

## JOURNAL OF THE SENATE

## Sixty-fourth Legislative Assembly

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Bismarck, April 23, 2015

The Senate convened at 8:00 a.m., with President Wrigley presiding.

The prayer was offered by Sister Anna Rose Ruhland, St. Vincent's Care Center, Bismarck.

The roll was called and all members were present except Senator Wanzek.

A quorum was declared by the President.

## SECOND READING OF HOUSE BILL

**HB 1475:** A BILL for an Act to create and enact sections 54-52.1-05.1 and 54-52.1-05.2 of the North Dakota Century Code, relating to the public employees retirement system uniform group insurance program health insurance benefits coverage policy and contract; to amend and reenact sections 54-52.1-04 and 54-52.1-05 of the North Dakota Century Code, relating to the uniform group insurance program health insurance benefits coverage policy and contract; to provide for an exception; and to provide for application.

## REQUEST

**SEN. LARSEN REQUESTED** that he be recused from voting on HB 1475 as a conflict of interest, which request was denied.

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

**NAYS:** Anderson; Armstrong; Axness; Bekkedahl; Bowman; Burckhard; Campbell; Carlisle; Casper; Cook; Davison; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oban; Oehlke; Poolman; Robinson; Rust; Schaible; Schneider; Sinner; Sorvaag; Triplett; Unruh; Wardner; Warner

**ABSENT AND NOT VOTING:** Wanzek

Engrossed HB 1475, as amended, failed.

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## CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**SEN. J. LEE MOVED** that the conference committee report on Reengrossed SB 2048 as printed on SJ pages 1694-1697 be adopted, which motion prevailed on a voice vote.

Reengrossed SB 2048, as amended, was placed on the Eleventh order of business.

## SECOND READING OF SENATE BILL

**SB 2048:** A BILL for an Act to create and enact new sections to chapter 15.1-07 and 15.1-13 of the North Dakota Century Code, relating to teacher licensure requirements and mental health training provided by school districts; to provide appropriations to the department of human services for improving behavioral health services and for substance abuse treatment services; to provide for reports to the legislative management; to provide for legislative management studies; and to provide an effective date.

## ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll

was called and there were 46 YEAS, 0 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Armstrong; Axness; Bekkedahl; Bowman; Burckhard; Campbell; Carlisle; Casper; Cook; Davison; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oban; Oehlke; Poolman; Robinson; Rust; Schaible; Schneider; Sinner; Sorvaag; Triplett; Unruh; Wardner; Warner

**ABSENT AND NOT VOTING:** Wanzek

Reengrossed SB 2048 passed.

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

**SEN. CAMPBELL MOVED** that the conference committee report on Engrossed SB 2139 as printed on SJ pages 1751-1753 be adopted, which motion prevailed on a voice vote.

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

**SEN. DEVER MOVED** that the conference committee report on Reengrossed HB 1359 be adopted, which motion prevailed on a voice vote.

Reengrossed HB 1359, as amended, was placed on the Fourteenth order of business.

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

**HB 1359:** A BILL for an Act to create and enact section 50-24.5-02.3 of the North Dakota Century Code, relating to basic care payment rates; and to amend and reenact sections 50-32-02 and 50-32-04 of the North Dakota Century Code, relating to assisted living facilities.

#### **ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 46 YEAS, 0 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Armstrong; Axness; Bekkedahl; Bowman; Burckhard; Campbell; Carlisle; Casper; Cook; Davison; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oban; Oehlke; Poolman; Robinson; Rust; Schaible; Schneider; Sinner; Sorvaag; Triplett; Unruh; Wardner; Warner

**ABSENT AND NOT VOTING:** Wanzek

Reengrossed HB 1359, as amended, passed.

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#### **MOTION**

**SEN. KLEIN MOVED** that the Senate stand in recess until 1:00 p.m., which motion prevailed.

**THE SENATE RECONVENED** pursuant to recess taken, with President Wrigley presiding.

#### **MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The Senate has amended and subsequently failed to pass: HB 1475.

#### **MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report on: SB 2139.

#### **MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: SB 2048.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: HB 1359.

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

**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently passed: HB 1399.

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

**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently passed: SB 2304.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** Your signature is respectfully requested on: SB 2017, SB 2120.

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

**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1007, HB 1056, HB 1464.

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

**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1019, HB 1234, HB 1396.

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

**MR. PRESIDENT:** The Speaker has signed: SB 2005, SCR 4010.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The President has signed: SB 2005, SCR 4010.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The President has signed: HB 1007, HB 1056, HB 1464.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The President has signed: HB 1019, HB 1234, HB 1396.

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

**MR. PRESIDENT:** The Speaker has signed: HCR 3024.

**DELIVERY OF ENROLLED BILLS AND RESOLUTIONS**

The following bills were delivered to the Governor for approval on April 23, 2015: SB 2001, SB 2002, SB 2009.

**DELIVERY OF ENROLLED BILLS AND RESOLUTIONS**

The following bill was delivered to the Governor for approval on April 23, 2015: SB 2005.

**DELIVERY OF ENROLLED BILLS AND RESOLUTIONS**

The following resolution was delivered to the Secretary of State for filing on April 23, 2015: SCR 4010.

**REPORT OF CONFERENCE COMMITTEE**

**SB 2010, as engrossed:** Your conference committee (Sens. Krebsbach, Erbele, Mathern and Reps. Thoreson, Vigasaa, Hogan) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1432-1433, adopt amendments as follows, and place SB 2010 on the Seventh order:

That the House recede from its amendments as printed on pages 1432 and 1433 of the Senate Journal and pages 1585 and 1586 of the House Journal and that Engrossed Senate Bill No. 2010 be amended as follows:

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

Page 1, line 3, after "26.1-01-09" insert ", 26.1-26.6-01, 26.1-26.6-04, 26.1-26.6-05, and subsection 4 of section 26.1-44-03.1"

Page 1, line 4, after "salary" insert ", bail bond agents, and surplus lines insurance filings"

Page 1, replace lines 12 through 16 with:

"Salaries and wages	\$8,019,514	\$923,583	\$8,943,097
Accrued leave payments	163,182	(163,182)	0
Operating expenses	2,858,008	(345,966)	2,512,042
Capital assets	<u>0</u>	<u>90,000</u>	<u>90,000</u>
Total special funds	\$11,040,704	\$504,435	\$11,545,139"

Page 2, after line 20, insert:

**"SECTION 8. AMENDMENT.** Section 26.1-26.6-01 of the North Dakota Century Code is amended and reenacted as follows:

**26.1-26.6-01. Definition.**

As used in this chapter, unless the context otherwise requires, "bail bond agent" means any person ~~whethat~~ has been licensed by the commissioner and appointed by an insurer by power of attorney to execute or countersign bail bonds for the insurer in connection with the judicial proceedings and charges and receives money for the services.

**SECTION 9. AMENDMENT.** Section 26.1-26.6-04 of the North Dakota Century Code is amended and reenacted as follows:

**26.1-26.6-04. QualificationAppointment and license as bail bond agent - Pledge of property as security - Penalty.**

A person may not act in the capacity of a bail bond agent or perform any of the functions, duties, or powers prescribed for a bail bond agent under this chapter unless that person is ~~qualified~~appointed and licensed as provided in this chapter. However, this section does not prohibit any individual from pledging real or other property as security for a bail bond in judicial proceedings if the individual does not receive, or is not promised, money or other things of value therefor. Violation of this section is a class ~~BA~~ misdemeanor.

**SECTION 10. AMENDMENT.** Section 26.1-26.6-05 of the North Dakota Century Code is amended and reenacted as follows:

**26.1-26.6-05. Violations - Penalties.**

1. The commissioner may suspend, revoke, or refuse to continue, issue, or renew any license issued under this chapter if, after notice to the licensee and hearing, the commissioner finds as to the licensee any of the following conditions:
  - a. Recommending any particular attorney at law to handle the case in which the bail bond agent has caused a bond to be issued under this chapter.
  - b. Forging the name of another to a bond or application for bond.
  - c. Soliciting business in or about any place for prisoners or persons confined, arraigned, or in custody.
  - d. Paying a fee or rebate, or giving or promising anything of value to a jailer, trustee, police officer or officer of the law, or any other person who has power to arrest or hold in custody or to any public official or public employee in order to secure a settlement, compromise, remission, or reduction of the amount of any bail bond or entreatment thereof, or to secure, delay, or other advantage. This subdivision does not apply to a jailer, police officer, or officer of the law who is not on duty and who assists in the apprehension of a defendant.
  - e. Paying a fee or rebating or giving anything of value to an attorney in bail bond matters, except in defense of any action on a bond.

- f. Accepting anything of value from a principal other than a premium. Provided, the bail bond agent may accept collateral security or other indemnity from the principal which must be returned immediately upon final termination of liability on the bond. Such collateral security or other indemnity required by the bail bond agent must be reasonable in relation to the amount of the bond.
  - g. Willfully failing to return collateral security to the principal when the principal is entitled to the security.
  - h. Knowingly employing a person whose insurance producer license has been revoked, suspended, or denied in this or any other state.
  - i. Knowingly or intentionally executing a bail bond without collecting in full a premium for the bond, at the premium rate as filed with and approved by the commissioner.
  - j. Failing to pay any forfeiture as directed by a court and as required by this chapter.
2. For purposes of subdivisions f and g of subsection 1, a bail bond agent shall monitor the status of bonds written by the bail bond agent to make timely return of the collateral security to the principal. It is not a defense to administrative action under this section that the bail bond agent did not know liability on the bond had been terminated or that the principal was entitled to return of the security.
3. A bail bond agent or bail bond agency may not advertise as or hold itself out to be a surety company.
- ~~3-4.~~ A bail bond agent may not sign nor countersign any blank in any bond, nor give up power of attorney to or otherwise authorize, anyone to countersign the bail bond agent's name to bonds.
- ~~4-5.~~ When a bail bond agent accepts collateral, the bail bond agent shall give a written receipt for the collateral and this receipt must contain a full description of the collateral received in the terms of redemption. The bail bond agent shall keep copies of all receipts of the bonds to be placed in business to be available to the commissioner for the commissioner's review.
- ~~5-6.~~ The provisions and penalties under this section are in addition to those provided under chapter 26.1-26.

**SECTION 11. AMENDMENT.** Subsection 4 of section 26.1-44-03.1 of the North Dakota Century Code is amended and reenacted as follows:

4. At the time of filing the ~~verified report~~annual tax statement as set forth in section 26.1-44-06.1, each surplus lines producer shall pay the premium tax due for the policies written during the period covered by the ~~report~~annual tax statement."

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### Senate Bill No. 2010 - Insurance Department - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$8,019,514	\$8,980,738	(\$37,641)	\$8,943,097	\$8,943,097	
Operating expenses	2,858,008	2,512,042		2,512,042	2,512,042	
Capital assets		90,000		90,000	90,000	
Fire department grants	15,336,386	16,701,207		16,701,207	16,481,207	220,000
Accrued leave payments	163,182					
	<u>\$26,377,090</u>	<u>\$28,283,987</u>	<u>(\$37,641)</u>	<u>\$28,246,346</u>	<u>\$28,026,346</u>	<u>\$220,000</u>

Total all funds						
Less estimated income	26,377,090	28,283,987	(37,641)	28,246,346	28,026,346	220,000
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	49.50	49.50	0.00	49.50	49.50	0.00

### Department No. 401 - Insurance Department - Detail of Conference Committee Changes

	Adjusts Funding for Health Insurance Premium Increases <sup>1</sup>	Total Conference Committee Changes
Salaries and wages	(\$37,641)	(\$37,641)
Operating expenses		
Capital assets		
Fire department grants		
Accrued leave payments		
Total all funds	(\$37,641)	(\$37,641)
Less estimated income	(37,641)	(37,641)
General fund	\$0	\$0
FTE	0.00	0.00

<sup>1</sup> Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

This amendment also:

- Adds 3 sections to amend North Dakota Century Code Sections 26.1-26.6-01, 26.1-26.6-04, and 26.1-26.6-05 relating to bail bond agents.
- Adds a section to amend Subsection 4 of Section 26.1-44-03.1 relating to surplus lines insurance filings.
- Does not include the change from the House version to remove funding of \$90,000 from the insurance tax distribution fund for increased grant funding for the North Dakota Firefighter's Association.
- Does not include the change from the House version to remove one-time funding of \$130,000 from the insurance tax distribution fund for a computerized database for the North Dakota Firefighter's Association.

Engrossed SB 2010 was placed on the Seventh order of business on the calendar.

### REPORT OF CONFERENCE COMMITTEE

**HB 1399, as engrossed:** Your conference committee (Sens. Hogue, Casper, Nelson and Reps. Maragos, Brabandt, M. Johnson) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ page 1298, adopt amendments as follows, and place HB 1399 on the Seventh order:

That the Senate recede from its amendments as printed on page 1298 of the House Journal and page 1073 of the Senate Journal and that Engrossed House Bill No. 1399 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact section 14-05-24.1 of the North Dakota Century Code, relating to termination of spousal support; to provide for a legislative management study; and to provide for application.

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

**SECTION 1. AMENDMENT.** Section 14-05-24.1 of the North Dakota Century Code is amended and reenacted as follows:

**14-05-24.1. Spousal support.**

1. Taking into consideration the circumstances of the parties, the court may require one party to pay spousal support to the other party for any limited period of time in accordance with this section. The court may modify its spousal support orders.
2. Unless otherwise agreed to by the parties in writing, spousal support is terminated upon the remarriage of the spouse receiving support. Immediately upon remarriage, the spouse receiving support shall provide notice of the remarriage to the payor spouse at the last known address of the payor spouse.
3. Unless otherwise agreed to by the parties in writing, upon an order of the court based upon a preponderance of the evidence that the spouse receiving support has been habitually cohabiting with another individual in a relationship analogous to a marriage for one year or more, the court shall terminate spousal support.
4. Subsections 2 and 3 do not apply to rehabilitative spousal support.

**SECTION 2. LEGISLATIVE MANAGEMENT STUDY - SPOUSAL SUPPORT.** During the 2015-16 interim, the legislative management shall consider studying the types of spousal support ordered by the district courts and the desirability of providing statutory guidance for awards of spousal support. The legislative management shall report its findings and recommendations, together with any proposed legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

**SECTION 3. APPLICATION.** Subsection 2 of section 1 of this Act applies to any spousal support order, regardless of date of issuance, but applies only to spousal support payments accruing after the effective date of this Act. Subsection 3 of section 1 of this Act applies to any spousal support order, regardless of the date of issuance, but applies only to spousal support payments accruing after a court order for termination of spousal support."

Renumber accordingly

Engrossed HB 1399 was placed on the Seventh order of business on the calendar.

**CORRECTION AND REVISION OF THE JOURNAL**

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

Page 1694, line 43, replace "1474-476" with "1474-1476"

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

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. KREBSBACH MOVED** that the conference committee report on Engrossed SB 2010 as printed on SJ pages 1795-1804 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2010, as amended, was placed on the Eleventh order of business.

**SECOND READING OF SENATE BILL**

**SB 2010:** A BILL for an Act to provide an appropriation for defraying the expenses of the insurance commissioner; to provide an appropriation for the distribution of funds from the insurance tax distribution fund; and to amend and reenact sections 26.1-01-09, 26.1-26.6-01, 26.1-26.6-04, 26.1-26.6-05, and subsection 4 of section 26.1-44-03.1 of the North Dakota Century Code, relating to the commissioner's salary, bail bond agents, and surplus lines insurance filings.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 46 YEAS, 0 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Armstrong; Axness; Bekkedahl; Bowman; Burckhard; Campbell; Carlisle; Casper; Cook; Davison; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oban; Oehlke; Poolman; Robinson; Rust; Schaible; Schneider; Sinner; Sorvaag; Triplett; Unruh; Wardner; Warner

**ABSENT AND NOT VOTING:** Wanzek

Reengrossed SB 2010 passed.

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**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. HOGUE MOVED** that the conference committee report on Reengrossed HB 1399 be adopted, which motion prevailed on a voice vote.

Reengrossed HB 1399, as amended, was placed on the Fourteenth order of business.

**SECOND READING OF HOUSE BILL**

**HB 1399:** A BILL for an Act to amend and reenact section 14-05-24.1 of the North Dakota Century Code, relating to termination of spousal support; to provide for a legislative management study; and to provide for application.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 36 YEAS, 10 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Carlisle; Casper; Cook; Davison; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Luick; Miller; Murphy; Nelson; O'Connell; Poolman; Robinson; Rust; Schaible; Sorvaag; Unruh; Wardner

**NAYS:** Axness; Lee, J.; Marcellais; Mathern; Oban; Oehlke; Schneider; Sinner; Triplett; Warner

**ABSENT AND NOT VOTING:** Wanzek

Reengrossed HB 1399, as amended, passed.

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**MOTION**

**SEN. KLEIN MOVED** that the Senate stand in recess until 4:30 p.m., which motion prevailed.

**THE SENATE RECONVENED** pursuant to recess taken, with President Wrigley presiding.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: SB 2010.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: HB 1399.

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

**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently passed: HB 1002, HB 1049, HB 1126.



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

**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently passed: HCR 3047.

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

**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently passed: SB 2048, SB 2205.

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

**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently failed to pass: SB 2139.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** Your signature is respectfully requested on: SB 2304.

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

**MR. PRESIDENT:** The Speaker has signed: SB 2017, SB 2120.

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

**MR. PRESIDENT:** The Speaker has signed: HB 1007, HB 1019, HB 1056, HB 1234, HB 1396, HB 1464.

**COMMUNICATION FROM GOVERNOR JACK DALRYMPLE**

This is to inform you that on April 23, 2015, I have signed the following: SB 2001, SB 2002, SB 2005, SB 2107, SB 2166, SB 2199, SB 2284, SB 2332, SB 2349, and SB 2377.

**REPORT OF STANDING COMMITTEE**

**HB 1476, as engrossed: Finance and Taxation Committee (Sen. Cook, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (6 YEAS, 1 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1476 was placed on the Sixth order on the calendar.

Page 1, line 2, after the first comma insert "and"

Page 1, line 2, after the second comma insert "subsection 3 of section 57-51.1-03,"

Page 1, line 2 after "and" insert "section"

Page 1, line 3, replace "to provide legislative intent; and" with "to provide for an exception; to provide for a legislative management study;"

Page 1, line 4, after "date" insert "; and to provide an expiration date"

Page 5, line 13, remove "four"

Page 5, line 13, overstrike "and one-half" and insert immediately thereafter "five"

Page 5, line 29, remove the overstrike over "~~However, if the average price of a barrel of crude oil exceeds the trigger price~~" and insert immediately there after "of ninety dollars"

Page 5, line 29, remove the overstrike over "~~for each month in~~"

Page 5, line 30, remove the overstrike over "~~any consecutive~~"

Page 5, line 30, after "~~five-month~~" insert "three-month"

Page 5, line 30, remove the overstrike over "~~period, then the rate of tax on oil extracted from all taxable wells is~~"

Page 5, line 31, remove the overstrike over "~~six~~"

Page 5, line 31, remove the overstrike over "~~percent of the gross value at the well of the oil extracted until the average price~~"

Page 6, line 1, remove the overstrike over "~~of a barrel of crude oil is less than the trigger price~~" and insert immediately thereafter "of ninety dollars"

Page 6, line 1, remove the overstrike over "~~for each month in any consecutive~~"

Page 6, line 2, after "~~five-month~~" insert "three-month"

Page 6, line 2, remove the overstrike over "~~period, in which case the rate of tax reverts to~~"

Page 6, line 2, after "~~four~~" insert "five"

Page 6, line 2, remove the overstrike over "~~percent of the gross value at the~~"

Page 6, line 3, remove the overstrike over "~~well of the oil extracted~~"

Page 6, line 3, after the period insert "By December thirty-first of each year, the tax commissioner shall determine an indexed trigger price under this section by applying to the current trigger price an adjustment equal to the percentage rate of change of the producer price index for industrial commodities as calculated and published by the United States department of labor, bureau of labor statistics, for the twelve months ending June thirtieth of that year and the indexed trigger price so determined is the trigger price for the following calendar year."

For purposes of this section, "average price" of a barrel of crude oil means the monthly average of the daily closing price for a barrel of west Texas intermediate cushing crude oil, as those prices appear in the Wall Street Journal, midwest edition. When computing the monthly average price, the most recent previous daily closing price must be considered the daily closing price for the days on which the market is closed.

**SECTION 4. AMENDMENT.** Subsection 3 of section 57-51.1-03 of the North Dakota Century Code is amended and reenacted as follows:

3. For a well drilled and completed as a vertical well, the initial production of oil from the well is exempt from any taxes imposed under this chapter for a period of fifteen months, ~~except that oil produced from any well drilled and completed as a horizontal well is exempt from any taxes imposed under this chapter for a period of twenty-four months.~~ Oil recovered during testing prior to well completion is exempt from the oil extraction tax. The exemption under this subsection becomes ineffective if the average price of a barrel of crude oil exceeds the trigger price for each month in any consecutive five-month period. ~~However, the exemption is reinstated if, after the trigger provision becomes effective, the average price of a barrel of crude oil is less than the trigger price for each month in any consecutive five-month period.~~ The reduced rate of tax under subsection 1 of section 57-51.1-02 does not apply after November 30, 2015, for oil produced from wells drilled and completed after April 27, 1987, commonly referred to as new wells, and not otherwise exempt under this section."

Page 7, line 15, after "dioxide" insert "in a well drilled and completed outside the Bakken and Three Forks formations, and ten miles [16.10 kilometers] or more outside an established field in which the industrial commission has defined the pool to include the Bakken or Three Forks formation"

Page 7, line 17, after "chapter" insert "for a period of five years"

Page 12, line 5, remove "**LEGISLATIVE INTENT -** "

Page 12, line 6, replace "It is the intent of the sixty-fourth legislative assembly that the" with "The"

Page 12, line 7, replace "4" with "5"

Page 12, line 7, remove "upon the effective"

Page 12, line 8, replace "date of this Act" with "January 1, 2016. The remaining term of the horizontal well exemption eliminated in section 4 of this Act expires December 1, 2015"

Page 12, after line 8, insert:

**"SECTION 7. WAIVER OF LEGISLATIVE CONFIRMATION  
REQUIREMENT FOR CERTAIN STATE-TRIBAL TAX COLLECTION**

**AGREEMENTS.** The requirement of legislative confirmation of state-tribal tax collection agreements under section 57-51.2-01 do not apply, for adjustment of an existing agreement attributable to the changes in the oil extraction tax under this Act, and for agreements under section 54-40.2-04 do not apply, for adjustment of an existing agreement regarding application of tribal tax authority to bulk delivery of dyed or undyed special fuels within the exterior boundaries of the reservation.

**SECTION 8. LEGISLATIVE MANAGEMENT STUDY - TRIBAL TAX ISSUES.** During the 2015-16 interim, the legislative management shall consider studying state-tribal tax agreements and allocation of revenues from centrally assessed property and property subject to payments in lieu of property taxes which is located on tribal trust lands. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly."

Page 12, line 9, after "**DATE**" insert "**- EXPIRATION DATE**"

Page 12, line 9, remove "This Act becomes effective June 1, 2015, if on that date"

Page 12, remove lines 10 and 11

Page 12, line 12, replace "under subsection 3 of section 57-51.1-03 would become effective" with "Sections 1, 2, 3, and 5 of this Act are effective for taxable events occurring after December 31, 2015. Section 4 of this Act is effective for taxable events occurring after November 30, 2015. Section 7 of this Act is effective from July 1, 2015, through December 31, 2016, and is thereafter ineffective"

Renumber accordingly

**REPORT OF CONFERENCE COMMITTEE**

**SB 2023, as engrossed:** Your conference committee (Sens. G. Lee, Holmberg, Robinson and Reps. Skarphol, Schmidt, Glassheim) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ page 1321, adopt amendments as follows, and place SB 2023 on the Seventh order:

That the House recede from its amendments as printed on page 1321 of the Senate Journal and page 1469 of the House Journal and that Engrossed Senate Bill No. 2023 be amended as follows:

Page 1, line 2, after the semicolon insert "to provide for a transfer; to provide an exemption;"

Page 1, replace line 18 with:

"Business process modeling services	<u>400,000"</u>
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Page 2, replace lines 2 and 3 with:

"2010 and 2011 flood expenditures	<u>\$1,800,579</u>
Total general fund	<u>\$1,800,579"</u>

Page 2, replace lines 10 and 11 with:

"Capital assets	<u>\$3,152,000</u>
Total all funds	<u>\$3,152,000</u>
Total special funds	<u>3,000,000</u>
Total general fund	<u>\$152,000"</u>

Page 2, replace lines 25 through 27 with:

"Grand total general fund	\$5,959,026
Grand total special funds	<u>8,000,000</u>
Grand total all funds	\$14,159,026

**SECTION 2. ADJUTANT GENERAL - VALLEY STATE UNIVERSITY -**

**STATE DISASTER RELIEF FUND.** The operating expenses line item in subdivision 9 of section 1 of this Act includes \$5,000,000 from the state disaster relief fund. The capital assets line item in subdivision 6 of section 1 of this Act includes \$3,000,000 from the state disaster relief fund.

**SECTION 3. EXEMPTION - TRANSFER - EMERGENCY COMMISSION CONTINGENCY FUND TO COMMISSION ON LEGAL COUNSEL FOR**

**INDIGENTS.** Notwithstanding the provisions of section 54-16-04 and 54-16-09, which require emergency commission and budget section approval, the office of management and budget shall transfer spending authority of \$200,000 from the state contingencies appropriation in the emergency commission contingency fund line item in section 1 of chapter 15 of the 2013 Session Laws to the commission on legal counsel for indigents for the period beginning with the effective date of this Act and ending June 30, 2015."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

This amendment:

- Decreases funding from the general fund to Minot State University by \$200,000, from \$2,000,579 to \$1,800,579. The Senate provided \$2,000,579, and the House provided \$1,587,193.
- Decreases funding to Valley City State University by \$300,000, from \$3,452,000 to \$3,152,000. Of the \$3,152,000, \$3 million is from the state disaster relief fund and \$152,000 is from the general fund. The Senate provided \$3,452,000 from the general fund, and the House provided \$152,000 from the general fund.
- Provides \$5 million from the state disaster relief fund to the Adjutant General, which is the same as the Senate version. The House version decreased the funding by \$750,000, from \$5,000,000 to \$4,250,000.
- Adds a new section to clarify that the funding provided to the Adjutant General and Valley City State University is from the state disaster relief fund.
- Adds a new section to provide a transfer of \$200,000 from the Emergency Commission contingency fund line item in the Office of Management and Budget's 2013-15 biennium appropriation to the Commission on Legal Counsel for Indigents.

Engrossed SB 2023 was placed on the Seventh order of business on the calendar.

**REPORT OF CONFERENCE COMMITTEE**

**SB 2175, as reengrossed:** Your conference committee (Sens. Klein, Wanzek, Oban and Reps. Klein, Kading, Strinden) recommends that the **SENATE ACCEDE** to the House amendments as printed on SJ page 1018 and place SB 2175 on the Seventh order.

Reengrossed SB 2175 was placed on the Seventh order of business on the calendar.

**REPORT OF CONFERENCE COMMITTEE**

**SB 2178, as reengrossed:** Your conference committee (Sens. Schaible, Rust, Marcellais and Reps. Zubke, D. Johnson, Kelsh) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ page 1091, adopt amendments as follows, and place SB 2178 on the Seventh order:

That the House recede from its amendments as printed on page 1091 of the Senate Journal

and page 1261 of the House Journal and that Reengrossed Senate Bill No. 2178 be amended as follows:

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

Page 1, line 2, remove "district"

Page 1, line 3, replace "fund" with "loans"

Page 1, line 3, after the semicolon insert "to amend and reenact sections 15.1-36-01 and 16.1-01-11 and of the North Dakota Century Code, relating to the approval of school construction projects and to bond elections;"

Page 1, line 4, replace "an appropriation" with "for a transfer"

Page 1, after line 5, insert:

**"SECTION 1. AMENDMENT.** Section 15.1-36-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-36-01. School construction projects - Approval.**

1. Notwithstanding the powers and duties of school boards provided by law, the superintendent of public instruction shall approve the construction, purchase, repair, improvement, modernization, or renovation of any public school building or facility before commencement of the project if the cost of the project, as estimated by the school board, is in excess of one hundred thousand dollars.
2. The superintendent of public instruction may not approve a project unless the school district proposing the project:
  - a. Demonstrates the need for the project and the educational utility of the project or demonstrates potential utilization of the project by a future reorganized school district;
  - b. ~~In the case of new construction or a renovation affecting more than fifty percent of an existing structure's square footage, demonstrates that circumstances within the district are likely to result in a stable or increasing student population~~
    - (1) Demonstrates that the student population has been stable or has increased during the preceding five school years and is expected to be stable or to increase during the ensuing five school years; or
    - (2) Demonstrates by clear and convincing evidence that, despite a declining student population, there are no feasible alternatives to the proposed project; and
  - c. Demonstrates the capacity to pay for the project under rules adopted by the superintendent of public instruction pursuant to chapter 28-32.
3. a. If the superintendent of public instruction denies the project, the school board may appeal the superintendent's decision to the state board of public school education. In considering the appeal, the state board shall review:
  - (1) The need for the project;
  - (2) The educational utility of the project;
  - (3) The potential use of the project by a future reorganized school district;

- (4) The capacity of the district to pay for the project; and
  - (5) Any other objective factors relative to the appeal.
- b. The decision of the state board is final.
- 4. This section is applicable to any construction, purchase, repair, improvement, renovation, or modernization, even if the school board pays for the project in whole or in part with moneys received on account of the leasing of lands acquired by the United States for flood control, navigation, and allied purposes in accordance with 33 U.S.C. 701c-3 or in accordance with moneys received under the American Recovery and Reinvestment Act of 2009.
  - 5. For purposes of this chapter, "facility" includes a public school parking lot, public school athletic complex, or any other improvement to real property owned by the school district."

Page 1, line 11, after "loans" insert ", except that the total of all loans provided under this section during the first year of the 2015-17 biennium may not exceed fifty percent of the total amount authorized under this subsection"

Page 1, after line 16, insert:

- "c. (1) Request from the tax commissioner a statement of the estimated tax increase, in mills and dollars, which would be applicable to a residential parcel of average true and full value within the county in which the school district is headquartered, if a loan under this section and any associated school construction bond issue were to be authorized in accordance with chapter 21-03;
- (2) Request from the tax commissioner a statement of the estimated tax increase, in mills and dollars, which would be applicable to an acre of cropland and to an acre of noncropland, of average true and full value within the county in which the school district is headquartered, if a loan under this section and any associated school construction bond issue were to be authorized in accordance with chapter 21-03;
- (3) Publish in the official newspaper of the district the information from the statements required by this subdivision with the notice of the election to authorize the school construction bond issuance in accordance with section 21-03-12; and
- (4) Post on the school district's website the information from the statements preceding the date of the election to authorize the school construction bond issuance in accordance with chapter 21-03;"

Page 1, line 17, replace "c." with "d."

Page 1, line 18, replace "d." with "e."

Page 2, line 10, replace "one" with "two"

Page 2, line 11, after the underscored period insert "Thereafter, the interest rate on the remainder of a loan under this section:

- a. May not exceed the Bank of North Dakota's base rate; or
- b. May be a fixed rate."

Page 2, line 17, replace "thirty" with "twenty"

Page 2, after line 17, insert:

**"SECTION 3. AMENDMENT.** Section 16.1-01-11 of the North Dakota Century Code is amended and reenacted as follows:

**16-01-11. Certain questions not to be voted upon for three months.**

1. Whenever at any election a bond issue or mil levy question has failed to receive the required number of votes for approval by the electors, the matter may not again be submitted to a vote until a period of at least three months has expired, ~~and in no event may more.~~
2. a. More than two elections on the same general matter may not be held within twelve consecutive calendar months.
- b. If the matter to be placed before the electors for a third subsequent time involves authorization for a school construction bond issuance in accordance with chapter 21-03, the board of the school district shall resubmit its school construction proposal to the superintendent of public instruction for the purpose of obtaining the superintendent's approval, in the same manner as required for an initial approval in accordance with section 15.1-36-01."

Page 2, remove lines 30 and 31

Page 3, replace lines 1 through 4 with:

**"SECTION 4. TRANSFER.** There is transferred from the Bank of North Dakota's current earnings and undivided profits the sum of \$7,875,000, or so much of the sum as may be necessary, to the Bank of North Dakota for the purpose of providing interest rate buydowns on construction loans awarded to school districts under section 2 of this Act, for the biennium beginning July 1, 2015, and ending June 30, 2017."

Page 3, line 5, replace "2" with "4"

Renumber accordingly

Reengrossed SB 2178 was placed on the Seventh order of business on the calendar.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1002, as engrossed:** Your conference committee (Sens. Kilzer, Sorvaag, Heckaman and Reps. Brandenburg, Thoreson, Onstad) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1546-1549, adopt amendments as follows, and place HB 1002 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1546-1549 of the House Journal and pages 1335-1338 of the Senate Journal and that Engrossed House Bill No. 1002 be amended as follows:

Page 1, replace lines 15 through 20 with:

"Salaries and wages	\$9,851,552	\$1,557,557	\$11,409,109
Accrued leave payments	531,696	(531,696)	0
Operating expenses	2,754,254	390,745	3,144,999
Capital assets	0	1,012,377	1,012,377
Judges retirement	75,017	4,571	79,588
Guardianship monitoring program	<u>70,000</u>	<u>233,789</u>	<u>303,789</u>
Total general fund	\$13,282,519	\$2,667,343	\$15,949,862"

Page 2, replace lines 1 through 9 with:

"Salaries and wages	\$61,177,621	\$10,591,709	\$71,769,330
Accrued leave payments	2,399,277	(2,399,277)	0
Operating expenses	20,847,479	2,780,840	23,628,319

Capital assets	0	1,968,460	1,968,460
Judges retirement	500,936	(92,287)	408,649
UND central legal research	<u>80,000</u>	<u>0</u>	<u>80,000</u>
Total all funds	\$85,005,313	\$12,849,445	\$97,854,758
Less estimated income	<u>1,808,090</u>	<u>114,060</u>	<u>1,922,150</u>
Total general fund	\$83,197,223	\$12,735,385	\$95,932,608"

Page 2, replace lines 14 through 18 with:

"Judicial conduct commission and disciplinary board	<u>\$1,020,874</u>	<u>\$106,613</u>	<u>\$1,127,487</u>
Total all funds	\$1,020,874	\$106,613	\$1,127,487
Less estimated income	<u>367,499</u>	<u>77,157</u>	<u>444,656</u>
Total general fund	\$653,375	\$29,456	\$682,831"

Page 2, replace lines 23 through 26 with:

"Grand total general fund	\$97,133,117	\$15,432,184	\$112,565,301
Grand total special funds	<u>2,175,589</u>	<u>191,217</u>	<u>2,366,806</u>
Grand total all funds	\$99,308,706	\$15,623,401	\$114,932,107
Full-time equivalent positions	363.00	28.00	391.00"

Page 3, replace line 6 with:

"Office equipment and furniture	\$331,470	\$220,000"
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Page 3, replace line 13 with:

"Disaster recovery project	0	2,000,000
Facility space expansion	0	1,149,377"

Page 3, replace line 15 with:

"Total general fund	\$1,172,876	\$4,392,837"
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Page 3, line 26, replace "two" with "four"

Page 3, line 26, remove "in the south central judicial district,"

Page 3, remove line 27

Page 3, line 28, remove "court judge in the northwest judicial district"

Page 3, line 28, remove "section 10 of article VI of"

Page 3, line 29, replace "the Constitution of North Dakota," with "section 27-05-01"

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### House Bill No. 1002 - Summary of Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Supreme Court						
Total all funds	\$13,282,519	\$14,837,374	\$1,112,488	\$15,949,862	\$15,907,712	\$42,150
Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General fund	\$13,282,519	\$14,837,374	\$1,112,488	\$15,949,862	\$15,907,712	\$42,150
District Courts						
Total all funds	\$85,005,313	\$97,966,175	(\$111,417)	\$97,854,758	\$98,465,131	(\$610,373)
Less estimated income	<u>1,808,090</u>	<u>1,922,150</u>	<u>0</u>	<u>1,922,150</u>	<u>1,922,150</u>	<u>0</u>
General fund	\$83,197,223	\$96,044,025	(\$111,417)	\$95,932,608	\$96,542,981	(\$610,373)
Judicial Conduct Commission						
Total all funds	\$1,020,874	\$1,130,499	(\$3,012)	\$1,127,487	\$1,127,487	\$0
Less estimated income	<u>367,499</u>	<u>444,656</u>	<u>0</u>	<u>444,656</u>	<u>444,656</u>	<u>0</u>



General fund	\$653,375	\$685,843	(\$3,012)	\$682,831	\$682,831	\$0
Bill total						
Total all funds	\$99,308,706	\$113,934,048	\$998,059	\$114,932,107	\$115,500,330	(\$568,223)
Less estimated income	2,175,589	2,366,806	0	2,366,806	2,366,806	0
General fund	\$97,133,117	\$111,567,242	\$998,059	\$112,565,301	\$113,133,524	(\$568,223)

**House Bill No. 1002 - Supreme Court - Conference Committee Action**

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$9,851,552	\$11,445,245	(\$36,136)	\$11,409,109	\$11,409,109	
Operating expenses	2,754,254	3,007,999	137,000	3,144,999	3,144,999	
Capital assets			1,012,377	1,012,377	970,227	42,150
Judges' retirement	75,017	79,588		79,588	79,588	
Guardianship training	70,000	304,542	(753)	303,789	303,789	
Accrued leave payments	531,696					
Total all funds	\$13,282,519	\$14,837,374	\$1,112,488	\$15,949,862	\$15,907,712	\$42,150
Less estimated income	0	0	0	0	0	0
General fund	\$13,282,519	\$14,837,374	\$1,112,488	\$15,949,862	\$15,907,712	\$42,150
FTE	45.00	47.00	0.00	47.00	47.00	0.00

**Department No. 181 - Supreme Court - Detail of Conference Committee Changes**

	Adjusts Funding for Health Insurance Premium Increases <sup>1</sup>	Adds Funding for Supreme Court Facility Expansion <sup>2</sup>	Total Conference Committee Changes
Salaries and wages	(\$36,136)		(\$36,136)
Operating expenses		137,000	137,000
Capital assets		1,012,377	1,012,377
Judges' retirement			
Guardianship training	(753)		(753)
Accrued leave payments			
Total all funds	(\$36,889)	\$1,149,377	\$1,112,488
Less estimated income	0	0	0
General fund	(\$36,889)	\$1,149,377	\$1,112,488
FTE	0.00	0.00	0.00

<sup>1</sup> Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month. Same as the Senate version.

<sup>2</sup> One-time funding of \$1,149,377 is provided for Supreme Court facility expansion to renovate a portion of the former Information Technology Department space within the Capitol complex for use by the legislative branch and the judicial branch. The funding includes \$42,150 for a partition to divide a legislative conference room. The Senate provided \$1,107,227 for the project for exclusive use by the judicial branch and did not include funding for the partition.

**House Bill No. 1002 - District Courts - Conference Committee Action**

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$61,177,621	\$72,029,075	(\$259,745)	\$71,769,330	\$72,345,535	(\$576,205)
Operating expenses	20,847,479	23,699,991	(71,672)	23,628,319	23,662,487	(34,168)
Capital assets		1,748,460	220,000	1,968,460	1,968,460	
Judges' retirement	500,936	408,649		408,649	408,649	
UND central legal research	80,000	80,000		80,000	80,000	
Accrued leave payments	2,399,277					
Total all funds	\$85,005,313	\$97,966,175	(\$111,417)	\$97,854,758	\$98,465,131	(\$610,373)
Less estimated income	1,808,090	1,922,150	0	1,922,150	1,922,150	0

General fund	\$83,197,223	\$96,044,025	(\$111,417)	\$95,932,608	\$96,542,981	(\$610,373)
FTE	314.00	340.00	0.00	340.00	342.00	(2.00)

## Department No. 182 - District Courts - Detail of Conference Committee Changes

	Adjusts Funding for Health Insurance Premium Increases <sup>1</sup>	Increases Funding for Juvenile Court Program Services <sup>2</sup>	Reduces One- Time Funding for the Information Technology Disaster Recovery Site <sup>3</sup>	Adds One-Time Funding for Equipment over \$5,000 <sup>4</sup>	Total Conference Committee Changes
Salaries and wages	(\$259,745)				(\$259,745)
Operating expenses		100,000	(171,672)		(71,672)
Capital assets				220,000	220,000
Judges' retirement					
UND central legal research					
Accrued leave payments					
Total all funds	(\$259,745)	\$100,000	(\$171,672)	\$220,000	(\$111,417)
Less estimated income	0	0	0	0	0
General fund	(\$259,745)	\$100,000	(\$171,672)	\$220,000	(\$111,417)
FTE	0.00	0.00	0.00	0.00	0.00

<sup>1</sup> Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

<sup>2</sup> Funding is increased to expand intensive in-home programs and to provide additional youth cultural achievement programs in addition to the current juvenile court program services, the same as the Senate version.

<sup>3</sup> One-time funding is reduced for the information technology disaster recovery site, the same as the Senate version.

<sup>4</sup> One-time funding is provided for equipment over \$5,000, the same as the Senate version.

Funding was not provided for a new judge and court reporter (\$547,772) and related operating expense (\$34,168) and salary increase (\$21,303) for the Northwest Judicial District, as included in the Senate version.

Section 5 is changed to remove language providing specific districts for the four additional judges and provides the judges will be assigned at the discretion of the Supreme Court chambers pursuant to North Dakota Century Code Section 27-05-01.

## House Bill No. 1002 - Judicial Conduct Commission - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Judicial conduct commission	\$1,020,874	\$1,130,499	(\$3,012)	\$1,127,487	\$1,127,487	
Total all funds	\$1,020,874	\$1,130,499	(\$3,012)	\$1,127,487	\$1,127,487	\$0
Less estimated income	367,499	444,656	0	444,656	444,656	0
General fund	\$653,375	\$685,843	(\$3,012)	\$682,831	\$682,831	\$0
FTE	4.00	4.00	0.00	4.00	4.00	0.00

## Department No. 183 - Judicial Conduct Commission - Detail of Conference Committee Changes

	Adjusts Funding for Health Insurance Premium Increases <sup>1</sup>	Total Conference Committee Changes
Judicial conduct commission	(\$3,012)	(\$3,012)

Total all funds	(\$3,012)	(\$3,012)
Less estimated income	0	0
General fund	(\$3,012)	(\$3,012)
FTE	0.00	0.00

<sup>1</sup> Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

Engrossed HB 1002 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**HB 1049, as reengrossed:** Your conference committee (Sens. J. Lee, Dever, Warner and Reps. Hofstad, Silbernagel, Muscha) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1504-1505, adopt amendments as follows, and place HB 1049 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1504 and 1505 of the House Journal and page 1304-1306 of the Senate Journal and that Reengrossed House Bill No. 1049 be amended as follows:

Page 1, line 3, remove "subsection 2 of section 43-45-01 and subsection 2 of"

Page 1, line 3, replace "45-45-04" with "43-45-04"

Page 1, line 4, replace "the transfer of the authority" with "duties"

Page 1, line 5, remove "to the department of human services; to repeal sections 43-45-02, 43-45-03, and"

Page 1, remove line 6

Page 1, line 7, remove "examiners"

Page 1, line 7, after the first semicolon insert "to provide for a statement of legislative intent; to provide for reports to the legislative management;"

Page 1, remove lines 10 through 23

Page 2, replace lines 1 through 6 with:

**"SECTION 1. AMENDMENT.** Section 43-45-04 of the North Dakota Century Code is amended and reenacted as follows:

#### **43-45-04. Board power, duties, and authority.**

1. The board shall:
  - a. Administer and enforce the provisions of this chapter.
  - b. Evaluate the qualifications of applicants for a license to practice addiction counseling and issue licenses under this chapter.
  - c. Establish ethical standards of practice for persons holding a license to practice addiction counseling in this state.
  - d. Establish continuing education requirements and approve providers of continuing education.
  - e. Approve clinical training programs.
  - f. Register clinical trainees.
  - g. Register interns.

- h. Register clinical supervisors.
  - i. Register licensees for private practice.
  - j. Approve and administer examinations.
  - k. Periodically evaluate initial licensure coursework requirements and clinical training requirements to ensure the requirements are up to date and do not serve as an undue barrier to licensure.
2. The board may:
- a. Adopt rules under chapter 28-32 to implement this chapter.
  - b. Issue subpoenas, examine witnesses, and administer oaths, and may investigate allegations of practices violating the provisions of this chapter.
  - c. Recommend prosecution for violations of this chapter to the appropriate state's attorney.
  - d. Recommend that the attorney general bring civil actions to seek injunctive and other relief against violations of this chapter.
  - e. Collect fees for examinations, initial licensures, renewal of licenses, late renewals, private practice registrations, renewal of private practice registrations, approval of continuing education providers, and administrative fees. The fees must be established by rule in amounts necessary to compensate the board for administration and enforcement of this chapter.
  - f. Employ persons to assist the board in carrying out its duties under this chapter."

Page 2, line 12, replace "an" with "a paid or unpaid"

Page 2, line 19, remove "five"

Page 2, line 20, replace "thousand" with "seven thousand five hundred"

Page 2, replaces lines 27 and 28 with:

**"SECTION 3. LEGISLATIVE INTENT - ASSESSMENT OF INTERNSHIPS FOR ADDICTION COUNSELORS.** The sixty-fourth legislative assembly recognizes that as dedicated funding becomes available in the future, the center for rural health at the university of North Dakota school of medicine and health sciences has the infrastructure, expertise, experience, and established relationships to provide a statewide assessment of viable internship sites for addiction counselors and to implement and provide oversight for such a program, in partnership with academic professionals in addiction counseling.

**SECTION 4. BOARD OF ADDICTION COUNSELING EXAMINERS - LEGISLATIVE MANAGEMENT REPORT.** The board of addiction counseling examiners shall evaluate the initial licensure coursework requirements and clinical training requirements noted in subsection 1 of section 43-45-04. Before July 1, 2016, the board of addiction counseling examiners shall report on the status of the periodic evaluation of those requirements to the legislative management."

Page 2, line 31, replace "\$150,000" with "\$200,000"

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

Renumber accordingly

Reengrossed HB 1049 was placed on the Seventh order of business on the calendar.

**REPORT OF CONFERENCE COMMITTEE**

**HCR 3047, as engrossed:** Your conference committee (Sens. Dever, Davison, Marcellais and Reps. Klemin, Karls, Delmore) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ page 1634, adopt amendments as follows, and place HCR 3047 on the Seventh order:

That the Senate recede from its amendments as printed on page 1634 of the House Journal and page 1408 of the Senate Journal and that Engrossed House Concurrent Resolution No. 3047 be amended as follows:

Page 1, line 4, remove "are estimated to"

Page 1, line 4, after "a" insert "major"

Page 1, line 4, remove "of"

Page 1, line 5, remove "twenty million dollars or more"

Page 1, line 23, remove "the fiscal impact of"

Page 1, line 24, replace "be twenty million dollars or more" with "have a major fiscal impact, as determined by law."

Renumber accordingly

Engrossed HCR 3047 was placed on the Seventh order of business on the calendar.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. G. LEE MOVED** that the conference committee report on Engrossed SB 2023 as printed on SJ page 1640 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2023, as amended, was placed on the Eleventh order of business.

**SECOND READING OF SENATE BILL**

**SB 2023:** A BILL for an Act to provide an appropriation for defraying the expenses of various state departments and institutions; to provide for a transfer; to provide an exemption; and to declare an emergency.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 47 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

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

Reengrossed SB 2023 passed and the emergency clause was declared carried.

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**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. SCHAIBLE MOVED** that the conference committee report on Reengrossed SB 2178 be adopted, which motion prevailed on a voice vote.

Reengrossed SB 2178, as amended, was placed on the Eleventh order of business.

**SECOND READING OF SENATE BILL**

**SB 2178:** A BILL for an Act to create and enact a new section to chapter 15.1-36 and a new section to chapter 26.1-22 of the North Dakota Century Code, relating to school construction loans and insurance coverage for real property and improvements leased by a school district; to amend and reenact sections 15.1-36-01 and 16.1-01-11 of the North Dakota Century Code, relating to the approval of school

construction projects and to bond elections; to provide for a transfer; to provide an expiration date; and to declare an emergency.

### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 47 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

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

Reengrossed SB 2178 passed and the emergency clause was declared carried.

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### CONSIDERATION OF AMENDMENTS

**HB 1476, as engrossed: SEN. COOK (Finance and Taxation Committee) MOVED** that the amendments be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed on a voice vote.

### SECOND READING OF HOUSE BILL

**HB 1476:** A BILL for an Act to amend and reenact subsection 4 of section 38-08-04 and sections 57-51.1-01, and 57-51.1-02, subsection 3 of section 57-51.1-03, and section 57-51.1-03 of the North Dakota Century Code, relating to oil extraction tax rates and exemptions; to provide for an exception; to provide for a legislative management study; to provide an effective date; and to provide an expiration date.

### MOTION

**SEN. DOTZENROD MOVED** that Engrossed HB 1476, as amended, be amended as follows.

In lieu of the amendments adopted by the Senate as printed on page \_\_\_\_\_ of the Senate Journal, Engrossed House Bill No. 1476 is amended as follows:

Page 5, line 13, remove the overstrike over "six"

Page 5, line 13, remove "four"

Page 11, line 9, after "9-" insert "4."

Page 11, line 9, remove the overstrike over "~~The first seventy-five thousand barrels or the first four million five hundred thousand~~"

Page 11, remove the overstrike over lines 10 and 11

Page 11, line 12, remove the overstrike over "~~April 30, 2009, and before July 1,~~"

Page 11, line 12, after "2015" insert "2017"

Page 11, line 12, remove the overstrike over "~~; is subject to a reduced tax rate of two percent~~"

Page 11, line 13, remove the overstrike over "~~of the gross value at the well of the oil extracted under this chapter.~~"

Page 11, line 16, remove the overstrike over "~~The rate reduction under this~~"

Page 11, remove the overstrike over lines 17 through 26

Page 11, line 27, replace "4." with "5."

Page 12, line 7, replace "expires upon" with "remains in effect after"

Page 12, line 8, after "Act" insert "for production that qualified during the time the exemption or rate reduction was effective"

Page 12, line 9, remove "becomes effective June 1, 2015, if on that date"

Page 12, remove lines 10 and 11

Page 12, line 12, replace "under subsection 3 of section 57-51.1-03 would become effective" with "is effective for taxable events occurring after June 30, 2015"

Renumber accordingly

#### REQUEST

**SEN. DOTZENROD REQUESTED** a recorded roll call vote on the motion to adopt the proposed amendments to Engrossed HB 1476, as amended, which request was granted.

#### ROLL CALL

The question being on the motion to adopt the proposed amendments to Engrossed HB 1476, as amended, the roll was called and there were 13 YEAS, 34 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Axness; Dotzenrod; Grabinger; Heckaman; Marcellais; Mathern; Murphy; Nelson; Oban; Robinson; Schneider; Sinner; Warner

**NAYS:** Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Carlisle; Casper; Cook; Davison; Dever; Erbele; Flakoll; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Miller; O'Connell; Oehlke; Poolman; Rust; Schaible; Sorvaag; Triplett; Unruh; Wanzek; Wardner

The proposed amendments to Engrossed HB 1476, as amended, failed on a recorded roll call vote.

#### MOTION

**SEN. HECKAMAN MOVED** that Engrossed HB 1476, as amended, be amended as follows.

In lieu of the amendments adopted by the Senate as printed on page \_\_\_\_\_ of the Senate Journal, Engrossed House Bill No. 1476 is amended as follows:

Page 1, line 2, after the first comma insert "and"

Page 1, line 2, after the second comma insert "subsection 3 of section 57-51.1-03,"

Page 1, line 2, after the second "and" insert "section"

Page 1, line 3, replace "to provide legislative intent; and" with "to provide for an exception; to provide for legislative management studies; to provide for an appropriation; "

Page 1, line 4, after "date" insert "; and to provide an expiration date"

Page 5, line 13, remove "four"

Page 5, line 13, overstrike "and one-half" and insert immediately thereafter "five"

Page 5, line 29, remove the overstrike over "~~However, if the average price of a barrel of crude oil exceeds the trigger price~~" and insert immediately thereafter "of ninety dollars"

Page 5, line 29, remove the overstrike over "~~for each month in~~"

Page 5, line 30, remove the overstrike over "~~any consecutive~~"

Page 5, line 30, after "~~five-month~~" insert "three-month"

Page 5, line 30, remove the overstrike over "~~period, then the rate of tax on oil extracted from all taxable wells is~~"

Page 5, line 31, remove the overstrike over "six"

Page 5, line 31, remove the overstrike over "percent of the gross value at the well of the oil extracted until the average price"

Page 6, line 1, remove the overstrike over "of a barrel of crude oil is less than the trigger price" and insert immediately thereafter "of ninety dollars"

Page 6, line 1, remove the overstrike over "for each month in any consecutive"

Page 6, line 2, after "five-month" insert "three-month"

Page 6, line 2, remove the overstrike over "period, in which case the rate of tax reverts to"

Page 6, line 2, after "four" insert "five"

Page 6, line 2, remove the overstrike over "percent of the gross value at the"

Page 6, line 3, remove the overstrike over "well of the oil extracted"

Page 6, line 3, after the period insert "By December thirty-first of each year, the tax commissioner shall determine an indexed trigger price under this section by applying to the current trigger price an adjustment equal to the percentage rate of change of the producer price index for industrial commodities as calculated and published by the United States department of labor, bureau of labor statistics, for the twelve months ending June thirtieth of that year and the indexed trigger price so determined is the trigger price for the following calendar year.

For purposes of this section, "average price" of a barrel of crude oil means the monthly average of the daily closing price for a barrel of west Texas intermediate cushing crude oil, as those prices appear in the Wall Street Journal, midwest edition. When computing the monthly average price, the most recent previous daily closing price must be considered the daily closing price for the days on which the market is closed.

**SECTION 4. AMENDMENT.** Subsection 3 of section 57-51.1-03 of the North Dakota Century Code is amended and reenacted as follows:

3. For a well drilled and completed as a vertical well, the initial production of oil from the well is exempt from any taxes imposed under this chapter for a period of fifteen months, ~~except that oil produced from any well drilled and completed as a horizontal well is exempt from any taxes imposed under this chapter for a period of twenty-four months.~~ Oil recovered during testing prior to well completion is exempt from the oil extraction tax. The exemption under this subsection becomes ineffective if the average price of a barrel of crude oil exceeds the trigger price for each month in any consecutive five-month period. ~~However, the exemption is reinstated if, after the trigger provision becomes effective, the average price of a barrel of crude oil is less than the trigger price for each month in any consecutive five-month period.~~ The reduced rate under subsection 1 of section 57-51.1-02 does not apply after November 30, 2015, for oil produced from wells drilled and completed after April 27, 1987, commonly referred to as new wells, and not otherwise exempt under this section."

Page 7, line 15, after "dioxide" insert "in a well drilled and completed outside the Bakken and Three Forks formations, and ten miles [16.10 kilometers] or more outside an established field in which the industrial commission has defined the pool to include the Bakken or Three Forks formation"

Page 7, line 17, after "chapter" insert "for a period of five years"

Page 12, line 5, remove "**LEGISLATIVE INTENT -**"



Page 12, line 6, replace "It is the intent of the sixty-fourth legislative assembly that the" with "The"

Page 12, line 7, replace "4" with "5"

Page 12, line 7, remove "upon the effective"

Page 12, line 8, replace "date of this Act" with "January 1, 2016. The remaining term of the horizontal well exemption eliminated in section 4 of this Act expires December 1, 2015"

Page 12, after line 8, insert:

**"SECTION 7. WAIVER OF LEGISLATIVE CONFIRMATION  
REQUIREMENT FOR CERTAIN STATE-TRIBAL TAX COLLECTION**

**AGREEMENTS.** The requirement of legislative confirmation of state-tribal tax collection agreements under section 57-51.2-01 do not apply, for adjustment of an existing agreement attributable to the changes in the oil extraction tax under this Act, and for agreements under section 54-40.2-04 do not apply, for adjustment of an existing agreement regarding application of tribal tax authority to bulk delivery of dyed or undyed special fuels within the exterior boundaries of the reservation.

**SECTION 8. LEGISLATIVE MANAGEMENT STUDY - TRIBAL TAX**

**ISSUES.** During the 2015-16 interim, the legislative management shall consider studying state-tribal tax agreements and allocation of revenues from centrally assessed property and property subject to payments in lieu of property taxes which is located on tribal trust lands. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

**SECTION 9. LEGISLATIVE MANAGEMENT STUDY - OIL AND GAS TAX**

**INCENTIVES.** During the 2015-16 interim, the legislative management shall study the current scientific and economic information regarding oil and gas recovery and enhanced recovery techniques to determine the desirability and appropriate level of tax incentives to serve the interests of the state, political subdivisions, the public, and the energy production industry. The legislative management may expend up to \$300,000 from funds appropriated for that purpose to secure consulting services to assist in completing the study. The legislative management shall report its recommendations, together with any legislation necessary to implement the recommendations, to the sixty-fifth legislative assembly.

**SECTION 10. APPROPRIATION.**

There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$300,000, or so much of the sum as may be necessary, to the legislative council for the purpose of a study of the current scientific and economic information regarding oil and gas recovery and enhanced recovery techniques, for the biennium beginning July 1, 2015, and ending June 30, 2017."

Page 12, line 9, after "**DATE**" insert "- **EXPIRATION DATE**"

Page 12, line 9, remove "This Act becomes effective June 1, 2015, if on that date"

Page 12, remove lines 10 and 11

Page 12, line 12, replace "under subsection 3 of section 57-51.1-03 would become effective" with "Sections 1, 2, 3, and 5 of this Act are effective for taxable events occurring after December 31, 2015, and through June 30, 2017, and are thereafter ineffective. Section 4 of this Act is effective for taxable events occurring after November 30, 2015, and through June 30, 2017, and is thereafter ineffective. Section 7 of this Act is effective from July 1, 2015, through December 31, 2016, and is thereafter ineffective"

ReNUMBER accordingly

**REQUEST**

**SEN. HECKAMAN REQUESTED** a recorded roll call vote on the motion to adopt the

proposed amendments to Engrossed HB 1476, as amended, which request was granted.

### ROLL CALL

The question being on the motion to adopt the proposed amendments to Engrossed HB 1476, as amended, the roll was called and there were 15 YEAS, 32 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Axness; Dotzenrod; Grabinger; Heckaman; Marcellais; Mathern; Murphy; Nelson; O'Connell; Oban; Robinson; Schneider; Sinner; Triplett; Warner

**NAYS:** Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Carlisle; Casper; Cook; Davison; Dever; Erbele; Flakoll; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Miller; Oehlke; Poolman; Rust; Schaible; Sorvaag; Unruh; Wanzek; Wardner

The proposed amendments to Engrossed HB 1476, as amended, failed on a recorded roll call vote.

### MOTION

**SEN. TRIPLETT MOVED** that Engrossed HB 1476, as amended, be amended as follows.

In lieu of the amendments adopted by the Senate as printed on page \_\_\_\_\_ of the Senate Journal, Engrossed House Bill No. 1476 is amended as follows:

Page 1, line 2, after the first comma insert "and"

Page 1, line 2, after the second comma insert "subsection 3 of section 57-51.1-03,"

Page 1, line 2 after "and" insert "section"

Page 1, line 3, replace "to provide legislative intent; and" with "to provide for an exception; to provide for a legislative management study;"

Page 1, line 4, after "date" insert "; and to provide an expiration date"

Page 5, line 13, remove "four"

Page 5, line 13, overstrike "and one-half" and insert immediately thereafter "five"

Page 5, line 29, remove the overstrike over "~~However, if the average price of a barrel of crude oil exceeds the trigger price~~" and insert immediately there after "of eighty dollars"

Page 5, line 29, remove the overstrike over "~~for each month in~~"

Page 5, line 30, remove the overstrike over "~~any consecutive~~"

Page 5, line 30, after "~~five-month~~" insert "three-month"

Page 5, line 30, remove the overstrike over "~~period, then the rate of tax on oil extracted from all taxable wells is~~"

Page 5, line 31, remove the overstrike over "six"

Page 5, line 31, remove the overstrike over "~~percent of the gross value at the well of the oil extracted until the average price~~"

Page 6, line 1, remove the overstrike over "~~of a barrel of crude oil is less than the trigger price~~" and insert immediately thereafter "of eighty dollars"

Page 6, line 1, remove the overstrike over "~~for each month in any consecutive~~"

Page 6, line 2, after "~~five-month~~" insert "three-month"

Page 6, line 2, remove the overstrike over "~~period, in which case the rate of tax reverts to~~"

Page 6, line 2, after "four" insert "five"

Page 6, line 2, remove the overstrike over "~~percent of the gross value at the~~"

Page 6, line 3, remove the overstrike over "~~well of the oil extracted~~"

Page 6, line 3, after the period insert "By December thirty-first of each year, the tax commissioner shall determine an indexed trigger price under this section by applying to the current trigger price an adjustment equal to the percentage rate of change of the producer price index for industrial commodities as calculated and published by the United States department of labor, bureau of labor statistics, for the twelve months ending June thirtieth of that year and the indexed trigger price so determined is the trigger price for the following calendar year.

For purposes of this section, "average price" of a barrel of crude oil means the monthly average of the daily closing price for a barrel of west Texas intermediate cushing crude oil, as those prices appear in the Wall Street Journal, midwest edition. When computing the monthly average price, the most recent previous daily closing price must be considered the daily closing price for the days on which the market is closed.

**SECTION 4. AMENDMENT.** Subsection 3 of section 57-51.1-03 of the North Dakota Century Code is amended and reenacted as follows:

3. For a well drilled and completed as a vertical well, the initial production of oil from the well is exempt from any taxes imposed under this chapter for a period of fifteen months, ~~except that oil produced from any well drilled and completed as a horizontal well is exempt from any taxes imposed under this chapter for a period of twenty-four months.~~ Oil recovered during testing prior to well completion is exempt from the oil extraction tax. The exemption under this subsection becomes ineffective if the average price of a barrel of crude oil exceeds the trigger price for each month in any consecutive five-month period. ~~However, the exemption is reinstated if, after the trigger provision becomes effective, the average price of a barrel of crude oil is less than the trigger price for each month in any consecutive five-month period.~~ The reduced rate of tax under subsection 1 of section 57-51.1-02 does not apply after November 30, 2015, for oil produced from wells drilled and completed after April 27, 1987, commonly referred to as new wells, and not otherwise exempt under this section.

Page 7, line 15, after "dioxide" insert "in a well drilled and completed outside the Bakken and Three Forks formations, and ten miles [16.10 kilometers] or more outside an established field in which the industrial commission has defined the pool to include the Bakken or Three Forks formation"

Page 7, line 17, after "chapter" insert "for a period of five years"

Page 12, line 5, remove "**LEGISLATIVE INTENT -** "

Page 12, line 6, replace "It is the intent of the sixty-fourth legislative assembly that the" with "The"

Page 12, line 7, replace "4" with "5"

Page 12, line 7, remove "upon the effective"

Page 12, line 8, replace "date of this Act" with "January 1, 2016. The remaining term of the horizontal well exemption eliminated in section 4 of this Act expires December 1, 2015"

Page 12, after line 8, insert:

**"SECTION 7. WAIVER OF LEGISLATIVE CONFIRMATION  
REQUIREMENT FOR CERTAIN STATE-TRIBAL TAX COLLECTION**

**AGREEMENTS.** The requirement of legislative confirmation of state-tribal tax collection agreements under section 57-51.2-01 do not apply, for adjustment of an existing agreement attributable to the changes in the oil extraction tax under this Act, and for agreements under section 54-40.2-04 do not apply, for adjustment of an existing agreement regarding application of tribal tax authority to bulk delivery of dyed or undyed special fuels within the exterior boundaries of the reservation.

**SECTION 8. LEGISLATIVE MANAGEMENT STUDY - TRIBAL TAX ISSUES.** During the 2015-16 interim, the legislative management shall consider studying state-tribal tax agreements and allocation of revenues from centrally assessed property and property subject to payments in lieu of property taxes which is located on tribal trust lands. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly."

Page 12, line 9, after "**DATE**" insert "**- EXPIRATION DATE**"

Page 12, line 9, remove "This Act becomes effective June 1, 2015, if on that date"

Page 12, remove lines 10 and 11

Page 12, line 12, replace "under subsection 3 of section 57-51.1-03 would become effective" with "Sections 1, 2, 3, and 5 of this Act are effective for taxable events occurring after December 31, 2015. Section 4 of this Act is effective for taxable events occurring after November 30, 2015. Section 7 of this Act is effective from July 1, 2015, through December 31, 2016, and is thereafter ineffective"

Renumber accordingly

#### **REQUEST**

**SEN. TRIPLETT REQUESTED** a recorded roll call vote on the motion to adopt the proposed amendments to Engrossed HB 1476, as amended, which request was granted.

#### **ROLL CALL**

The question being on the motion to adopt the proposed amendments to Engrossed HB 1476, as amended, the roll was called and there were 17 YEAS, 30 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Axness; Dotzenrod; Grabinger; Heckaman; Larsen; Luick; Marcellais; Mathern; Murphy; Nelson; O'Connell; Oban; Robinson; Schneider; Sinner; Triplett; Warner

**NAYS:** Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Carlisle; Casper; Cook; Davison; Dever; Erbele; Flakoll; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Lee, G.; Lee, J.; Miller; Oehlke; Poolman; Rust; Schaible; Sorvaag; Unruh; Wanzek; Wardner

The proposed amendments to Engrossed HB 1476, as amended, failed on a recorded roll call vote.

#### **REQUEST**

**SEN. TRIPLETT REQUESTED** that the Senate divide Engrossed HB 1476, as amended, which request was granted.

**DIVISION A:** Entirety of bill except for Section 3

**DIVISION B:** Section 3

#### **ROLL CALL**

The question being on the final adoption of Division A of Engrossed HB 1476, as amended, the roll was called and there were 47 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Armstrong; Axness; Bekkedahl; Bowman; Burckhard; Campbell; Carlisle; Casper; Cook; Davison; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick;

Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oban; Oehlke; Poolman; Robinson; Rust; Schaible; Schneider; Sinner; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

Division A of Engrossed HB 1476, as amended, was adopted on a recorded roll call vote.

#### ROLL CALL

The question being on the final adoption of Division B of Engrossed HB 1476, as amended, the roll was called and there were 33 YEAS, 14 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Carlisle; Casper; Cook; Davison; Dever; Erbele; Flakoll; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Miller; O'Connell; Oehlke; Poolman; Rust; Schaible; Sorvaag; Unruh; Wanzek; Wardner

**NAYS:** Axness; Dotzenrod; Grabinger; Heckaman; Marcellais; Mathern; Murphy; Nelson; Oban; Robinson; Schneider; Sinner; Triplett; Warner

Division B of Engrossed HB 1476, as amended, was adopted on a recorded roll call vote.

#### ROLL CALL

The question being on the final passage of the amended bill, which includes Division A and Division B, which have been read, the roll was called and there were 32 YEAS, 15 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Carlisle; Casper; Cook; Davison; Dever; Erbele; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Miller; O'Connell; Oehlke; Poolman; Rust; Schaible; Sorvaag; Unruh; Wanzek; Wardner

**NAYS:** Axness; Dotzenrod; Flakoll; Grabinger; Heckaman; Marcellais; Mathern; Murphy; Nelson; Oban; Robinson; Schneider; Sinner; Triplett; Warner

Engrossed HB 1476, as amended, passed.

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#### REQUEST

**SEN. TRIPLETT REQUESTED** that pursuant to Senate Rule 345, the remarks explaining her vote on HB 1476 be recorded in the Journal, which request was granted.

#### REMARKS OF SENATOR TRIPLETT

I just want to say that I worked very hard in committee on this vote. I voted for the triggers, but I voted against the bill in the end because the Senate rejected my amendment regarding the eighty dollars. I think that is more important than you all know and I just wanted to say that. Thank you.

#### MOTION

**SEN. KLEIN MOVED** that Sen. Wanzek replace Sen. Erbele on the Conference Committee on SB 2014, which motion prevailed on a voice vote.

#### MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)

**MR. SPEAKER:** The Senate has amended and subsequently passed: HB 1476.

#### MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)

**MR. SPEAKER:** The President has appointed Sen. Wanzek to replace Sen. Erbele on the Conference Committee on SB 2014.

#### MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)

**MR. SPEAKER:** The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2023, SB 2178.

#### MOTION

**SEN. KLEIN MOVED** that the absent member be excused, which motion prevailed.

**MOTION**

**SEN. KLEIN MOVED** that the Senate be on the Fourth, Fifth, and Sixteenth orders of business and at the conclusion of those orders, the Senate stand adjourned until 8:00 a.m., Friday, April 24, 2015, which motion prevailed.

**REPORT OF CONFERENCE COMMITTEE**

**SB 2006, as engrossed:** Your conference committee (Sens. Wanzek, Krebsbach, Heckaman and Reps. Skarphol, Thoreson, Hogan) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1232-1234, adopt amendments as follows, and place SB 2006 on the Seventh order:

That the House recede from its amendments as printed on pages 1232-1234 of the Senate Journal and pages 1438-1440 of the House Journal and that Engrossed Senate Bill No. 2006 be amended as follows:

Page 1, line 4, remove "and"

Page 1, line 4, after "transfer" insert "; and to provide an exemption"

Page 1, replace lines 14 through 23 with:

"Salaries and wages	\$20,138,488	\$2,849,226	\$22,987,714
Accrued leave payments	624,818	(624,818)	0
Operating expenses	7,721,834	483,370	8,205,204
Capital assets	16,000	8,000	24,000
Homestead tax credit	20,000,000	0	20,000,000
Disabled veterans' credit	<u>7,678,000</u>	<u>0</u>	<u>7,678,000</u>
Total all funds	\$56,179,140	\$2,715,778	\$58,894,918
Less estimated income	<u>125,000</u>	<u>0</u>	<u>125,000</u>
Total general fund	\$56,054,140	\$2,715,778	\$58,769,918
Full-time equivalent positions	134.00	2.00	136.00"

Page 2, line 3, after "biennium" insert "and the 2015-17 one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace lines 5 and 6 with:

"TAP project	\$1,000,000	\$0
Scanners	<u>0</u>	<u>8,000</u>
Total general fund	\$1,000,000	\$8,000

The 2015-17 one-time funding amounts are not a part of the entity's base budget for the 2017-19 biennium. The tax commissioner shall report to the appropriations committees of the sixty-fifth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2015, and ending June 30, 2017."

Page 2, after line 11, insert:

**"SECTION 4. EXEMPTION.** The amount appropriated for the capital assets line item in section 1 of chapter 6 of the 2013 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this line item are available during the biennium beginning July 1, 2015, and ending June 30, 2017."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:****Senate Bill No. 2006 - State Tax Commissioner - Conference Committee Action**

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$20,138,488	\$23,324,177	(\$336,463)	\$22,987,714	\$22,803,518	\$184,196
Operating expenses	7,721,834	8,232,665	(27,461)	8,205,204	8,185,589	19,615
Capital assets	16,000	16,000	8,000	24,000	24,000	
Homestead tax credit	20,000,000	30,000,000	(10,000,000)	20,000,000	20,000,000	
Disabled veterans credit	7,678,000	8,445,000	(767,000)	7,678,000	7,678,000	

Accrued leave payments	624,818					
Total all funds	\$56,179,140	\$70,017,842	(\$11,122,924)	\$58,894,918	\$58,691,107	\$203,811
Less estimated income	125,000	125,000	0	125,000	125,000	0
General fund	\$56,054,140	\$69,892,842	(\$11,122,924)	\$58,769,918	\$58,566,107	\$203,811
FTE	134.00	137.00	(1.00)	136.00	134.00	2.00

### Department No. 127 - State Tax Commissioner - Detail of Conference Committee Changes

	Adjusts Funding for Health Insurance Premium Increases <sup>1</sup>	Removes New FTE Positions <sup>2</sup>	Removes Funding for New FTE Operating Expenses <sup>3</sup>	Reduces Funding for Homestead Tax Credit <sup>4</sup>	Reduces Funding for Disabled Veterans' Tax Credit <sup>5</sup>	Adds One-Time Funding for Scanners <sup>6</sup>
Salaries and wages	(\$100,886)	(\$235,577)				
Operating expenses			(27,461)			
Capital assets						8,000
Homestead tax credit				(10,000,000)		
Disabled veterans credit					(767,000)	
Accrued leave payments						
Total all funds	(\$100,886)	(\$235,577)	(\$27,461)	(\$10,000,000)	(\$767,000)	\$8,000
Less estimated income	0	0	0	0	0	0
General fund	(\$100,886)	(\$235,577)	(\$27,461)	(\$10,000,000)	(\$767,000)	\$8,000
FTE	0.00	(1.00)	0.00	0.00	0.00	0.00

	Total Conference Committee Changes
Salaries and wages	(\$336,463)
Operating expenses	(27,461)
Capital assets	8,000
Homestead tax credit	(10,000,000)
Disabled veterans credit	(767,000)
Accrued leave payments	
Total all funds	(\$11,122,924)
Less estimated income	0
General fund	(\$11,122,924)
FTE	(1.00)

<sup>1</sup> Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

<sup>2</sup> The following funding and FTE positions are removed:

- \$124,924 from the general fund and 1 compliance officer FTE position;
- \$100,198 from the general fund related to 1 property tax specialist position;
- \$4,631 from the general fund for related salary increases; and
- \$5,824 from the general fund for related health insurance increases.

The conference committee version includes \$184,196 from the general fund and 2 FTE positions. The Senate provided \$419,773 from the general fund and 3 FTE positions. The House removed the positions and the related funding.

<sup>3</sup> Funding is removed for operating expenses related to the new FTE positions. The Senate version provided \$47,076, and the House version removed \$47,076.

<sup>4</sup> Funding is removed to continue the homestead tax credit changes made by the 2013 Legislative Assembly (\$2 million) and to expand the eligibility threshold for homestead tax credit program (\$8 million). Total funding for the homestead tax credit program is \$20 million, which is the same as the base level and House version. The Senate provided funding of \$30 million, an increase of \$10 million over the base level and the House version.

<sup>5</sup> The amendment removes funding to continue the disabled veterans' tax credit changes made by the 2013 Legislative Assembly. Total funding for the disabled veterans' tax credit program is \$7,678,000, which is the same as the base level and the House version. The Senate version provided total funding of \$8,445,000 from the general fund.

<sup>6</sup> One-time funding is added for scanners, which is the same as the House version. The Senate version did not include this funding.

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This amendment also adds a new section to provide an exemption for the \$16,000 appropriated in the capital assets line item to the Tax Department in the 2013-15 biennium. As a result, \$40,000 will be available to the department to purchase scanners, of which \$16,000 is from carryover authority, \$16,000 is included in the department's base budget, and \$8,000 of one-time funding from the general fund is added in this amendment. The House version also included the exemption, but the Senate version did not provide an exemption.

Engrossed SB 2006 was placed on the Seventh order of business on the calendar.

The Senate stood adjourned pursuant to Senator Klein's motion.

**Jane Schaible, Secretary**