

## JOURNAL OF THE HOUSE

## Sixty-third Legislative Assembly

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Bismarck, March 14, 2013

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

The prayer was offered by Pastor Paul Snyder, First Presbyterian Church, Wilton.

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

A quorum was declared by the Speaker.

## MOTION

**REP. VIGESAA MOVED** that SB 2201, which is on the Sixth order, be rereferred to the **Education Committee**, which motion prevailed. Pursuant to Rep. Vigesaa's motion, SB 2201 was rereferred.

## SIXTH ORDER OF BUSINESS

**SPEAKER DEVLIN DEEMED** approval of the amendments to HCR 3046, SB 2142, Engrossed SB 2147, SB 2151, and SB 2185.

HCR 3046, as amended, was placed on the Eleventh order of business on the calendar for the succeeding legislative day.

SB 2142, Engrossed SB 2147, SB 2151, and SB 2185, as amended, were placed on the Fourteenth order of business on the calendar for the succeeding legislative day.

## SECOND READING OF SENATE BILL

**SB 2126:** A BILL for an Act to create and enact sections 12.1-23-16 and 12.1-23-17 and a new subsection to section 57-39.2-14 of the North Dakota Century Code, relating to the prohibition of automated sales suppression devices and skimming devices used for a fraudulent purpose; 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 93 YEAS, 0 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Anderson; Beadle; Becker; Bellew; Belter; Boe; Boehning; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Delzer; Dockter; Dosch; Drovdal; Frantsovog; Froseth; Glassheim; Grande; Gruchalla; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Headland; Heilman; Heller; Hofstad; Hogan; Holman; Hunsakor; Johnson, D.; Johnson, N.; Karls; Kasper; Keiser; Kelsh, J.; Kelsh, S.; Kempenich; Kiefert; Klein; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Kreun; Laning; Larson; Looyen; Louser; Maragos; Martinson; Meier; Mock; Monson; Mooney; Muscha; Nathe; Nelson, J.; Nelson, M.; Onstad; Oversen; Owens; Paur; Pollert; Porter; Rohr; Ruby; Rust; Sanford; Schatz; Schmidt; Silbernagel; Skarphol; Steiner; Streyle; Strinden; Sukut; Thoreson; Toman; Trottier; Vigesaa; Wall; Weisz; Wieland; Williams; Zaiser; Speaker Devlin

**ABSENT AND NOT VOTING:** Fehr

Engrossed SB 2126, as amended, passed.

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## SECOND READING OF SENATE BILL

**SB 2161:** A BILL for an Act to amend and reenact sections 50-25.1-02, 50-25.1-04.3, and 50-25.1-04.5 of the North Dakota Century Code, relating to the child fatality review panel.

**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 93 YEAS, 0 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Anderson; Beadle; Becker; Bellew; Belter; Boe; Boehning; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Delzer; Dockter; Dosch; Drovdal; Frantsvog; Froseth; Glassheim; Grande; Gruchalla; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Headland; Heilman; Heller; Hofstad; Hogan; Holman; Hunskor; Johnson, D.; Johnson, N.; Karls; Kasper; Keiser; Kelsh, J.; Kelsh, S.; Kempenich; Kiefert; Klein; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Kreun; Laning; Larson; Looysen; Louser; Maragos; Martinson; Meier; Mock; Monson; Mooney; Muscha; Nathe; Nelson, J.; Nelson, M.; Onstad; Oversen; Owens; Paur; Pollert; Porter; Rohr; Ruby; Rust; Sanford; Schatz; Schmidt; Silbernagel; Skarphol; Steiner; Streyle; Strinden; Sukut; Thoreson; Toman; Trottier; Vigasaa; Wall; Weisz; Wieland; Williams; Zaiser; Speaker Devlin

**ABSENT AND NOT VOTING:** Fehr

SB 2161, as amended, passed.

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**SECOND READING OF SENATE BILL**

**SB 2117:** A BILL for an Act to amend and reenact section 39-01-02 of the North Dakota Century Code, relating to marking on official state vehicles; 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 90 YEAS, 3 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Anderson; Beadle; Becker; Bellew; Belter; Boehning; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Delzer; Dockter; Dosch; Drovdal; Frantsvog; Froseth; Glassheim; Grande; Gruchalla; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Headland; Heilman; Heller; Hogan; Holman; Hunskor; Johnson, D.; Johnson, N.; Karls; Kasper; Keiser; Kelsh, J.; Kelsh, S.; Kempenich; Kiefert; Klein; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Kreun; Laning; Larson; Looysen; Louser; Maragos; Martinson; Meier; Mock; Monson; Mooney; Muscha; Nathe; Nelson, M.; Onstad; Oversen; Owens; Paur; Pollert; Porter; Rohr; Ruby; Rust; Sanford; Schatz; Schmidt; Silbernagel; Skarphol; Steiner; Streyle; Strinden; Sukut; Thoreson; Toman; Trottier; Vigasaa; Wall; Weisz; Wieland; Williams; Zaiser; Speaker Devlin

**NAYS:** Boe; Hofstad; Nelson, J.

**ABSENT AND NOT VOTING:** Fehr

Engrossed SB 2117 passed and the emergency clause was declared carried.

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**SECOND READING OF SENATE BILL**

**SB 2062:** A BILL for an Act to amend and reenact section 37-29-03 of the North Dakota Century Code, relating to job protections of emergency responders.

**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; Anderson; Beadle; Becker; Bellew; Belter; Boe; Boehning; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Delzer; Dockter; Dosch; Drovdal; Frantsvog; Froseth; Glassheim; Grande; Gruchalla; Guggisberg; Haak;

Hanson; Hatlestad; Hawken; Headland; Heilman; Heller; Hofstad; Hogan; Holman; Hunskor; Johnson, D.; Johnson, N.; Karls; Kasper; Keiser; Kelsh, J.; Kelsh, S.; Kempenich; Kiefert; Klein; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Kreun; Laning; Larson; Looysen; Louser; Maragos; Martinson; Meier; Mock; Monson; Mooney; Muscha; Nathe; Nelson, J.; Nelson, M.; Onstad; Oversen; Owens; Paur; Pollert; Porter; Rohr; Ruby; Rust; Sanford; Schatz; Schmidt; Silbernagel; Skarphol; Steiner; Streyle; Strinden; Sukut; Thoreson; Toman; Trottier; Vigasaa; Wall; Weisz; Wieland; Williams; Zaiser; Speaker Devlin

**ABSENT AND NOT VOTING:** Fehr

SB 2062 passed.

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

**SB 2111:** A BILL for an Act to amend and reenact section 52-06-33 of the North Dakota Century Code, relating to a monetary penalty imposed when unemployment compensation benefits are obtained through false statements; and to provide a penalty.

#### **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; Anderson; Beadle; Becker; Bellew; Belter; Boe; Boehning; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Delzer; Dockter; Dosch; Drovdal; Frantsvog; Froseth; Glassheim; Grande; Gruchalla; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Headland; Heilman; Heller; Hofstad; Hogan; Holman; Hunskor; Johnson, D.; Johnson, N.; Karls; Kasper; Keiser; Kelsh, J.; Kelsh, S.; Kempenich; Kiefert; Klein; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Kreun; Laning; Larson; Looysen; Louser; Maragos; Martinson; Meier; Mock; Monson; Mooney; Muscha; Nathe; Nelson, J.; Nelson, M.; Onstad; Oversen; Owens; Paur; Pollert; Porter; Rohr; Ruby; Rust; Sanford; Schatz; Schmidt; Silbernagel; Skarphol; Steiner; Streyle; Strinden; Sukut; Thoreson; Toman; Trottier; Vigasaa; Wall; Weisz; Wieland; Williams; Zaiser; Speaker Devlin

**ABSENT AND NOT VOTING:** Fehr

SB 2111 passed.

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

**SB 2122:** A BILL for an Act to create and enact chapter 14-09.3 of the North Dakota Century Code, relating to the Uniform Deployed Parents Custody and Visitation Act; to amend and reenact sections 14-09-06.2 and 14-09-06.6 of the North Dakota Century Code, relating to best interests and welfare of the child factors and limitation on postjudgment modifications; and to provide for application.

#### **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; Anderson; Beadle; Becker; Bellew; Belter; Boe; Boehning; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Delzer; Dockter; Dosch; Drovdal; Frantsvog; Froseth; Glassheim; Grande; Gruchalla; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Headland; Heilman; Heller; Hofstad; Hogan; Holman; Hunskor; Johnson, D.; Johnson, N.; Karls; Kasper; Keiser; Kelsh, J.; Kelsh, S.; Kempenich; Kiefert; Klein; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Kreun; Laning; Larson; Looysen; Louser; Maragos; Martinson; Meier; Mock; Monson; Mooney; Muscha; Nathe; Nelson, J.; Nelson, M.; Onstad; Oversen; Owens; Paur; Pollert; Porter; Rohr; Ruby; Rust; Sanford; Schatz; Schmidt;

Silbernagel; Skarphol; Steiner; Streyle; Strinden; Sukut; Thoreson; Toman; Trottier; Vigesaa; Wall; Weisz; Wieland; Williams; Zaiser; Speaker Devlin

**ABSENT AND NOT VOTING:** Fehr

Engrossed SB 2122 passed.

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

**SB 2141:** A BILL for an Act to amend and reenact subsection 4 of section 12.1-32-07 of the North Dakota Century Code, relating to the supervision of probationers.

#### **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; Anderson; Beadle; Becker; Bellew; Belter; Boe; Boehning; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Delzer; Dockter; Dosch; Drovdal; Frantsvog; Froseth; Glassheim; Grande; Gruchalla; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Headland; Heilman; Heller; Hofstad; Hogan; Holman; Hunsakor; Johnson, D.; Johnson, N.; Karls; Kasper; Keiser; Kelsh, J.; Kelsh, S.; Kempenich; Kiefert; Klein; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Kreun; Laning; Larson; Looysen; Louser; Maragos; Martinson; Meier; Mock; Monson; Mooney; Muscha; Nathe; Nelson, J.; Nelson, M.; Onstad; Oversen; Owens; Paur; Pollert; Porter; Rohr; Ruby; Rust; Sanford; Schatz; Schmidt; Silbernagel; Skarphol; Steiner; Streyle; Strinden; Sukut; Thoreson; Toman; Trottier; Vigesaa; Wall; Weisz; Wieland; Williams; Zaiser; Speaker Devlin

**ABSENT AND NOT VOTING:** Fehr

SB 2141 passed.

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

**SB 2154:** A BILL for an Act to amend and reenact subsections 2, 3, and 4 of sections 23-37-17 of the North Dakota Century Code, relating to registration fees for above and underground tanks.

#### **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; Anderson; Beadle; Becker; Bellew; Belter; Boe; Boehning; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Delzer; Dockter; Dosch; Drovdal; Frantsvog; Froseth; Glassheim; Grande; Gruchalla; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Headland; Heilman; Heller; Hofstad; Hogan; Holman; Hunsakor; Johnson, D.; Johnson, N.; Karls; Kasper; Keiser; Kelsh, J.; Kelsh, S.; Kempenich; Kiefert; Klein; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Kreun; Laning; Larson; Looysen; Louser; Maragos; Martinson; Meier; Mock; Monson; Mooney; Muscha; Nathe; Nelson, J.; Nelson, M.; Onstad; Oversen; Owens; Paur; Pollert; Porter; Rohr; Ruby; Rust; Sanford; Schatz; Schmidt; Silbernagel; Skarphol; Steiner; Streyle; Strinden; Sukut; Thoreson; Toman; Trottier; Vigesaa; Wall; Weisz; Wieland; Williams; Zaiser; Speaker Devlin

**ABSENT AND NOT VOTING:** Fehr

SB 2154 passed.

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**SECOND READING OF SENATE BILL**

**SB 2284:** A BILL for an Act to create and enact a new section to chapter 5-01 of the North Dakota Century Code, relating to brewer taproom licenses; to amend and reenact section 5-03-07 of the North Dakota Century Code, relating to taxes on alcohol; and to provide for a statement of legislative intent and severability.

**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:** Anderson; Beadle; Becker; Bellew; Belter; Boe; Boehning; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Delzer; Dockter; Dosch; Drovdal; Frantsovog; Froseth; Glassheim; Grande; Gruchalla; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Headland; Heilman; Heller; Hofstad; Hogan; Holman; Hunsakor; Johnson, D.; Johnson, N.; Karls; Kasper; Keiser; Kelsh, J.; Kelsh, S.; Kempenich; Kiefert; Klein; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Kreun; Laning; Larson; Looyson; Louser; Maragos; Martinson; Meier; Mock; Monson; Mooney; Muscha; Nathe; Nelson, J.; Nelson, M.; Onstad; Oversen; Owens; Paur; Pollert; Porter; Rohr; Ruby; Rust; Sanford; Schatz; Schmidt; Silbernagel; Skarphol; Steiner; Streyle; Strinden; Sukut; Thoreson; Toman; Trottier; Vigasaa; Wall; Weisz; Wieland; Williams; Zaiser; Speaker Devlin

**ABSENT AND NOT VOTING:** Amerman; Fehr

Engrossed SB 2284 passed.

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**SECOND READING OF SENATE BILL**

**SB 2334:** A BILL for an Act to create and enact a new section to chapter 37-17.3 of the North Dakota Century Code, relating to fees for the statewide seamless base map; and to provide a continuing appropriation.

**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 74 YEAS, 18 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Beadle; Belter; Boe; Boehning; Boschee; Brabandt; Brandenburg; Delmore; Dockter; Dosch; Drovdal; Frantsovog; Froseth; Glassheim; Grande; Gruchalla; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Headland; Heilman; Heller; Hofstad; Hogan; Holman; Hunsakor; Johnson, D.; Karls; Kasper; Keiser; Kelsh, J.; Kelsh, S.; Kempenich; Kiefert; Klein; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Kreun; Laning; Larson; Looyson; Louser; Maragos; Martinson; Mock; Monson; Mooney; Muscha; Nathe; Nelson, J.; Nelson, M.; Onstad; Oversen; Porter; Rohr; Ruby; Rust; Sanford; Schmidt; Silbernagel; Skarphol; Streyle; Strinden; Sukut; Toman; Trottier; Wall; Williams

**NAYS:** Becker; Bellew; Carlson; Damschen; Delzer; Johnson, N.; Meier; Owens; Paur; Pollert; Schatz; Steiner; Thoreson; Vigasaa; Weisz; Wieland; Zaiser; Speaker Devlin

**ABSENT AND NOT VOTING:** Amerman; Fehr

Reengrossed SB 2334 passed.

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**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, and Thirteenth orders of

business and at the conclusion of those orders, the House stand adjourned until 12:30 p.m., Friday, March 15, 2013, which motion prevailed.

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

**MR. PRESIDENT:** The House has passed, and your favorable consideration is requested on: HCR 3033.

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

**MR. PRESIDENT:** The House has passed, unchanged: SB 2033, SB 2034, SB 2061, SB 2084, SB 2088, SB 2109, SB 2112, SB 2118, SB 2124, SB 2127, SB 2136, SB 2159, SB 2217, SB 2247, SB 2260.

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

**MR. PRESIDENT:** The House has passed, unchanged: SB 2261.

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

**MR. PRESIDENT:** The House has amended and subsequently passed: SB 2259.

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

**MR. SPEAKER:** The Senate has passed, and your favorable consideration is requested on: SCR 4023.

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

**MR. SPEAKER:** The Senate has passed, unchanged: HB 1068, HB 1111, HB 1115, HB 1150, HB 1158, HB 1187, HB 1280, HB 1293, HB 1417, HB 1468.

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

**MR. SPEAKER:** The Senate has amended and subsequently passed: HB 1026.

**SENATE AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1026**

Page 2, line 11, remove "1."

Page 2, line 13, replace "and" with "or hold a limited peace officer license under section 12-63-09. These individuals"

Page 2, line 13, replace "that" with "their"

Page 2, remove lines 18 through 24

Page 16, line 6, after "proceeds" insert "during the preceding twelve months"

ReNUMBER accordingly

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

**MR. SPEAKER:** The Senate has amended, subsequently passed, and the emergency clause carried: HB 1054.

**SENATE AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1054**

Page 1, line 1, remove "subsections 2 and 3 of"

Page 1, replace lines 4 through 19 with:

**"SECTION 1. AMENDMENT.** Section 4.1-14-01 of the North Dakota Century Code is amended and reenacted as follows:

**4.1-14-01. Certification of forage - Compliance with other standards.**

1. To obtain certification that weeds prohibited according to the standards of the North American weed~~invasive~~ species management association are not cut when producing viable seeds and included in baled forage, the owner of the forage shall request that the agriculture commissioner conduct a certification inspection.

2. Upon receiving the request, the agriculture commissioner shall:
  - a. Inspect the forage acreage within ten days before harvest to verify that weeds prohibited according to the standards of the North American ~~weed~~invasive species management association are not present and producing viable seeds; and
  - b. (1) Ascertain that the scheduled harvest has occurred;
  - (2) Determine the number of bales for which certification tags or department-approved twine, or both, must be issued; and
  - (3) Verify that the baled forage is stored or will be stored only in an area where weeds prohibited according to the standards of the North American ~~weed~~invasive species management association are not present and producing viable seeds.
3. If the agriculture commissioner determines that the conditions of subsection 2 have been met, the commissioner shall issue and affix or cause to be affixed on each bale of forage one dated certification tag or shall authorize the use of department-approved twine to bale the forage."

Renumber accordingly

**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 1120.

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

**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1056, HB 1142, HB 1154, HB 1230.

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

**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1120.

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

**MR. SPEAKER:** Your signature is respectfully requested on: SB 2051, SB 2070, SB 2082, SB 2104, SB 2105, SB 2304, SB 2322.

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

**MR. SPEAKER:** The President has signed: HB 1056, HB 1120, HB 1142, HB 1154, HB 1230.

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

**MR. PRESIDENT:** The Speaker has signed: SB 2051, SB 2070, SB 2082, SB 2104, SB 2105, SB 2304, SB 2322.

**REPORT OF STANDING COMMITTEE**

**HCR 3006: Judiciary Committee (Rep. K. Koppelman, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HCR 3006 was placed on the Sixth order on the calendar.

Page 1, line 2, after the second "of" insert "mortgage taxes or any"

Page 1, line 2, after the second "the" insert "mortgage or"

Page 1, line 6, after "imposing" insert "mortgage taxes or"

Page 1, line 6, after the second "the" insert "mortgage or"

Page 1, line 10, replace "general" with "primary"

Page 1, line 16, after "any" insert "mortgage taxes or any"

Page 1, line 16, after "the" insert "mortgage or"

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**HCR 3037: Judiciary Committee (Rep. K. Koppelman, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (10 YEAS, 3 NAYS, 1 ABSENT AND NOT VOTING). HCR 3037 was placed on the Sixth order on the calendar.

Page 1, line 1, remove "and section 18 of article X"

Page 1, line 2, remove "and use of public"

Page 1, line 3, remove "moneys"

Page 1, line 6, remove "and allows the state to forward public moneys to"

Page 1, line 7, remove "individuals and nonpublic entities"

Page 1, line 10, replace "amendments" with "amendment"

Page 1, line 10, remove "and section 18 of"

Page 1, line 11, remove "article X"

Page 1, line 11, replace "are" with "is"

Page 1, remove lines 21 through 25

Page 2, remove lines 1 through 3

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**HCR 3044: Judiciary Committee (Rep. K. Koppelman, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (8 YEAS, 5 NAYS, 1 ABSENT AND NOT VOTING). HCR 3044 was placed on the Sixth order on the calendar.

Page 1, line 17, remove ", except the referral of an action of the state board of higher"

Page 1, remove line 18

Page 1, line 19, remove "adoption or filing of the action"

Page 1, line 19, replace "However, the" with "The"

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**SB 2047: Industry, Business and Labor Committee (Rep. Keiser, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). SB 2047 was placed on the Sixth order on the calendar.

Page 1, line 2, remove "extension of"

Page 1, line 6, overstrike "(Effective through July 31, 2013"

Page 1, line 6, remove "**2015**"

Page 1, line 6, overstrike the boldfaced closing parenthesis

Renumber accordingly



**REPORT OF STANDING COMMITTEE**

**SB 2102: Education Committee (Rep. Nathe, Chairman)** recommends **DO PASS** (8 YEAS, 4 NAYS, 1 ABSENT AND NOT VOTING). SB 2102 was placed on the Fourteenth order on the calendar.

**REPORT OF STANDING COMMITTEE**

**SB 2106, as engrossed: Finance and Taxation Committee (Rep. Belter, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (10 YEAS, 1 NAYS, 3 ABSENT AND NOT VOTING). Engrossed SB 2106 was placed on the Sixth order on the calendar.

Page 4, line 13, remove "In addition to the penalty in subsection 1, any person who violates sections"

Page 4, remove lines 14 through 16

Page 4, line 17, remove "3."

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**SB 2144: Industry, Business and Labor Committee (Rep. Keiser, Chairman)** recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (13 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). SB 2144 was rereferred to the **Appropriations Committee**.

**REPORT OF STANDING COMMITTEE**

**SB 2152: Industry, Business and Labor Committee (Rep. Keiser, Chairman)** recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (13 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). SB 2152 was rereferred to the **Appropriations Committee**.

**REPORT OF STANDING COMMITTEE**

**SB 2223, as reengrossed: Industry, Business and Labor Committee (Rep. Keiser, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (15 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Reengrossed SB 2223 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for a legislative management study relating to state governmental facilities."

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

**SECTION 1. LEGISLATIVE MANAGEMENT STUDY - STATE GOVERNMENTAL FACILITIES.** During the 2013-2014 interim, the legislative management shall study the necessity and feasibility of constructing additional facilities or renovating existing facilities to house state governmental functions. The study must include consideration of making additional space available in the judicial wing of the state capitol for space needs of the judicial branch. The study must also include a review of options for payments in lieu of taxes if a new facility is constructed. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly."

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**SB 2266: Industry, Business and Labor Committee (Rep. Keiser, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2266 was placed on the Sixth order on the calendar.

Page 1, line 1, replace the first "section" with "sections 10-06.1-17 and"

Page 1, line 1, after the second comma insert "section 10-19.1-01,"

Page 1, line 2, replace the second "section" with "sections"

Page 1, line 2, after "10-19.1-17" insert "and 10-19.1-115, subsection 2 of section 10-19.1-146"

Page 1, line 3, remove "and"

Page 1, line 4, after "10-34-04" insert ", and subsection 2 of section 10-35-28"

Page 1, line 5, after "corporation" insert "definitions,"

Page 1, line 6, replace "and" with a comma

Page 1, line 6, after the comma insert "involuntary dissolution,"

Page 1, after line 10, insert:

**"SECTION 1. AMENDMENT.** Section 10-06.1-17 of the North Dakota Century Code is amended and reenacted as follows:

**10-06.1-17. Annual report - Contents - Filing requirements.**

Before April sixteenth of each year, every corporation engaged in farming or ranching after June 30, 1981, and every limited liability company engaged in farming or ranching shall file with the secretary of state an annual report signed as provided in subsection ~~53~~<sup>54</sup> of section 10-19.1-01 if a corporation and subsection 58 of section 10-32-02 if a limited liability company. If the corporation or limited liability company is in the hands of a receiver or trustee, it must be signed on behalf of the corporation or limited liability company by the receiver or trustee. An annual report in a sealed envelope postmarked by the United States postal service before the date provided in this section or an annual report in a sealed packet with a verified shipment date by any other carrier service before the date provided in this section meets the filing date requirement. An annual report must include the following information with respect to the preceding calendar year:

1. The name of the corporation or limited liability company.
2. The name of the registered agent of the corporation or limited liability company as provided in chapter 10-01.1 and, if a noncommercial registered agent, the address of the registered office of the corporation or limited liability company in this state.
3. With respect to each corporation:
  - a. A statement of the aggregate number of shares the corporation has authority to issue, itemized by classes, par value of shares, shares without par value, and series, if any, within a class.
  - b. A statement of the aggregate number of issued shares, itemized by classes, par value of shares, shares without par value, and series, if any, within a class.
4. With respect to each shareholder or member:
  - a. The name and address of each, including the names and addresses and relationships of beneficiaries of trusts and estates which own shares or membership interests;
  - b. The number of shares or membership interests or percentage of shares or membership interests owned by each;
  - c. The relationship of each;
  - d. A statement of whether each is a citizen or permanent resident alien of the United States; and

- e. A statement of whether at least one is an individual residing on or operating the farm or ranch.
- 5. With respect to management:
  - a. If a corporation, then the names and addresses of the officers and members of the board of directors; or
  - b. If a limited liability company, then the names and addresses of the managers and members of the board of governors.
- 6. A statement listing the acreage [hectarage] and location listed by section, township, range, and county of all land in the state owned or leased by the corporation or limited liability company and used for farming or ranching. The statement must also designate which, if any, of the acreage [hectarage] is leased from or jointly owned with any shareholder or member and list the name of the shareholder or member with that acreage [hectarage].
- 7. A statement of the percentage of the annual average gross income of the corporation or limited liability company which has been derived from farming or ranching operations over the previous five years or for each year of existence if less than five years.
- 8. A statement of the percentage of gross income of the corporation or limited liability company derived from nonfarm rent, nonfarm royalties, dividends, interest, and annuities during the period covered by the report.
- 9. A corporation engaged in farming which fails to file an annual report is subject to the penalties provided in section 10-19.1-147 except that the penalties must be calculated from the date of the report required by this section.
- 10. A limited liability company engaged in farming which fails to file an annual report is subject to the penalties provided in subsections 5 and 6 of section 10-32-149 except that the penalties must be calculated from the date of the report required by this section."

Page 3, after line 3, insert:

**"SECTION 4. AMENDMENT.** Section 10-19.1-01 of the North Dakota Century Code is amended and reenacted as follows:

**10-19.1-01. Definitions.**

For purposes of this chapter, unless the context otherwise requires:

- 1. "Acquiring corporation" means the domestic or foreign corporation that acquires the shares of a corporation in an exchange.
- 2. "Acquiring organization" means the foreign or domestic organization acquiring the ownership interests of another foreign or domestic organization participating in an exchange.
- 3. "Address" means:
  - a. In the case of a registered office or principal executive office, the mailing address, including the zip code, of the actual office location, which may not be only a post-office box; and
  - b. In any other case, the mailing address, including the zip code.
- 4. "Articles" means:

- a. In the case of a corporation incorporated under or governed by this chapter, articles of incorporation, articles of amendment, a resolution of election to become governed by this chapter, a demand retaining the two-thirds majority for shareholder approval of certain transactions, a statement of change of registered office, registered agent, or name of registered agent, a statement establishing or fixing the rights and preferences of a class or series of shares, a statement of cancellation of authorized shares, articles of merger, articles of abandonment, articles of conversion, and articles of dissolution.
  - b. In the case of a foreign corporation, the term includes all records serving a similar function required to be filed with the secretary of state or other officer of the state of incorporation of the foreign corporation.
5. "Authenticated electronic communication" means:
  - a. That the electronic communication is delivered:
    - (1) To the principal place of business of the corporation; or
    - (2) To an officer or agent of the corporation authorized by the corporation to receive the electronic communication; and
  - b. That the electronic communication sets forth information from which the corporation can reasonably conclude that the electronic communication was sent by the purported sender.
6. "Ballot" means a written ballot or a ballot transmitted by electronic communications.
7. "Board" or "board of directors" means the board of directors of a corporation.
8. "Board member" means:
  - a. An individual serving on the board of directors in the case of a corporation; and
  - b. An individual serving on the board of governors in the case of a limited liability company.
9. "Bylaws" means the code adopted for the regulation or management of the internal affairs of a corporation, regardless of how that code is designated.
10. "Class", when used with reference to ownership interests, means a category of ownership interests that differs in designation or one or more rights or preferences from another category of ownership interests of the organization.
11. "Closely held corporation" means a corporation that does not have more than thirty-five shareholders.
12. "Constituent corporation" means a corporation or a foreign corporation that:
  - a. In a merger, is either the surviving corporation or a foreign or domestic corporation that is merged into the surviving organization; or
  - b. In an exchange, is either the acquiring corporation or a foreign or domestic corporation whose shares are acquired by the acquiring organization.

13. "Constituent organization" means an organization that:
  - a. In a merger, is either the surviving organization or an organization that is merged into the surviving organization; or
  - b. In an exchange, is either the acquiring organization or an organization whose securities are acquired by the acquiring organization.
14. "Converted organization" means the organization into which a converting organization converts pursuant to sections 10-19.1-104.1 through 10-19.1-104.6.
15. "Converting organization" means an organization that converts into another organization pursuant to sections 10-19.1-104.1 through 10-19.1-104.6.
16. "Corporation" or "domestic corporation" means a corporation, other than a foreign corporation, organized for profit and incorporated under or governed by this chapter.
17. "Director" means a member of the board.
18. "Distribution" means a direct or indirect transfer of money or other property, other than its own shares, with or without consideration, or an incurrence or issuance of indebtedness, by a corporation to any of its shareholders in respect of its shares, and may be in the form of a dividend, an interim distribution, or a distribution in liquidation, or as consideration for the purchase, redemption, or other acquisition of its shares, or otherwise.
19. "Division" or "combination" means dividing or combining shares of a class or series, whether issued or unissued, into a greater or lesser number of shares of the same class or series.
20. "Domestic organization" means an organization created under the laws of this state.
21. "Electronic" means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.
22. "Electronic communication" means any form of communication, not directly involving the physical transmission of paper that:
  - a. Creates a record that may be retained, retrieved, and reviewed by a recipient of the communication; and
  - b. May be directly reproduced in paper form by the recipient through an automated process.
23. "Electronic record" means a record created, generated, sent, communicated, received, or stored by electronic means.
24. "Electronic signature" means an electronic sound, symbol, or process attached to or logically associated with a record and signed or adopted by a person with the intent to sign the record.
25. "Filed with the secretary of state" means, except as otherwise permitted by law or rule:
  - a. That a record meeting the applicable requirements of this chapter, together with the fees provided in section 10-19.1-147, was delivered or communicated to the secretary of state by a method or medium of communication acceptable by the secretary of state and was determined by the secretary of state to conform to law.

- b. That the secretary of state did then:
  - (1) Record the actual date on which the record was filed, and if different the effective date of filing; and
  - (2) Record the record in the office of the secretary of state.
- 26. "Foreign corporation" means a corporation organized for profit which is incorporated under laws other than the laws of this state for a purpose for which a corporation may be incorporated under this chapter.
- 27. "Foreign limited liability company" means a limited liability company organized under laws other than the laws of this state for a purpose for which a limited liability company may be organized under chapter 10-32.
- 28. "Foreign organization" means an organization created under laws other than the laws of this state for a purpose for which an organization may be created under the laws of this state.
- 29. "Good faith" means honesty in fact in the conduct of an act or transaction.
- 30. "Governing body" means for an organization that is:
  - a. A corporation, its board of directors;
  - b. A limited liability company, its board of governors; or
  - c. Any other organization, the body selected by its owners that has the ultimate power to determine the policies of the organization and to control its policies.
- 31. "Governing statute" of an organization means:
  - a. With respect to a domestic organization, the following chapters of this code which govern the internal affairs of the organization:
    - (1) If a corporation, then this chapter;
    - (2) If a limited liability company, then chapter 10-32;
    - (3) If a general partnership, then chapters 45-13 through 45-21;
    - (4) If a limited partnership, then chapter 45-10.2;
    - (5) If a limited liability partnership, then chapter 45-22; and
    - (6) If a limited liability limited partnership, then chapter 45-23; and
  - b. With respect to a foreign organization, the laws of the jurisdiction under which the organization is created and under which the internal affairs of the organization are governed.
- 32. "Intentionally" means that the person referred to has a purpose to do or fail to do the act or cause the result specified or believes that the act or failure to act, if successful, will cause that result. A person "intentionally" violates a statute:
  - a. If the person intentionally does the act or causes the result prohibited by the statute; or
  - b. If the person intentionally fails to do the act or cause the result required by the statute, even though the person may not know of the existence or constitutionality of the statute or the scope or meaning of the terms used in the statute.

33. "Legal representative" means a person empowered to act for another person, including an agent, a manager, an officer, a partner, or an associate of an organization; a trustee of a trust; a personal representative; a trustee in bankruptcy; and a receiver, guardian, custodian, or conservator.
34. "Limited liability company" or "domestic limited liability company" means a limited liability company, other than a foreign limited liability company, organized under or governed by chapter 10-32.
35. "Nonprofit corporation" means a corporation, whether domestic or foreign, incorporated under or governed by chapter 10-33.
36. "Notice":
  - a. Is given by a shareholder of a corporation to the corporation or an officer of the corporation:
    - (1) When in writing and mailed or delivered to the corporation or the officer at the registered office or principal executive office of the corporation; or
    - (2) When given by a form of electronic communication consented to by the corporation to which the notice is given if by:
      - (a) Facsimile communication, when directed to a telephone number at which the corporation has consented to receive notice.
      - (b) Electronic mail, when directed to an electronic mail address at which the corporation has consented to receive notice.
      - (c) Posting on an electronic network on which the corporation has consented to receive notice, together with separate notice to the corporation of the specific posting, upon the later of:
        - [1] The posting; or
        - [2] The giving of the separate notice.
      - (d) Any other form of electronic communication by which the corporation has consented to receive notice, when directed to the corporation.
    - (2) When given by a form of electronic communication consented to by the corporation to which the notice is given if by:
  - b. Is given by a publicly held corporation to a shareholder if the notice is addressed to the shareholder or group of shareholders in a manner permitted by the rules and regulations under the Securities Exchange Act of 1934, as amended, provided that the corporation has first received any affirmative written consent or implied consent required under those rules and regulations.
  - c. Is given, in all other cases:
    - (1) When mailed to the person at an address designated by the person or at the last-known address of the person;
    - (2) When deposited with a nationally recognized overnight delivery service for overnight delivery or, if overnight delivery to the person is not available, for delivery as promptly as practicable to the person at an address designated by the person or at the last-known address of the person;
    - (3) When handed to the person;

- (4) When left at the office of the person with a clerk or other person in charge of the office or:
    - (a) If there is no one in charge, when left in a conspicuous place in the office; or
    - (b) If the office is closed or the person to be notified has no office, when left at the dwelling house or usual place of abode of the person with some person of suitable age and discretion then residing there;
  - (5) When given by a form of electronic communication consented to by the person to whom the notice is given if by:
    - (a) Facsimile communication, when directed to a telephone number at which the person has consented to receive notice.
    - (b) Electronic mail, when directed to an electronic mail address at which the person has consented to receive notice.
    - (c) Posting on an electronic network on which the person has consented to receive notice, together with separate notice to the person of the specific posting, upon the later of:
      - [1] The posting; or
      - [2] The giving of the separate notice.
    - (d) Any other form of electronic communication by which the person has consented to receive notice, when directed to the person; or
  - (6) When the method is fair and reasonable when all of the circumstances are considered.
- d. Is given by mail when deposited in the United States mail with sufficient postage affixed.
  - e. Is given by deposit for delivery when deposited for delivery as provided in paragraph 2 of subdivision c, after having made sufficient arrangements for payment by the sender.
  - f. Is deemed received when it is given.
37. "Officer" means an individual who is eighteen years of age or more who is:
- a. Elected, appointed, or otherwise designated as the president, the treasurer, or any other officer pursuant to section 10-19.1-52; or
  - b. Deemed elected as an officer pursuant to section 10-19.1-56.
38. "Organization":
- a. Means, whether domestic or foreign, a corporation, limited liability company, general partnership, limited partnership, limited liability partnership, limited liability limited partnership, or any other person subject to a governing statute; but
  - b. Excludes:
    - (1) Any nonprofit corporation, whether a domestic nonprofit corporation which is incorporated under chapter 10-33 or a



foreign nonprofit corporation which is incorporated in another jurisdiction; and

- (2) Any nonprofit limited liability company, whether a domestic nonprofit limited liability company which is organized under chapter 10-36 or a foreign nonprofit limited liability company which is organized in another jurisdiction.

- 39. "Originating records" means for an organization that is:
  - a. A corporation, its articles of incorporation;
  - b. A limited liability company, its articles of organization;
  - c. A limited partnership, its certificate of limited partnership;
  - d. A limited liability partnership, its registration; or
  - e. A limited liability limited partnership, its certificate of limited liability limited partnership.
- 40. "Outstanding shares" means all shares duly issued and not reacquired by a corporation.
- 41. "Owners" means the holders of ownership interests in an organization.
- 42. "Ownership interests" means for a domestic or foreign organization that is:
  - a. A corporation, its shares;
  - b. A limited liability company, its membership interests;
  - c. A limited partnership, its partnership interests;
  - d. A general partnership, its partnership interests;
  - e. A limited liability partnership, its partnership interests;
  - f. A limited liability limited partnership, its partnership interests; or
  - g. Any other organization, its governance or transferable interests.
- 43. "Parent" of a specified organization means an organization that directly, or indirectly through related organizations, owns more than fifty percent of the voting power of the ownership interests entitled to vote for directors or other members of the governing body of the specified organization.
- 44. "Principal executive office" means:
  - a. If the corporation has an elected or appointed president, then an office where the elected or appointed president of a corporation has an office; or
  - b. If the corporation has no elected or appointed president, then the registered office of the corporation.
- 45. "Publicly held corporation" means a corporation that has a class of equity securities registered pursuant to section 12 of the Securities Exchange Act of 1934 [15 U.S.C. 78L], or is subject to section 15(d) of the Securities Exchange Act of 1934 [15 U.S.C. 78o(d)].
- 46. "Record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

- ~~46-47.~~ "Registered office" means the place in this state designated in a corporation's articles of incorporation or in a foreign corporation's certificate of authority as the registered office.
- ~~47-48.~~ "Related organization" means an organization that controls, is controlled by, or is under common control with another organization with control existing if an organization:
- a. Owns, directly or indirectly, at least fifty percent of the ownership interests of another organization;
  - b. Has the right, directly or indirectly, to elect, appoint, or remove fifty percent or more of the voting members of the governing body of another organization; or
  - c. Has the power, directly or indirectly, to direct or cause the direction of the management and policies of another organization, whether through the ownership of voting interests, by contract, or otherwise.
- ~~48-49.~~ "Remote communication" means communication via electronic communication, conference telephone, videoconference, the internet, or such other means by which persons not physically present in the same location may communicate with each other on a substantially simultaneous basis.
- ~~49-50.~~ "Security" has the meaning given in section 10-04-02.
- ~~50-51.~~ "Series" means a category of shares, within a class of shares authorized or issued by a corporation by or pursuant to a corporation's articles, that have some of the same rights and preferences as other shares within the same class, but that differ in designation or one or more rights and preferences from another category of shares within that class.
- ~~51-52.~~ "Share" means one of the units, however designated, into which the shareholders' proprietary interests of the shareholder in a corporation are divided.
- ~~52-53.~~ "Shareholder" means a person registered on the books or records of a corporation or the corporation's transfer agent or registrar as the owner of whole or fractional shares of the corporation.
- ~~53-54.~~ "Signed" means:
- a. That the signature of a person, which may be a facsimile affixed, engraved, printed, placed, stamped with indelible ink, transmitted by facsimile telecommunication or electronically, or in any other manner reproduced on the record, is placed on a record with the present intention to authenticate that record; and
  - b. With respect to a record required by this chapter to be filed with the secretary of state, that:
    - (1) The record is signed by a person authorized to do so by this chapter, the articles or bylaws, or a resolution approved by the directors as required under section 10-19.1-46 or the shareholders as required under section 10-19.1-74; and
    - (2) The signature and the record are communicated by a method or medium of communication acceptable by the secretary of state.
- ~~54-55.~~ "Subscriber" means a person that subscribes for shares in a corporation, whether before or after incorporation.

- ~~55-56.~~ "Subsidiary" of a specified organization means an organization having more than fifty percent of the voting power of its ownership interests entitled to vote for directors, governors, or other members of the governing body of the organization owned directly, or indirectly, through related organizations, by the specified organization.
- ~~56-57.~~ "Surviving corporation" means the domestic or foreign corporation resulting from a merger which:
- a. May preexist the merger; or
  - b. May be created by the merger.
- ~~57-58.~~ "Surviving organization" means the organization resulting from a merger which:
- a. May preexist the merger; or
  - b. May be created by the merger.
- ~~58-59.~~ "Vote" includes authorization by written action.
- ~~59-60.~~ "Written action" means:
- a. A written record signed by all of the persons required to take the action; or
  - b. The counterparts of a written record signed by any of the persons taking the action described.
    - (1) Each counterpart constitutes the action of the person signing; and
    - (2) All the counterparts, taken together, constitute one written action by all of the persons signing the counterparts."

Page 3, after line 28, insert:

**"SECTION 7. AMENDMENT.** Section 10-19.1-115 of the North Dakota Century Code is amended and reenacted as follows:

**10-19.1-115. Involuntary dissolution.**

1. This section applies to corporations that are not publicly held corporations.
- ~~4-2.~~ A court may grant any equitable relief it deems just and reasonable in the circumstances or may dissolve a corporation and liquidate its assets and business:
  - a. In a supervised voluntary dissolution pursuant to section 10-19.1-114;
  - b. In an action by a shareholder when it is established that:
    - (1) The directors or the persons having the authority otherwise vested in the board are deadlocked in the management of the corporate affairs, the shareholders are unable to break the deadlock, and the corporation or the parties have not provided for a procedure to resolve the dispute;
    - (2) The directors or those in control of the corporation have acted fraudulently or illegally toward one or more shareholders in their capacities as shareholders or directors of any corporation or as officers or employees of a closely held corporation;

- (3) The directors or those in control of the corporation have acted in a manner unfairly prejudicial toward one or more shareholders in their capacities as shareholders or directors of a corporation that is not a publicly held corporation or as officers or employees of a closely held corporation;
    - (4) The shareholders of the corporation are so divided in voting power that, for a period that includes the time when two consecutive regular meetings were held, they have failed to elect successors to directors whose terms have expired or would have expired upon the election and qualification of their successors;
    - (5) The corporate assets are being misapplied or wasted; or
    - (6) The period of duration as provided in the articles has expired and has not been extended as provided in section 10-19.1-124;
  - c. In an action by a creditor when:
    - (1) The claim of the creditor has been reduced to judgment and an execution thereon has been returned unsatisfied; or
    - (2) The corporation has admitted in writing that the claim of the creditor is due and owing and it is established that the corporation is unable to pay its debts in the ordinary course of business; or
  - d. In an action by the attorney general to dissolve the corporation in accordance with section 10-19.1-118 when it is established that a decree of dissolution is appropriate.
- 2-3. In determining whether to order equitable relief or dissolution, the court shall take into consideration the financial condition of the corporation but may not refuse to order equitable relief or dissolution solely on the ground that the corporation has accumulated or current operating profits.
- 3-4. In an action under subdivision b of subsection 1 involving a corporation that is not a publicly held corporation at the time the action is commenced and in which one or more of the circumstances described in that subdivision is established, the court, upon motion of a corporation or a shareholder or beneficial owner of shares of the corporation, may order the sale by a plaintiff or a defendant of all shares of the corporation held by the plaintiff or defendant to either the corporation or the moving shareholders, whichever is specified in the motion, if the court determines in its discretion that an order would be fair and equitable to all parties under the circumstances of the case.
- a. The purchase price of any shares so sold must be the fair value of the shares as of the date of the commencement of the action or as of another date found equitable by the court. However, if the shares in question are then subject to sale and purchase pursuant to the bylaws of the corporation, a shareholder control agreement, the terms of the shares, or otherwise, the court shall order the sale for the price and on the terms as set forth, unless the court determines that the price or terms are unreasonable under all the circumstances of the case.
  - b. Within five days after the entry of the order, the corporation shall provide each selling shareholder or beneficial owner with the information it is required to provide under subsection 6 of section 10-19.1-88.
  - c. If the parties are unable to agree on fair value within forty days of entry of the order, the court shall determine the fair value of the

shares under the provisions of subsection 10 of section 10-19.1-88 and may allow interest or costs as provided in subsections 1 and 11 of section 10-19.1-88.

- d. The purchase price must be paid in one or more installments as agreed on by the parties, or, if no agreement can be reached within forty days of entry of the order, as ordered by the court. Upon entry of an order for the sale of shares under this subsection and provided that the corporation or the moving shareholders post a bond in adequate amount with sufficient sureties or otherwise satisfy the court that the full purchase price of the shares, plus any additional costs, expenses, and fees as may be awarded, will be paid when due and payable, the selling shareholders shall no longer have any rights or status as shareholders, officers, or directors, except the right to receive the fair value of their shares plus such other amounts as may be awarded.
- 4-5. In determining whether to order equitable relief or dissolution, the court shall take into consideration the duty which all shareholders in a closely held corporation owe one another to act in an honest, fair, and reasonable manner in the operation of the corporation and the reasonable expectations of the shareholders as they exist at the inception and develop during the course of the shareholders' relationship with the corporation and with each other. For purposes of this section, any written agreement, including an employment agreement and a buy-sell agreement, between or among shareholders or between or among one or more shareholders and the corporation is presumed to reflect the parties' reasonable expectation concerning the matters dealt with in the agreement.
- 5-6. In deciding whether to order dissolution, the court shall consider whether lesser relief suggested by one or more parties, such as any form of equitable relief, a buyout, or a partial liquidation, would be adequate to permanently relieve the circumstances established under subdivision b or c of subsection 1. Lesser relief may be ordered in any case when it would be appropriate under all the facts and circumstances of the case.
- 6-7. If the court finds that a party to a proceeding brought under this section has acted arbitrarily, vexatiously, or otherwise not in good faith, it may in its discretion award reasonable expenses, including attorney's fees and disbursements, to any of the other parties.
- 7-8. Proceedings under this section must be brought in a court within the county in which the principal executive office of the corporation is located. It is not necessary to make shareholders parties to the action or proceeding unless relief is sought against them personally.

**SECTION 8. AMENDMENT.** Subsection 2 of section 10-19.1-146 of the North Dakota Century Code is amended and reenacted as follows:

2. The annual report must be submitted on forms prescribed by the secretary of state. The information provided must be given as of the date of the execution of the report. The annual report must be signed as provided in subsection ~~5354~~ of section 10-19.1-01. If the corporation or foreign corporation is in the hands of a receiver or trustee, it must be signed on behalf of the corporation or foreign corporation by the receiver or trustee. The secretary of state may destroy all annual reports provided for in this section after they have been on file for six years."

Page 6, after line 19, insert:

**"SECTION 14. AMENDMENT.** Subsection 2 of section 10-35-28 of the North Dakota Century Code is amended and reenacted as follows:

2. The annual report must be submitted on forms prescribed by the secretary of state. The information provided must be given as of the date of the execution of the report. The annual report must be signed as provided in subsection ~~5254~~ of section 10-19.1-01, the articles or the bylaws, or by a resolution approved by the affirmative vote of the required proportion or number of the directors. If the publicly traded corporation is in the hands of a receiver or trustee, it must be signed on behalf of the publicly traded corporation by the receiver or trustee. The secretary of state may destroy all annual reports provided for in this section after they have been on file for six years."

Renumber accordingly

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

**SB 2270: Political Subdivisions Committee (Rep. N. Johnson, Chairman)** recommends **DO PASS** (14 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2270 was placed on the Fourteenth order on the calendar.

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

**SB 2311: Political Subdivisions Committee (Rep. N. Johnson, Chairman)** recommends **DO PASS** (12 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING). SB 2311 was placed on the Fourteenth order on the calendar.

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

**SB 2337: Industry, Business and Labor Committee (Rep. Keiser, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). SB 2337 was placed on the Sixth order on the calendar.

Page 1, line 4, remove the first "and"

Page 1, line 6, after "plans" insert "; and to provide an effective date"

Page 16, after line 4, insert:

"**SECTION 7. EFFECTIVE DATE.** This Act becomes effective on January 1, 2014."

Renumber accordingly

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

**SB 2339, as reengrossed: Industry, Business and Labor Committee (Rep. Keiser, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). Reengrossed SB 2339 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for a legislative management study to address residential and commercial development programs and to review the facility master plan."

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

#### **SECTION 1. LEGISLATIVE MANAGEMENT STUDY - PROGRAMS FOR RESIDENTIAL AND COMMERCIAL DEVELOPMENT - FACILITY MASTER PLAN.**

1. During the 2013-14 interim, the legislative management shall consider a study to:
  - a. Create an inventory of and strategic plan for state, local, and federal programs relating to residential and commercial development and the related infrastructure needs. As part of this study, the housing finance agency, working with the Bank of North Dakota and department of commerce, shall survey appropriate state, local, and federal entities to create an inventory of these government programs, which may include housing finance programs, energy

efficiency programs, home and residential accessibility programs, disaster recovery programs, and other governmental programs providing residential and commercial development assistance. The housing finance agency shall present this inventory to the legislative management and shall assist the legislative management in identifying program overlap and program gaps.

- b. Review current state government space utilization by all state government branches and agencies, including rental, lease, and state-owned facilities. The study must identify any recommended changes to the state's facility master plan.
2. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly."

Renumber accordingly

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

**SCR 4013: Political Subdivisions Committee (Rep. N. Johnson, Chairman)** recommends **DO PASS** and **BE PLACED ON THE CONSENT CALENDAR** (13 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). SCR 4013 was placed on the Tenth order on the calendar.

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

**SCR 4023:** A concurrent resolution directing the Legislative Management to study whether political subdivisions can become more efficient and effective to reduce costs to taxpayers.

Was read the first time and referred to the **Political Subdivisions Committee**.

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

**Buell J. Reich, Chief Clerk**

