

## JOURNAL OF THE SENATE

## Sixty-third Legislative Assembly

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Bismarck, February 14, 2013

The Senate convened at 1:00 p.m., with President Pro Tempore Wanzek presiding.

The prayer was offered by Chaplain Gary Heaton, Sanford Health, Bismarck.

The roll was called and all members were present.

A quorum was declared by the President Pro Tempore.

## CORRECTION AND REVISION OF THE JOURNAL

**MR. PRESIDENT:** Your **Committee on Correction and Revision of the Journal (Sen. Andrist, Chairman)** has carefully examined the Journal of the Twenty-sixth Day and recommends that it be corrected as follows and when so corrected, recommends that it be approved:

Page 328, after line 7, insert:

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

**MR. SPEAKER:** The Senate has passed, the emergency clause carried, and your favorable consideration is requested on: SB 2075."

**SEN. ANDRIST MOVED** that the report be adopted, which motion prevailed.

## MOTION

**SEN. KLEIN MOVED** that after action taken on the Sixth order, SB 2252 be placed on the Eleventh order for second reading and final passage, which motion prevailed.

## CONSIDERATION OF AMENDMENTS

**SB 2252: SEN. HOGUE (Judiciary Committee) MOVED** that the amendments be adopted and then be placed on the Eleventh order with **DO PASS**.

## REQUEST

**SEN. HECKAMAN REQUESTED** a verification vote, which request was granted.

The proposed amendments to SB 2252 failed on a verification vote.

## SECOND READING OF SENATE BILL

**SB 2252:** A BILL for an Act to create and enact a new section to chapter 1-08 of the North Dakota Century Code, relating to a state policy on discrimination on the basis of sexual orientation; and to amend and reenact subsection 1 of section 14-02.4-02 and section 14-02.4-20 of the North Dakota Century Code, relating to the definition of age and to the relief for discriminatory practices.

## 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 21 YEAS, 26 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Axness; Dotzenrod; Flakoll; Grabinger; Grindberg; Heckaman; Holmberg; Krebsbach; Laffen; Lee, J.; Marcellais; Mathern; Murphy; Nelson; Robinson; Schneider; Sinner; Sorvaag; Triplett; Warner

**NAYS:** Anderson; Armstrong; Berry; Bowman; Burckhard; Campbell; Carlisle; Cook; Dever; Erbele; Hogue; Kilzer; Klein; Larsen; Lee, G.; Luick; Lyson; Miller; O'Connell; Oehlke; Poolman; Schaible; Sitte; Unruh; Wanzek; Wardner

SB 2252 failed.

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**CONSIDERATION OF AMENDMENTS**

**SB 2240: SEN. ARMSTRONG (Transportation Committee) MOVED** that the amendments be adopted and then be **REREFERRED** to the **Appropriations Committee** with **DO PASS**, which motion prevailed on a voice vote.

**CONSIDERATION OF AMENDMENTS**

**SB 2290: SEN. DOTZENROD (Finance and Taxation Committee) MOVED** that the amendments be adopted and then be **REREFERRED** to the **Appropriations Committee** with **DO PASS**, which motion prevailed on a voice vote.

**CONSIDERATION OF AMENDMENTS**

**SB 2171: SEN. MILLER (Finance and Taxation Committee) MOVED** that the amendments be adopted and then be **REREFERRED** to the **Appropriations Committee** with **DO PASS**, which motion prevailed on a voice vote.

**THE SENATE RECOGNIZED THE PRESENCE OF:**

Five-time World Champion, International Boxing Hall of Fame Inductee and North Dakota Native, Virgil Hill.

**CONSIDERATION OF AMENDMENTS**

**SB 2358: SEN. DOTZENROD (Finance and Taxation Committee) MOVED** that the amendments be adopted and then be **REREFERRED** to the **Appropriations Committee** with **DO PASS**.

**REQUEST**

**SEN. GRINDBERG REQUESTED** a verification vote, which request was granted.

The proposed amendments to SB 2358 failed on a verification vote.

**CONSIDERATION OF AMENDMENTS**

**SB 2370: SEN. TRIPPLETT (Finance and Taxation Committee) MOVED** that the amendments be adopted and then be **REREFERRED** to the **Appropriations Committee** with **DO PASS**, which motion prevailed on a voice vote.

**CONSIDERATION OF AMENDMENTS**

**SB 2036: SEN. COOK (Finance and Taxation Committee) MOVED** that the amendments be adopted and then be **REREFERRED** to the **Appropriations Committee** with **DO PASS**, which motion prevailed on a voice vote.

**CONSIDERATION OF AMENDMENTS**

**SB 2074: SEN. BERRY (Judiciary Committee) MOVED** that the amendments be adopted and then be placed on the Eleventh order with **DO PASS**, which motion prevailed on a voice vote.

**CONSIDERATION OF AMENDMENTS**

**SB 2319: SEN. GRABINGER (Judiciary Committee) MOVED** that the amendments be adopted and then be placed on the Eleventh order with **DO PASS**, which motion prevailed on a voice vote.

**CONSIDERATION OF AMENDMENTS**

**SB 2225: SEN. NELSON (Judiciary Committee) MOVED** that the amendments be adopted and then be placed on the Eleventh order with **DO PASS**, which motion prevailed on a voice vote.

**CONSIDERATION OF AMENDMENTS**

**SB 2198: SEN. ARMSTRONG (Judiciary Committee) MOVED** that the amendments be adopted and then be placed on the Eleventh order with **DO PASS**, which motion prevailed on a voice vote.

**CONSIDERATION OF AMENDMENTS**

**SB 2329: SEN. POOLMAN (Education Committee) MOVED** that the amendments be adopted and then be placed on the Eleventh order with **DO PASS**, which motion prevailed

on a voice vote.

#### MOTION

**SEN. KLEIN MOVED** that SB 2007 be moved to the top of the Eleventh order, which motion prevailed.

#### SECOND READING OF SENATE BILL

**SB 2007:** A BILL for an Act to provide an appropriation for defraying the expenses of the veterans' home and department of veterans' affairs; and to provide an exemption.

#### MOTION

**SEN. ROBINSON MOVED** that Engrossed SB 2007 be amended as follows, which motion prevailed on a voice vote.

Page 1, replace line 14 with:

"Salaries and wages	\$13,916,861	\$2,871,656	\$16,788,517"
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Page 1, replace line 19 with:

"Total all funds	\$20,896,646	\$3,760,961	\$24,657,607"
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Page 1, replace line 21 with:

"Total general fund	\$5,553,323	\$2,542,458	\$8,095,781"
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Page 2, replace line 3 with:

"Veterans' affairs	<u>\$1,099,626</u>	<u>\$248,047</u>	<u>\$1,347,673"</u>
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Page 2, replace line 4 with:

"Total general fund	\$1,099,626	\$248,047	\$1,347,673"
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Page 2, replace line 10 with:

"Grand total general fund	\$6,652,949	\$2,790,505	\$9,443,454"
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Page 2, replace line 12 with:

"Grand total all funds	\$21,996,272	\$4,009,008	\$26,005,280"
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Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

Funding is added due to a calculation error in the executive compensation package as follows:

- Veterans' Home - Salaries and wages line item is increased by \$7,487 from the general fund.
- Veterans' Affairs - Veterans' affairs line item is increased by \$4,506 from the general fund.

#### 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 46 YEAS, 0 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Andrist; Armstrong; Axness; Berry; Bowman; Burckhard; Campbell; Carlisle; Cook; Dever; Dotzenrod; Erbele; Flakoll; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Lyson; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oehlke; Poolman; Robinson; Schaible; Schneider; Sinner; Sitte; Sorvaag; Triplett; Unruh; Wanzek; Wardner;

Warner

**ABSENT AND NOT VOTING:** Grabinger

Reengrossed SB 2007 passed.

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#### MOTION

**SEN. KLEIN MOVED** that Senate rule 329 be amended, replacing "twenty-eighth legislative day" with "twenty-ninth legislative day", which motion prevailed.

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

**MR. SPEAKER:** The Senate has passed, and your favorable consideration is requested on: SB 2079, SB 2098, SB 2233, SB 2242, SB 2261, SB 2306.

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

**MR. SPEAKER:** The Senate has passed, the emergency clause carried, and your favorable consideration is requested on: SB 2001.

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

**MR. SPEAKER:** The Senate has passed, the emergency clause carried, unchanged: HB 1269.

#### MOTION

**SEN. KLEIN MOVED** that the Senate be on the Fourth, Fifth, Ninth, and Thirteenth orders of business and at the conclusion of those orders, the Senate stand adjourned until 12:30 p.m., Friday, February 15, 2013, which motion prevailed.

#### REPORT OF STANDING COMMITTEE

**SB 2156: Finance and Taxation Committee (Sen. Cook, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (5 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). SB 2156 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 57-38 of the North Dakota Century Code, relating to a corporate income tax credit for contributions to rural leadership North Dakota; to amend and reenact subsection 3 of section 57-38-01.26, section 57-38-30, and subsection 1 of section 57-38-30.3 of the North Dakota Century Code, relating to authorized investments of an angel fund for income tax credit purposes and a reduction in income tax rates for corporations, individuals, estates, and trusts; and to provide an effective date.

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

**SECTION 1. AMENDMENT.** Subsection 3 of section 57-38-01.26 of the North Dakota Century Code is amended and reenacted as follows:

3. An angel fund must:
  - a. Be a partnership, limited partnership, corporation, limited liability company, limited liability partnership, trust, or estate organized on a for-profit basis which is headquartered in this state.
  - b. Be organized for the purpose of investing in a portfolio of at least three primary sector companies that are early-stage and mid-stage private, nonpublicly traded enterprises with strong growth potential. For purposes of this section, an early-stage entity means an entity with annual revenues of up to two million dollars and a mid-stage entity means an entity with annual revenues over two million dollars not to exceed ten million dollars. ~~Early-stage and mid-stage entities do not include those that have more than twenty-five percent of their revenue from income-producing real estate. Investments in real~~

estate or real estate holding companies are not eligible investments by certified angel funds. Any angel fund certified before January 1, 2013, which has invested in real estate or a real estate holding company is not eligible for recertification.

- c. Consist of at least six accredited investors as defined by securities and exchange commission regulation D, rule 501.
- d. Not have more than twenty-five percent of its capitalized investment assets owned by an individual investor.
- e. Have at least five hundred thousand dollars in commitments from accredited investors and that capital must be subject to call to be invested over an unspecified number of years to build a portfolio of investments in enterprises.
- f. Be member-managed or a manager-managed limited liability company and the investor members or a designated board that includes investor members must make decisions as a group on which enterprises are worthy of investments.
- g. Be certified as an angel fund that meets the requirements of this section by the department of commerce.
- h. Be in compliance with the securities laws of this state.
- i. Within thirty days after the date on which an investment in an angel fund is made, the angel fund shall file with the tax commissioner and provide to the investor completed forms prescribed by the tax commissioner which show as to each investment in the angel fund the following:
  - (1) The name, address, and social security number or federal employer identification number of the taxpayer or passthrough entity that made the investment;
  - (2) The dollar amount remitted by the taxpayer or passthrough entity; and
  - (3) The date the payment was received by the angel fund for the investment.
- j. Within thirty days after the end of a calendar year, the angel fund shall file with the tax commissioner a report showing the name and principal place of business of each enterprise in which the angel fund has an investment.

**SECTION 2.** A new section to chapter 57-38 of the North Dakota Century Code is created and enacted as follows:

**Corporate credit for contributions to rural leadership North Dakota.**

There is allowed a credit against the tax imposed by section 57-38-30 in an amount equal to fifty percent of the aggregate amount of contributions made by the taxpayer during the taxable year for tuition scholarships for participation in rural leadership North Dakota conducted through the North Dakota state university extension service. Contributions by a taxpayer may be earmarked for use by a designated recipient.

**SECTION 3. AMENDMENT.** Section 57-38-30 of the North Dakota Century Code is amended and reenacted as follows:

**57-38-30. Imposition and rate of tax on corporations.**

A tax is hereby imposed upon the taxable income of every domestic and foreign corporation which must be levied, collected, and paid annually as in this chapter provided:

1. For the first twenty-five thousand dollars of taxable income, at the rate of one and ~~sixty-eight~~forty-eight hundredths percent.
2. On all taxable income exceeding twenty-five thousand dollars and not exceeding fifty thousand dollars, at the rate of ~~four~~three and ~~twenty-three~~seventy-three hundredths percent.
3. On all taxable income exceeding fifty thousand dollars, at the rate of ~~five~~four and ~~fifteen~~fifty-three hundredths percent.

**SECTION 4. AMENDMENT.** Subsection 1 of section 57-38-30.3 of the North Dakota Century Code is amended and reenacted as follows:

1. A tax is hereby imposed for each taxable year upon income earned or received in that taxable year by every resident and nonresident individual, estate, and trust. A taxpayer computing the tax under this section is only eligible for those adjustments or credits that are specifically provided for in this section. Provided, that for purposes of this section, any person required to file a state income tax return under this chapter, but who has not computed a federal taxable income figure, shall compute a federal taxable income figure using a pro forma return in order to determine a federal taxable income figure to be used as a starting point in computing state income tax under this section. The tax for individuals is equal to North Dakota taxable income multiplied by the rates in the applicable rate schedule in subdivisions a through d corresponding to an individual's filing status used for federal income tax purposes. For an estate or trust, the schedule in subdivision e must be used for purposes of this subsection.

- a. Single, other than head of household or surviving spouse.

If North Dakota taxable income is:      The tax is equal to:

Not over ~~\$34,500~~\$36,250      ~~1.51%~~1.22%

Over ~~\$34,500~~\$36,250    ~~\$520.95~~\$441.20 plus ~~2.82%~~2.27%

but not over ~~\$83,600~~\$87,850      of amount over ~~\$34,500~~\$36,250

Over ~~\$83,600~~\$87,850    ~~\$1,905.57~~\$1,614.06 plus ~~3.13%~~2.52%

but not over ~~\$174,400~~\$183,250      of amount over ~~\$83,600~~\$87,850

Over ~~\$174,400~~\$183,250      ~~\$4,747.61~~\$4,020.85 plus ~~3.63%~~2.93%

but not over ~~\$379,150~~\$398,350      of amount over ~~\$174,400~~\$183,250

Over ~~\$379,150~~\$398,350      ~~\$12,180.04~~\$10,314.36 plus ~~3.99%~~3.22%

of amount over ~~\$379,150~~\$398,350

- b. Married filing jointly and surviving spouse.

If North Dakota taxable income is:      The tax is equal to:

Not over ~~\$57,700~~\$60,650      ~~1.51%~~1.22%

Over ~~\$57,700~~\$60,650    ~~\$871.27~~\$738.17 plus ~~2.82%~~2.27%

but not over ~~\$139,350~~\$146,400 of amount over ~~\$57,700~~\$60,650

Over ~~\$139,350~~\$146,400 ~~\$3,173.80~~\$2,687.25 plus 3.13%2.52%

but not over ~~\$212,300~~\$223,050 of amount over ~~\$139,350~~\$146,400

Over ~~\$212,300~~\$223,050 ~~\$5,457.14~~\$4,621.01 plus 3.63%2.93%

but not over ~~\$379,150~~\$398,350 of amount over ~~\$212,300~~\$223,050

Over ~~\$379,150~~\$398,350 ~~\$11,513.79~~\$9,750.03 plus 3.99%3.22%

of amount over ~~\$379,150~~\$398,350

c. Married filing separately.

If North Dakota taxable income is: The tax is equal to:

Not over ~~\$28,850~~\$30,325 1.51%1.22%

Over ~~\$28,850~~\$30,325 ~~\$435.64~~\$369.08 plus 2.82%2.27%

but not over ~~\$69,675~~\$73,200 of amount over ~~\$28,850~~\$30,325

Over ~~\$69,675~~\$73,200 ~~\$1,586.90~~\$1,343.62 plus 3.13%2.52%

but not over ~~\$106,150~~\$111,525 of amount over ~~\$69,675~~\$73,200

Over ~~\$106,150~~\$111,525 ~~\$2,728.57~~\$2,310.50 plus 3.63%2.93%

but not over ~~\$189,575~~\$199,175 of amount over ~~\$106,150~~\$111,525

Over ~~\$189,575~~\$199,175 ~~\$5,756.90~~\$4,875.01 plus 3.99%3.22%

of amount over ~~\$189,575~~\$199,175

d. Head of household.

If North Dakota taxable income is: The tax is equal to:

Not over ~~\$46,250~~\$48,600 1.51%1.22%

Over ~~\$46,250~~\$48,600 ~~\$698.38~~\$591.51 plus 2.82%2.27%

but not over ~~\$119,400~~\$125,450 of amount over ~~\$46,250~~\$48,600

Over ~~\$119,400~~\$125,450 ~~\$2,761.21~~\$2,338.29 plus 3.13%2.52%

but not over ~~\$193,350~~\$203,150 of amount over ~~\$119,400~~\$125,450

Over ~~\$193,350~~\$203,150 ~~\$5,075.84~~\$4,298.54 plus 3.63%2.93%

but not over ~~\$379,150~~\$398,350 of amount over ~~\$193,350~~\$203,150

Over ~~\$379,150~~\$398,350 ~~\$11,820.38~~\$10,009.80 plus 3.99%3.22%

of amount over ~~\$379,150~~\$398,350

e. Estates and trusts.

If North Dakota taxable income is: The tax is equal to:

Not over ~~\$2,300~~\$2,450 1.51%1.22%

Over ~~\$2,300~~\$2,450 ~~\$34.73~~\$29.82 plus 2.82%2.27%

but not over ~~\$5,450~~\$5,700 of amount over ~~\$2,300~~\$2,450

Over ~~\$5,450~~\$5,700 ~~\$123.56~~\$103.69 plus ~~3.13%~~2.52%

but not over ~~\$8,300~~\$8,750 of amount over ~~\$5,450~~\$5,700

Over ~~\$8,300~~\$8,750 ~~\$212.77~~\$180.64 plus ~~3.63%~~2.93%

but not over ~~\$11,350~~\$11,950 of amount over ~~\$8,300~~\$8,750

Over ~~\$11,350~~\$11,950 ~~\$323.48~~\$274.27 plus ~~3.99%~~3.22%

of amount over ~~\$11,350~~\$11,950

- f. For an individual who is not a resident of this state for the entire year, or for a nonresident estate or trust, the tax is equal to the tax otherwise computed under this subsection multiplied by a fraction in which:

- (1) The numerator is the federal adjusted gross income allocable and apportionable to this state; and
- (2) The denominator is the federal adjusted gross income from all sources reduced by the net income from the amounts specified in subdivisions a and b of subsection 2.

In the case of married individuals filing a joint return, if one spouse is a resident of this state for the entire year and the other spouse is a nonresident for part or all of the tax year, the tax on the joint return must be computed under this subdivision.

- g. The tax commissioner shall prescribe new rate schedules that apply in lieu of the schedules set forth in subdivisions a through e. The new schedules must be determined by increasing the minimum and maximum dollar amounts for each income bracket for which a tax is imposed by the cost-of-living adjustment for the taxable year as determined by the secretary of the United States treasury for purposes of section 1(f) of the United States Internal Revenue Code of 1954, as amended. For this purpose, the rate applicable to each income bracket may not be changed, and the manner of applying the cost-of-living adjustment must be the same as that used for adjusting the income brackets for federal income tax purposes.
- h. The tax commissioner shall prescribe an optional simplified method of computing tax under this section that may be used by an individual taxpayer who is not entitled to claim an adjustment under subsection 2 or credit against income tax liability under subsection 7.

**SECTION 5. EFFECTIVE DATE.** This Act is effective for taxable years beginning after December 31, 2012."

Renumber accordingly

#### REPORT OF STANDING COMMITTEE

**SB 2193: Human Services Committee (Sen. J. Lee, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (5 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2193 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 the establishment of an autism spectrum disorder database and an autism spectrum disorder voucher program; to provide for a department of human services study and report to the legislative management; and to provide an appropriation.



**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:****SECTION 1.****Autism spectrum disorder database - Rulemaking - Confidentiality.**

1. The state department of health shall establish and administer an autism spectrum disorder database. The database must include a record of all reported cases of autism spectrum disorder in the state and any other information determined relevant and appropriate by the department in order to complete epidemiologic surveys of the autism spectrum disorder, enable research and analysis of the autism spectrum disorder, and provide services to individuals with an autism spectrum disorder.
2. The state department of health shall establish criteria regarding who is qualified to report a case of autism spectrum disorder to the database. In establishing this criteria, the department shall require that the reporter be a doctoral-level professional and be appropriately licensed, credentialed, and experienced in the field of autism spectrum disorder, including intellectual testing and other formal evidenced-based assessments for autism spectrum disorders. The department shall consult with experts in establishing this criteria.
3. The database established under this section must:
  - a. Include the reported individual's diagnoses under the American psychiatric association's Diagnostic and Statistical Manual of Mental Disorders, Fifth Edition; and
  - b. Include a complete physical evaluation of the reported individual, performed by a licensed physician.
4. The state health council shall adopt rules to provide for mandatory reporting to the autism spectrum disorder database and to establish reporting requirements, including timeliness requirements.
5. The state department of health shall keep confidential all records of the database which could be used to identify a reported individual; however, the department may provide these records to other state agencies as necessary to effect the purposes of this database without regard to the confidential nature of the records. If the department provides confidential records of the database to a state agency, the department shall notify the receiving agency of the confidential nature of the records and the receiving agency shall treat these records as confidential.

**SECTION 2.****Autism spectrum disorder voucher program - Appeal.**

1. The department of human services shall establish a voucher program to assist in funding equipment and general educational needs related to autism spectrum disorder for individuals under age twenty-two who have been diagnosed with autism spectrum disorder. The program may include funding for assistive technology; video modeling videos or equipment; language-generating devices; training and educational material for parents; parenting education; sensory equipment; tutors; safety equipment; travel tools; self-care equipment; timers; visual representation systems; language comprehension equipment; and registration and related expenses for workshops and training to improve independent living skills, employment opportunities, and other executive or social skills. In determining the amount of a voucher for which an applicant may be determined eligible under this section, the department shall consider the applicant's level of functioning.

2. The department shall adopt rules addressing management of this voucher program and establishing the eligibility requirements and exclusions for this voucher program. The program may not provide a voucher for early intensive behavioral intervention, including applied behavioral analysis, intensive early interventional behavioral therapy, intensive behavioral intervention, the Lovaas method, the Denver model, LEAP (learning experiences - an alternative program for preschoolers and parents), TEACCH (treatment and education of autistic and related communication handicapped children), pivotal response training, or discrete trial training.
3. A decision on a voucher application which is issued by the department under this section may be appealed as provided under chapter 28-32.

**SECTION 3. DEPARTMENT OF HUMAN SERVICES AUTISM SPECTRUM DISORDER STUDY AND REPORT TO THE LEGISLATIVE MANAGEMENT.** During the 2013-14 interim, in consultation with clinicians who have expertise in the evaluation, diagnosis, and treatment of autism spectrum disorder, the department of human services shall study autism spectrum disorder services, including the most feasible service delivery system for individuals not served in the developmental disability system who have an autism spectrum disorder. Before August 1, 2014, the department of human services shall report to the legislative management the outcome and recommendations of this study.

**SECTION 4. APPROPRIATION - STATE DEPARTMENT OF HEALTH - AUTISM SPECTRUM DISORDER DATABASE.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$200,648, or so much of the sum as may be necessary, to the state department of health for the purpose of establishing and administering an autism spectrum disorder database, for the biennium beginning July 1, 2013, and ending June 30, 2015. The state department of health is authorized one full-time equivalent position for this purpose.

**SECTION 5. APPROPRIATION - DEPARTMENT OF HUMAN SERVICES - STATE AUTISM COORDINATOR.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$400,000, or so much of the sum as may be necessary, to the department of human services for the purpose of hiring a state autism coordinator who would be responsible for implementing a resource and service center to provide information and services for individuals with autism spectrum disorder, developing a statewide outreach plan, conducting regional meetings and an annual conference, and developing a protocol for use after screenings, for the biennium beginning July 1, 2013, and ending June 30, 2015. The department of human services is authorized one full-time equivalent position for this purpose.

**SECTION 6. APPROPRIATION - DEPARTMENT OF HUMAN SERVICES - STATEWIDE AUTISM SPECTRUM DISORDER TRAINING EFFORT.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$500,000, or so much of the sum as may be necessary, to the department of human services for the purpose of implementing a statewide autism spectrum disorder training effort, including physician training, regional training, school staff training, and parent training, for the biennium beginning July 1, 2013, and ending June 30, 2015."

Renumber accordingly

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

**SB 2227: Judiciary Committee (Sen. Hogue, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (6 YEAS, 1 NAYS, 0 ABSENT AND NOT VOTING). SB 2227 was placed on the Sixth order on the calendar.

Page 2, line 17, replace "that" with ", including DNA evidence, which"

Page 3, remove lines 19 through 22

Page 3, line 23, replace "3." with "2."

Page 3, line 27, replace "4." with "3."

Renumber accordingly

#### REPORT OF STANDING COMMITTEE

**SB 2237: Finance and Taxation Committee (Sen. Cook, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (5 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). SB 2237 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 57-38 of the North Dakota Century Code, relating to a corporate income tax credit for contributions to rural leadership North Dakota; to amend and reenact subsection 3 of section 57-38-01.26, section 57-38-30, and subsection 1 of section 57-38-30.3 of the North Dakota Century Code, relating to authorized investments of an angel fund for income tax credit purposes and a reduction in income tax rates for corporations, individuals, estates, and trusts; and to provide an effective date.

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

**SECTION 1. AMENDMENT.** Subsection 3 of section 57-38-01.26 of the North Dakota Century Code is amended and reenacted as follows:

3. An angel fund must:
  - a. Be a partnership, limited partnership, corporation, limited liability company, limited liability partnership, trust, or estate organized on a for-profit basis which is headquartered in this state.
  - b. Be organized for the purpose of investing in a portfolio of at least three primary sector companies that are early-stage and mid-stage private, nonpublicly traded enterprises with strong growth potential. For purposes of this section, an early-stage entity means an entity with annual revenues of up to two million dollars and a mid-stage entity means an entity with annual revenues over two million dollars not to exceed ten million dollars. Early-stage and mid-stage entities do not include those that have more than twenty-five percent of their revenue from income-producing real estate. Investments in real estate or real estate holding companies are not eligible investments by certified angel funds. Any angel fund certified before January 1, 2013, which has invested in real estate or a real estate holding company is not eligible for recertification.
  - c. Consist of at least six accredited investors as defined by securities and exchange commission regulation D, rule 501.
  - d. Not have more than twenty-five percent of its capitalized investment assets owned by an individual investor.
  - e. Have at least five hundred thousand dollars in commitments from accredited investors and that capital must be subject to call to be invested over an unspecified number of years to build a portfolio of investments in enterprises.
  - f. Be member-managed or a manager-managed limited liability company and the investor members or a designated board that includes investor members must make decisions as a group on which enterprises are worthy of investments.
  - g. Be certified as an angel fund that meets the requirements of this section by the department of commerce.

- h. Be in compliance with the securities laws of this state.
- i. Within thirty days after the date on which an investment in an angel fund is made, the angel fund shall file with the tax commissioner and provide to the investor completed forms prescribed by the tax commissioner which show as to each investment in the angel fund the following:
  - (1) The name, address, and social security number or federal employer identification number of the taxpayer or passthrough entity that made the investment;
  - (2) The dollar amount remitted by the taxpayer or passthrough entity; and
  - (3) The date the payment was received by the angel fund for the investment.
- j. Within thirty days after the end of a calendar year, the angel fund shall file with the tax commissioner a report showing the name and principal place of business of each enterprise in which the angel fund has an investment.

**SECTION 2.** A new section to chapter 57-38 of the North Dakota Century Code is created and enacted as follows:

**Corporate credit for contributions to rural leadership North Dakota.**

There is allowed a credit against the tax imposed by section 57-38-30 in an amount equal to fifty percent of the aggregate amount of contributions made by the taxpayer during the taxable year for tuition scholarships for participation in rural leadership North Dakota conducted through the North Dakota state university extension service. Contributions by a taxpayer may be earmarked for use by a designated recipient.

**SECTION 3. AMENDMENT.** Section 57-38-30 of the North Dakota Century Code is amended and reenacted as follows:

**57-38-30. Imposition and rate of tax on corporations.**

A tax is hereby imposed at a rate of four and seven-tenths percent upon the taxable income of every domestic and foreign corporation which must be levied, collected, and paid annually as provided in this chapter ~~provided~~:

- ~~1. For the first twenty-five thousand dollars of taxable income, at the rate of one and sixty-eight hundredths percent.~~
- ~~2. On all taxable income exceeding twenty-five thousand dollars and not exceeding fifty thousand dollars, at the rate of four and twenty-three hundredths percent.~~
- ~~3. On all taxable income exceeding fifty thousand dollars, at the rate of five and fifteen hundredths percent.~~

**SECTION 4. AMENDMENT.** Subsection 1 of section 57-38-30.3 of the North Dakota Century Code is amended and reenacted as follows:

- 1. A tax is hereby imposed for each taxable year upon income earned or received in that taxable year by every resident and nonresident individual, estate, and trust. A taxpayer computing the tax under this section is only eligible for those adjustments or credits that are specifically provided for in this section. Provided, that for purposes of this section, any person required to file a state income tax return under this chapter, but who has not computed a federal taxable income figure, shall compute a federal taxable income figure using a pro forma return in order

to determine a federal taxable income figure to be used as a starting point in computing state income tax under this section. The tax for individuals is equal to North Dakota taxable income multiplied by the rates in the applicable rate schedule in subdivisions a through d corresponding to an individual's filing status used for federal income tax purposes. For an estate or trust, the schedule in subdivision e must be used for purposes of this subsection.

a. Single, other than head of household or surviving spouse.

If North Dakota taxable income is: The tax is equal to:

Not over ~~\$34,500~~\$36,250 1.51%1.22%

Over ~~\$34,500~~\$36,250 ~~\$520.95~~\$441.20 plus 2.82%2.27%

but not over ~~\$83,600~~\$87,850 of amount over ~~\$34,500~~\$36,250

Over ~~\$83,600~~\$87,850 ~~\$1,905.57~~\$1,614.06 plus 3.13%2.52%

but not over ~~\$174,400~~\$183,250 of amount over ~~\$83,600~~\$87,850

Over ~~\$174,400~~\$183,250 ~~\$4,747.61~~\$4,020.85 plus 3.63%2.93%

but not over ~~\$379,150~~\$398,350 of amount over ~~\$174,400~~\$183,250

Over ~~\$379,150~~\$398,350 ~~\$12,180.04~~\$10,314.36 plus 3.99%3.22%

of amount over ~~\$379,150~~\$398,350

b. Married filing jointly and surviving spouse.

If North Dakota taxable income is: The tax is equal to:

Not over ~~\$57,700~~\$60,650 1.51%1.22%

Over ~~\$57,700~~\$60,650 ~~\$871.27~~\$738.17 plus 2.82%2.27%

but not over ~~\$139,350~~\$146,400 of amount over ~~\$57,700~~\$60,650

Over ~~\$139,350~~\$146,400 ~~\$3,173.80~~\$2,687.25 plus 3.13%2.52%

but not over ~~\$212,300~~\$223,050 of amount over ~~\$139,350~~\$146,400

Over ~~\$212,300~~\$223,050 ~~\$5,457.14~~\$4,621.01 plus 3.63%2.93%

but not over ~~\$379,150~~\$398,350 of amount over ~~\$212,300~~\$223,050

Over ~~\$379,150~~\$398,350 ~~\$11,513.79~~\$9,750.03 plus 3.99%3.22%

of amount over ~~\$379,150~~\$398,350

c. Married filing separately.

If North Dakota taxable income is: The tax is equal to:

Not over ~~\$28,850~~\$30,325 1.51%1.22%

Over ~~\$28,850~~\$30,325 ~~\$435.64~~\$369.08 plus 2.82%2.27%

but not over ~~\$69,675~~\$73,200 of amount over ~~\$28,850~~\$30,325

Over ~~\$69,675~~\$73,200 ~~\$1,586.90~~\$1,343.62 plus 3.13%2.52%

but not over ~~\$106,150~~\$111,525 of amount over ~~\$69,675~~\$73,200

Over ~~\$106,150~~\$111,525      ~~\$2,728.57~~\$2,310.50 plus ~~3.63%~~2.93%  
                  but not over ~~\$189,575~~\$199,175      of amount over ~~\$106,150~~\$111,525  
 Over ~~\$189,575~~\$199,175      ~~\$5,756.90~~\$4,875.01 plus ~~3.99%~~3.22%  
                  of amount over ~~\$189,575~~\$199,175

d. Head of household.

If North Dakota taxable income is:      The tax is equal to:

Not over ~~\$46,250~~\$48,600      ~~1.51%~~1.22%  
 Over ~~\$46,250~~\$48,600      ~~\$698.38~~\$591.51 plus ~~2.82%~~2.27%  
                  but not over ~~\$119,400~~\$125,450      of amount over ~~\$46,250~~\$48,600  
 Over ~~\$119,400~~\$125,450      ~~\$2,761.21~~\$2,338.29 plus ~~3.13%~~2.52%  
                  but not over ~~\$193,350~~\$203,150      of amount over ~~\$119,400~~\$125,450  
 Over ~~\$193,350~~\$203,150      ~~\$5,075.84~~\$4,298.54 plus ~~3.63%~~2.93%  
                  but not over ~~\$379,150~~\$398,350      of amount over ~~\$193,350~~\$203,150  
 Over ~~\$379,150~~\$398,350      ~~\$11,820.38~~\$10,009.80 plus ~~3.99%~~3.22%  
                  of amount over ~~\$379,150~~\$398,350

e. Estates and trusts.

If North Dakota taxable income is:      The tax is equal to:

Not over ~~\$2,300~~\$2,450      ~~1.51%~~1.22%  
 Over ~~\$2,300~~\$2,450      ~~\$34.73~~\$29.82 plus ~~2.82%~~2.27%  
                  but not over ~~\$5,450~~\$5,700      of amount over ~~\$2,300~~\$2,450  
 Over ~~\$5,450~~\$5,700      ~~\$123.56~~\$103.69 plus ~~3.13%~~2.52%  
                  but not over ~~\$8,300~~\$8,750      of amount over ~~\$5,450~~\$5,700  
 Over ~~\$8,300~~\$8,750      ~~\$212.77~~\$180.64 plus ~~3.63%~~2.93%  
                  but not over ~~\$11,350~~\$11,950      of amount over ~~\$8,300~~\$8,750  
 Over ~~\$11,350~~\$11,950      ~~\$323.48~~\$274.27 plus ~~3.99%~~3.22%  
                  of amount over ~~\$11,350~~\$11,950

f. For an individual who is not a resident of this state for the entire year, or for a nonresident estate or trust, the tax is equal to the tax otherwise computed under this subsection multiplied by a fraction in which:

- (1) The numerator is the federal adjusted gross income allocable and apportionable to this state; and
- (2) The denominator is the federal adjusted gross income from all sources reduced by the net income from the amounts specified in subdivisions a and b of subsection 2.

In the case of married individuals filing a joint return, if one spouse is a resident of this state for the entire year and the other spouse is a nonresident for part or all of the tax year, the tax on the joint return must be computed under this subdivision.

- g. The tax commissioner shall prescribe new rate schedules that apply in lieu of the schedules set forth in subdivisions a through e. The new schedules must be determined by increasing the minimum and maximum dollar amounts for each income bracket for which a tax is imposed by the cost-of-living adjustment for the taxable year as determined by the secretary of the United States treasury for purposes of section 1(f) of the United States Internal Revenue Code of 1954, as amended. For this purpose, the rate applicable to each income bracket may not be changed, and the manner of applying the cost-of-living adjustment must be the same as that used for adjusting the income brackets for federal income tax purposes.
- h. The tax commissioner shall prescribe an optional simplified method of computing tax under this section that may be used by an individual taxpayer who is not entitled to claim an adjustment under subsection 2 or credit against income tax liability under subsection 7.

**SECTION 5. EFFECTIVE DATE.** This Act is effective for taxable years beginning after December 31, 2012."

Renumber accordingly

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

**SB 2268: Political Subdivisions Committee (Sen. Andrist, Chairman)** recommends **DO NOT PASS** (5 YEAS, 1 NAYS, 0 ABSENT AND NOT VOTING). SB 2268 was placed on the Eleventh order on the calendar.

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

**SB 2280: Political Subdivisions Committee (Sen. Andrist, Chairman)** recommends **DO NOT PASS** (4 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). SB 2280 was placed on the Eleventh order on the calendar.

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

**SB 2299: Judiciary Committee (Sen. Hogue, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2299 was placed on the Sixth order on the calendar.

Page 1, line 3, replace "sections" with "section"

Page 1, line 3, after the first comma insert "subsection 3 of section 16.1-08.1-02, subsection 2 of section 16.1-08.1-03, sections"

Page 1, line 3, remove the second "and"

Page 1, line 4, replace "subsection 1 of section" with "16.1-08.1-03.3,"

Page 1, line 4, replace "sections" with "and"

Page 1, line 4, after the second comma insert "subsection 3 of section 16.1-08.1-03.8, subsection 2 of section 16.1-08.1-03.9, subsection 2 of section 16.1-08.1-03.10, subsection 2 of section 16.1-08.1-03.11, and sections"

Page 1, line 4, replace "and" with "16.1-08.1-05, 16.1-08.1-06,"

Page 1, line 5, after "16.1-08.1-06.1" insert ", and 16.1-08.1-07"

Page 1, line 5, remove "and"

Page 1, line 7, after "organizations" insert "; to provide a penalty; and to provide an effective date"

Page 1, line 22, overstrike "A person" and insert immediately thereafter "An individual"

Page 2, line 1, overstrike "A person" and insert immediately thereafter "An individual"

Page 2, line 1, overstrike "person's" and insert immediately thereafter "individual's"

Page 2, line 4, overstrike "A person" and insert immediately thereafter "An individual"

Page 2, line 4, overstrike "person's" and insert immediately thereafter "individual's"

Page 2, line 6, overstrike "A person" and insert immediately thereafter "An individual"

Page 2, line 6, overstrike "person's" and insert immediately thereafter "individual's"

Page 2, line 8, overstrike "A person" and insert immediately thereafter "An individual"

Page 2, line 9, overstrike "person's" and insert immediately thereafter "individual's"

Page 3, after line 6, insert:

"g. An independent expenditure."

Page 3, line 10, overstrike ""Direct expenditure" means an expenditure made by a corporation, cooperative"

Page 3, overstrike lines 11 through 14

Page 3, line 15, overstrike "6."

Page 3, line 15, overstrike "a" and insert immediately thereafter ":

a. A"

Page 3, line 18, after "for" insert "a political purpose or for"

Page 3, line 18, overstrike "direct"

Page 3, line 19, overstrike "or the nomination for election, or election, of any individual to office"

Page 3, line 19, overstrike "The term"

Page 3, line 20, overstrike "also means a" and insert immediately thereafter:

"b. A"

Page 3, line 21, overstrike "and includes the" and insert immediately thereafter "\_\_\_\_\_

c. The"

Page 3, after line 22, insert:

"d. An independent expenditure."

Page 3, line 23, overstrike "7." and insert immediately thereafter "6."

Page 3, line 23, remove "expressly advocating the election or"

Page 3, replace lines 24 through 28 with "made for a political purpose or for the purpose of influencing the passage or defeat of a measure if the expenditure is made without the express or implied consent, authorization, or cooperation of, and not in concert



with or at the request or suggestion of, any candidate or a candidate committee or measure committee."

Page 3, line 29, replace "8." with "7."

Page 4, line 1, remove the overstrike over "8:"

Page 4, line 1, remove "9."

Page 4, line 4, remove the overstrike over "9:"

Page 4, line 4, remove "10."

Page 4, line 8, overstrike "direct"

Page 4, line 9, overstrike "contributions" and insert immediately thereafter "a contribution"

Page 4, line 9, overstrike "16.1-08.1-03.3" and insert immediately thereafter "16.1-08.1-03.5"

Page 4, line 21, remove the overstrike over "10:"

Page 4, line 21, remove "11."

Page 4, line 25, remove the overstrike over "11:"

Page 4, line 25, remove "12."

Page 5, line 4, remove "or activities undertaken as part of an independent"

Page 5, line 5, remove "expenditure as defined in this section"

Page 5, line 6, remove the overstrike over "12:"

Page 5, line 6, remove "13."

Page 5, line 6, overstrike "persons" and insert immediately thereafter "an individual"

Page 5, after line 7, insert:

**"SECTION 2. AMENDMENT.** Subsection 3 of section 16.1-08.1-02 of the North Dakota Century Code is amended and reenacted as follows:

3. The candidate committee, or candidate for statewide office who does not have a candidate committee, and any candidate for legislative office shall file the statement in the office of the secretary of state no later than the ~~twelfth~~thirty-second day before the date of the election in which the candidate's name appears on the ballot or in which the candidate seeks election through write-in votes complete from the beginning of that calendar year through the ~~twentieth~~fortieth day before the date of the election. Every candidate committee, or candidate for statewide office who does not have a candidate committee, and every candidate for legislative office shall file a complete statement for each calendar year no later than the thirty-first day of January of the following year, regardless of whether the candidate sought election during that calendar year.

**SECTION 3. AMENDMENT.** Subsection 2 of section 16.1-08.1-03 of the North Dakota Century Code is amended and reenacted as follows:

2. A year-end statement covering the entire calendar year must be filed with the secretary of state no later than the thirty-first day of January of the following year. A preelection statement must be filed no later than the ~~twelfth~~thirty-second day before any election at which the party has endorsed or will nominate a candidate and must be complete from the beginning of that calendar year through the ~~twentieth~~fortieth day before the election."

Page 7, line 11, after "makes" insert "an independent expenditure or makes"

Page 7, line 12, remove ", on behalf of, or in opposition to"

Page 7, replace lines 17 through 28 with:

**"SECTION 6. AMENDMENT.** Section 16.1-08.1-03.3 of the North Dakota Century Code is amended and reenacted as follows:

**16.1-08.1-03.3. Campaign contributions by corporations, cooperative corporations, limited liability companies, and associations prohibited - Violation - Penalty - Political action committees authorized.**

1. ~~A corporation, cooperative corporation, limited liability company, or association may not make a direct contribution:~~
  - a. ~~To aid any political party, political committee, or organization except that a direct contribution may be made to a measure committee as provided in section 16.1-08.1-03.5.~~
  - b. ~~To aid any corporation, limited liability company, or association organized or maintained for political purposes as defined in this chapter.~~
  - c. ~~To aid any candidate for public office or for nomination to public office.~~
  - d. ~~For any political purpose or the reimbursement or indemnification of any person for money or property so used.~~
  - e. ~~For the influencing of any measure before the legislative assembly, except in accordance with chapter 54-05.1.~~
2. ~~This section does not prohibit the establishment, administration, and solicitation of~~A corporation, cooperative corporation, limited liability company, or association may establish, administer, and solicit contributions to a separate and segregated fund to be utilized for political purposes by ~~a~~the corporation, cooperative corporation, limited liability company, or association. It is unlawful for:
  - a. The person or persons controlling the fund to make contributions or expenditures utilizing money or anything of value secured by physical force, job discrimination, financial reprisals, or the threat of them; or utilize money from dues, fees, treasury funds, or other money required as a condition of membership in an association, or as a condition of employment; or utilize money obtained in any commercial transaction. Moneys from fees, dues, treasury funds, or money obtained in a commercial transaction may, however, be used to pay costs of administration of the fund.
  - b. Any person soliciting an employee, stockholder, patron, or member for a contribution to the fund to fail to inform the employee or member of the political purposes of the fund at the time of the solicitation or of the general political philosophy intended to be advanced through committee activities.
  - c. Any person soliciting an employee or member for a contribution to the fund to fail to inform the employee or member at the time of the solicitation of the right to refuse to contribute without any reprisal.
  - d. Any contribution to be accepted without keeping an accurate record of the contributor and amount contributed and of amounts expended for political purposes.

- e. Any contribution to be accepted from any person who is not an employee, stockholder, patron, or member of the corporation, cooperative corporation, limited liability company, or association maintaining the political action committee.
  - f. Any expenditure made for political purposes to be reported under this section before control of the expenditure has been released by the political action committee except if there is a contract, promise, or agreement, expressed or implied, to make such expenditure.
- 3-2. All political action committees, as described in section 16.1-08.1-01, formed for the purpose of administering the segregated fund provided for in this section shall file a statement showing the name and mailing address of each contributor of an amount in excess of two hundred dollars in the aggregate for the reporting period and a listing of all expenditures of an amount in excess of two hundred dollars in the aggregate made for political purposes with the secretary of state. The statement must include the amount of each reportable contribution and the date it was received and the amount of each reportable expenditure and the date it was made. A year-end statement covering the entire calendar year must be filed no later than the thirty-first day of January of the following year. A preelection statement must be filed no later than the ~~twelfth~~thirty-second day before any primary, special, or general election and must be complete from the beginning of the calendar year through the ~~twentieth~~fortieth day before the election. Even if a political action committee has not received any contributions or made any expenditures in excess of two hundred dollars during the reporting period, the political action committee shall file a statement as required by this chapter. A statement filed according to this section during the reporting period must show the following:
- a. The gross total of all contributions received and expenditures made in excess of two hundred dollars;
  - b. The gross total of all contributions received and expenditures made of two hundred dollars, or less; and
  - c. The cash on hand in the filer's account at the start and close of the reporting period.
- 4-3. A political action committee shall report the occupation, employer, and principal place of business of each person, or the political committee if not already registered according to state or federal law, who contributed five thousand dollars or more in the aggregate during the reporting period.
- 5-4. A person may not make a payment of that person's money or of another person's money to any other person for a political purpose in any name other than that of the person who supplies the money and a person may not knowingly receive the payment nor enter nor cause the payment to be entered in that person's account or record in any name other than that of the person by whom it actually was furnished.
- 6-5. If an officer, employee, agent, attorney, or other representative of a corporation, cooperative corporation, limited liability company, or association makes any contribution prohibited by this section out of corporate, cooperative corporation, limited liability company, or association funds or otherwise violates this section, it is prima facie evidence of a violation by the corporation, cooperative corporation, limited liability company, or association.
- 7-6. A violation of this section may be prosecuted in the county where the contribution is made or in any county in which it has been paid or distributed.

- 8-7. It is a class A misdemeanor for an officer, director, stockholder, manager, governor, member, attorney, agent, or representative of any corporation, cooperative corporation, limited liability company, or association to violate this section or to counsel or consent to any violation. Any person who solicits or knowingly receives any contribution in violation of this section is guilty of a class A misdemeanor.
- 9-8. Any officer, director, stockholder, manager, governor, member, attorney, agent, or representative who makes, counsels, or consents to the making of a contribution in violation of this section is liable to the company, corporation, limited liability company, or association for the amount so contributed.

**SECTION 7. AMENDMENT.** Section 16.1-08.1-03.5 of the North Dakota Century Code is amended and reenacted as follows:

**16.1-08.1-03.5. Allowable corporate contributions and expenditures - Report required.**

1. ~~Corporations, cooperative corporations, limited liability companies, and associations may make contributions to a measure committee, as described in section 16.1-08.1-01, for the purpose of promoting passage or defeat of initiated or referred measures.~~ Corporations, cooperative corporations, limited liability companies, and associations may make expenditures and contributions for promoting any general political philosophy or belief deemed in the best interest of the employees, stockholders, patrons, or members of the corporation, cooperative corporation, limited liability company, or association other than a "political purpose" as defined by this chapter. A corporation, cooperative corporation, limited liability company, or association may not make a contribution for a political purpose.
2. A corporation, cooperative corporation, limited liability company, or association may make a donation of property or money to a state political party or nonprofit entity affiliated with or under the control of a state political party for deposit in a separate and segregated fund. Money in the fund must be used exclusively by the state political party or nonprofit entity affiliated with or under the control of a state political party for purchasing, maintaining, or renovating a building and for the purchase of fixtures for the building. A state political party or nonprofit entity affiliated with or under the control of a state political party receiving a donation under this subsection shall file a statement with the secretary of state no later than the thirty-first day of January of each calendar year. The statement must include the name and mailing address of each donor, the amount of each donation, the date each donation was received, all expenditures made from the fund during the previous calendar year, and cash on hand in the fund at the start and close of the reporting period. Any income and financial gain generated from a building purchased, maintained, or renovated from donations authorized under this subsection and not otherwise authorized by law must be deposited in the building fund and must be reported when the political party or nonprofit entity files the statement required under this subsection.
3. A corporation, cooperative corporation, limited liability company, or association may make a contribution to a measure committee for the purpose of promoting the passage or defeat of an initiated or referred measure or make a contribution to any other person that makes an independent expenditure. A corporation, cooperative corporation, limited liability company, or association may make ~~a direct~~ an independent expenditure ~~for a political purpose or for the purpose of promoting passage or defeat of initiated or referred measures.~~ The corporation, cooperative corporation, limited liability company, or association shall file a statement disclosing a contribution or an independent expenditure made under this subsection

with the secretary of state within forty-eight hours after making the contribution or independent expenditure. The statement must include:

- a. The full name of the corporation, cooperative corporation, limited liability company, or association;
- b. The complete address of the corporation, cooperative corporation, limited liability company, or association;
- c. ~~The name and telephone number of the person completing the report of the recipient of the contribution or independent expenditure;~~
- d. ~~If the contribution or independent expenditure is related to a measure, the title of the measure and whether the contribution or independent expenditure is made in support of or opposition to the measure;~~
- e. ~~If the contribution or independent expenditure is related to a measure, the election date on which the measure either will appear or did appear on the ballot;~~
- f. The amount of the contribution or independent expenditure;
- g. The cumulative total amount of contributions and independent expenditures since the beginning of the calendar year in support of or opposition to the measure which are required to be reported under this subsection;
- h. ~~The telephone number and the printed name and signature of the person individual completing the report, attesting to the report being true, complete, and correct; and~~
- i. The date on which the report was signed."

Page 8, line 2, after "make" insert "independent expenditures or"

Page 8, line 2, remove ", on behalf of, or in opposition to"

Page 8, line 4, after "makes" insert "an independent expenditure or makes"

Page 8, line 5, remove ", on behalf of, or in opposition to"

Page 8, line 7, after the second "the" insert "independent expenditure or the"

Page 8, line 13, after "the" insert "independent expenditure or"

Page 8, line 13, overstrike "made"

Page 8, after line 13, insert:

**"SECTION 9. AMENDMENT.** Subsection 3 of section 16.1-08.1-03.8 of the North Dakota Century Code is amended and reenacted as follows:

3. A multicandidate political committee required to file a statement under this section shall file the statement in the office of the secretary of state no later than the ~~twelfth~~thirty-second day before the date of any primary, special, or general election. The statement must be complete from the beginning of that calendar year through the ~~twentieth~~fortieth day before the date of the primary, special, or general election. The political committee shall file a complete statement for the entire calendar year no later than the thirty-first day of January of the following year in which the political committee received a reportable contribution.

**SECTION 10. AMENDMENT.** Subsection 2 of section 16.1-08.1-03.9 of the North Dakota Century Code is amended and reenacted as follows:

2. A candidate or a candidate committee described in this section shall file a statement with the secretary of state no later than the ~~twelfth~~thirty-second day before the date of the election in which the candidate's name appears on the ballot or in which the candidate seeks election through write-in votes. The reporting period for each of these statements is from the beginning of that calendar year through the ~~twentieth~~fortieth day before the date of the election.

**SECTION 11. AMENDMENT.** Subsection 2 of section 16.1-08.1-03.10 of the North Dakota Century Code is amended and reenacted as follows:

2. A candidate or a candidate committee described in this section shall file a statement with the county auditor no later than the ~~twelfth~~thirty-second day before the date of the election in which the candidate's name appears on the ballot or in which the candidate seeks election through write-in votes. The reporting period for each of these statements is from the beginning of that calendar year through the ~~twentieth~~fortieth day before the date of the election.

**SECTION 12. AMENDMENT.** Subsection 2 of section 16.1-08.1-03.11 of the North Dakota Century Code is amended and reenacted as follows:

2. A candidate or a candidate committee described in this section shall file a statement with the city auditor no later than the ~~twelfth~~thirty-second day before the date of any election in which the candidate's name appears on the ballot or in which the candidate seeks election through write-in votes. The reporting period for each of these statements is from the beginning of that calendar year through the ~~twentieth~~fortieth day before the date of the election."

Page 9, line 6, remove "certified"

Page 9, line 10, remove "certified"

Page 10, line 3, remove "other than a measure committee"

Page 10, line 5, replace "nineteen" with "thirty-nine"

Page 10, line 8, remove the overstrike over "~~16.1-08.1-03.1,~~"

Page 10, replace lines 12 through 18 with:

**"SECTION 15. AMENDMENT.** Section 16.1-08.1-05 of the North Dakota Century Code is amended and reenacted as follows:

**16.1-08.1-05. Audit by secretary of state - Requested audits - Reports.**

1. If a substantial irregularity is evident or reasonably alleged, the secretary of state may arrange an audit of any statement filed pursuant to this chapter, to be performed by a certified public accountant of the filer's choice, subject to approval by the secretary of state. If an audit of a statement arranged by the secretary of state under this subsection reveals a violation of this chapter, the candidate, political party, or political committee, or other person filing the statement shall pay a fine to the secretary of state equal to ~~five~~two hundred percent of the aggregate of contributions and expenditures found to be in violation or an amount sufficient to pay the cost of the audit, whichever is greater. If an audit of a statement arranged by the secretary of state under this subsection does not reveal a violation of this chapter, the cost of the audit must be paid for by the secretary of state.
2. If a substantial irregularity is reasonably alleged, the secretary of state may arrange an audit of any statement filed pursuant to this chapter, performed by a certified public accountant of the filer's choice, subject to approval by the secretary of state, upon written request by any interested

party made to the secretary of state within thirty days following receipt of a statement by the secretary of state. The request must be made in writing, recite a substantial irregularity and a lawful reason for requesting an audit, and be accompanied by a bond in an amount established by the secretary of state sufficient to pay the cost of the audit. If an audit of a statement arranged by the secretary of state under this subsection reveals a violation of this chapter, the candidate, political party, or political committee filing the statement shall pay a fine to the secretary of state equal to ~~five~~two hundred percent of the aggregate of contributions and expenditures found to be in violation or an amount sufficient to pay the cost of the audit, whichever is greater, and the bond shall be returned to the person submitting it. If an audit of a statement arranged by the secretary of state under this subsection does not reveal a violation of this chapter, the cost of the audit must be satisfied from the bond filed with the secretary of state.

3. An audit may not be made or requested of a statement for the sole reason that it was not timely filed with the secretary of state. An audit made or arranged according to this section must audit only those items required to be included in any statement, registration, or report filed with the secretary of state according to this chapter. The secretary of state may collect any payment obligation arising out of this section by civil action or by assignment to a collection agency, with any costs of collection to be added to the amount owed and to be paid by the delinquent filer. Any remaining moneys collected by the secretary of state after an audit is paid for under this section must be deposited in the state's general fund. This section does not apply to statements filed according to sections 16.1-08.1-03.10 and 16.1-08.1-03.11.

**SECTION 16. AMENDMENT.** Section 16.1-08.1-06 of the North Dakota Century Code is amended and reenacted as follows:

**16.1-08.1-06. Contributions and expenditure statement requirements.**

1. Any statement required by this chapter to be filed with the secretary of state must be:
  - a. Deemed properly filed when ~~deposited with or~~electronically delivered to the secretary of state within the prescribed time and in the format established by the secretary of state. ~~A statement that is mailed is deemed properly filed when it is postmarked and directed to the secretary of state within the prescribed time.~~ If the secretary of state does not receive a statement, a duplicate of the statement must be promptly filed upon notice by the secretary of state of its nonreceipt. After a statement has been filed, the secretary of state may request or accept written clarification along with an amended statement from a candidate, political party, or political committee filing the statement when discrepancies, errors, or omissions on the statement are discovered by the secretary of state, the candidate, political party, or political committee filing the statement, or by any interested party reciting a lawful reason for requesting clarification and an amendment be made. When requesting an amended statement, the secretary of state shall establish a reasonable period of time, not to exceed ten days, agreed to by the candidate, political party, or political committee, for filing the amended statement with the secretary of state.
  - b. Preserved by the secretary of state for a period of ~~four~~ten years from the date of filing. The statement is to be considered a part of the public records of the secretary of state's office and must be open to public inspection.
2. ~~If the filing date falls on a Saturday or Sunday or a holiday on which the office of the secretary of state is closed, the statement must be filed on the next available day on which the office of the secretary of state is~~

~~open~~. In determining the amount of individual contributions from any contributor, all amounts received from the same contributor during the reporting period must be aggregated to report an overall total contribution for the purposes of the statements required by this chapter. Aggregate contributions must reference the date of the most recent contribution. Contributions made separately by different persons from joint accounts are considered separate contributions for reporting purposes.

3. Any statement and data filed electronically must be made available on the internet to the public free of charge within twenty-four hours after filing.
4. Unless otherwise provided by law, any candidate, political party, committee, or person may not be charged a fee for filing any statement with the secretary of state under this chapter."

Page 11, after line 9, insert:

**"SECTION 18. AMENDMENT.** Section 16.1-08.1-07 of the North Dakota Century Code is amended and reenacted as follows:

**16.1-08.1-07. Penalty.**

Except as otherwise provided, any person who willfully violates any provision of this chapter is guilty of ~~an infraction~~ a class A misdemeanor."

Page 11, after line 11, insert:

**"SECTION 20. EFFECTIVE DATE.** Section 16 of this Act becomes effective on May 1, 2014."

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**SB 2300: Natural Resources Committee (Sen. Lyson, Chairman)** recommends **DO NOT PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2300 was placed on the Eleventh order on the calendar.

**REPORT OF STANDING COMMITTEE**

**SB 2303, as reengrossed: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **BE PLACED ON THE CALENDAR WITHOUT RECOMMENDATION** (9 YEAS, 3 NAYS, 1 ABSENT AND NOT VOTING). Reengrossed SB 2303 was placed on the Eleventh order on the calendar.

**REPORT OF STANDING COMMITTEE**

**SB 2308: Political Subdivisions Committee (Sen. Andrist, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2308 was placed on the Sixth order on the calendar.

Page 1, line 6, after the first semicolon insert "and"

Page 1, line 6, remove "; to provide an effective date; and to"

Page 1, line 7, remove "declare an emergency"

Page 3, remove lines 7 through 12

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**SB 2312: Natural Resources Committee (Sen. Lyson, Chairman)** recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2312 was placed on the Eleventh order on the calendar.



**REPORT OF STANDING COMMITTEE**

**SB 2320: Judiciary Committee (Sen. Hogue, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2320 was placed on the Sixth order on the calendar.

Page 1, line 1, remove "and section"

Page 1, line 2, remove "27-21-12"

Page 1, remove lines 19 through 24

Page 2, remove lines 1 through 29

Page 3, remove lines 1 through 28

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**SB 2336: Finance and Taxation Committee (Sen. Cook, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (5 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). SB 2336 was placed on the Sixth order on the calendar.

Page 1, line 4, after "reenact" insert "subsection 4 of section 38-08-04 and"

Page 1, after line 9, insert:

**"SECTION 1. AMENDMENT.** Subsection 4 of section 38-08-04 of the North Dakota Century Code is amended and reenacted as follows:

4. To classify wells as oil or gas wells for purposes material to the interpretation or enforcement of this chapter, to annually classify and determine the status and depth and average daily oil production of wells that are stripper well property as defined in ~~subsection 8 of~~ section 57-51.1-01, to annually certify to the tax commissioner which wells are stripper wells and the depth and average daily oil production of those wells, and to certify to the tax commissioner which wells involve secondary or tertiary recovery operations under section 57-51.1-01, and the date of qualification for the reduced rate of oil extraction tax for secondary and tertiary recovery operations. The requirement of annual classification and certification under this subsection applies only for wells drilled and completed in the Bakken or Three Forks formation and for other wells the classification and certification is required only once."

Page 3, line 15, replace "forty-five" with "forty"

Page 4, line 1, remove the overstrike over ""Average"

Page 4, line 5, after "closed" insert "statewide production" means the number of barrels of oil produced from wells within this state during a calendar month divided by the number of calendar days in that month, as determined by the industrial commission"

Page 4, line 5, remove the overstrike over the overstruck period

Page 4, line 12, after "5-" insert "2."

Page 4, line 15, replace "2." with "3."

Page 4, line 21, replace "3." with "4."

Page 5, line 1, replace "4." with "5."

Page 5, line 29, replace "5." with "6."

Page 6, line 1, replace "6." with "7."

Page 6, line 8, replace "forty-five" with "forty"

Page 7, line 25, after "2016" insert ", or beginning on the first day of the first calendar quarter beginning after a period of three consecutive calendar months in which average statewide daily production exceeds one million barrels per day, whichever occurs first"

Page 7, line 27, replace "after" with "through"

Page 7, line 29, replace "2013" with "2011"

Page 8, line 2, after the underscored period insert "An individual well on a stripper well property which exceeded an average of one hundred fifty barrels of oil production per day, according to its annual certification by the industrial commission under section 38-08-04, is not eligible for the exemption under this section until the production from that well individually meets the requirements of the definition for stripper well status under section 57-51.1-01."

Page 8, line 19, remove "and which was spud"

Page 8, line 22, after the underscored period insert "An individual well on a stripper well property which exceeded an average of one hundred fifty barrels of oil production per day, according to its annual certification by the industrial commission under section 38-08-04, is not eligible for the exemption under this section until the production from that well individually meets the requirements of the definition for stripper well status under section 57-51.1-01."

Page 15, line 16, replace "1" with "2 "

Page 15, line 17, replace "2, 5, 6, and 8" with "3 and 9 and section 57-51.1-03, as effective through June 30, 2013, and as amended by sections 6 and 7"

Page 15, line 19, replace "3, 4, 7, and 9" with "4, 5, 8, and 10"

Page 15, line 20, after the period insert "Section 6 of this Act is effective for wells completed after June 30, 2011, but applies only to production after June 30, 2013."

Renumber accordingly

#### REPORT OF STANDING COMMITTEE

**SB 2340: Judiciary Committee (Sen. Hogue, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2340 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 of penalties for minor drug crimes."

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

**SECTION 1. LEGISLATIVE MANAGEMENT STUDY - PENALTIES FOR MINOR DRUG CRIMES.** During the 2013-14 interim, the legislative management shall consider studying the sentencing alternatives to incarceration for first-time felony drug offenses that are nonviolent, excluding the distribution of drugs. 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 2343: Government and Veterans Affairs Committee (Sen. Dever, Chairman)** recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).

SB 2343 was placed on the Eleventh order on the calendar.

#### REPORT OF STANDING COMMITTEE

**SB 2346: Judiciary Committee (Sen. Hogue, Chairman)** recommends **DO NOT PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2346 was placed on the Eleventh order on the calendar.

#### REPORT OF STANDING COMMITTEE

**SB 2364: Finance and Taxation Committee (Sen. Cook, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2364 was placed on the Sixth order on the calendar.

Page 1, line 1, after "Act" insert "to"

Page 1, line 1, after "enact" insert "two new sections to chapter 57-38,"

Page 1, line 3, after "to" insert "a corporate income tax credit, utilization of net operating losses and credit carryforwards,"

Page 1, line 5, after the semicolon insert "to"

Page 1, line 7, remove the first "and"

Page 1, line 7, after "57-38-01.32" insert ", subdivisions c and f of subsection 2 of section 57-38-30.3, and section 57-39.2-26.1"

Page 1, line 10, after the second comma insert "state aid distribution fund allocations to political subdivisions,"

Page 1, line 10, remove "and"

Page 1, line 11, after "income" insert ", and income associated with losses passed through to a financial institution"

Page 1, line 11, remove "and subdivisions c and f of subsection 2 of section"

Page 1, line 12, remove "57-38-30.3"

Page 1, line 13, remove "and income associated with losses passed through to a financial institution"

Page 3, after line 29, insert:

**"SECTION 10.** A new section to chapter 57-38 of the North Dakota Century Code is created and enacted as follows:

#### **Financial institutions - Net operating losses - Credit carryovers.**

1. A subchapter S corporation that was a financial institution under chapter 57-35.3 may elect to be treated as a taxable corporation under chapter 57-38. If an election is made under this section, the election:
  - a. Must be made in the form and manner prescribed by the tax commissioner on the return filed for the tax year beginning on January 1, 2013, or the return filed for the short period required under section 15 of this Act; and
  - b. Is binding until the earlier of:
    - (1) The end of the tax year for which the taxpayer reports a tax liability after tax credits; or

- (2) The beginning of the tax year for which the taxpayer elects to be recognized as a subchapter S corporation under section 57-38-01.4.

2. If an election is made under this section, the following apply:

- a. A subchapter S corporation may not file a consolidated return.
- b. Any unused credit carryovers earned by a financial institution under chapter 57-35.3 for tax years beginning before January 1, 2013, may be carried forward in the same number of years the financial institution would have been entitled under chapter 57-35.3.
- c. Any unused net operating losses incurred by a financial institution under chapter 57-35.3 for tax years beginning before January 1, 2013, may be carried forward for the same number of years the financial institution would have been entitled under chapter 57-35.3.

**SECTION 11.** A new section to chapter 57-38 of the North Dakota Century Code is created and enacted as follows:

**Corporate credit for contributions to rural leadership North Dakota.**

There is allowed a credit against the tax imposed by section 57-38-30 in an amount equal to fifty percent of the aggregate amount of contributions made by the taxpayer during the taxable year for tuition scholarships for participation in rural leadership North Dakota conducted through the North Dakota state university extension service. Contributions by a taxpayer may be earmarked for use by a designated recipient.

**SECTION 12. AMENDMENT.** Subdivision c of subsection 2 of section 57-38-30.3 of the North Dakota Century Code is amended and reenacted as follows:

- c. Reduced by the amount equal to the earnings that are passed through to a taxpayer in connection with an allocation and apportionment to North Dakota under chapter 57-35.3section 7 of this Act.

**SECTION 13. AMENDMENT.** Subdivision f of subsection 2 of section 57-38-30.3 of the North Dakota Century Code is amended and reenacted as follows:

- f. Increased by an amount equal to the losses that are passed through to a taxpayer in connection with an allocation and apportionment to North Dakota under chapter 57-35.3section 7 of this Act."

Page 4, line 5, after the underscored period insert "This subsection applies to the first tax year beginning after December 31, 2012."

Page 4, after line 20, insert:

**"SECTION 18. AMENDMENT.** Section 57-39.2-26.1 of the North Dakota Century Code is amended and reenacted as follows:

**57-39.2-26.1. Allocation of revenues among political subdivisions.**

Notwithstanding any other provision of law, a portion of sales, gross receipts, use, and motor vehicle excise tax collections, equal to ~~forty~~forty-three and one-half percent of an amount determined by multiplying the quotient of one percent divided by the general sales tax rate, that was in effect when the taxes were collected, times the net sales, gross receipts, use, and motor vehicle excise tax collections under chapters 57-39.2, 57-39.5, 57-39.6, 57-40.2, and 57-40.3 must be deposited by the state treasurer in the state aid distribution fund. The state tax commissioner shall certify to the state treasurer the portion of sales, gross receipts, use, and motor vehicle excise tax net revenues that must be deposited in the state aid distribution fund as determined under this section. Revenues deposited in the state aid

distribution fund are provided as a standing and continuing appropriation and must be allocated as follows:

1. Fifty-three and seven-tenths percent of the revenues must be allocated to counties in the first month after each quarterly period as provided in this subsection.
  - a. Sixty-four percent of the amount must be allocated among the seventeen counties with the greatest population, in the following manner:
    - (1) Thirty-two percent of the amount must be allocated equally among the counties; and
    - (2) The remaining amount must be allocated based upon the proportion each such county's population bears to the total population of all such counties.
  - b. Thirty-six percent of the amount must be allocated among all counties, excluding the seventeen counties with the greatest population, in the following manner:
    - (1) Forty percent of the amount must be allocated equally among the counties; and
    - (2) The remaining amount must be allocated based upon the proportion each such county's population bears to the total population of all such counties.

A county shall deposit all revenues received under this subsection in the county general fund. Each county shall reserve a portion of its allocation under this subsection for further distribution to, or expenditure on behalf of, townships, rural fire protection districts, rural ambulance districts, soil conservation districts, county recreation service districts, county hospital districts, the Garrison Diversion Conservancy District, the southwest water authority, and other taxing districts within the county, excluding school districts, cities, and taxing districts within cities. The share of the county allocation under this subsection to be distributed to a township must be equal to the percentage of the county share of state aid distribution fund allocations that township received during calendar year 1996. The governing boards of the county and township may agree to a different distribution.

2. Forty-six and three-tenths percent of the revenues must be allocated to cities in the first month after each quarterly period based upon the proportion each city's population bears to the total population of all cities.

A city shall deposit all revenues received under this subsection in the city general fund. Each city shall reserve a portion of its allocation under this subsection for further distribution to, or expenditure on behalf of, park districts and other taxing districts within the city, excluding school districts. The share of the city allocation under this subsection to be distributed to a park district must be equal to the percentage of the city share of state aid distribution fund allocations that park district received during calendar year 1996, up to a maximum of thirty percent. The governing boards of the city and park district may agree to a different distribution."

Page 4, line 21, remove "and subdivisions c and f of subsection 2 of"

Page 4, line 22, remove "section 57-38-30.3"

Page 4, line 22, replace "are" with "is"

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**SB 2365: Natural Resources Committee (Sen. Lyson, Chairman)** recommends **DO NOT PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2365 was placed on the Eleventh order on the calendar.

**REPORT OF STANDING COMMITTEE**

**SB 2367: Transportation Committee (Sen. Oehlke, Chairman)** recommends **DO NOT PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2367 was placed on the Eleventh order on the calendar.

**REPORT OF STANDING COMMITTEE**

**SB 2368: Judiciary Committee (Sen. Hogue, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (5 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). SB 2368 was placed on the Sixth order on the calendar.

Page 1, line 1, remove "to provide a legislative declaration;"

Page 1, line 1, replace "four" with "a"

Page 1, line 1, replace "sections" with "section"

Page 1, line 2, remove "and a new subsection to section 43-17-31"

Page 1, line 3, remove "or inducing"

Page 1, line 3, remove "or attempts to"

Page 1, line 4, remove "perform or induce an abortion and to grounds for disciplinary action for physicians"

Page 1, line 5, after "sections" insert "14-02.1-01,"

Page 1, line 5, after "14-02.1-02" insert a comma

Page 1, line 6, remove "; and to provide a penalty"

Page 1, remove lines 8 through 24

Page 2, replace lines 1 through 29 with:

**"SECTION 1. AMENDMENT.** Section 14-02.1-01 of the North Dakota Century Code is amended and reenacted as follows:

**14-02.1-01. Purpose.**

~~The purpose of this chapter is to protect unborn human life and maternal health within present constitutional limits. It reaffirms the tradition of the state of North Dakota to protect every human life whether unborn or aged, healthy or sick.~~  
The purpose of this section is to protect the state's compelling interest in the unborn human life from the time the unborn child is capable of feeling pain.

Page 3, line 17, remove "Attempt to perform or induce an abortion" means an act, or an omission of a

Page 3, remove lines 18 through 20

Page 3, line 21, remove "5."

Page 3, line 28, remove the overstrike over "5."

Page 3, line 28, remove "6."

Page 3, line 29, replace "7." with "6."

Page 4, line 1, replace "8." with "7."

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

Page 4, line 7, replace "10." with "9."

Page 5, line 13, replace "11." with "10."

Page 5, line 23, replace "12." with "11."

Page 5, line 26, replace "13." with "12."

Page 5, line 26, remove "the fusion"

Page 5, line 27, replace "of a human spermatozoon with the human ovum" with "fertilization"

Page 5, line 28, replace "14." with "13."

Page 6, line 1, replace "15." with "14."

Page 6, line 4, replace "16." with "15."

Page 6, line 7, replace "17." with "16."

Page 6, line 8, replace "18." with "17."

Page 6, line 12, after "age" insert "**- Abortion of unborn child of twenty or more weeks postfertilization age prohibited**"

Page 6, line 22, remove "A physician who fails to comply with the requirements of subsection 1 is subject to"

Page 6, remove lines 23 through 26

Page 6, line 27, replace "1. A" with "Except in the case of a medical emergency, a"

Page 6, line 31, remove ", unless, in reasonable medical"

Page 7, remove lines 1 through 18

Page 7, line 19, remove "function"

Page 7, line 30, remove the overstrike over "All"

Page 7, line 30, remove "In addition, all"

Page 8, remove lines 9 through 31

Page 9, replace lines 1 through 13 with:

(a) If a determination of probable postfertilization age was not made, the basis of the determination that a medical emergency existed.

(b) If the probable postfertilization age was determined to be twenty or more weeks and an abortion was performed, the basis of the determination that a medical emergency existed."

Page 9, line 24, remove "or the address"

Page 9, line 24, remove "whose pregnancy was terminated, except"

Page 9, remove line 25

Page 9, line 26, remove "enable matching the report to the patient's medical records"

Page 10, line 11, after the period insert "If a determination of probable postfertilization age was not made, the abortion compliance report must state the basis of the determination that a medical emergency existed. If the probable postfertilization age was determined to be twenty or more weeks and an abortion was performed, the abortion compliance report must state the basis of the determination that a medical emergency existed."

Page 11, remove lines 1 through 31

Page 12, remove lines 1 through 31

Page 13, remove lines 1 through 3

Renumber accordingly

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

**SCR 4006: Judiciary Committee (Sen. Hogue, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (4 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING). SCR 4006 was placed on the Sixth order on the calendar.

Page 1, line 8, replace "forty" with "fifty"

Page 2, line 11, replace "forty" with "fifty"

Renumber accordingly