

NORTH DAKOTA LEGISLATIVE MANAGEMENT

Minutes of the

LEGISLATIVE MANAGEMENT

Thursday, September 29, 2016
Roughrider Room, State Capitol
Bismarck, North Dakota

Senator Ray Holmberg, Chairman, called the meeting to order at

Members present: Senators Ray Holmberg, Tyler Axness, Jerry Klein, Donald Schaible, Mac Schneider, Connie Triplett, Jessica Unruh, Rich Wardner; Representatives Wesley R. Belter, Al Carlson, Bill Devlin, Jason Dockter, Kathy Hogan, Marvin E. Nelson, Kenton Onstad, Dan Ruby, Jim Schmidt

Members absent:

Others present: Pam Sharp and Sheila Peterson, Office of Management and Budget
Allen H. Knudson, Jason J. Steckler, and Sheila M. Sandness; Legislative Council, Bismarck

See [Appendix A](#) for additional persons present.

It was moved by Representative _____, seconded by Representative _____, and carried on a voice vote that the minutes of the June 16-17, 2015, meeting be approved as distributed.

OPENING REMARKS

Chairman Holmberg said the purpose of this meeting is to fulfill the Legislative Management's statutory responsibility to coordinate the determination of the estimated fiscal impact of initiated measures. He said North Dakota Century Code Section 16.1-01-17 requires the Legislative Management to hold hearings, receive public testimony, and gather information on the estimated fiscal impact of initiated measures. He said the law resulted from passage of a constitutional amendment in 2004 which permits the Legislative Assembly to provide, by law, a procedure through which the Legislative Management may establish an appropriate method for determining the fiscal impact of an initiated measure and for making the information regarding the fiscal impact of the measure available to the public.

Chairman Holmberg said the Secretary of State has notified the Legislative Council office that three initiated measures qualify for the general election ballot. He said the measures include Measure No. 3, an initiated constitutional measure that relates to the rights and protection of victims; Measure No. 4, that relates to an increase in taxes on cigarettes and tobacco products; and Measure No. 5, that relates to the medical use of marijuana.

Chairman Holmberg said the procedure to obtain fiscal information on these measures tracks the procedure followed for fiscal notes during legislative sessions. He said the Legislative Council staff requested the state agencies that appear to have the best information on the impact on the measure or the primary responsibility for compiling and maintaining relevant information to present their determinations at this meeting. He emphasized that the only purpose for holding this meeting is to meet the Legislative Management's statutory responsibility to obtain fiscal information on each measure, and the Legislative Management is not holding this meeting to receive testimony on the merits of any of the measures. He said the committee will consider acceptance of each fiscal impact statement and then consider a motion to direct the Legislative Council to forward approved statements to the Secretary of State as required by law. He said the Secretary of State is required to make the information available to the public.

INITIATED CONSTITUTIONAL MEASURE RELATING TO THE RIGHTS AND PROTECTION OF VICTIMS - MEASURE NO. 3

This [initiated constitutional measure](#) would create a new section to Article I of the Constitution of North Dakota to provide rights and protections for crime victims throughout the criminal and juvenile justice systems. Under the measure, crime victims would be afforded the right to be present at court proceedings relating to the release, plea, sentencing, and parole of the accused. In addition, crime victims would be entitled to be notified of any release or escape of the accused and have the right to refuse interviews and

requests for information made by the accused or the accused's attorney.

Chairman Holmberg recognized Ms. Sheila Peterson, Director, Fiscal Management, Office of Management and Budget. Ms. Peterson reviewed the fiscal impact statement ([Appendix B](#)) of the Office of Management and Budget (OMB) provided to the Legislative Council. She said OMB estimates the fiscal impact of this initiated measure to be \$_____ million for the remainder of the current biennium and \$_____ million for the 2017-19 biennium.

It was moved by Representative _____, seconded by Senator _____, and carried on a roll call vote to accept the fiscal impact statement of OMB which concluded the fiscal impact of Measure No. 3 is estimated to be \$_____ million for the 2015-17biennium and \$_____million for the 2017-19 biennium. Senators Holmberg, Axness, Klein, Schaible, Schneider, Triplett, Unruh, and Wardner and Representatives Belter, Carlson, Devlin, Dockter, Hogan, Nelson, Onstad, Ruby, and Schmidt voted "aye." No negative votes were cast.

INITIATED STATUTORY MEASURE RELATING TO AN INCREASE IN TAXES ON CIGARETTES AND TOBACCO PRODUCTS AND THE ALLOCATION OF THE TAXES - MEASURE NO. 4

This [initiated statutory measure](#) would amend numerous sections in North Dakota Century Code Chapter 57-36 to increase the separate and additional tax on cigarette sales, create an inventory tax on cigarettes and tobacco products, and increase the excise tax for tobacco products and the levy and assessment of taxes on cigarettes. The net effect of the proposed measure would be to increase the excise tax on a package of 20 cigarettes sold in North Dakota from \$.44 to \$2.20.

The measure also would create a new section to Chapter 37-14 to create a veterans' tobacco tax trust fund and would repeal two provisions of statute related to an excise tax on cigarettes and the exemption for taxes on cigarettes and tobacco products given to occupants of the Veterans' Home and the State Hospital. Collections from cigarette and tobacco product taxes would be allocated among North Dakota cities, the general fund, the veterans' tobacco tax trust fund, and the community health trust fund.

Additionally, the measure creates new definitions of inhalation devices, liquid nicotine, and tobacco products, addresses prohibition of tobacco dealers being tobacco distributors, requires distributors to keep additional records, sets requirements for registration of liquid nicotine dealers, and regulates the alteration of liquid nicotine.

Chairman Holmberg recognized Mr. Ryan Rauschenberger, Tax Commissioner, who reviewed the fiscal impact statement ([Appendix C](#)) of the Tax Department provided to the Legislative Council. He said the Tax Department estimates the fiscal impact of this initiated measure to be \$_____ million for the remainder of the current biennium and \$_____ million for the 2017-19 biennium.

It was moved by Representative _____, seconded by Senator _____, and carried on a roll call vote to accept the fiscal impact statement of the Tax Department, which concluded the fiscal impact of Measure No. 4 is estimated to be \$_____ million for the 2015-17biennium and \$_____million for the 2017-19 biennium. Senators Holmberg, Axness, Klein, Schaible, Schneider, Triplett, Unruh, and Wardner and Representatives Belter, Carlson, Devlin, Dockter, Hogan, Nelson, Onstad, Ruby, and Schmidt voted "aye." No negative votes were cast.

INITIATED STATUTORY MEASURE RELATING TO THE MEDICAL USE OF MARIJUANA - MEASURE NO. 5

This [initiated statutory measure](#) would create a new chapter to North Dakota Century Code Title 19 to provide for the medical use of marijuana for defined medical conditions such as cancer, Hepatitis C, and epilepsy. The measure would require the State Department of Health to issue identification cards to qualified patients, caregivers, compassion centers, and other facilities. The measure would create procedures for the monitoring, inventorying, dispensing, and cultivation of marijuana, all of which would be enforced by the State Department of Health. The measure would allow a qualified patient to receive up to 3 ounces of marijuana with penalties of suspension, revocation, or criminal prosecution for violations.

Chairman Holmberg recognized Mr. _____, Health Department, who reviewed the fiscal impact statement ([Appendix D](#)) of the Health Department provided to the Legislative Council. He said the Health Department estimates the fiscal impact of this initiated measure to be \$ _____ million for the remainder of the current biennium and \$ _____ million for the 2017-19 biennium.

It was moved by Representative _____, seconded by Senator _____, and carried on a roll call vote to accept the fiscal impact statement of the Health Department, which concluded the fiscal impact of Measure No. 5 is estimated to be \$ _____ million for the 2015-17biennium and \$ _____million for the 2017-19 biennium. Senators Holmberg, Axness, Klein, Schaible, Schneider, Triplett, Unruh, and Wardner and Representatives Belter, Carlson, Devlin, Dockter, Hogan, Nelson, Onstad, Ruby, and Schmidt voted "aye." No negative votes were cast.

FISCAL IMPACT STATEMENTS TO BE FORWARDED TO THE SECRETARY OF STATE

It was moved by Representative _____, seconded by Senator _____ and carried on a roll call vote that the Legislative Council forward to the Secretary of State the approved fiscal impact statements for Measures No. 3,4 and 5. Senators Holmberg, Axness, Klein, Schaible, Schneider, Triplett, Unruh, and Wardner and Representatives Belter, Carlson, Devlin, Dockter, Hogan, Nelson, Onstad, Ruby, and Schmidt voted "aye." No negative votes were cast.

Chairman Holmberg said the next meeting of the Legislative Management would be Wednesday and Thursday, November 16-17, 2016, to receive the reports of interim committees.

No further business appearing, **it was moved by Senator _____, seconded by Senator _____, and carried that the meeting be adjourned.**

No further business appearing, Senator Ray Holmberg adjourned the meeting at

Jim W. Smith
Director

ATTACH: