

JOURNAL OF THE SENATE

Sixty-fifth Legislative Assembly

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Bismarck, April 7, 2017

The Senate convened at 12:30 p.m., with President Sanford presiding.

The prayer was offered by Pastor John Heritage, Cornerstone Community Church, Bismarck.

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

A quorum was declared by the President.

MOTION

SEN. KLEIN MOVED that Engrossed HB 1361 be rereferred to the **Finance and Taxation Committee**, which motion prevailed. Pursuant to Sen. Klein's motion, Engrossed HB 1361 was rereferred.

FIRST READING OF HOUSE CONCURRENT RESOLUTION

Reps. Mock, Rich S. Becker, Blum, Delmore, O'Brien, Owens, Sanford, Vetter and Sens. Holmberg, Kreun, Laffen, Meyer introduced:

(Approved by the Delayed Bills Committee)

HCR 3035: A concurrent resolution congratulating the University of North Dakota's hockey team for its outstanding season and its eighth NCAA Division I hockey national championship.

Was read the first time.

MOTION

SEN. KLEIN MOVED that the rules be suspended, that HCR 3035 not be printed, not be referred to committee, but be read in title only, be printed in the Journal, and placed on the calendar for immediate second reading and final passage, which motion prevailed.

Reps. Mock, Rich S. Becker, Blum, Delmore, O'Brien, Owens, Sanford, Vetter and Sens. Holmberg, Kreun, Laffen, Meyer introduced:

(Approved by the Delayed Bills Committee)

HOUSE CONCURRENT RESOLUTION NO. 3035

A concurrent resolution congratulating the University of North Dakota's hockey team for its outstanding season and its eighth NCAA Division I hockey national championship.

WHEREAS, on April 9, 2016, the University of North Dakota's hockey team captured the NCAA Division I hockey national championship with a dominating 5-1 victory over Quinnipiac University; and

WHEREAS, the 2015-16 University of North Dakota hockey team was the champion of the National Collegiate Hockey Conference regular season as well as the NCAA Division I hockey national champion, finishing the season with an impressive record of 34 wins, 6 losses, and 4 ties; and

WHEREAS, the leadership of Coach Brad Berry molded a team of outstanding individual athletes into a cohesive, unselfish team with balanced and explosive offense, unyielding defense, and stalwart goaltending; and

WHEREAS, the 2015-16 team, which proudly claimed the eighth University of North Dakota hockey national championship, is an exemplar of the hockey program's enduring fighting spirit and its opulent, unwavering, and extraordinary heritage;

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF NORTH DAKOTA, THE SENATE CONCURRING THEREIN:

That the Sixty-fifth Legislative Assembly takes great pride in extending to all members and coaches of the University of North Dakota hockey team its heartiest congratulations for winning the 2016 NCAA Division I hockey national championship; and

BE IT FURTHER RESOLVED, that the Secretary of State forward enrolled copies of this resolution to each member of the 2015-16 University of North Dakota hockey team, to each of the team's coaches, and to the President of the University of North Dakota.

SECOND READING OF HOUSE CONCURRENT RESOLUTION

HCR 3035: A concurrent resolution congratulating the University of North Dakota's hockey team for its outstanding season and its eighth NCAA Division I hockey national championship.

The question being on the final adoption of the resolution, which has been read.

HCR 3035 was declared adopted on a voice vote.

MOTION

SEN. KLEIN MOVED that SB 2002 be moved to the bottom of the calendar, which motion prevailed.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. HOLMBERG MOVED that the Senate do concur in the House amendments to Engrossed SB 2005 as printed on SJ pages 1198-1199, which motion prevailed on a voice vote.

Engrossed SB 2005, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

SB 2005: A BILL for an Act to provide an appropriation for defraying the expenses of the Indian affairs commission.

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; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

ABSENT AND NOT VOTING: Laffen

Reengrossed SB 2005 passed.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. HOLMBERG MOVED that the Senate do concur in the House amendments to Engrossed SB 2007 as printed on SJ pages 1199-1201, which motion prevailed on a voice vote.

Engrossed SB 2007, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

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

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; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

ABSENT AND NOT VOTING: Laffen

Reengrossed SB 2007 passed.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. HOLMBERG MOVED that the Senate do concur in the House amendments to Engrossed SB 2008 as printed on SJ pages 1205-1206, which motion prevailed on a voice vote.

Engrossed SB 2008, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

SB 2008: A BILL for an Act to provide an appropriation for defraying the expenses of the department of financial institutions; to provide for a study; and to provide for a report to the legislative management.

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; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

ABSENT AND NOT VOTING: Laffen

Reengrossed SB 2008 passed.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. HOLMBERG MOVED that the Senate do concur in the House amendments to Engrossed SB 2017 as printed on SJ pages 1252-1253, which motion prevailed on a voice vote.

Engrossed SB 2017, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

SB 2017: A BILL for an Act to provide an appropriation for defraying the expenses of the office of administrative hearings.

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; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

ABSENT AND NOT VOTING: Laffen

Reengrossed SB 2017 passed.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. HOLMBERG MOVED that the Senate do concur in the House amendments to

Engrossed SB 2022 as printed on SJ pages 1254-1255, which motion prevailed on a voice vote.

Engrossed SB 2022, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

SB 2022: A BILL for an Act to provide an appropriation for defraying the expenses of the commission on legal counsel for indigents.

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; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

ABSENT AND NOT VOTING: Laffen

Reengrossed SB 2022 passed.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. HOLMBERG MOVED that the Senate do concur in the House amendments to Engrossed SB 2023 as printed on SJ pages 1255-1256, 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 the North Dakota racing commission.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 44 YEAS, 2 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Kreun; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

NAYS: Kannianen; Larsen, O.

ABSENT AND NOT VOTING: Laffen

Reengrossed SB 2023 passed.

MOTION

SEN. KLEIN MOVED that SB 2002 be moved to the top of the calendar, which motion prevailed.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. HOLMBERG MOVED that the Senate do concur in the House amendments to Engrossed SB 2002 as printed on SJ pages 1195-1198, which motion prevailed on a voice vote.

Engrossed SB 2002, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

SB 2002: A BILL for an Act to provide an appropriation for defraying the expenses of the judicial branch; to provide a transfer; and to provide for a legislative management study.

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; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

ABSENT AND NOT VOTING: Laffen

Reengrossed SB 2002 passed.

CONSIDERATION OF MESSAGES FROM THE HOUSE

SEN. KLEIN MOVED that the Senate do not concur in the House amendments to Engrossed SB 2016, in the House amendments to Engrossed SB 2018, in the House amendments to Engrossed SB 2019, in the House amendments to Engrossed SB 2020, and in the House amendments to Engrossed SB 2119 and that a conference committee be appointed to meet with a like committee from the House on each of these measures, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEES

THE PRESIDENT APPOINTED as a Conference Committee on:

Engrossed SB 2016: Sens. Krebsbach, Oehlke, Mathern.

Engrossed SB 2018: Sens. Holmberg, Oehlke, Robinson.

Engrossed SB 2019: Sens. Erbele, Holmberg, Robinson.

Engrossed SB 2020: Sens. Bowman, Erbele, Grabinger.

Engrossed SB 2119: Sens. Krebsbach, Oehlke, Mathern.

APPOINTMENT OF CONFERENCE COMMITTEE

SEN. KLEIN MOVED that the President appoint a committee of three to act with a like committee from the House as a Conference Committee on Engrossed HB 1341 and Engrossed HB 1378, which motion prevailed.

THE PRESIDENT APPOINTED as a Conference Committee on:

Engrossed HB 1341: Sens. Armstrong, D. Larson, Nelson

Engrossed HB 1378: Sens. Unruh, Cook, Roers

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. D. LARSON MOVED that the conference committee report on Engrossed SB 2216 as printed on SJ page 1277 be adopted, which motion prevailed on a voice vote.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. DAVISON MOVED that the conference committee report on HB 1037 as printed on SJ pages 1280-1281 be adopted, which motion prevailed on a voice vote.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. CASPER MOVED that the conference committee report on Engrossed SB 2223 as printed on SJ pages 1277-1280 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2223, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

SB 2223: A BILL for an Act to create and enact section 10-32.1-30.1 of the North Dakota Century Code, relating to sharing of profits and losses; to amend and reenact subsection 2 of section 10-32.1-15, section 10-32.1-30, subsection 2 of section 10-32.1-39, and sections 10-32.1-45, 10-32.1-54, 45-10.2-64, and 45-17-04 of the North Dakota Century Code, relating to limited liability company distributions and management and partnership transferable interests.

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; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

ABSENT AND NOT VOTING: Laffen

Reengrossed SB 2223 passed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. D. LARSON MOVED that the conference committee report on SB 2303 as printed on SJ page 1277 be adopted, which motion prevailed on a voice vote.

SB 2303, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

SB 2303: A BILL for an Act to amend and reenact subsections 2 and 7 of section 12.1-32-15 of the North Dakota Century Code, relating to registration requirements for sexual offenders; and to provide a contingent 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; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

ABSENT AND NOT VOTING: Laffen

Engrossed SB 2303 passed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. LUICK MOVED that the conference committee report on HB 1194 as printed on SJ page 1280 be adopted, which motion prevailed on a voice vote.

HB 1194, as amended, was placed on the Fourteenth order of business.

SECOND READING OF HOUSE BILL

HB 1194: A BILL for an Act to create and enact a new section to chapter 12.1-34 of the North Dakota Century Code, relating to providing a victim's rights card; and to amend and reenact subsections 6 and 10 of section 12.1-34-01, subsections 1, 2, and 6 of section 12.1-34-02, and subsection 1 of section 12.1-34-06 of the North Dakota Century Code, relating to treatment standards for victims.

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; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

ABSENT AND NOT VOTING: Laffen

HB 1194, as amended, passed.

MOTION

SEN. KLEIN MOVED that Senate Rule 509 be amended, replacing sixty-third legislative day with sixty-seventh legislative day, which motion prevailed.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

MR. SPEAKER: The Senate has passed, unchanged: HCR 3035.

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

MR. PRESIDENT: The House has passed, and your favorable consideration is requested on: HCR 3035.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

MR. SPEAKER: The Senate has concurred in the House amendments and subsequently passed: SB 2002, SB 2005, SB 2007, SB 2008, SB 2017, SB 2022, and SB 2023.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

MR. SPEAKER: The Senate does not concur in the House amendments to SB 2016, SB 2018, SB 2019, SB 2020, and SB 2119, and the President has appointed as a conference committee to act with a like committee from the House on:

SB 2016: Sens. Krebsbach; Oehlke; Mathern

SB 2018: Sens. Holmberg; Oehlke; Robinson

SB 2019: Sens. Erbele; Holmberg; Robinson

SB 2020: Sens. Bowman; Erbele; Grabinger

SB 2119: Sens. Krebsbach; Oehlke; Mathern

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

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

SB 2001: Reps. Vigesaa; Boehning; Delmore

SB 2009: Reps. Schmidt; Schatz; Boe

SB 2010: Reps. Meier; Kading; Holman

SB 2011: Reps. Nathe; Brabandt; Boehning

SB 2012: Reps. Brandenburg; Kempenich; Delmore

SB 2014: Reps. Brandenburg; Kempenich; Delmore

SB 2015: Reps. J. Nelson; Pollert; Holman

SB 2025: Reps. J. Nelson; Kading; Holman

SB 2090: Reps. Kiefert; D. Anderson; McWilliams

SB 2224: Reps. Pollert; Nathe; Holman

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

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

SB 2042: Reps. Porter; Westlind; P. Anderson

SB 2161: Reps. Klemin; Magrum; Hanson

SB 2316: Reps. Rich S. Becker; Longmuir; Simons

SB 2321: Reps. Owens; Heinert; Guggisberg

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

MR. PRESIDENT: The House has concurred in the Senate amendments and subsequently passed: HB 1009, HB 1011, HB 1017, HB 1021, HB 1043, and HB 1387.

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

MR. PRESIDENT: The House has concurred in the Senate amendments and subsequently passed: HB 1060, HB 1096, HB 1183, HB 1195, HB 1318, HB 1418, and HB 1433.

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

MR. PRESIDENT: The House does not concur in the Senate amendments to HB 1001, HB 1002, HB 1003, HB 1004, HB 1007, HB 1008, HB 1010, HB 1013, HB 1014, HB 1016, HB 1018, HB 1019, HB 1020, and HB 1022, and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

HB 1001: Reps. Brandenburg; Kempenich; Brabandt

HB 1002: Reps. Sanford; Schatz; Boe

HB 1003: Reps. Kempenich; Brandenburg; Delmore

HB 1004: Reps. Nathe; Brandenburg; Boehning

HB 1007: Reps. Boehning; Brabandt; Delmore

HB 1008: Reps. Schmidt; Schatz; Boe

HB 1010: Reps. Vigesaa; Kempenich; Delmore

HB 1013: Reps. Monson; Schmidt; Boe

HB 1014: Reps. Kading; Pollert; Holman

HB 1016: Reps. Brandenburg; Kempenich; Delmore

HB 1018: Reps. Schatz; Streyle; Schmidt

HB 1019: Reps. Streyle; Schatz; Schmidt

HB 1020: Reps. Schmidt; Streyle; Boe

HB 1022: Reps. Boehning; Brabandt; Vigesaa

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

MR. PRESIDENT: The House does not concur in the Senate amendments to HB 1300, and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

HB 1300: Reps. Klemin; K. Koppelman; Hanson

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

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

HB 1341: Sens. Armstrong; D. Larson; Nelson

HB 1378: Sens. Unruh; Cook; Roers

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

MR. PRESIDENT: The Speaker has appointed Rep. Devlin to replace Rep. M. Ruby on the Conference Committee on SB 2047.

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

MR. PRESIDENT: The Speaker has appointed Rep. Porter to replace Rep. M. Ruby on the Conference Committee on HB 1025.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

MR. SPEAKER: The Senate has adopted the conference committee report on: SB 2216.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

MR. SPEAKER: The Senate has adopted the conference committee report on: HB 1037.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: SB 2223, SB 2303.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: HB 1194.

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

MR. PRESIDENT: The House has adopted the conference committee report on: SB 2188, SB 2239, SB 2311.

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 1045, HB 1204, HB 1339.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

MR. SPEAKER: Your signature is respectfully requested on: SB 2006, SB 2029, SB 2163, SB 2191, SB 2231, SB 2250, SB 2272, SB 2276, SB 2298, SB 2335, SB 2340, SB 2343.

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

MR. PRESIDENT: Your signature is respectfully requested on: HB 1038, HB 1058, HB 1090, HB 1098, HB 1126, HB 1137, HB 1181, HB 1189, HB 1197, HB 1202, HB 1222, HB 1236, HB 1247, HB 1272, HB 1283, HB 1294, HB 1299, HB 1320, HB 1374, HB 1419.

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

MR. PRESIDENT: The Speaker has signed: SB 2006, SB 2029, SB 2163, SB 2191, SB 2231, SB 2250, SB 2272, SB 2276, SB 2298, SB 2335, SB 2340, SB 2343.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

MR. SPEAKER: The President has signed: SB 2006, SB 2029, SB 2163, SB 2191, SB 2231, SB 2250, SB 2272, SB 2276, SB 2298, SB 2335, SB 2340, SB 2343.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

MR. SPEAKER: The President has signed: HB 1038, HB 1058, HB 1090, HB 1098, HB 1126, HB 1137, HB 1181, HB 1189, HB 1197, HB 1202, HB 1222, HB 1236, HB 1247, HB 1272, HB 1283, HB 1294, HB 1299, HB 1320, HB 1374, HB 1419.

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following bills were delivered to the Governor for approval on April 7, 2017: SB 2006, SB 2029, SB 2163, SB 2191, SB 2231, SB 2250, SB 2272, SB 2276, SB 2298, SB 2335, SB 2340, SB 2343.

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, Thirteenth, and Sixteenth orders of business and at the conclusion of those orders, the Senate stand adjourned until 1:00 p.m., Monday, April 10, 2017, which motion prevailed.

REPORT OF STANDING COMMITTEE

HB 1023, as engrossed and amended: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1023, as amended, was placed on the Sixth order on the calendar.

In lieu of the amendments adopted by the Senate as printed on pages 811-813 of the Senate Journal, Engrossed House Bill No. 1023 is amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide an appropriation for defraying the expenses of the public employees retirement system; to provide for a transfer; to create and enact a new subsection to section 54-02-04 of the North Dakota Century Code, relating to public employees retirement system

payments; to provide for a legislative management study; and to provide for legislative intent.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys from special funds derived from income to the public employees retirement system for the purpose of defraying the expenses of the public employees retirement system, for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$6,315,360	\$809	\$6,316,169
Operating expenses	2,753,643	(61,422)	2,692,221
Contingencies	<u>250,000</u>	<u>0</u>	<u>250,000</u>
Total special funds	\$9,319,003	(\$60,613)	\$9,258,390
Full-time equivalent positions	34.50	0.00	34.50

SECTION 2. HEALTH INSURANCE INCREASE. The salaries and wages line item in section 1 of this Act includes the sum of \$95,431 from other funds for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

SECTION 3. ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly as adjusted for the 2015-17 biennium:

<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
Public employees retirement system - temporary salaries	\$100,000	\$0
Desktop support services	<u>77,370</u>	<u>0</u>
Total special funds	\$177,370	\$0

SECTION 4. APPROPRIATION LINE ITEM TRANSFERS. The public employees retirement system office may transfer from their contingencies line item in section 1 of this Act to all other line items. The agency shall notify the office of management and budget of each transfer made pursuant to this section.

SECTION 5. A new subsection to section 54-52-06 of the North Dakota Century Code is created and enacted as follows:

The board shall establish policies and implement procedures to make and collect payments in the most cost-effective manner, including the use of electronic transfer of funds.

SECTION 6. LEGISLATIVE MANAGEMENT STUDY - PUBLIC EMPLOYEES RETIREMENT SYSTEM. During the 2017-18 interim, the legislative management shall consider studying the powers and duties of the public employees retirement system's retirement board, including the board's fiduciary duties; the administrative structure of the public employees retirement system, including the feasibility and desirability of changing this structure; the powers and duties of the employee benefits programs committee, including the feasibility and desirability of increasing the committee's oversight of the public employees retirement system; the feasibility and desirability of implementing a self-funded insurance plan; and the feasibility and desirability of changing the contract bidding process to every two years. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-sixth legislative assembly.

SECTION 7. LEGISLATIVE INTENT - ELECTRONIC DISTRIBUTION OF MATERIALS. It is the intent of the sixty-fifth legislative assembly that, by July 1, 2018, the public employees retirement system office create operating efficiencies when feasible by discontinuing the distribution of paper materials, including newsletters and benefit statements. It is further the intent of the sixty-fifth legislative assembly that the public employees retirement system office:

- Develop procedures to electronically distribute materials or provide access to materials through member self-service website applications.
- Consider options to charge members a fee for continued distribution of paper materials to that member."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1023 - Public Employees Retirement System - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$6,315,360	\$6,323,623	(\$7,454)	\$6,316,169
Operating expenses	2,753,643	2,620,799	71,422	2,692,221
Contingencies	250,000	250,000		250,000
Total all funds	\$9,319,003	\$9,194,422	\$63,968	\$9,258,390
Less estimated income	9,319,003	9,194,422	63,968	9,258,390
General fund	\$0	\$0	\$0	\$0
FTE	34.50	33.50	1.00	34.50

Department No. 192 - Public Employees Retirement System - Detail of Senate Changes

	Adjusts Funding for Health Insurance Increases ¹	Restores back FTE position ²	Restores Funding for Operating Expenses ³	Total Senate Changes
Salaries and wages	(\$7,454)			(\$7,454)
Operating expenses			71,422	71,422
Contingencies				
Total all funds	(\$7,454)	\$0	\$71,422	\$63,968
Less estimated income	(7,454)	0	71,422	63,968
General fund	\$0	\$0	\$0	\$0
FTE	0.00	1.00	0.00	1.00

¹ Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month. Section 2 is also adjusted to reflect the change.

² One FTE position removed by the House is restored.

³ A portion of the funding reduced by the House for operating expenses is restored as follows:

	Other Funds
Printing and postage costs for newsletter	\$29,752
Printing and postage costs for annual benefit statements	\$33,220
Other postage, printing, and supplies	\$8,450

This amendment also:

- Removes a section that limited the use of funding in the health insurance reserve fund for reducing health insurance premium amounts.
- Removes various sections of North Dakota Century Code that were amended relating to providing for the Director of the Public Employees Retirement System to be appointed by the Governor, removing the Public Employees Retirement System Board, and adjusting the membership and duties of the Employee Benefits Programs Committee.
- Adjusts a section of legislative intent relating to charging members a fee for paper

materials.

REPORT OF STANDING COMMITTEE

HB 1024, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 1 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1024 was placed on the Sixth order on the calendar.

Page 1, line 2, after the first semicolon insert "to provide a contingent appropriation;"

Page 1, line 2, after the second semicolon insert "to provide for transfers; to provide a statement of legislative intent;"

Page 1, line 4, after "**APPROPRIATION**" insert "**- STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - 2015-17 BIENNIUM**"

Page 1, after line 10, insert:

"COMMISSION ON LEGAL COUNSEL FOR INDIGENTS

Commission on legal counsel for indigents	<u>\$189,000</u>
Total special funds	\$189,000

Subdivision 2."

Page 1, line 14, replace "2." with "3."

Page 1, replace lines 16 and 17 with:

"Grants - medical assistance	<u>\$9,000,000</u>
Total special funds	\$9,000,000"

Page 1, line 18, replace "3." with "4."

Page 1, replace line 23 with:

"Grand total special funds	\$9,518,500
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SECTION 2. APPROPRIATION - SPECIAL FUNDS FROM ADJUTANT GENERAL LOAN PROCEEDS - THROUGH JUNE 30, 2019. There is appropriated from special funds received from the adjutant general, the sums as hereinafter provided, or so much of the sums as may be necessary, to the agencies listed below for the purpose of defraying expenses of law enforcement support which were incurred after June 30, 2015, related to unlawful activity associated with the construction of the Dakota access pipeline, for the period beginning with the effective date of this Act, and ending June 30, 2019.

Subdivision 1.

ATTORNEY GENERAL

Salaries and wages	<u>\$200,000</u>
Total special funds	\$200,000

Subdivision 2.

STATE DEPARTMENT OF HEALTH

Operating expenses	<u>\$1,420,000</u>
Total special funds	\$1,420,000

Subdivision 3.

HIGHWAY PATROL

Field operations	<u>\$3,234,000</u>
Total special funds	\$3,234,000

Subdivision 4.

DEPARTMENT OF CORRECTIONS AND REHABILITATION

Adult services	<u>\$500,000</u>
Total special funds	\$500,000

Subdivision 5.

GAME AND FISH DEPARTMENT

Salaries and wages	\$221,795
Operating expenses	<u>201,929</u>
Total special funds	\$423,724

Subdivision 6.

PARKS AND RECREATION DEPARTMENT

Natural resources	<u>\$200,000</u>
Total special funds	\$200,000

Subdivision 7.

DEPARTMENT OF TRANSPORTATION

Salaries and wages	\$287,000
Operating expenses	<u>422,000</u>
Total special funds	\$709,000

SECTION 2 TOTAL

Grand total special funds	\$6,686,724
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SECTION 3. BORROWING AUTHORITY - APPROPRIATION - THROUGH JUNE 30, 2019 - ADJUTANT GENERAL - DEPARTMENT OF EMERGENCY SERVICES FUNDING REQUEST. The office of the adjutant general may borrow the sum of \$15,000,000, or so much of the sum as may be necessary, from the Bank of North Dakota, for law enforcement support costs that were incurred after June 30, 2015, related to unlawful activity associated with the construction of the Dakota access pipeline, for the period beginning with the effective date of this Act, and ending June 30, 2019. The proceeds of the loan authorized in this section are appropriated to the office of the adjutant general for the purpose of defraying expenses of law enforcement support which were incurred after June 30, 2015, related to unlawful activity associated with the construction of the Dakota access pipeline, for the period beginning with the effective date of this Act, and ending June 30, 2019. The department of emergency services shall include any amounts borrowed under this section in the request for reimbursement from federal or other nonstate sources related to the state's expenses incurred due to unlawful activity associated with the construction of the Dakota access pipeline."

Page 2, line 1, after "**APPROPRIATION**" insert "**- THROUGH JUNE 30, 2019**"

Page 2, line 4, after "costs" insert "that were incurred after June 30, 2015,"

Page 2, line 4, replace "unlawful activity" with "criminal and infraction charges"

Page 2, line 7, after the second "branch" insert "which were incurred after June 30, 2015,"

Page 2, line 7, remove "unlawful"

Page 2, line 8, replace "activity" with "criminal and infraction charges"

Page 2, line 8, after "pipeline" insert a comma

Page 2, line 11, after "other" insert "nonstate"

Page 2, line 13, after "**APPROPRIATION**" insert "**- THROUGH JUNE 30, 2019**"

Page 2, line 15, replace "\$859,000" with "\$1,027,000"

Page 2, line 16, after "costs" insert "that were incurred after June 30, 2015,"

Page 2, line 17, replace "unlawful activity" with "criminal and infraction charges"

Page 2, line 21, after "indigents" insert "which were incurred after June 30, 2015,"

Page 2, line 21, replace "unlawful activity" with "criminal and infraction charges"

Page 2, line 22, after "pipeline" insert a comma

Page 2, line 24, after "other" insert "nonstate"

Page 2, after line 25, insert:

"SECTION 6. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - STATE HISTORICAL SOCIETY - THROUGH JUNE 30, 2019. There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$294,500, or so much of the sum as may be necessary, to the state historical society for the purpose of defraying litigation expenses, for the period beginning with the effective date of this Act, and ending June 30, 2019. The funding provided in this section is considered a one-time funding item and is not a part of the entity's base budget for the 2019-21 biennium.

SECTION 7. CONTINGENT APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - STATE TREASURER - THROUGH JUNE 30, 2019. There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$15,200,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of providing any court-ordered payments to a bankruptcy estate, for the period beginning with the effective date of this Act, and ending June 30, 2019. The funding provided in this section may be expended only upon an order of the court pending the outcome of *PW Enterprises, Inc. v. State of North Dakota*. The funding provided in this section is considered a one-time funding item and is not a part of the entity's base budget for the 2019-21 biennium.

SECTION 8. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO GENERAL FUND - 2015-17 BIENNIUM. The office of management and budget shall transfer the sum of \$155,000,000 from the strategic investment and improvements fund to the general fund during the period beginning with the effective date of this Act, and ending June 30, 2017.

SECTION 9. LINE ITEM TRANSFERS - ATTORNEY GENERAL - 2015-17 BIENNIUM.

1. The attorney general may transfer \$75,000 from the amount appropriated for the continuation of contracted higher education legal services in section 6 of chapter 3 of the 2015 Session Laws to the litigation fees line item in section 1 of chapter 37 of the 2015 Session Laws, for the period beginning with the effective date of this Act, and ending June 30, 2017.
2. The attorney general may transfer \$5,000 from the amount appropriated for the continuation of contracted higher education legal services in section 6 of chapter 3 of the 2015 Session Laws to the arrest and return of fugitives line item in section 1 of chapter 37 of the 2015 Session Laws, for the period beginning with the effective date of this Act, and ending June 30, 2017.

SECTION 10. LEGISLATIVE INTENT - COST REIMBURSEMENTS - LOAN REPAYMENTS. It is the intent of the sixty-fifth legislative assembly that the department of emergency services seek reimbursement from the federal government or other nonstate sources for the costs of responding to unlawful activity associated with the construction of the Dakota access pipeline. It is further the intent of the sixty-fifth legislative assembly that these reimbursements be used to repay the Bank of North Dakota loans authorized by the emergency commission and the legislative assembly, including loans of \$17,000,000 previously authorized by the emergency commission; loans in Senate Bill No. 2174, as approved by the sixty-fifth legislative assembly; and loans authorized in sections 3, 4, and 5 of this Act, which were all obtained to provide the funding necessary to respond to the unlawful activity associated with the construction of the Dakota access pipeline. If the department of emergency services determines reimbursements from federal or other nonstate sources are not forthcoming, the department of emergency services and other state agencies that obtain a loan shall request a deficiency appropriation from the sixty-sixth legislative assembly sufficient for the repayment of the amounts borrowed plus interest."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1024 - Summary of Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
State Treasurer				
Total all funds	\$0	\$0	\$15,200,000	\$15,200,000
Less estimated income	0	0	15,200,000	15,200,000
General fund	\$0	\$0	\$0	\$0
Attorney General				
Total all funds	\$0	\$0	\$200,000	\$200,000
Less estimated income	0	0	200,000	200,000
General fund	\$0	\$0	\$0	\$0
Judicial Branch				
Total all funds	\$0	\$1,500,000	\$0	\$1,500,000
Less estimated income	0	1,500,000	0	1,500,000
General fund	\$0	\$0	\$0	\$0
Commission on Legal Counsel for Indigent				
Total all funds	\$0	\$859,000	\$168,000	\$1,027,000
Less estimated income	0	859,000	168,000	1,027,000
General fund	\$0	\$0	\$0	\$0
State Department of Health				
Total all funds	\$0	\$0	\$1,420,000	\$1,420,000
Less estimated income	0	0	1,420,000	1,420,000
General fund	\$0	\$0	\$0	\$0
Highway Patrol				
Total all funds	\$0	\$0	\$3,234,000	\$3,234,000
Less estimated income	0	0	3,234,000	3,234,000
General fund	\$0	\$0	\$0	\$0
Department of Corrections and Rehab.				
Total all funds	\$0	\$0	\$500,000	\$500,000
Less estimated income	0	0	500,000	500,000
General fund	\$0	\$0	\$0	\$0
Adjutant General				
Total all funds	\$0	\$0	\$15,000,000	\$15,000,000
Less estimated income	0	0	15,000,000	15,000,000
General fund	\$0	\$0	\$0	\$0
State Historical Society				
Total all funds	\$0	\$0	\$294,500	\$294,500
Less estimated income	0	0	294,500	294,500
General fund	\$0	\$0	\$0	\$0
Game and Fish Department				
Total all funds	\$0	\$0	\$423,724	\$423,724
Less estimated income	0	0	423,724	423,724
General fund	\$0	\$0	\$0	\$0

Parks and Recreation				
Department				
Total all funds	\$0	\$0	\$200,000	\$200,000
Less estimated income	0	0	200,000	200,000
General fund	\$0	\$0	\$0	\$0
Department of Transportation				
Total all funds	\$0	\$0	\$709,000	\$709,000
Less estimated income	0	0	709,000	709,000
General fund	\$0	\$0	\$0	\$0
Bill total				
Total all funds	\$0	\$2,359,000	\$37,349,224	\$39,708,224
Less estimated income	0	2,359,000	37,349,224	39,708,224
General fund	\$0	\$0	\$0	\$0

House Bill No. 1024 - State Treasurer - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Settlement payment			\$15,200,000	\$15,200,000
Total all funds	\$0	\$0	\$15,200,000	\$15,200,000
Less estimated income	0	0	15,200,000	15,200,000
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

Department No. 120 - State Treasurer - Detail of Senate Changes

	Provides Contingent Funding for Settlement Payments ¹	Total Senate Changes
Settlement payment	\$15,200,000	\$15,200,000
Total all funds	\$15,200,000	\$15,200,000
Less estimated income	15,200,000	15,200,000
General fund	\$0	\$0
FTE	0.00	0.00

¹ Contingent funding of \$15.2 million from the strategic investment and improvements fund is added for any required payments to a bankruptcy estate. The funding may be expended only upon an order of the court pending the outcome of PW Enterprises, Inc. v. State of North Dakota.

House Bill No. 1024 - Attorney General - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages			\$200,000	\$200,000
Total all funds	\$0	\$0	\$200,000	\$200,000
Less estimated income	0	0	200,000	200,000
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

Department No. 125 - Attorney General - Detail of Senate Changes

	Adds Funding for Pipeline Protest Law Enforcement Support ¹	Total Senate Changes
Salaries and wages	\$200,000	\$200,000
Total all funds	\$200,000	\$200,000
Less estimated income	200,000	200,000
General fund	\$0	\$0

FTE

0.00

0.00

¹ Funding of \$200,000 is added from special funds received from the Adjutant General for expenses of law enforcement support related to unlawful activity associated with the construction of the Dakota Access Pipeline.

House Bill No. 1024 - Commission on Legal Counsel for Indigent - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Pipeline protest trials		\$859,000	\$168,000	\$1,027,000
Total all funds	\$0	\$859,000	\$168,000	\$1,027,000
Less estimated income	0	859,000	168,000	1,027,000
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

Department No. 188 - Commission on Legal Counsel for Indigent - Detail of Senate Changes

	Adds Funding for Pipeline Protest Trials ¹	Total Senate Changes
Pipeline protest trials	\$168,000	\$168,000
Total all funds	\$168,000	\$168,000
Less estimated income	168,000	168,000
General fund	\$0	\$0
FTE	0.00	0.00

¹ Borrowing authority and the related appropriation authority are increased by \$168,000, from \$859,000 to \$1,027,000, for additional costs related to pipeline protest trials.

House Bill No. 1024 - State Department of Health - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Operating expenses			\$1,420,000	\$1,420,000
Total all funds	\$0	\$0	\$1,420,000	\$1,420,000
Less estimated income	0	0	1,420,000	1,420,000
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

Department No. 301 - State Department of Health - Detail of Senate Changes

	Adds Funding for Pipeline Protest Law Enforcement Support ¹	Total Senate Changes
Operating expenses	\$1,420,000	\$1,420,000
Total all funds	\$1,420,000	\$1,420,000
Less estimated income	1,420,000	1,420,000
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding of \$1,420,000 is added from special funds received for the Adjutant General for expenses of law enforcement support related to unlawful activity associated with the

construction of the Dakota Access Pipeline.

House Bill No. 1024 - Highway Patrol - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Field operations			\$3,234,000	\$3,234,000
Total all funds	\$0	\$0	\$3,234,000	\$3,234,000
Less estimated income	0	0	3,234,000	3,234,000
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

Department No. 504 - Highway Patrol - Detail of Senate Changes

	Adds Funding for Pipeline Protest Law Enforcement Support ¹	Total Senate Changes
Field operations	\$3,234,000	\$3,234,000
Total all funds	\$3,234,000	\$3,234,000
Less estimated income	3,234,000	3,234,000
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding of \$3,234,000 is added from special funds received from the Adjutant General for expenses of law enforcement support related to unlawful activity associated with the construction of the Dakota Access Pipeline.

House Bill No. 1024 - Department of Corrections and Rehab. - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Adult services			\$500,000	\$500,000
Total all funds	\$0	\$0	\$500,000	\$500,000
Less estimated income	0	0	500,000	500,000
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

Department No. 530 - Department of Corrections and Rehab. - Detail of Senate Changes

	Adds Funding for Pipeline Protest Law Enforcement Support ¹	Total Senate Changes
Adult services	\$500,000	\$500,000
Total all funds	\$500,000	\$500,000
Less estimated income	500,000	500,000
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding of \$500,000 is added from special funds received from the Adjutant General for expenses of law enforcement support related to unlawful activity associated with the construction of the Dakota Access Pipeline.

House Bill No. 1024 - Adjutant General - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Total all funds	\$0	\$0	\$0	\$0
Less estimated income	0	0	15,000,000	15,000,000
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

Department No. 540 - Adjutant General - Detail of Senate Changes

	Adds Funding for Pipeline Protest Law Enforcement Support ¹	Total Senate Changes
Total all funds	\$15,000,000	\$15,000,000
Less estimated income	15,000,000	15,000,000
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding of \$15,000,000 is added from the proceeds of a loan for expenses of law enforcement support related to unlawful activity associated with the construction of the Dakota Access Pipeline.

House Bill No. 1024 - State Historical Society - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Operating expenses			\$294,500	\$294,500
Total all funds	\$0	\$0	\$294,500	\$294,500
Less estimated income	0	0	294,500	294,500
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

Department No. 701 - State Historical Society - Detail of Senate Changes

	Adds Funding for Litigation Expenses ¹	Total Senate Changes
Operating expenses	\$294,500	\$294,500
Total all funds	\$294,500	\$294,500
Less estimated income	294,500	294,500
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding of \$294,500 is added from the strategic investment and improvements fund for litigation expenses.

House Bill No. 1024 - Game and Fish Department - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages			\$221,795	\$221,795
Operating expenses			201,929	201,929
Total all funds	\$0	\$0	\$423,724	\$423,724

Less estimated income	0	0	423,724	423,724
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

Department No. 720 - Game and Fish Department - Detail of Senate Changes

	Adds Funding for Pipeline Protest Law Enforcement Support ¹	Total Senate Changes
Salaries and wages	\$221,795	\$221,795
Operating expenses	201,929	201,929
Total all funds	\$423,724	\$423,724
Less estimated income	423,724	423,724
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding of \$423,724 is added from special funds received from the Adjutant General for expenses of law enforcement support related to unlawful activity associated with the construction of the Dakota Access Pipeline.

House Bill No. 1024 - Parks and Recreation Department - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Natural resources			\$200,000	\$200,000
Total all funds	\$0	\$0	\$200,000	\$200,000
Less estimated income	0	0	200,000	200,000
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

Department No. 750 - Parks and Recreation Department - Detail of Senate Changes

	Adds Funding for Pipeline Protest Law Enforcement Support ¹	Total Senate Changes
Natural resources	\$200,000	\$200,000
Total all funds	\$200,000	\$200,000
Less estimated income	200,000	200,000
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding of \$200,000 is added from special funds received from the Adjutant General for expenses of law enforcement support related to unlawful activity associated with the construction of the Dakota Access Pipeline.

House Bill No. 1024 - Department of Transportation - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages			\$287,000	\$287,000
Operating expenses			422,000	422,000
Total all funds	\$0	\$0	\$709,000	\$709,000
Less estimated income	0	0	709,000	709,000
General fund	\$0	\$0	\$0	\$0

FTE

0.00

0.00

0.00

0.00

Department No. 801 - Department of Transportation - Detail of Senate Changes

	Adds Funding for Pipeline Protest Law Enforcement Support ¹	Total Senate Changes
Salaries and wages	\$287,000	\$287,000
Operating expenses	422,000	422,000
Total all funds	\$709,000	\$709,000
Less estimated income	709,000	709,000
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding of \$709,000 is added from special funds received from the Adjutant General for expenses of law enforcement support related to unlawful activity associated with the construction of the Dakota Access Pipeline.

House Bill No. 1024 - Other Changes - Senate Action

This amendment provides for the following changes to agency deficiency appropriations from the strategic investment and improvements fund:

- Adds a \$189,000 appropriation to the Commission on Legal Counsel for Indigents related to costs associated with Section 25 of Article I of the Constitution of North Dakota relating to victims' rights (Marsy's Law).
- Increases the appropriation to the Department of Human Services for Medicaid grants by \$4 million, from \$5 million to \$9 million.

This amendment also:

- Adds a section to provide appropriations to various state agencies from special funds the agency received from the Adjutant General for expenses of law enforcement support related to unlawful activity associated with the construction of the Dakota Access Pipeline.
- Adds a section to provide \$15 million of borrowing authority and the related appropriation authority through June 30, 2019, to the Adjutant General for expenses related to unlawful activity associated with the construction of the Dakota Access Pipeline.
- Increases the borrowing authority for the Commission on Legal Counsel for Indigents by \$168,000, from \$859,000 to \$1,027,000.
- Clarifies the purpose of the borrowing authority and appropriations to the judicial branch and the Commission on Legal Counsel for Indigents.
- Adds a section to provide one-time funding of \$294,500 from the strategic investment and improvements fund to the State Historical Society through June 30, 2019 related to litigation expenses.
- Adds a section to provide contingent funding of \$15.2 million from the strategic investment and improvements fund for any required payments to a bankruptcy estate. The funding may be expended only upon an order of the court pending the outcome of *PW Enterprises, Inc. v. State of North Dakota*.
- Provides for a transfer of \$155 million from the strategic investment and improvements fund to the general fund prior to the end of the 2015-17 biennium, resulting in an increase in the July 1, 2017, estimated beginning balance of the general fund.
- Adds a section authorizing the Attorney General to transfer funds between certain line items during the 2015-17 biennium.
- Adds a section to provide legislative intent related to repayment sources for loans obtained to provide the necessary funding to respond to the unlawful activity

associated with the construction of the Dakota Access Pipeline.

REPORT OF CONFERENCE COMMITTEE

SB 2039, as engrossed: Your conference committee (Sens. J. Lee, Kreun, Heckaman and Reps. Devlin, B. Anderson, Damschen) recommends that the **SENATE ACCEDE** to the House amendments as printed on SJ pages 949-950 and place SB 2039 on the Seventh order.

Engrossed SB 2039 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2041: Your conference committee (Sens. Anderson, Clemens, Heckaman and Reps. Damschen, McWilliams, P. Anderson) recommends that the **SENATE ACCEDE** to the House amendments as printed on SJ page 951 and place SB 2041 on the Seventh order.

SB 2041 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2161: Your conference committee (Sens. Anderson, Clemens, Piepkorn and Reps. Klemin, Magrum, Hanson) recommends that the **SENATE ACCEDE** to the House amendments as printed on SJ page 830 and place SB 2161 on the Seventh order.

SB 2161 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2253, as engrossed: Your conference committee (Sens. Burckhard, Kannianen, Dotzenrod and Reps. Beadle, Pyle, Toman) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ page 924, adopt amendments as follows, and place SB 2253 on the Seventh order:

That the House recede from its amendments as printed on page 924 of the Senate Journal and page 1049 of the House Journal and that Engrossed Senate Bill No. 2253 be amended as follows:

Page 1, line 8, remove "does not"

Page 1, line 9, replace "change the acreage for real estate taxes or payments in lieu of real estate taxes until" with "must have"

Page 1, line 10, remove "is"

Renumber accordingly

Engrossed SB 2253 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2270: Your conference committee (Sens. Kreun, Roers, Schaible and Reps. Devlin, Lefor, Bosch) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ page 849, adopt amendments as follows, and place SB 2270 on the Seventh order:

That the House recede from its amendments as printed on page 849 of the Senate Journal and page 1016 of the House Journal and that Senate Bill No. 2270 be amended as follows:

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

Page 3, line 23, replace "provides" with ":

a. Provides"

Page 3, line 29, after "located" insert ";

- b. Publishes notice of the project in newspapers of general circulation in the area in which the affected landowners reside and in the official county newspaper of each county in which the benefited lands are located at least twenty-one days before the deadline for filing votes on the project"

Page 5, after line 31, insert:

"SECTION 8. EMERGENCY. This Act is declared to be an emergency measure."

Renumber accordingly

SB 2270 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2033, as engrossed: Your conference committee (Sens. Anderson, J. Lee, Piepkorn and Reps. Rohr, Kiefert, Schneider) recommends that the **SENATE ACCEDE** to the House amendments as printed on SJ page 949, adopt further amendments as follows, and place SB 2033 on the Seventh order:

That the Senate accede to the House amendments as printed on page 949 of the Senate Journal and pages 1069 and 1070 of the House Journal and that Engrossed Senate Bill No. 2033 be further amended as follows:

Page 1, line 1, replace the second "section" with "sections 43-41-07 and"

Page 2, after line 4, insert:

"SECTION 2. AMENDMENT. Section 43-41-07 of the North Dakota Century Code is amended and reenacted as follows:

43-41-07. Qualification for licensure by an applicant licensed in another jurisdiction.

An applicant may be granted a license upon satisfactory proof to the board that the applicant is licensed in good standing under the laws of another jurisdiction that imposes substantially the same requirements as this chapter and a board determination that at the time of application for licensure under this section the applicant possesses qualifications or experience in the practice of social work which are substantially similar to the minimum requirements under this chapter. The applicant shall pay the licensure fees specified by the board."

Renumber accordingly

Engrossed SB 2033 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2247: Your conference committee (Sens. Rust, Campbell, Clemens and Reps. Grueneich, Rick C. Becker, M. Nelson) recommends that the **SENATE ACCEDE** to the House amendments as printed on SJ pages 721-722, adopt further amendments as follows, and place SB 2247 on the Seventh order:

That the House recede from its amendments as printed on pages 721 and 722 of the Senate Journal and pages 884 and 885 of the House Journal and that Senate Bill No. 2247 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 39-01-09 of the North Dakota Century Code, relating to parking meters.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 39-01-09 of the North Dakota Century Code is amended and reenacted as follows:

39-01-09. Parking meters prohibited.

~~It is unlawful for the The state of North Dakota, its political subdivisions, counties, cities, and, the state department of transportation to, or the governing body of a political subdivision, upon a simple majority vote of the governing body of the political subdivision, may establish and maintain any mechanical device or devices known as "parking meters", or by whatever name designated, requiring the deposit therein of coins or tokens for the privilege of parking cars or other vehicles upon the streets and highways in the state of North Dakota. Any and all ordinances and resolutions now existing authorizing the establishment and maintenance of such mechanical devices or parking meters, or by whatever name designated, are hereby declared null and void. A governing body of a political subdivision may place on the ballot the question of whether metered parking should be approved for use in the political subdivision."~~

Renumber accordingly

SB 2247 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2264, as engrossed: Your conference committee (Sens. O. Larsen, Clemens, Heckaman and Reps. Hatlestad, M. Johnson, Guggisberg) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 924-925, adopt amendments as follows, and place SB 2264 on the Seventh order:

That the House recede from its amendments as printed on pages 924 and 925 of the Senate Journal and page 1050 of the House Journal and that Engrossed Senate Bill No. 2264 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 subsection 2 of section 23-01-05.5 of the North Dakota Century Code, relating to providing notification of the report of death to the next of kin or authorized representative of the deceased.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsection 2 of section 23-01-05.5 of the North Dakota Century Code is amended and reenacted as follows:

2. An autopsy report and any working papers and notes relating to an autopsy report are confidential and may be disclosed only as permitted by this section. The report of death is a public record subject to disclosure under section 44-04-18 as follows:
 - a. The next of kin or authorized representative requesting the report of death is responsible for providing to the state forensic examiner or the examiner's designee satisfactory proof of relationship to the deceased and contact information for notification of the report of death.
 - b. When in receipt of the information in subdivision a, the state forensic examiner, examiner's designee, county coroner, or pathologist who performed the autopsy shall make a good faith effort to immediately notify the decedent's next of kin or authorized representative of the availability of the report of death. The notification or attempts to notify the next of kin or authorized representative must be recorded and must precede any public disclosure of the report of death.
 - c. The report of death becomes a public record eight days after the report of death is finalized."

Renumber accordingly

Engrossed SB 2264 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

HB 1204, as engrossed: Your conference committee (Sens. Unruh, Kreun, Oban and Reps. Roers Jones, Heinert, Lefor) recommends that the **HOUSE ACCEDE** to the Senate amendments as printed on HJ page 1102 and place HB 1204 on the Seventh order.

Engrossed HB 1204 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

HB 1045, as reengrossed: Your conference committee (Sens. Cook, Laffen, Dotzenrod and Reps. Headland, Dockter, Mitskog) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1164-1172, adopt amendments as follows, and place HB 1045 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1164-1172 of the House Journal and pages 896-904 of the Senate Journal and that Reengrossed House Bill No. 1045 be amended as follows:

Page 1, line 1, replace the comma with "and"

Page 1, line 2, remove ", subsection 5 of section 57-38.5-01, and sections 57-38.5-02, 57-38.5-03,"

Page 1, line 3, remove "57-38.5-04, 57-38.5-05, and 57-38.5-06"

Page 1, line 4, remove "and the seed capital investment tax credit; to repeal section"

Page 1, remove line 5

Page 1, line 6, remove "investment tax credit and the seed capital investment tax credit"

Page 1, line 6, after the first semicolon insert "to provide a penalty;"

Page 1, line 11, after the first boldfaced period insert "**(Effective for investments made before July 1, 2017)**"

Page 1, line 13, replace "April" with "July"

Page 1, line 14, overstrike "created" and insert immediately thereafter "organized before July 1, 2017."

Page 6, after line 6, insert:

"SECTION 2. AMENDMENT. Section 57-38-01.26 of the North Dakota Century Code is amended and reenacted as follows:

57-38-01.26. (Effective for investments made after June 30, 2017) Angel fund investment investor tax credit.

- ~~1. A taxpayer is entitled to a credit against state income tax liability under section 57-38-30 or 57-38-30.3 for an investment made in an angel fund that is a domestic organization created under the laws of this state. The amount of the credit to which a taxpayer is entitled is forty-five percent of the amount remitted by the taxpayer to an angel fund during the taxable year. The aggregate annual credit for which a taxpayer may obtain a tax credit is not more than forty-five thousand dollars. The aggregate lifetime credits under this section that may be obtained by an individual, married couple, passthrough entity and its affiliates, or other taxpayer is five hundred thousand dollars. The investment used to calculate the credit under this section may not be used to calculate any other income tax deduction or credit allowed by law.~~
2. To be eligible for the credit, the investment must be at risk in the angel fund for at least three years. An investment made in a qualified business from the assets of a retirement plan is deemed to be the retirement plan

participant's investment for the purpose of this section if a separate account is maintained for the plan participant and the participant directly controls where the account assets are invested. Investments placed in escrow do not qualify for the credit. The credit must be claimed in the taxable year in which the investment in the angel fund was received by the angel fund. The credit allowed may not exceed the liability for tax under this chapter. If the amount of credit determined under this section exceeds the liability for tax under this chapter, the excess may be carried forward to each of the seven succeeding taxable years. A taxpayer claiming a credit under this section may not claim any credit available to the taxpayer as a result of an investment made by the angel fund in a qualified business under chapter 57-38.5 or 57-38.6.

3. An angel fund must:

- a. Be a partnership, limited partnership, corporation, limited liability company, limited liability partnership, limited liability limited partnership, trust, or estate organized on a for-profit basis which is headquartered in this state.
- b. Be organized for the purpose of investing in a portfolio of at least three primary sector companies that are early-stage and mid-stage private, nonpublicly traded enterprises with strong growth potential. For purposes of this section, an early-stage entity means an entity with annual revenues of up to two million dollars and a mid-stage entity means an entity with annual revenues over two million dollars not to exceed ten million dollars. Investments in real estate or real estate holding companies are not eligible investments by certified angel funds. Any angel fund certified before January 1, 2013, which has invested in real estate or a real estate holding company is not eligible for recertification.
- c. Consist of at least six accredited investors as defined by securities and exchange commission regulation D, rule 501.
- d. Not have more than twenty-five percent of its capitalized investment assets owned by an individual investor.
- e. Have at least five hundred thousand dollars in commitments from accredited investors and that capital must be subject to call to be invested over an unspecified number of years to build a portfolio of investments in enterprises.
- f. Be member managed or a manager managed limited liability company and the investor members or a designated board that includes investor members must make decisions as a group on which enterprises are worthy of investments.
- g. Be certified as an angel fund that meets the requirements of this section by the department of commerce.
- h. Be in compliance with the securities laws of this state.
- i. Within thirty days after the date on which an investment in an angel fund is made, the angel fund shall file with the tax commissioner and provide to the investor completed forms prescribed by the tax commissioner which show as to each investment in the angel fund the following:
 - (1) The name, address, and social security number or federal employer identification number of the taxpayer or passthrough entity that made the investment;
 - (2) The dollar amount remitted by the taxpayer or passthrough entity; and

- (3) The date the payment was received by the angel fund for the investment.
 - j. Within thirty days after the end of a calendar year, the angel fund shall file with the tax commissioner a report showing the name and principal place of business of each enterprise in which the angel fund has an investment.
- 4. The tax commissioner may disclose to the legislative management the reported information described under paragraphs 2 and 3 of subdivision i of subsection 3 and the reported information described under subdivision j of subsection 3.
- 5. Angel fund investors may be actively involved in the enterprises in which the angel fund invests but the angel fund may not invest in any enterprise if any one angel fund investor owns directly or indirectly more than forty-nine percent of the ownership interests in the enterprise. The angel fund may not invest in an enterprise if any one partner, shareholder, or member of a passthrough entity that directly or indirectly owns more than forty-nine percent of the ownership interests in the enterprise.
- 6. Investors in one angel fund may not receive more than five million dollars in aggregate credits under this section during the life of the angel fund but this provision may not be interpreted to limit additional investments in that angel fund.
- 7.
 - a. A passthrough entity entitled to the credit under this section must be considered to be the taxpayer for purposes of this section, and the amount of the credit allowed must be determined at the passthrough entity level.
 - b. For the first two taxable years beginning after December 31, 2010, if a passthrough entity does not elect to sell, transfer, or assign the credit as provided under this subsection and subsection 8, the amount of the total credit determined at the entity level must be passed through to the partners, shareholders, or members in proportion to their respective interests in the passthrough entity.
 - c. For the first two taxable years beginning after December 31, 2010, if a passthrough entity elects to sell, transfer, or assign a credit as provided under this subsection and subsection 8, the passthrough entity shall make an irrevocable election to sell, transfer, or assign the credit on the return filed by the entity for the taxable year in which the credit was earned. A passthrough entity that makes a valid election to sell, transfer, or assign a credit shall sell one hundred percent of the credit earned, may sell the credit to only one purchaser, and shall comply with the requirements of this subsection and subsection 8.
- 8. For the first two taxable years beginning after December 31, 2010, a taxpayer may elect to sell, transfer, or assign all of the earned or excess tax credit earned under this section for investment in an angel fund established after July 31, 2011, subject to the following:
 - a. A taxpayer's total credit sale, transfer, or assignment under this section may not exceed one hundred thousand dollars over any combination of taxable years. The cumulative credits transferred by all investors in an angel fund may not exceed fifty percent of the aggregate credits under this section during the life of the angel fund under subsection 6.
 - b. If the taxpayer elects to sell, assign, or transfer a credit under this subsection, the tax credit transferor and the tax credit purchaser jointly shall file with the tax commissioner a copy of the purchase agreement and a statement containing the names, addresses, and

taxpayer identification numbers of the parties to the transfer, the amount of the credit being transferred, the gross proceeds received by the transferor, and the taxable year or years for which the credit may be claimed. The taxpayer and the purchaser also shall file a document allowing the tax commissioner to disclose tax information to either party for the purpose of verifying the correctness of the transferred tax credit. The purchase agreement, supporting statement, and waiver must be filed within thirty days after the date the purchase agreement is fully executed.

- e. The purchaser of the tax credit shall claim the credit beginning with the taxable year in which the credit purchase agreement was fully executed by the parties. A purchaser of a tax credit under this section has only such rights to claim and use the credit under the terms that would have applied to the tax credit transferor. This subsection does not limit the ability of the tax credit purchaser to reduce the tax liability of the purchaser, regardless of the actual tax liability of the tax credit transferor.
 - d. A sale, assignment, or transfer of a tax credit under this section is irrevocable and the purchaser of the tax credit may not sell, assign, or otherwise transfer the credit.
 - e. If the amount of the credit available under this section is changed as a result of an amended return filed by the transferor, or as the result of an audit conducted by the internal revenue service or the tax commissioner, the transferor shall report to the purchaser the adjusted credit amount within thirty days of the amended return or within thirty days of the final determination made by the internal revenue service or the tax commissioner. The tax credit purchaser shall file amended returns reporting the additional tax due or claiming a refund as provided in section 57-38-38 or 57-38-40, and the tax commissioner may audit these returns and assess or issue refunds, even though other time periods prescribed in these sections may have expired for the purchaser.
 - f. Gross proceeds received by the tax credit transferor must be assigned to North Dakota. The amount assigned under this subsection cannot be reduced by the taxpayer's income apportioned to North Dakota or any North Dakota net operating loss of the taxpayer.
 - g. The tax commissioner has four years after the date of the credit assignment to audit the returns of the credit transferor and the purchaser to verify the correctness of the amount of the transferred credit and if necessary assess the credit purchaser if additional tax is found due. This subdivision does not limit or restrict any other time period prescribed in this chapter for the assessment of tax.
 - h. The tax commissioner may adopt rules to establish necessary administrative provisions for the credit under this section, including provisions to permit verification of the validity and timeliness of the transferred tax credit.
1. For investments made after June 30, 2017, an angel investor is entitled to a credit against the income tax liability under section 57-38-30.3 for investments made by a certified angel fund into an in-state qualified business or an out-of-state qualified business. The credit is equal to thirty-five percent of the amount invested by the angel fund on behalf of the angel investor in an in-state qualified business during the taxable year and twenty-five percent of the amount invested by the angel fund on behalf of the angel investor in an out-of-state qualified business during the taxable year.

- a. The aggregate amount of credits allowed to an angel investor in a taxable year is limited to forty-five thousand dollars. The aggregate amount of credits allowed to an angel investor for investments made in all taxable years is five hundred thousand dollars. The limitation under this subdivision does not apply to the angel fund but applies to each angel investor.
 - b. The credit must be claimed in the taxable year in which the investment is made in an in-state qualified business or an out-of-state qualified business. The credit allowed may not exceed the liability for tax under this chapter. If the amount of the credit determined under this section exceeds the liability for tax under this chapter, the excess may be carried forward to each of the five succeeding taxable years.
 - c. The investment used to calculate the credit under this section may not be used to calculate any other income tax deduction or credit allowed by law.
 - d. Angel investors may not receive more than five million dollars in aggregate credits under this section during the life of an angel fund but this provision may not be interpreted to limit additional investments in that angel fund.
 - e. Investments placed in escrow do not qualify for the credit.
 - f. A passthrough entity entitled to the credit under this section must be considered to be the taxpayer for purposes of calculating the credit. The amount of the allowable credit must be determined at the passthrough entity level. The total credit determined at the entity level must be passed through to the partners, shareholders, or members in proportion to their respective interests in the passthrough entity. An individual taxpayer may take the credit passed through under this section against the individual's state income tax liability under section 57-38-30.3.
2. For purposes of this section:
- a. "Early-stage entity" means an entity with annual revenues of up to two million dollars.
 - b. "In-state qualified business" means an early-stage or mid-stage private, nonpublicly traded enterprise that:
 - (1) Is created, or its satellite operation is created, as a for-profit entity under the laws of this state.
 - (2) Has its principal office in this state and has the majority of its business activity performed in this state, except sales activity, or has a significant operation in this state that has or is projected to have more than ten employees in this state.
 - (3) Relies on research or the development of new products and processes in its plans for growth and profitability.
 - (4) Is in compliance with state and federal securities laws.
 - (5) Is not an entity or enterprise which is engaged in real estate development, is a real estate holding company, derives income from the selling or leasing of residential or commercial real estate, or carries on operations in the hotel, restaurant, convention, or hospitality industries, or makes any other similar use of real estate.

- (6) Is certified as an in-state qualified business that meets the requirements of this section by the department of commerce.
 - c. "Investment" means a cash investment in an in-state qualified business or out-of-state qualified business that is made in exchange for common stock, a partnership or membership interest, preferred stock, debt with a mandatory conversion to equity, or an equivalent ownership interest as determined by the tax commissioner.
 - d. "Mid-stage entity" means an entity with annual revenues over two million dollars not to exceed ten million dollars.
 - e. "Out-of-state qualified business" means an early-stage or mid-stage private, nonpublicly traded enterprise that:
 - (1) Is created as a for-profit entity.
 - (2) Relies on research or the development of new products and processes in its plans for growth and profitability.
 - (3) Is in compliance with state and federal securities laws.
 - (4) Is not an entity or enterprise engaged in real estate development, is a real estate holding company, derives income from the selling or leasing of residential or commercial real estate, or carries on operations in the hotel, restaurant, convention, or hospitality industries, or makes any other similar use of real estate.
 - (5) Is certified as an out-of-state qualified business that meets the requirements of this section by the department of commerce.
3. An angel fund must:
- a. Be a passthrough entity organized after June 30, 2017, as a domestic for-profit entity under the laws of this state, and have its headquarters in this state.
 - b. Not have invested, or intend on investing during its certification period, in real estate or real estate activities as described under subdivision e of subsection 2.
 - c. Consist of at least six accredited investors as defined in regulation D, rule 501 of the federal Securities Act of 1933.
 - d. Not have more than twenty-five percent of its capitalized investment assets owned by any one investor.
 - e. Have at least five hundred thousand dollars in commitments from accredited investors which are subject to call to be invested over an unspecified number of years to build a portfolio of investments in enterprises.
 - f. Be member-managed or a manager-managed limited liability company and the investor members or a designated board that includes investor members must make decisions as a group on which enterprises are worthy of investments.
 - g. Be certified as an angel fund that meets the requirements of this subsection by the department of commerce.
 - h. Be in, and remain in, compliance with state and federal securities laws, and invest only in in-state qualified businesses or an out-of-state qualified business that are issuing securities in compliance with state and federal securities laws.

4. On or before December 31, 2019, and every two calendar years thereafter, a minimum of fifty percent of an angel fund's investments, as defined under subdivision b of subsection 2, must be invested into an in-state qualified business.
5. An angel fund shall hold the investment in an in-state qualified business or an out-of-state qualified business for at least three years from the date of investment. The three-year period does not apply if, before the end of the three-year period:
 - a. The investment becomes worthless;
 - b. Eighty percent or more of the assets of the in-state qualified business or out-of-state qualified business are sold;
 - c. The in-state qualified business or out-of-state qualified business is sold;
 - d. The common stock of the in-state qualified business or out-of-state qualified business begins trading on a public exchange; or
 - e. A partner, shareholder, or member of the angel fund dies, in which case the exception to the three-year holding period only applies to the deceased individual's portion of the investment and related credit.
6. Within thirty days after the date on which an angel fund makes an investment in an in-state qualified business or an out-of-state qualified business, the angel fund shall report the investment to the tax commissioner on forms and in the manner prescribed by the tax commissioner. The report must contain:
 - a. The name, address, and federal employer identification number of the angel fund;
 - b. The total amount of the investment from all angel investors investing in the in-state qualified business or out-of-state qualified business;
 - c. The name, address, and social security or federal identification number of each angel investor investing in the in-state qualified business or out-of-state qualified business;
 - d. The amount invested by each angel investor in the in-state qualified business or out-of-state qualified business;
 - e. The type of security received by the angel fund in exchange for the investment;
 - f. The name, address, and federal employer identification number of the in-state qualified business or out-of-state qualified business;
 - g. The type of industry in which the in-state qualified business or out-of-state qualified business is engaged; and
 - h. Any other information the tax commissioner determines is necessary for administration of this section.
7. An angel fund is subject to a penalty of one thousand dollars per month for each month, or fraction thereof, the report under subsection 6 is not filed. The tax commissioner, for good cause shown, may waive all or part of the penalty imposed under this subsection.
8. By January thirty-first of each year, the angel fund shall file with the tax commissioner a report showing:

- a. The name and address of each in-state qualified business or out-of-state qualified business in which the angel fund has made an investment;
 - b. The principal place of business for each in-state qualified business or out-of-state qualified business reported under subdivision a;
 - c. The total amount invested in each in-state qualified business or out-of-state qualified business; and
 - d. Any other information the tax commissioner determines is necessary for administration of this section.
9. For an angel fund certified before July 1, 2017, within thirty days after the end of each calendar year, the angel fund shall file with the tax commissioner a report showing the name and principal place of business of each enterprise in which the angel fund has an investment and the amount of the investment.
10. Upon receipt of a written request from the chairman of the legislative management or the chairman of a standing committee of the legislative assembly, the tax commissioner shall disclose any information described under subsections 6, 8, and 9. This subsection does not authorize disclosure of the angel investor's name, social security number or federal employer identification number, address, or any other information prohibited from disclosure under this chapter.
11. Angel investors may be actively involved in the in-state qualified businesses or out-of-state qualified businesses in which the angel fund invests but the angel fund may not invest in any in-state qualified business or out-of-state qualified business if any one angel investor owns directly or indirectly more than forty-nine percent of the ownership interests in the in-state qualified business or out-of-state qualified business. The angel fund may not invest in an in-state qualified business or an out-of-state qualified business if any one angel investor is a partner, shareholder, or member of another passthrough entity that directly or indirectly owns more than forty-nine percent of the ownership interests in the in-state qualified business or out-of-state qualified business.
12. Failure to comply with any provision of this section is cause to revoke the certification of an angel fund or an in-state qualified business or an out-of-state qualified business, or disallow the credit attributable to the noncompliance.
 - a. Notice of the revocation of the angel fund or an in-state qualified business's or out-of-state qualified business's certification must be provided to the angel fund or the in-state qualified business or out-of-state qualified business by the tax commissioner, department of commerce, or securities commissioner. Within thirty days of receipt of the notice, the angel fund shall provide a copy of the notice to each of its angel investors.
 - b. The angel fund's investors shall file an amended return for each taxable year in which the disallowed credit reduced the investor's income tax liability and pay the amount due. The amended return, if required, must be filed within ninety days after the date of the written notice given to the angel fund.
 - c. If the amended return is not timely filed, the tax commissioner shall disallow the credit and assess any tax due. An assessment of tax made under this subsection is final and irrevocably fixed.
 - d. If an amended return is filed as required under subdivision b, the tax commissioner has two years after the amended return is filed in which to audit and assess any tax due attributable to the revocation

of the credit, even though other time periods for assessment under this chapter have expired. This subdivision does not limit or restrict any other time period for assessment under this chapter that has not expired.

13. An angel fund or a representative of the fund that knowingly makes, or causes to be made, any material false statement or representation in any application, report, or other document required to be filed under any provision of this section, or omits to state any material statement or fact in any such application, report, or other document required to be filed under any provision of this section, or fails to file the report required in subsection 8 or 9, and after thirty days' notice to file is given by the tax commissioner, is subject to a penalty of ten thousand dollars.
14. Notwithstanding any other provision of law, the tax commissioner, securities commissioner, and the department of commerce may exchange any information obtained under this section to the extent necessary to administer this section."

Page 6, line 13, remove the overstrike over "Seed"

Page 6, line 13, remove "Angel investor seed"

Page 6, line 14, remove "(effective for the first three taxable years beginning after December 31, 2016)"

Page 6, line 21, replace "three taxable years" with "taxable year"

Page 7, after line 4, insert:

"r. Angel investor tax credit under section 57-38-01.26."

Page 7, remove lines 5 through 30

Page 8, remove lines 1 through 29

Page 9, remove lines 1 through 31

Page 10, remove lines 1 through 31

Page 11, remove lines 1 through 10

Page 11, line 11, replace "Section 9 of this" with "This"

Page 11, line 12, remove "2019, and sections 2 through 8 of this Act are effective for taxable"

Page 11, line 13, remove "years beginning after December 31,"

ReNUMBER accordingly

Reengrossed HB 1045 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

HB 1339, as engrossed: Your conference committee (Sens. D. Larson, Anderson, J. Lee and Reps. B. Koppelman, C. Johnson, Rohr) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ page 1068, adopt amendments as follows, and place HB 1339 on the Seventh order:

That the Senate recede from its amendments as printed on page 1068 of the House Journal and page 814 of the Senate Journal and that Engrossed House Bill No. 1339 be amended as follows:

Page 1, line 14, after "notice" insert "of the hearing in an envelope clearly marked 'ASSESSMENT NOTICE'"

Page 2, line 5, replace "fifteen" with "twenty"

Renumber accordingly

Engrossed HB 1339 was placed on the Seventh order of business on the calendar.

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

Shanda Morgan, Secretary