for maintenance and improvements of the northern tier network, for the biennium beginning July 1, 2009, and ending June 30, 2011."

Page 11, remove lines 3 through 12

Page 11, remove lines 18 through 26

Page 12, after line 2, insert:

**"SECTION 25. TUITION RATE INCREASES - LIMIT - BUDGET SECTION APPROVAL.** Notwithstanding any other provision of law, the state board of higher education shall limit any annual tuition increase for students attending institutions under

its control for the 2009-10 and 2010-11 academic years to not more than four percent for each year unless the board receives prior budget section approval."

Page 12, after line 15, insert:

**"SECTION 28. LEGISLATIVE COUNCIL STUDY - TUITION WAIVERS.**

During the 2009-10 interim, the legislative council shall consider studying the impact of tuition waivers on institutions under the control of the state board of higher education. The study if conducted must review the types of tuition waivers available, the number of tuition waivers granted, and the value of tuition waivers. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-second legislative assembly.

**SECTION 29. LEGISLATIVE COUNCIL STUDY - EDUCATION GOVERNANCE.**

During the 2009-10 interim, the legislative council shall consider studying the feasibility and desirability of creating a department to oversee early childhood, elementary, secondary, and postsecondary education. The study if conducted must include a review of education governance in other states, the efficiency of combining governing agencies, and the potential governing structure of a combined education department. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-second legislative assembly.

**SECTION 30. LEGISLATIVE COUNCIL STUDY - HIGHER EDUCATION STUDENT TRUST FUND.**

During the 2009-10 interim, the legislative council shall consider studying the establishment of a higher education student trust fund, including available funding sources. The study if conducted must review best practices to include demonstrated in-migration patterns and long-term return on investment to the citizens of North Dakota by ensuring students are prepared to meet the changing needs of a global economy and to strengthen the economy of the state. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-second legislative assembly.

**SECTION 31. AMENDMENT.** Subsections 1 and 3 of section 15-10-37 of the North Dakota Century Code are amended and reenacted as follows:

1. The state board of higher education shall administer a science, technology, engineering, and mathematics occupations student loan program that encourages college students to pursue ~~technology-based~~ studies in these fields, to participate in ~~technology~~ internship programs, and to remain in the state after graduation. The board shall adopt rules to implement the program, including internship requirements, guidelines to determine which technology-related courses of study are eligible under the program, and standards for eligibility.
3. The state board of higher education shall distribute student loan grants directly to the Bank of North Dakota to repay outstanding student loan principal balances for eligible applicants. The maximum student loan grant amount for which an applicant may qualify is one thousand five hundred dollars per year and a total of ~~five~~ six thousand dollars, or a lesser amount established by rule adopted by the state board of higher education.

**SECTION 32. AMENDMENT.** Section 15-62.2-02 of the North Dakota Century Code is amended and reenacted as follows:

**15-62.2-02. State board of higher education - Powers and duties.** The state board of higher education shall:

1. Administer the North Dakota student financial assistance program and the North Dakota scholars program and adopt functional rules regarding the eligibility and selection of grant and scholarship recipients.
2. Determine the amount of individual grants, ~~but which may not to exceed~~ one thousand five hundred dollars per recipient per academic year, under the North Dakota student financial assistance program.
3. ~~Adopt for~~ For the North Dakota student financial assistance program, adopt criteria for substantial need, based upon the ability of the parents or guardian to contribute toward the applicant's educational expenses.

4. Establish the appropriate procedures for fiscal control, fund accounting, and necessary reports.
5. Apply for, receive, expend, and administer granted moneys from federal or private sources.

**SECTION 33.** A new section to chapter 15-62.2 of the North Dakota Century Code is created and enacted as follows:

**Merit scholarship - Eligibility.** A student is eligible for a merit scholarship if the student:

1. Was a resident of this state for the twelve months preceding the date the student met the graduation or high school diploma requirements set forth in subsection 2;
2. During or after the 2010-11 school year:
  - a. Graduated from a public or nonpublic high school in this state;
  - b. Graduated from a high school in another state under chapter 15.1-29; or
  - c. Met the requirements for a high school diploma through home education, in accordance with section 15.1-23-17;
3. Completed the requirements for a scholarship as set forth in sections 15.1-21-02.4 or 15.1-21-02.5;
4. Submitted an application for a merit scholarship to the state board of higher education; and
5.
  - a. Is enrolled in an associate or a baccalaureate program at an accredited public or private institution of higher education in this state;
  - b. Is a "full-time" student, as defined by the institution; and
  - c. Maintains a minimum 2.75 cumulative grade point average.

**SECTION 34.** A new section to chapter 15-62.2 of the North Dakota Century Code is created and enacted as follows:

**Merit scholarship - Amount payable.**

1. Beginning with the 2010-11 school year, the board shall forward to the institution in which an eligible student is enrolled, on behalf of the student, an amount equal to seven hundred fifty dollars per semester.
2. A student is not entitled to receive more than six thousand dollars under section 33 of this Act.
3. Section 33 of this Act does not require a student to be enrolled in consecutive semesters. However, a merit scholarship is valid for only six academic years after the student's graduation from high school and may not be applied to graduate programs.

**SECTION 35.** A new section to chapter 15-62.2 of the North Dakota Century Code is created and enacted as follows:

**Annual report.** The state board of higher education shall provide to the legislative council an annual report regarding the number of scholarships provided under section 34 of this Act and demographic information pertaining to the recipients.

**SECTION 36. AMENDMENT.** Section 15.1-01-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-01-02. Joint meetings - State board of public school education - State board of higher education - Education standards and practices board - State board for career and technical education.** The state board of public school education, the state board of higher education, the education standards and practices

board, and the state board for career and technical education shall meet together at least once each year at the call of the superintendent of public instruction, the commissioner of higher education, the executive director of the education standards and practices board, and the director of career and technical education for the purposes of:

1. Coordinating elementary and secondary education programs, career and technical education programs, and higher education programs;
2. Establishing high standards and expectations of students at all levels of the education continuum;
3. Ensuring that all students have access to challenging curricula;
4. Ensuring that the individuals instructing students at all levels of the education continuum are highly qualified and capable;
5. Cooperating in the provision of professional growth and development opportunities for ~~elementary and secondary teachers and administrators.~~ individuals instructing students at all levels of the education continuum; and
3. 6. Ensuring cooperation in any other jointly beneficial project or program."

Page 12, line 17, replace "4, 5, 7, 14, and 15" with "3, 4, 8, 9, 11, 18, 22, and 32"

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT - LC 98046.0314 FN 3

A copy of the statement of purpose of amendment is on file in the Legislative Council Office.

#### REPORT OF STANDING COMMITTEE

**SB 2004, as reengrossed: Appropriations Committee (Rep. Svedjan, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (22 YEAS, 1 NAY, 2 ABSENT AND NOT VOTING). Reengrossed SB 2004 was placed on the Sixth order on the calendar.

Page 1, line 2, remove "and"

Page 1, line 3, after "intent" insert "; and to provide for a legislative council study"

Page 1, line 13, replace "7,496,481" with "7,020,717" and replace "45,205,612" with "44,729,848"

Page 1, line 14, replace "644,923" with "425,255" and replace "44,681,462" with "44,461,794"

Page 1, line 16, replace "991,734" with "1,946,934" and replace "59,009,510" with "59,964,710"

Page 1, line 17, replace "38,612" with "160,339" and replace "8,957,958" with "9,079,685"

Page 1, line 19, replace "16,681,010" with "17,062,505" and replace "184,731,185" with "185,112,680"

Page 1, line 20, replace "12,400,770" with "13,867,919" and replace "162,996,047" with "164,463,196"

Page 1, line 21, replace "4,280,240" with "3,194,586" and replace "21,735,138" with "20,649,484"

Page 1, line 22, replace "12.00" with "11.00" and replace "343.50" with "342.50"

Page 2, replace lines 9 through 14 with:

**"SECTION 3. APPROPRIATION - FEDERAL FISCAL STIMULUS FUNDS - ADDITIONAL FUNDING APPROVAL.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated from federal funds made available to the state under the federal American Recovery and Reinvestment Act of 2009, not otherwise appropriated, to the state department of health, for the period beginning with the effective date of this Act and ending June 30, 2011, as follows:

Water quality grants	\$194,300
Superfund arsenic trioxide project grants	7,000,000
Clean diesel grants (provided to the department of public instruction)	1,730,000
Clean water state revolving loan fund administration	769,564
Drinking water state revolving loan fund administration	780,000
Women, infants, and children	61,800
Total federal funds	\$10,535,664

The state department of health may seek emergency commission and budget section approval under chapter 54-16 for authority to spend any additional federal funds received under the federal American Recovery and Reinvestment Act of 2009 in excess of the amounts appropriated in this section, for the period beginning with the effective date of this Act and ending June 30, 2011.

Any federal funds appropriated under this section are not a part of the agency's 2011-13 base budget. Any program expenditures made with these funds will not be replaced with state funds after the federal American Recovery and Reinvestment Act of 2009 funds are no longer available."

Page 2, replace lines 21 through 23 with:

**"SECTION 5. EMERGENCY MEDICAL SERVICES OPERATIONS - FUNDING FROM INSURANCE TAX DISTRIBUTION FUND - REPORT TO LEGISLATIVE COUNCIL.** The estimated income line item in section 1 of this Act includes \$2,750,000 from the insurance tax distribution fund for the biennium beginning July 1, 2009, and ending June 30, 2011. Of this amount, \$2,250,000 is for grants to emergency medical services operations as provided in chapter 23-40 and \$500,000 is for obtaining consulting assistance to:

- Develop, implement, and provide an access critical ambulance service operations assessment process for the purpose of improving emergency medical services delivery;
- Develop, implement, and provide leadership development training;
- Develop, implement, and provide a biennial emergency medical services recruitment drive; and
- Provide regional assistance to ambulance services to develop a quality review process for emergency medical services personnel and a mechanism to report to medical directors.

The state department of health shall report to the legislative council on the use of the funding provided under this section. The department shall require recipients of grants under this section to provide information on the use of funds received as necessary to provide the report to the legislative council."

Page 3, after line 3, insert:

**"SECTION 8. EXEMPTION.** The \$200,000, of which \$150,000 is from the community health trust fund and \$50,000 is from the general fund, appropriated for colorectal screening grants, as contained in section 3 of chapter 4 of the 2007 Session Laws, is not subject to the provisions of section 54-44.1-11, and any unexpended funds from these appropriations are available and may be expended during the biennium beginning July 1, 2009, and ending June 30, 2011.

**SECTION 9. LEGISLATIVE COUNCIL STUDY - IMMUNIZATION PROGRAM.** During the 2009-10 interim, the legislative council shall consider studying the state immunization program. The study, if conducted, must identify pharmacists' or other providers' ability and interest in immunizing children and include a review of the effect of the program on public health units, including billing, billing services, fee collections, and uncollectible accounts. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-second legislative assembly.

**SECTION 10. EMERGENCY.** Section 3 of this Act is declared to be an emergency measure."



Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT - LC 98047.0403 FN 2

A copy of the statement of purpose of amendment is on file in the Legislative Council Office.

#### REPORT OF STANDING COMMITTEE

**SB 2009, as engrossed: Appropriations Committee (Rep. Svedjan, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (18 YEAS, 7 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2009 was placed on the Sixth order on the calendar.

Page 1, line 14, replace the first "3,000,000" with "13,000,000" and replace the second "3,000,000" with "13,000,000"

Page 1, line 15, replace "14,530,000" with "4,530,000" and replace "15,697,150" with "5,697,150"

Page 1, line 22, replace "3,000,000" with "13,000,000"

Page 1, line 23, replace "15,000,000" with "5,000,000"

Page 2, after line 4, insert:

**"SECTION 3. ADDITIONAL INCOME - APPROPRIATION.** Any other income, including funds from federal acts, private grants, gifts, and donations, or from other sources received by the state fair association for the grandstand construction project in addition to the amount included in the estimated income line item in section 1 of this Act, except as otherwise provided by law, is appropriated for the grandstand construction project, for the biennium beginning July 1, 2009, and ending June 30, 2011."

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT - LC 98028.0201 FN 1

A copy of the statement of purpose of amendment is on file in the Legislative Council Office.

#### REPORT OF STANDING COMMITTEE

**SB 2018, as reengrossed: Appropriations Committee (Rep. Svedjan, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (22 YEAS, 2 NAYS, 1 ABSENT AND NOT VOTING). Reengrossed SB 2018 was placed on the Sixth order on the calendar.

Page 1, line 2, after the first semicolon insert "to provide an appropriation to the office of management and budget; to provide an appropriation to the department of emergency services; to provide a contingent appropriation;"; remove "to provide for an audit;"; and remove "to authorize"

Page 1, remove line 3

Page 1, line 4, remove "continuing appropriation;";

Page 1, line 5, replace "15-69" with "54-18, a new section to chapter 54-44.1,"

Page 1, line 6, replace "a centers of excellence fund to" with "an annual transfer from the state mill and elevator association, the establishment of a searchable database of state expenditures,"

Page 1, line 8, replace "subsection" with "subsections 1 and 4 of section 15-69-02, subsections", after "2" insert "and 3", replace the second "and" with ", subsections 1, 3, 4, and 5 of", and after "15-69-05" insert ", and section 54-60-17"

Page 1, line 9, after "excellence" insert "and higher education internships and work experience opportunities"

Page 1, line 19, replace "1,359,088" with "1,193,961" and replace "10,185,967" with "10,020,840"

Page 1, line 20, replace "719,584" with "(180,416)" and replace "15,028,272" with "14,128,272"

Page 1, line 22, replace "32,661,310" with "18,111,310" and replace "81,436,058" with "66,886,058"

Page 2, line 2, replace "664,000" with "500,000" and replace "2,164,000" with "2,000,000"

Page 2, line 4, replace "35,272,419" with "19,493,292" and replace "114,512,900" with "98,733,773"

Page 2, line 5, replace "12,950,345" with "13,907,954" and replace "68,708,861" with "69,666,470"

Page 2, line 6, replace "22,322,074" with "5,585,338" and replace "45,804,039" with "29,067,303"

Page 2, after line 7, insert:

**"SECTION 2. APPROPRIATION - FEDERAL FISCAL STIMULUS FUNDS - ADDITIONAL FUNDING APPROVAL.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated from federal funds made available to the state under the federal American Recovery and Reinvestment Act of 2009, not otherwise appropriated, to the department of commerce, for the period beginning with the effective date of this Act and ending June 30, 2011, as follows:

Community development block grant program	\$1,300,000
Community services block grant	4,853,305
State energy program	24,585,000
Energy efficiency and conservation block grants	10,000,000
Weatherization assistance program	25,266,330
Emergency shelter grants	2,590,000
Total federal funds	\$68,594,635

The department of commerce may seek emergency commission and budget section approval under chapter 54-16 for authority to spend any additional federal funds received under the federal American Recovery and Reinvestment Act of 2009 in excess of the amounts appropriated in this section, for the period beginning with the effective date of this Act and ending June 30, 2011.

Any federal funds appropriated under this section are not a part of the agency's 2011-13 base budget. Any program expenditures made with these funds will not be replaced with state funds after the federal American Recovery and Reinvestment Act of 2009 funds are no longer available.

**SECTION 3. USE OF FEDERAL FISCAL STIMULUS FUNDS - ELECTRICAL GENERATORS.** The department of commerce shall use \$2,000,000 of the funding appropriated in section 2 of this Act for the purpose of establishing a grant program to assist in the purchase and installation of electrical generators that consume at least seventy-five percent of the gas from oil and gas well sites which would otherwise be flared or wasted, for the period beginning with the effective date of this Act and ending June 30, 2011. The funding is contingent upon approval from the United States department of energy of use of the funding for the grant program. Before making a grant from the program established by this section, the department of commerce shall obtain the recommendation of the oil and gas research program administered by the industrial commission regarding the application's technical accuracy and consistency with the oil and gas research program.

**SECTION 4. USE OF FEDERAL FISCAL STIMULUS FUNDS - BIOFUEL BLENDER PUMP GRANTS.** The department of commerce shall use up to \$1,000,000 of the funding appropriated in section 2 of this Act for biofuel blender pump grants.

**SECTION 5. CONTINGENT GENERAL FUND APPROPRIATION - BUDGET SECTION APPROVAL.** If the federal funds appropriated under section 2 of this Act are not available to provide the sum of \$1,000,000 for biofuel blender pump grants, there is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,000,000, or so much of the sum as may be necessary, to the department of commerce for transfer to the biofuel blender pump incentive fund, for the biennium beginning July 1, 2009, and ending June 30, 2011. The department of commerce may spend the general fund moneys subject to budget section approval and only to the extent that federal funds are not available to provide the \$1,000,000

appropriated under sections 2 and 4 of this Act. This funding is one-time funding for the 2009-11 biennium.

**SECTION 6. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,594,567, or so much of the sum as may be necessary, to the department of emergency services for the purpose of providing grants to eligible political subdivisions for up to fifty percent of the costs incurred by the political subdivisions in meeting the local cost-share required by the federal emergency management agency for disaster, emergency response, and recovery costs, and for up to fifty percent of the costs incurred by the political subdivisions for disaster, emergency response, and recovery costs not covered by the federal emergency management agency, for the period beginning with the effective date of this Act and ending June 30, 2011. For the purposes of this section, an eligible political subdivision is one that experienced damage or destruction due to a tornado during the summer of 2007.

**SECTION 7. APPROPRIATION - FEDERAL FISCAL STABILIZATION - OTHER GOVERNMENT SERVICES.** There is appropriated from federal fiscal stabilization - other government services funds made available to the governor under the federal American Recovery and Reinvestment Act of 2009, not otherwise appropriated, the sum of \$400,000, or so much of the sum as may be necessary, to the office of management and budget for the purpose of establishing a searchable database of state expenditures as provided for in section 31 of this Act, for the biennium beginning July 1, 2009, and ending June 30, 2011. Any federal funds appropriated under this section are not a part of the agency's 2011-13 base budget."

Page 2, line 11, replace "11" with "14"

Page 2, line 16, replace "2,000,000" with "1,000,000"

Page 2, remove lines 17 through 20

Page 2, line 23, replace "11,100,000" with "1,100,000"

Page 3, remove lines 13 through 16

Page 3, line 20, replace "fifty" with "sixty-two and a half"

Page 3, line 29, replace "\$2,000,000" with "\$1,000,000"

Page 4, line 3, remove "TRANSFER -"

Page 4, line 5, replace "\$20,000,000, which the office of management and budget shall" with "\$15,000,000, or so much of the sum as may be necessary, to the department of commerce"

Page 4, line 6, remove "transfer to the centers of excellence fund"

Page 4, replace lines 8 through 30 with:

**"SECTION 16. EXEMPTION.** Any funding remaining at the end of the 2007-09 biennium of up to \$9,704,568 from the permanent oil tax trust fund appropriated to the office of management and budget in section 14 of chapter 18 of the 2007 Session Laws is not subject to section 54-44.1-11.

**SECTION 17. CENTERS OF EXCELLENCE STATE TAX REVENUE IMPACT STUDY - REPORT.**

1. During the 2009-11 biennium, the state auditor, in consultation with the tax commissioner and the department of commerce, shall conduct a study of the state tax revenue impact of the centers of excellence program and shall calculate the direct impact of the program on state tax revenues. The study must include an analysis for each center of excellence of the actual matching funds received by source; actual number of private sector jobs created, including information as to whether the jobs would have been created without the center; and new private sector facilities opened as the result of the center. The study must be based on information available to the tax commissioner and the state auditor.

2. During the organizational session of the sixty-second legislative assembly, the state auditor shall submit to the president pro tempore of the senate and the speaker of the house a report on the findings and results of the centers of excellence state tax revenue impact study.
3. The tax commissioner shall compile direct tax revenue and expenditure data and provide this data to the state auditor. Notwithstanding the confidentiality provisions contained in chapters 57-38 and 57-39.2, the tax commissioner shall provide the state auditor the information necessary to accomplish and effectuate the study required by this section. The tax commissioner may request the assistance of the department of commerce as necessary to compile this data.
4. The tax commissioner may establish the procedure and format by which the tax data will be provided to the state auditor. If additional information is needed by the state auditor to calculate the tax impact of the centers of excellence program, the state auditor may contact those taxpayers determined necessary to effectuate the study required by this section.
5. Except as provided in subsection 6, the state auditor may establish the manner in which the centers of excellence impact data will be analyzed, organized, and presented in the report.
6. Confidential information the state auditor receives from the tax commissioner may not be divulged by the state auditor unless the information is in the aggregate and in a manner that will not divulge information specific to any taxpayer.

**SECTION 18. TOURISM MARKETING MATCHING GRANTS.** The grants line item in section 1 of this Act includes the sum of \$500,000 from the general fund for providing tourism marketing matching grants, for the biennium beginning July 1, 2009, and ending June 30, 2011. The department of commerce may use the funds for awarding grants to tourism attraction entities to the extent matching funds are available from nonstate sources on a dollar-for-dollar basis.

**SECTION 19. LEGISLATIVE INTENT - DIVISION OF TOURISM - LARGE TOURISM INFRASTRUCTURE GRANTS.** It is the intent of the sixty-first legislative assembly that the department of commerce division of tourism develop criteria for large tourism infrastructure grants and a method for setting funding priorities for such grants in future bienniums.

**SECTION 20. BASE REALIGNMENT PLAN - REPORT TO THE BUDGET SECTION.** The department of commerce, with assistance from local economic development organizations and national organizations specializing in developing alternative uses of former air force base properties, shall develop a plan for the utilization of commercial space available at the Grand Forks air force base, for the biennium beginning July 1, 2009, and ending June 30, 2011. The plan must identify the potential use of existing economic development programs, including the North Dakota development fund, incorporated, and Bank of North Dakota programs. The department of commerce shall provide reports to the budget section on the status of development of the plan.

**SECTION 21. TAX-EXEMPT PROPERTY - REPORT TO THE BUDGET SECTION.** During the 2009-10 interim, the department of commerce shall compile information identifying tax-exempt property by school district, including information on the related value of the property based on soil survey, insured value, or other means and a categorization of the property by whether or not it produces revenue based on its use. The department of commerce shall report the information compiled at the first meeting of the budget section in 2010."

Page 5, remove lines 1 through 31

Page 6, remove lines 1 through 6

Page 6, line 15, remove "Wade Westin memorial"

Page 6, remove lines 19 through 31

Page 7, remove lines 1 through 5

Page 7, line 23, remove "the Dakota defense"

Page 7, line 24, remove "alliance," and remove the second comma

Page 7, remove lines 26 through 30

Page 8, replace lines 1 through 31 with:

**"SECTION 27. AMENDMENT.** Subsections 1 and 4 of section 15-69-02 of the North Dakota Century Code are amended and reenacted as follows:

1. The board shall establish a centers of excellence program relating to economic development. ~~The program must distinguish among center designations for awards designated to address commercialization and infrastructure needs.~~ Workforce may not be the primary need addressed by a center. Through the program the commission shall make funding award recommendations for commission-approved applications to the board, the foundation, the emergency commission, and the budget section of the legislative council. A center must be an institution of higher education under the control of the board or a nonprofit university-related or college-related foundation of an institution of higher education under the control of the board. In order to be considered for center designation, the institution of higher education or nonprofit foundation must be working in partnership with the private sector. ~~For an application that includes infrastructure to be considered for center designation, the application must provide detailed information regarding how the future operational costs and maintenance costs related to the infrastructure will be provided and how the costs will not be provided from the general fund.~~ In addition to any center designated under this chapter, the North Dakota state university center for technology enterprise and the university of North Dakota center for innovation are centers.
4. The board rules adopted under subsection 9 of section 15-10-17, relating to ownership of intellectual property, inventions, and discoveries, must address activities and issues unique to centers. The rules must provide that in the case of an agreement or other contract for private-public sharing of royalties or other compensation from intellectual property resulting from center activities, the terms must provide the private sector partner must receive the first royalties or other compensation equal to four times the private sector partner's initial investment and thereafter as agreed by the parties.

**SECTION 28. AMENDMENT.** Subsections 2 and 3 of section 15-69-04 of the North Dakota Century Code are amended and reenacted as follows:

2. The commission shall meet as necessary to review all complete applications; consider the potential need for independent, expert review of complete applications; approve or disapprove complete applications; make funding award recommendations for commission-approved proposed centers; direct the ~~office of management and budget department of commerce~~ to distribute funds to the centers; monitor centers for compliance with award requirements; review changes in assertions made in center applications; and conduct postaward monitoring of centers.
3. In considering whether to approve or disapprove an application, the commission shall determine whether the applicant has conducted the due diligence necessary to put together a viable proposal, the commission shall determine whether the applicant has provided information in the application which clearly outlines how the matching fund requirement will be met, and the commission shall consider whether the center will:
  - a. Use university or college research to promote private sector job growth and expansion of knowledge-based industries or use university or college research to promote the development of new products, high-tech companies, or skilled jobs in this state;
  - b. Create high-value private sector employment opportunities in this state;
  - c. Provide for public-private sector involvement and partnerships;

- d. Leverage other funding, including cash from the private sector;
- e. Increase research and development activities that may involve federal funding from the national science foundation experimental program to stimulate competitive research;
- f. Foster and practice entrepreneurship;
- g. Promote the commercialization of new products and services in industry clusters;
- h. Become financially self-sustaining; and
- i. Establish and meet a deadline for acquiring and expending all public and private funds specified in the application.

**SECTION 29. AMENDMENT.** Subsections 1, 3, 4, and 5 of section 15-69-05 of the North Dakota Century Code are amended and reenacted as follows:

- 1. A center shall use funds awarded under this chapter to enhance capacity; ~~enhance infrastructure~~; and leverage state, federal, and private sources of funding. A center awarded funds under this chapter may not use the funds to enhance or construct infrastructure, to supplant funding for current operations or academic instructions, or to pay indirect costs.
- 3. Before the commission directs the ~~office of management and budget department of commerce~~ to distribute funds awarded under this chapter, the center shall provide the commission with detailed documentation of private sector participation and the availability of two dollars of matching funds, of which one dollar must be cash from the private sector, for each dollar of state funds to be distributed under this chapter. The matching funds may include funds facilitated through the collaboration of the private sector participants with other funding entities. The noncash matching funds may include ~~a combination of cash and~~ in-kind assets with itemized value. Private sector participation may be established through equity investments or through contracts for services with private sector entities. In making funding recommendations and designation determinations, the commission, board, foundation, and budget section shall give major consideration to the portion of the matching funds provided in cash by the private sector.
- 4. The commission shall direct the ~~office of management and budget department of commerce~~ to distribute the funds awarded under this chapter in disbursements consistent with the center's budget and timeframe outlined in the approved award. The commission may not direct distribution of funds under this chapter if there are no private sector partners participating or if the statutorily required matching funds are not available.
- 5. If, before funds are distributed by the ~~office of management and budget department of commerce~~, a center undergoes a change in the terms of or assertions made in its application, the commission may direct that the ~~office of management and budget department of commerce~~ withhold all or a portion of any undistributed funds pending commission review of the changes.

**SECTION 30.** A new section to chapter 54-18 of the North Dakota Century Code is created and enacted as follows:

**Annual transfer.** Within thirty days after the conclusion of each fiscal year, the state industrial commission shall transfer five percent of the net income earned by the state mill and elevator association during that fiscal year to the agricultural fuel tax fund.

**SECTION 31.** A new section to chapter 54-44.1 of the North Dakota Century Code is created and enacted as follows:

**Searchable database of expenditures.**

1. By January 1, 2010, the director of the budget shall develop and make publicly available an aggregate and searchable budget database website that includes the following information for the biennium ending June 30, 2009:
  - a. Each budget unit making expenditures.
  - b. The name and city of the recipient of each expenditure.
  - c. The amount of funds expended.
  - d. The source of the funds expended.
  - e. The budget program of the expenditure.
  - f. A descriptive purpose for the expenditure.
  - g. The result or report of any state audit or review relating to any recipient of expenditures or the budget unit or program.
  - h. Any other information determined relevant by the director of the budget.
2. The director of the budget may not include in the database any information that is confidential under state or federal law.
3. The director of the budget may update the budget database website as new data becomes available. Each state agency shall provide to the director of the budget any data required to be included in the budget database website no later than thirty days after the data becomes available to the agency.
4. By January first of each even-numbered year, the director of the budget shall add data for the previous biennium to the budget database website. The director of the budget shall ensure that all data added to the budget database website remains accessible to the public for a minimum of ten years.
5. The budget database website may not redirect users to any other government website, unless the website has information from all budget units and each category of information required can be searched electronically by field in a single search.

**SECTION 32. AMENDMENT.** Section 54-60-17 of the North Dakota Century Code is amended and reenacted as follows:

**54-60-17. Division of workforce development - Higher education internships and work experience opportunities.** The division of workforce development shall administer a program to increase use of higher education internships and work experience opportunities for higher education students. The primary focus of this program must be higher education internships in target industries. This program shall provide services to employers, communities, and business organizations to increase higher education internship and work experience opportunities. Funding awarded under this section is limited to a lifetime maximum of thirty thousand dollars per recipient."

Page 9, remove lines 1 through 25

Page 10, line 7, replace "July" with "November"

Page 10, line 13, replace "is" with "and sections 2 and 6 of this Act are"

Renumber accordingly

#### **STATEMENT OF PURPOSE OF AMENDMENT - LC 98037.0437 FN 16**

A copy of the statement of purpose of amendment is on file in the Legislative Council Office.

## REPORT OF STANDING COMMITTEE

**SB 2024: Appropriations Committee (Rep. Svedjan, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (19 YEAS, 5 NAYS, 1 ABSENT AND NOT VOTING). SB 2024 was placed on the Sixth order on the calendar.

Page 1, line 2, after "commission" insert "; to create and enact two new sections to chapter 53-06.2 of the North Dakota Century Code, relating to the regulation of live racing and pari-mutuel wagering; to amend and reenact sections 53-06.2-01, 53-06.2-02, 53-06.2-03, 53-06.2-04, 53-06.2-04.1, 53-06.2-05, 53-06.2-06, 53-06.2-07, 53-06.2-08, 53-06.2-10, 53-06.2-10.1, 53-06.2-11, 53-06.2-12, 53-06.2-13, 53-06.2-14, 53-06.2-15, and 53-06.2-16 of the North Dakota Century Code, relating to the regulation of live racing and pari-mutuel wagering; to provide for transition; and to provide an effective date"

Page 1, line 11, replace "\$35,286" with "(\$82,290)" and replace "442,576" with "325,000"

Page 1, line 13, replace "291,984" with "174,408" and replace "412,576" with "295,000"

Page 1, after line 14, insert:

**"SECTION 2. AMENDMENT.** Section 53-06.2-01 of the North Dakota Century Code is amended and reenacted as follows:

**53-06.2-01. Definitions.** As used in this chapter:

1. "Agriculture commissioner" means the agriculture commissioner or the agriculture commissioner's designee.
2. "Attorney general" means the attorney general or the attorney general's designee.
3. "Breeders' fund" means a fund, administered by the commission, established to financially reward breeders or owners of North Dakota-bred horses to be paid in accordance with rules as approved by the ~~commission~~ agriculture commissioner.
- ~~2.~~ 4. "Certificate system" means the system of betting described in section 53-06.2-10.
- ~~3.~~ 5. "Charitable organization" means a nonprofit organization operated for the relief of poverty, distress, or other conditions of public concern in this state and has been so engaged in this state for at least two years.
- ~~4.~~ 6. "Civic and service club" means a branch, lodge, or chapter of a nonprofit national or state organization that is authorized by its written constitution, charter, articles of incorporation, or bylaws to engage in a civic or service purpose in this state and has so existed in this state for at least two years. The term includes a similar local nonprofit organization, not affiliated with a state or national organization, which is so recognized by a resolution adopted by the governing body of the local jurisdiction in which the organization conducts its principal activities, and which has existed in this state for at least two years.
- ~~5.~~ 7. "Commission" means the North Dakota racing commission.
- ~~6.~~ 8. "Director" means the director of the commission.
- ~~7.~~ 9. "Fraternal organization" means a nonprofit organization in this state, which is a branch, lodge, or chapter of a national or state organization and exists for the common business, brotherhood, or other interests of its members, and has so existed in this state for two years. The term does not include a college or high school fraternity.
- ~~8.~~ 10. "Local jurisdiction" means, with respect to a site inside the city limits of a city, that city, and with respect to a site not inside the city limits of a city, the county in which the site is located.



- 9- 11. "Other public-spirited organization" means a nonprofit organization recognized by the governing body of the appropriate local jurisdiction by resolution as public-spirited and eligible under this chapter.
- 40- 12. "Purse fund" means a fund, administered by the commission, established to supplement and improve purses offered at racetracks within the state.
- 44- 13. "Racing" means live ~~or simulcast~~ horse racing ~~under the certificate system or simulcast dog racing under the certificate system.~~
- 42- 14. "Racing promotion fund" means a fund administered by the commission established to assist in improving and upgrading racetracks in the state, promoting horse racing in the state, and developing new racetracks in the state as necessary and approved by the commission.
- 43- 15. "Religious organization" means a nonprofit organization, church, body of communicants, or group gathered in common membership for mutual support and edification in piety, worship, and religious observances, and which has been so gathered or united in this state for at least two years.
- 44- 16. "Veterans' organization" means a congressionally chartered organization in this state, or a branch, lodge, or chapter of a nonprofit national or state organization in this state, the membership of which consists of individuals who were members of the armed services or forces of the United States, and which has so been in existence in this state for at least two years.

**SECTION 3. AMENDMENT.** Section 53-06.2-02 of the North Dakota Century Code is amended and reenacted as follows:

**53-06.2-02. Racing commission - Members - Appointment - Term - Qualifications - Compensation.**

1. A North Dakota racing commission is established ~~consisting in the office of the agriculture commissioner.~~ The commission consists of the chairman and four other members appointed by the ~~governor~~ agriculture commissioner. One of the members must be appointed from a list of four nominees, one of whom is nominated by the state chapter or affiliate of the American quarter horse racing association, one of whom is nominated by the state chapter or affiliate of the United States trotting association, one of whom is nominated by the state chapter or affiliate of the ~~international Arabian~~ paint horse association, and one of whom is nominated by the state chapter or affiliate of the North Dakota thoroughbred association. The members serve five-year terms and until a successor is appointed and qualified. A member appointed to fill a vacancy arising from other than the natural expiration of a term serves for the unexpired portion of the term and may be reappointed. The terms of the commissioners must be staggered so that one term expires each July first. At the expiration of the five-year term of each incumbent member of the commission, the ~~governor~~ agriculture commissioner shall appoint a new member to the commission.
2. ~~A person~~ An individual is ineligible for appointment to the commission if that ~~person~~ individual has not been a resident of this state for at least two years before the date of appointment. ~~A person~~ An individual is also ineligible if that ~~person~~ individual is not of such character and reputation as to promote public confidence in the administration of racing in this state. ~~A person~~ An individual who has a financial interest in racing cannot be a member of the commission ~~and cannot be employed by the commission~~ without full disclosure of the financial interest to the agriculture commissioner, the attorney general, and the commission. Failure to maintain compliance with this subsection is grounds for removal from the commission ~~or from employment with the commission.~~ For purposes of this section, ~~a person~~ an individual has a financial interest in racing if that ~~person~~ individual has an ownership interest in horses running at live or simulcast meets conducted or shown in this state subject to this chapter or rules of the ~~commission~~ agriculture commissioner, is required to be licensed under this chapter or the rules of the ~~commission~~ agriculture commissioner or attorney general, or who derives any direct financial benefit from racing, individually or by or through an entity or other person, as regulated by this chapter or the rules of the ~~commission~~ agriculture commissioner or attorney general.

3. Commission members are entitled to ~~seventy-five dollars per day for the same compensation;~~ and mileage and expense reimbursement as ~~allowed to other state employees~~ provided for members of committees of the legislative council under section 54-35-10.

**SECTION 4. AMENDMENT.** Section 53-06.2-03 of the North Dakota Century Code is amended and reenacted as follows:

**53-06.2-03. Director of racing - Appointment - Qualifications - Salary - Duties - Other personnel.**

1. The ~~commission shall~~ agriculture commissioner may appoint a director of racing. The ~~commission shall~~ agriculture commissioner may establish the director's qualifications and salary.
2. The director shall devote such time to the duties of the office as the ~~commission~~ agriculture commissioner may prescribe. The director ~~is the executive officer of the commission and shall enforce the rules and orders of the commission.~~ The director shall perform other duties the ~~commission~~ agriculture commissioner prescribes.
3. The director may employ other ~~persons~~ individuals as authorized by the ~~commission~~ agriculture commissioner.

**SECTION 5. AMENDMENT.** Section 53-06.2-04 of the North Dakota Century Code is amended and reenacted as follows:

**53-06.2-04. Duties of commission and attorney general.**

1. The commission shall:
  - 4- a. Provide for racing ~~under the certificate system.~~
  - 2- b. Set racing dates.
  - 3- c. Adopt rules for effectively preventing the use of any unauthorized substance, compound items, or combinations of any medicine, narcotic, stimulant, depressant, or anesthetic which could alter the normal performance of a racehorse, ~~unless specifically authorized by the commission.~~
  4. ~~Supervise and check the making of pari-mutuel pools, pari-mutuel machines, and equipment at all races held under the certificate system.~~
  - 5- d. Adopt rules governing, restricting, or regulating bids on licensees' concessions and leases on equipment.
  - 6- e. Consider all proposed extensions, additions, or improvements to the buildings, stables, or tracks on property owned or leased by a licensee.
  - 7- f. Exclude from racetracks ~~or simulcast pari-mutuel wagering facilities~~ any person who violates any rule ~~of the commission adopted to implement this chapter~~ or any law.
  - 8- g. Determine the cost of inspections performed under subsection 3 of section 53-06.2-05 and require the licensee to pay that cost.
  - 9- h. Report biennially to the legislative council regarding the operation of ~~the commission racing under this chapter.~~
10. ~~Provide notice to the North Dakota horsemen's council of meetings held by the commission and permit the North Dakota horsemen's council to participate in the meetings through placement of items on the agenda.~~
11. ~~Complete, distribute, and post on the commission's web site the minutes of each commission meeting within thirty days of that meeting or before the next meeting of the commission, whichever occurs first.~~

2. The attorney general shall:
  - a. Provide for pari-mutuel wagering on racing, simulcast, and account wagering.
  - b. Supervise and check the making of pari-mutuel pools, pari-mutuel machines, and equipment at all races held under the certificate system.
  - c. Exclude from simulcast or account wagering facilities any person who violates any rule adopted to implement this chapter or any law.

**SECTION 6. AMENDMENT.** Section 53-06.2-04.1 of the North Dakota Century Code is amended and reenacted as follows:

**53-06.2-04.1. North Dakota-bred registry - Contract requirements.** ~~The commission~~ agriculture commissioner shall provide for registration of a North Dakota-bred horse for qualification for breeders' fund awards or purse supplements. ~~The commission shall~~ agriculture commissioner may contract with a private person to maintain the registry. Through a competitive bidding process, the commission shall agriculture commissioner may award the contract to the lowest responsible bidder. The cost of the contract must be paid from the breeders' fund.

**SECTION 7.** A new section to chapter 53-06.2 of the North Dakota Century Code is created and enacted as follows:

**Powers of agriculture commissioner.** The agriculture commissioner may:

1. Compel the production of all documents showing the receipts and disbursements of any licensee and determine the manner in which the financial records are to be kept.
2. Investigate the operations of any licensee and enter any vehicle or place of business, residence, storage, or racing of any licensee on the grounds of a licensed association to determine whether there has been compliance with the provisions of this chapter and rules adopted under this chapter and to discover and seize any evidence of noncompliance.
3. License all participants in racing and require and obtain information the agriculture commissioner determines necessary from license applicants. The agriculture commissioner may obtain a statewide and nationwide criminal history record check from the bureau of criminal investigation for the purpose of determining suitability or fitness for a license. The nationwide check must be conducted in the manner provided in section 12-60-24. All costs associated with obtaining a background check are the responsibility of the applicant for a license.
4. Receive moneys from the North Dakota horse racing foundation for deposit in the purse fund, the breeders' fund, or the racing promotion fund in accordance with subsection 6 of section 53-06.2-11.
5. Adopt rules to implement the laws concerning racing and the administration of racing.

**SECTION 8. AMENDMENT.** Section 53-06.2-05 of the North Dakota Century Code is amended and reenacted as follows:

**53-06.2-05. Powers of ~~commission~~ attorney general.** ~~The commission~~ attorney general may:

1. Compel the production of all documents showing the receipts and disbursements of any licensee and determine the manner in which such financial records are to be kept.
2. Investigate the operations of any licensee and enter any vehicle or place of business, residence, storage, or racing of any licensee on the grounds of a licensed association to determine whether there has been compliance with the provisions of this chapter and rules adopted under this chapter, and to discover and seize any evidence of noncompliance.

3. ~~Request appropriate state officials to perform inspections necessary for the health and safety of spectators, employees, participants, and horses that are lawfully on a racetrack.~~
4. License all participants in the ~~racing and simuleast~~ pari-mutuel wagering industry and require and obtain information the ~~commission deems~~ attorney general determines necessary from license applicants. ~~Licensure of service providers, totalizator companies, site operators, and organizations applying to conduct or conducting pari-mutuel wagering must be approved by the attorney general. The attorney general may not grant a license denied by the commission. The commission may obtain a statewide and nationwide criminal history record check from the bureau of criminal investigation for the purpose of determining suitability or fitness for a license. The nationwide check must be conducted in the manner provided in section 12-60-24. All costs associated with obtaining a background check are the responsibility of the applicant for a license.~~
5. ~~Receive moneys from the North Dakota horse racing foundation for deposit in the purse fund, breeders' fund, or racing promotion fund in accordance with subsection 6 of section 53-06.2-11.~~
6. 4. Adopt additional rules for the administration, implementation, and regulation of pari-mutuel wagering activities conducted pursuant to this chapter. The ~~commission~~ attorney general shall deposit any fees collected under authority of this subsection in the ~~racing commission~~ attorney general's operating fund. Subject to legislative appropriation, the ~~commission~~ attorney general may spend the fees for operating costs of the ~~commission~~ under this chapter.

**SECTION 9. AMENDMENT.** Section 53-06.2-06 of the North Dakota Century Code is amended and reenacted as follows:

**53-06.2-06. Organizations eligible to conduct racing and simuleast pari-mutuel wagering.** Civic and service clubs; charitable, fraternal, religious, and veterans' organizations; and other public-spirited organizations may be licensed to conduct racing and simuleast pari-mutuel wagering as authorized by this chapter.

**SECTION 10. AMENDMENT.** Section 53-06.2-07 of the North Dakota Century Code is amended and reenacted as follows:

**53-06.2-07. Issuance of licenses - Applications.**

1. On compliance by an applicant with this chapter ~~and the approval of, the attorney general, the commission~~ agriculture commissioner may issue a license to conduct races. ~~The attorney general may not grant a license denied by the commission.~~
2. An application for a license to conduct a racing meet must be signed under oath and filed with the ~~commission~~ agriculture commissioner. The application must contain at least the following:
  - a. The name and post-office address of the applicant.
  - b. The location of the racetrack and whether it is owned or leased. If the racetrack is leased, a copy of the lease must be included.
  - c. A statement of the applicant's previous history and association sufficient to establish that the applicant is an eligible organization.
  - d. The time, place, and number of days the racing meet is proposed to be conducted.
  - e. The type of racing to be conducted.
  - f. Other information the ~~commission~~ agriculture commissioner requires.
3. At least thirty days before the ~~commission~~ agriculture commissioner issues or renews a license to conduct races, the applicant shall deliver a complete copy of the application to the local jurisdiction governing body. The application to the ~~commission~~ agriculture commissioner must include a

certificate verified by a representative of the applicant, indicating delivery of the application copy to the governing body. If the governing body of the local jurisdiction adopts a resolution disapproving the application for license or renewal and so informs the ~~director~~ agriculture commissioner within thirty days of receiving a copy of the application, the license to conduct races may not be issued or renewed.

**SECTION 11. AMENDMENT.** Section 53-06.2-08 of the North Dakota Century Code is amended and reenacted as follows:

**53-06.2-08. License authorization and fees.**

1. Each license issued ~~under the certificate system to conduct racing~~ must describe the place, track, or racecourse at which the licensee may hold races. Every license must specify the number of days the licensed races may continue, the hours during which racing may be conducted, and the number of races that may be held each day. Races authorized under this chapter may be held during the hours approved by the ~~commission~~ agriculture commissioner and within the hours permitted by state law.
2. The ~~commission~~ agriculture commissioner may charge a license fee for racing commensurate with the size and attendance of the race meet.
3. ~~Each applicant for a license under this chapter shall give bond payable to this state with good security as approved by the commission. The bond must be in the amount the commission determines will adequately protect the amount normally due and owing to this state in a regular payment period or, in the case of new or altered conditions, based on the projected revenues.~~
4. The ~~commission~~ agriculture commissioner may grant licenses to horse owners, jockeys, riders, agents, trainers, grooms, stable foremen, exercise workers, veterinarians, valets, concessionaires, ~~service providers~~, employees of racing associations, and such other persons as determined by the ~~commission~~. ~~Licensure of service providers, totalizator companies, site operators, and organizations applying to conduct or conducting pari-mutuel wagering must be approved by the attorney general. The attorney general may not grant a license denied by the commission~~ agriculture commissioner. License fees are as established by the ~~commission~~ agriculture commissioner.
5. 4. The ~~commission~~ agriculture commissioner may establish the period of time for which licenses issued under this chapter are valid.
6. ~~The commission shall deposit all fees collected under this section in the racing commission operating fund.~~
5. Subject to legislative appropriation, the ~~commission~~ agriculture commissioner may spend the fees for operating costs ~~of the commission under this chapter~~.

**SECTION 12.** A new section to chapter 53-06.2 of the North Dakota Century Code is created and enacted as follows:

**License and fees.**

1. Each license issued to conduct pari-mutuel wagering must describe the place, track, or racecourse at which the pari-mutuel wagering is to be conducted. Pari-mutuel wagering authorized under this chapter may be held during the hours approved by the attorney general and within the hours permitted by state law.
2. The attorney general may charge a license fee to conduct pari-mutuel wagering.
3. Each applicant for a license to conduct pari-mutuel wagering shall give bond payable to this state with good security as approved by the attorney general. The bond must be in the amount the attorney general determines will adequately protect the amount normally due and owing to this state.

4. The attorney general may grant licenses to service providers, totalizator companies, site operators, other organizations conducting pari-mutuel wagering, employees of service providers, totalizator companies, site operators, and other organizations conducting pari-mutuel wagering, and other persons as determined by the attorney general.
5. The attorney general may establish the period of time for which licenses issued under this chapter are valid.
6. Subject to legislative appropriation, the attorney general may spend the fees for operating costs of the attorney general.

**SECTION 13. AMENDMENT.** Section 53-06.2-10 of the North Dakota Century Code is amended and reenacted as follows:

**53-06.2-10. Certificate system - Rules.** The certificate system allows a licensee to receive money from any ~~person~~ individual present at a live horse race, simulcast horse race, ~~or simulcast dog race, or account wagering facility~~ who desires to bet on any entry in that race. ~~A person~~ An individual betting on an entry to win acquires an interest in the total money bet on all entries in the race, in proportion to the amount of money bet by that ~~person~~ individual, under rules adopted by the ~~commission~~ attorney general. The licensee shall receive the bets and for each bet shall issue a certificate to the bettor on which is at least shown the number of the race, the amount bet, and the number or name of the entry selected by the bettor. The ~~commission~~ attorney general may adopt rules for place, show, quinella, combination, or other types of betting usually connected with racing.

**SECTION 14. AMENDMENT.** Section 53-06.2-10.1 of the North Dakota Century Code is amended and reenacted as follows:

**53-06.2-10.1. Simulcast wagering.** In addition to racing under the certificate system, as authorized by this chapter, and conducted upon the premises of a racetrack, simulcast pari-mutuel wagering may be conducted in accordance with this chapter or rules adopted by the ~~commission~~ attorney general to implement this chapter ~~in accordance with chapter 28-32~~. Any organization qualified under section 53-06.2-06 ~~to conduct racing~~ may make written application to the ~~commission~~ attorney general for the conduct of simulcast pari-mutuel wagering on races held at licensed racetracks inside the state or racetracks outside the state, or both. ~~Licensure of service~~ Service providers, totalizator companies, site operators, or organizations applying to conduct or conducting simulcast or account wagering must ~~be approved~~ obtain a license approved by the attorney general. ~~The attorney general may not grant a license denied by the commission.~~ Notwithstanding any other provision of this chapter, the ~~commission~~ attorney general may authorize any licensee to participate in interstate or international combined wagering pools with one or more other racing jurisdictions. Anytime that a licensee participates in an interstate or international combined pool, the licensee, as prescribed by the ~~commission~~ attorney general, may adopt the take-out of the host jurisdiction or facility. The ~~commission~~ attorney general may permit a licensee to use one or more of its races or simulcast programs for an interstate or international combined wagering pool at locations outside its jurisdiction and may allow pari-mutuel pools in other states to be combined with pari-mutuel pools in its jurisdiction for the purpose of establishing an interstate or international combined wagering pool. The participation by a licensee in a combined interstate or international wagering pool does not cause that licensee to be considered to be doing business in any jurisdiction other than the jurisdiction in which the licensee is physically located. Pari-mutuel taxes or commissions may not be imposed on any amounts wagered in an interstate or international combined wagering pool other than amounts wagered within this jurisdiction. The certificate system also permits pari-mutuel wagering to be conducted through account wagering. As used in this section, "account wagering" means a form of pari-mutuel wagering in which an individual deposits money in an account and uses the account balance to pay for pari-mutuel wagers. An account wager made on an account established in this state may only be made through the licensed simulcast service provider approved by the attorney general ~~and authorized by the commission~~ to operate the simulcast pari-mutuel wagering system under the certificate system. ~~The attorney general may not grant a license denied by the commission.~~ A charitable organization may not be responsible for the receipt and disbursement of moneys handled through account wagering. An account wager may be made in person, by direct telephone communication, or through other electronic communication in accordance with rules adopted by the ~~commission~~ attorney general. Breakage for interstate or international combined wagering pools must be calculated in accordance with the statutes or rules of

the host jurisdiction and must be distributed among the participating jurisdictions in a manner agreed to among the jurisdictions.

**SECTION 15. AMENDMENT.** Section 53-06.2-11 of the North Dakota Century Code is amended and reenacted as follows:

**53-06.2-11. Bet payoff formulas - Uses by licensee of funds in excess of expenses - Payment to general fund.**

1. For wagering on live horse racing and simulcast wagering:
  - a. In win, place, and show pari-mutuel pools, the licensee may deduct no more than twenty percent of the amount wagered. Of the amount wagered, the licensee shall pay:
    - (1) Two percent to the state treasurer to be deposited in the general fund.
    - (2) One-half of one percent to the ~~commission~~ agriculture commissioner to be deposited in the breeders' fund.
    - (3) One-half of one percent to the ~~commission~~ agriculture commissioner to be deposited in the purse fund.
    - (4) One-half of one percent to the ~~commission~~ agriculture commissioner to be deposited in the racing promotion fund.
  - b. In daily double, quinella, exacta, trifecta, or other combination pari-mutuel pools, the licensee may deduct no more than twenty-five percent of the amount wagered. Of the amount wagered, the licensee shall pay:
    - (1) Two and one-half percent to the state treasurer to be deposited in the general fund.
    - (2) One-half of one percent to the ~~commission~~ agriculture commissioner to be deposited in the breeders' fund.
    - (3) One-half of one percent to the ~~commission~~ agriculture commissioner to be deposited in the purse fund.
    - (4) One-half of one percent to the ~~commission~~ agriculture commissioner to be deposited in the racing promotion fund.
2. For account wagering:
  - a. In win, place, and show pari-mutuel pools, the licensee may deduct no more than twenty percent of the amount wagered.
    - (1) Before eleven million dollars is wagered in all pari-mutuel wagering in each biennium, of the amount wagered by account wagering in win, place, and show pari-mutuel pools, the licensee shall pay:
      - (a) Two percent to the state treasurer to be deposited in the general fund.
      - (b) One-half of one percent to the ~~commission~~ agriculture commissioner to be deposited in the breeders' fund.
      - (c) One-half of one percent to the ~~commission~~ agriculture commissioner to be deposited in the purse fund.
      - (d) One-half of one percent to the ~~commission~~ agriculture commissioner to be deposited in the racing promotion fund.
    - (2) After eleven million dollars is wagered in all pari-mutuel wagering in each biennium, of the amount wagered by account

wagering in win, place, and show pari-mutuel pools, the licensee shall pay:

- (a) One-sixteenth of one percent to the state treasurer to be deposited in the general fund.
  - (b) One-sixteenth of one percent to the ~~commission~~ agriculture commissioner to be deposited in the breeders' fund.
  - (c) One-sixteenth of one percent to the ~~commission~~ agriculture commissioner to be deposited in the purse fund.
  - (d) One-sixteenth of one percent to the ~~commission~~ agriculture commissioner to be deposited in the racing promotion fund.
- b. In daily double, quinella, exacta, trifecta, or other combination pari-mutuel pools, the licensee may deduct no more than twenty-five percent of the amount wagered.
  - (1) Before eleven million dollars is wagered in each biennium, of the amount wagered by account wagering in daily double, quinella, exacta, trifecta, or other combination pari-mutuel pools, the licensee shall pay:
    - (a) Two and one-half percent to the state treasurer to be deposited in the general fund.
    - (b) One-half of one percent to the ~~commission~~ agriculture commissioner to be deposited in the breeders' fund.
    - (c) One-half of one percent to the ~~commission~~ agriculture commissioner to be deposited in the purse fund.
    - (d) One-half of one percent to the ~~commission~~ agriculture commissioner to be deposited in the racing promotion fund.
  - (2) After eleven million dollars is wagered in all pari-mutuel wagering in each biennium, of the amount wagered by account wagering in daily double, quinella, exacta, trifecta, or other combination pari-mutuel pools, the licensee shall pay:
    - (a) One-sixteenth of one percent to the state treasurer to be deposited in the general fund.
    - (b) One-sixteenth of one percent to the ~~commission~~ agriculture commissioner to be deposited in the breeders' fund.
    - (c) One-sixteenth of one percent to the ~~commission~~ agriculture commissioner to be deposited in the purse fund.
    - (d) One-sixteenth of one percent to the ~~commission~~ agriculture commissioner to be deposited in the racing promotion fund.
3. For all pari-mutuel wagering the licensee shall pay to the ~~commission~~ attorney general the amount due for all unclaimed tickets and all breakage to be deposited in the racing promotion fund.
4. The licensee conducting wagering on live racing, simulcast wagering, or account wagering shall retain all other money in the pari-mutuel pool and pay it to bettors holding winning tickets as provided by rules adopted by the ~~commission~~ attorney general.



5. A licensee may not use any of the portion deducted for expenses under subsections 1 and 2 for expenses not directly incurred by the licensee in conducting pari-mutuel racing under the certificate system. After paying qualifying expenses, the licensee shall use the remainder of the amount so withheld only for eligible uses allowed to charitable gambling organizations under section 53-06.1-11.1.
6. The ~~commission~~ agriculture commissioner shall deposit the moneys received pursuant to subsections 1, 2, and 3 and from the North Dakota horse racing foundation pursuant to subsection 5 of section 53-06.2-05 in the breeders' fund, the purse fund, and the racing promotion fund. Moneys, and any earnings on the moneys, in the breeders' fund, purse fund, and racing promotion fund are appropriated to the commission on a continuing basis to carry out the purposes of those funds under this chapter and must be administered and disbursed in accordance with rules adopted by the ~~commission~~ agriculture commissioner. The commission may not transfer money among the funds. The commission shall distribute awards and payment supplements from the breeders' fund in the same calendar year the money was earned by the recipient. The commission shall distribute payments awarded to qualified owners and breeders from the breeders' fund without requiring owners and breeders to apply for the payments. The commission, upon approval of the emergency commission, may receive no more than twenty-five percent of the racing promotion fund for the payment of the commission's operating expenses.

**SECTION 16. AMENDMENT.** Section 53-06.2-12 of the North Dakota Century Code is amended and reenacted as follows:

**53-06.2-12. Audits and investigations by state auditor.** On request of the ~~commission~~ agriculture commissioner or attorney general, the state auditor shall conduct audits and investigate the operations of any licensee. The ~~commission~~ agriculture commissioner or attorney general shall reimburse the state auditor for all services rendered.

**SECTION 17. AMENDMENT.** Section 53-06.2-13 of the North Dakota Century Code is amended and reenacted as follows:

**53-06.2-13. Duty of attorney general to participate in certain hearings and to conduct investigations ~~—Employment of private counsel by commission.~~**

1. The attorney general shall represent the state in all hearings ~~before the commission~~ and shall prosecute all criminal proceedings arising from violations of this chapter. The attorney general may require payment for any services rendered to the ~~racing commission~~ agriculture commissioner. Payment for the services must be deposited in the attorney general's operating fund. ~~The commission may employ private counsel for adoption of rules and to ensure that its hearings are conducted fairly. All hearings under this chapter must be conducted by the office of administrative hearings under chapter 28-32.~~
2. ~~a.~~ The attorney general may audit and investigate service providers, totalizator companies, site operators, or organizations applying to conduct or conducting pari-mutuel wagering. The attorney general may:
  - (1) a. Inspect all sites in which pari-mutuel wagering is conducted.
  - (2) b. Inspect all pari-mutuel wagering equipment and supplies.
  - (3) c. Seize, remove, or impound any pari-mutuel equipment, supplies, or books and records for the purpose of examination and inspection.
  - (4) d. Inspect, examine, photocopy, and audit all books and records.
- ~~b.~~ ~~The commission shall reimburse the attorney general for auditing and investigation. Payment for auditing and investigation must be deposited in the attorney general's operating fund.~~

**SECTION 18. AMENDMENT.** Section 53-06.2-14 of the North Dakota Century Code is amended and reenacted as follows:

**53-06.2-14. Denial, suspension, and revocation of licenses - Reasons.** The ~~commission~~ agriculture commissioner or attorney general may deny, suspend, or revoke licenses ~~under the certificate system and privileges granted by it, and it may terminate racing privileges issued by each respective official for just cause.~~ Actions constituting just cause include:

1. Any action or attempted action by a person contrary to any law.
2. Corrupt practices, which include:
  - a. Prearranging or attempting to prearrange the order of finish of a race.
  - b. Failing to properly pay winnings to a bettor or to properly return change to a bettor purchasing a ticket.
  - c. Falsifying or manipulating the odds on any entrant in a race.
3. Any violation of the rules of racing adopted by the ~~commission~~ agriculture commissioner or attorney general under this chapter.
4. Willful falsification or misstatement of fact in an application for racing or pari-mutuel privileges.
5. Material false statement to a racing official, the agriculture commissioner, or to the ~~commission~~ attorney general.
6. Willful disobedience of ~~a commission~~ an order of the agriculture commissioner or attorney general or of a lawful order of a racing official ~~other than a commission member.~~
7. Continued failure or inability to meet financial obligations ~~connected with racing meets.~~
8. Failure or inability to properly maintain a racetrack.

**SECTION 19. AMENDMENT.** Section 53-06.2-15 of the North Dakota Century Code is amended and reenacted as follows:

**53-06.2-15. Revocation, suspension, fine - Procedure.** The ~~commission~~ agriculture commissioner or attorney general, on proof of violation by a licensee, its agents or employees, of this chapter or any rule adopted by the ~~commission~~ may agriculture commissioner or attorney general to implement this chapter, on reasonable notice to the licensee and after giving the licensee an opportunity to be heard, may fine the licensee or revoke or suspend the license. If the license is revoked, the licensee is not eligible to receive another license within twelve months from the date of revocation. Every decision or order of the ~~commission~~ agriculture commissioner or attorney general must be made in writing and filed ~~with the director~~ for preservation as a permanent record of the ~~commission.~~ The decision must be signed by the chairman, attested by the director, and dated agriculture commissioner or attorney general.

**SECTION 20. AMENDMENT.** Section 53-06.2-16 of the North Dakota Century Code is amended and reenacted as follows:

**53-06.2-16. Prohibited acts - Penalties.**

1. No person may conduct a pari-mutuel ~~horse-race~~ wagering or racing unless that person is licensed by the ~~commission~~ agriculture commissioner or attorney general. Violation of this subsection is a class A misdemeanor.
2. No person may prearrange or attempt to prearrange the order of finish of a race. Violation of this subsection is a class C felony.

**SECTION 21. TRANSITION.** Any member of the North Dakota racing commission who is a member of the commission as of June 30, 2011, and whose term expires after July 1, 2011, may serve the remainder of that member's unexpired term.

**SECTION 22. EFFECTIVE DATE.** Sections 2, 3, 4, 6, 7, 10, 11, 15, 16, 17, 18, 19, and 20 of this Act become effective on July 1, 2011."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT - LC 98043.0108 FN 2**

A copy of the statement of purpose of amendment is on file in the Legislative Council Office.

**REPORT OF STANDING COMMITTEE**

**SB 2038, as engrossed: Appropriations Committee (Rep. Svedjan, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (23 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). Engrossed SB 2038 was placed on the Sixth order on the calendar.

Page 1, line 5, remove "to the legislative council" and remove the second "a"

Page 1, line 6, replace "study" with "studies"

Page 11, remove lines 15 through 30

Page 12, remove lines 1 through 7

Page 12, line 14, remove "If the legislative council appoints a committee to"

Page 12, remove lines 15 through 20

Page 15, after line 15, insert:

**"SECTION 7. STATE BOARD OF HIGHER EDUCATION - REPORTS TO SIXTY-SECOND LEGISLATIVE ASSEMBLY.** Each institution under the control of the state board of higher education shall report to the appropriations committees of the sixty-second legislative assembly regarding:

1. A comparison of the budgeted amounts to actual expenditures by major expenditure type for the fiscal year ending June 30, 2010.
2. A comparison of the budgeted amounts to actual expenditures by major expenditure type through the most recent month available at the time the report is presented to the appropriations committees.

**SECTION 8. LEGISLATIVE COUNCIL STUDY - HIGHER EDUCATION.** During the 2009-10 interim, the legislative council chairman shall appoint an interim higher education committee to study issues affecting higher education. The interim committee shall hold at least six education summit meetings to discuss topics that may include:

1. Alternative uses of institutions and changes to institutional missions.
2. Issues affecting two-year campuses.
3. Tuition affordability, including a review of tuition reciprocity agreements.
4. The accessibility of higher education.
5. Workforce needs.
6. Contribution to economic development.
7. Utilization and capacity of higher education institution facilities.
8. Quality of education being delivered.

The chairman of the interim higher education committee may invite summit topic experts, representatives of the North Dakota university system, the private sector, and students to participate in the summit meetings to provide information to the committee as determined necessary to assist the committee in conducting its study. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-second legislative assembly."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

This amendment:

- Removes a section requiring certain reports to be provided by the State Board of Higher Education.
- Removes the requirements for committee membership if a Legislative Council committee is appointed to study higher education issues during the 2009-10 interim.
- Provides for a report to the 62nd Legislative Assembly by each higher education institution.
- Provides for an interim higher education study that includes the use of education summit meetings.

**REPORT OF STANDING COMMITTEE**

**SB 2051, as engrossed: Appropriations Committee (Rep. Svedjan, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (23 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). Engrossed SB 2051 was placed on the Sixth order on the calendar.

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

Page 1, line 9, replace "six" with "four"

Page 1, after line 14, insert:

**"SECTION 2. LEGISLATIVE COUNCIL STUDY.** During the 2009-10 interim, the legislative council shall consider studying impact and taxation issues relating to production of mineral resources in North Dakota, specifically including:

1. Development of relatively new industries for extraction and production of minerals such as uranium, potash, and other minerals not previously produced on a significant economic scale;
2. Environmental, economic, and governmental impact of mineral production;
3. Infrastructure maintenance and development relating to mineral production;
4. Employment opportunities and issues relating to mineral production;
5. Comparison of mineral tax structures in North Dakota and other states; and
6. Water supplies and demands relating to mineral production.

The legislative council shall reports it findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-second legislative assembly."

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**SB 2311: Appropriations Committee (Rep. Svedjan, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (17 YEAS, 8 NAYS, 0 ABSENT AND NOT VOTING). SB 2311 was placed on the Sixth order on the calendar.

Page 1, line 2, replace "and state employee equity adjustments; and to provide for transfers" with "; to create and enact a new section to chapter 54-27 of the North Dakota Century Code, relating to vacant state employee positions; and to provide authorization for additional full-time equivalent positions"

Page 1, replace lines 22 through 24 with:

**"SECTION 2.** A new section to chapter 54-27 of the North Dakota Century Code is created and enacted as follows:

**Vacant state employee positions salary savings - Emergency commission and budget section review and approval.** The head of each executive branch

agency, department, and institution shall report each month to the office of management and budget the number of vacant full-time equivalent employee positions and related salary and fringe benefit savings. The office of management and budget shall report at each budget section meeting on the cumulative savings resulting from the vacant positions. Agencies, departments, and institutions reporting vacant positions under this section may not spend the related savings without prior approval of the emergency commission and the budget section.

**SECTION 3. ADDITIONAL FULL-TIME EQUIVALENT POSITION AUTHORIZATION - BUDGET SECTION APPROVAL.** The office of management and budget, subject to emergency commission and budget section approval, may authorize up to a total of forty-four additional full-time equivalent positions for executive branch agencies in addition to those authorized by the legislative assembly for the biennium beginning July 1, 2009, and ending June 30, 2011. Only positions that are determined to be critical to the mission of the agency may be authorized under this section."

Page 2, remove lines 1 through 13

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

This amendment:

- Creates a new section to North Dakota Century Code Chapter 54-27 relating to vacant state employee position salary savings.
- Authorizes the Office of Management and Budget to authorize additional mission-critical FTE positions for state agencies.
- Removes Sections 2 and 3 relating to salary equity funding.

**REPORT OF STANDING COMMITTEE**

**SB 2338, as engrossed: Appropriations Committee (Rep. Svedjan, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (15 YEAS, 9 NAYS, 1 ABSENT AND NOT VOTING). Engrossed SB 2338 was placed on the Sixth order on the calendar.

Page 1, line 10, after "57-43.2-03" insert "of up to one million six hundred thousand dollars per biennium"

Page 1, line 16, replace "\$6,400,000" with "\$1,600,000" and after the third comma insert "and from federal highway traffic safety funds, the sum of \$900,000, or so much of the sum as may be necessary,"

Page 2, line 14, replace "\$100,000" with "\$75,000"

Page 2, line 15, replace "\$500,000" with "\$225,000"

Renumber accordingly

**FIRST READING OF SENATE CONCURRENT RESOLUTION**

**SCR 4033:** A concurrent resolution urging the North Dakota Congressional Delegation and the Congress of the United States to support worker freedom by opposing the federal Employee Free Choice Act and any of the Act's related components.

Was read the first time and referred to the **Industry, Business and Labor Committee**.

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

**Buell J. Reich, Chief Clerk**

