

JOURNAL OF THE SENATE**Sixty-sixth Legislative Assembly**

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Bismarck, January 25, 2019

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

The prayer was offered by Pastor Sylvia Bull, Faith Lutheran Church, Bismarck.

The roll was called and all members were present.

A quorum was declared by the President.

COMMUNICATION FROM GOVERNOR DOUG BURGUM**January 22, 2019**

Pursuant to North Dakota Constitution Article VIII, Section 6(2)(c), Nicholas Hacker, Jill Louters, Timothy Mihalick and Daniel Traynor were appointed to the State Board of Higher Education.

Appointments to the State Board of Higher Education:

Nicholas Hacker (July 1, 2019-June 30, 2023)

Jill Louters (July 1, 2018-June 30, 2022)

Timothy Mihalick (January 11, 2019-June 30, 2019)

Timothy Mihalick (July 1, 2019-June 30, 2023)

Daniel Traynor (July 1, 2018-June 30, 2022)

North Dakota Constitution Article VIII, Section 6(2)(c) requires that an appointee be confirmed by the Senate. I respectfully request that the Senate make the confirmations during the 2019 Legislative Session.

Thank you for your consideration.

COMMUNICATION FROM GOVERNOR DOUG BURGUM**January 22, 2019**

Pursuant to North Dakota Century Code 53-06.1-01.1, I am hereby nominating Michael Seminary and Markus Powell for appointment to the North Dakota Gaming Commission.

Appointments to the North Dakota Gaming Commission:

Michael Seminary (January 22, 2019 - June 30, 2021)

Markus Powell (October 3, 2018 - June 30, 2021)

Pursuant to Article V, Section 8 of the North Dakota Constitution, I respectfully request the Senate to make these confirmations during the 2019 Legislative Session.

Thank you for your consideration.

COMMUNICATIONS FROM GOVERNOR DOUG BURGUM**January 22, 2019**

Pursuant to North Dakota Century Code Section 23-20.5, I am hereby nominating Dale Patrick for appointment to the Southwestern Low-Level Radioactive Waste Disposal Commission.

Pursuant to Article III, Section 1 of the North Dakota Constitution, I respectfully request the Senate to confirm Dale Patrick for this position during the 2019 Legislative Session.

Thank you for your consideration.

COMMUNICATION FROM GOVERNOR DOUG BURGUM

January 22, 2019

Pursuant to North Dakota Century Code Section 23-20.5, I am hereby nominating David Stradinger for appointment to the Southwestern Low-Level Radioactive Waste Disposal Commission as an alternate.

Pursuant to Article III, Section 1 of the North Dakota Constitution, I respectfully request the Senate to confirm David Stradinger for this position during the 2019 Legislative Session.

Thank you for your consideration.

COMMUNICATION FROM GOVERNOR DOUG BURGUM

January 22, 2019

Pursuant to North Dakota Century Code Section 6-01-08, I am hereby nominating I. Lise Kruse for appointment as Commissioner of Financial Institutions. Her term would be from December 1, 2017 to June 30, 2021.

I respectfully request that the Senate confirm I. Lise Kruse as Commissioner of Financial Institutions, pursuant to Article V, Section 8 of the North Dakota Constitution.

Thank you for your consideration.

REPORT OF PROCEDURAL COMMITTEE

MR. PRESIDENT: Your procedural **Committee on Committees (Sen. Wardner, Chairman)** respectfully submits the following names for your **Select Committee** to approve the nominees Tim Mihalich and Nick Hacker to the North Dakota Board of Higher Education: Senators Davison, Clemens, J. Lee, Oehlke, and Robinson..

SEN. KLEIN MOVED that the report be adopted, which motion prevailed on a voice vote.

REPORT OF PROCEDURAL COMMITTEE

MR. PRESIDENT: Your procedural **Committee on Committees (Sen. Wardner, Chairman)** respectfully submits the following names for your **Select Committee** to approve nominees Jill Louters and Dan Traynor to the North Dakota Board of Higher Education: Senators Erbele, Myrdal, G. Lee, Bekkedahl, and Grabinger..

SEN. KLEIN MOVED that the report be adopted, which motion prevailed on a voice vote.

REPORT OF PROCEDURAL COMMITTEE

MR. PRESIDENT: Your procedural **Committee on Committees (Sen. Wardner, Chairman)** respectfully submits the following names for your **Select Committee** to approve the nominees Markus Powell and Mike Seminary to the North Dakota Gaming Commission: Senators D. Larson, Dwyer, Luick, Myrdal, Osland, and Bakke..

SEN. KLEIN MOVED that the report be adopted, which motion prevailed on a voice vote.

REPORT OF PROCEDURAL COMMITTEE

MR. PRESIDENT: Your procedural **Committee on Committees (Sen. Wardner, Chairman)** respectfully submits the following names for your **Select Committee** to the Senate Memorial Committee: Senators Erbele, Oehlke, Poolman, and Hogan.

SEN. KLEIN MOVED that the report be adopted, which motion prevailed on a voice vote.

REPORT OF PROCEDURAL COMMITTEE

MR. PRESIDENT: Your procedural **Committee on Committees (Sen. Wardner, Chairman)** respectfully submits the following names for your **Select Committee** to approve the nominees Dale P. Patrick and David Stradinger to the Southwest Low-Level Radioactive Waste Disposal Commission: Senators Unruh, Kreun, Cook, J. Roers, Schaible, and Piepkorn..

SEN. KLEIN MOVED that the report be adopted, which motion prevailed on a voice vote.

REPORT OF PROCEDURAL COMMITTEE

MR. PRESIDENT: Your procedural **Committee on Committees (Sen. Wardner, Chairman)** respectfully submits the following name for your **Select Committee** to approve nominee I. Lise Kruse as Commissioner of Financial Institution: Senators Klein, Vedaa, Burckhard, Kreun, J. Roers, and Piepkorn..

SEN. KLEIN MOVED that the report be adopted, which motion prevailed on a voice vote.

CONSIDERATION OF AMENDMENTS

SB 2156: SEN. DAVISON (Education Committee) MOVED that the amendments on SJ page 290 be adopted and then be placed on the Eleventh order with **DO PASS**, which motion prevailed on a voice vote.

MOTION

SEN. KLEIN MOVED SB 2156 not be re-referred to Appropriations but be placed on the 11th Order for Second Reading and Final Passage, which motion prevailed.

CONSIDERATION OF AMENDMENTS

SB 2298: SEN. O. LARSEN (Human Services Committee) MOVED that the amendments on SJ page 294 be adopted and then be **REREFERRED** to the **Appropriations Committee** with **DO PASS**, which motion prevailed on a voice vote.

SB 2298 was rereferred to the **Appropriations Committee**.

CONSIDERATION OF AMENDMENTS

SB 2175: SEN. CLEMENS (Human Services Committee) MOVED that the amendments on SJ page 292 be adopted and then be **REREFERRED** to the **Appropriations Committee** with **DO PASS**, which motion prevailed on a voice vote.

SB 2175 was rereferred to the **Appropriations Committee**.

CONSIDERATION OF AMENDMENTS

SB 2026: SEN. K. ROERS (Human Services Committee) MOVED that the amendments on SJ pages 288-289 be adopted and then be **REREFERRED** to the **Appropriations Committee** with **DO PASS**, which motion prevailed on a voice vote.

SB 2026 was rereferred to the **Appropriations Committee**.

CONSIDERATION OF AMENDMENTS

SB 2263: SEN. O. LARSEN (Human Services Committee) MOVED that the amendments on SJ page 294 be adopted and then be **REREFERRED** to the **Appropriations Committee** with **DO PASS**, which motion prevailed on a voice vote.

SB 2263 was rereferred to the **Appropriations Committee**.

CONSIDERATION OF AMENDMENTS

SB 2030: SEN. J. LEE (Human Services Committee) MOVED that the amendments on SJ page 289 be adopted and then be **REREFERRED** to the **Appropriations Committee** with **DO PASS**, which motion prevailed on a voice vote.

SB 2030 was rereferred to the **Appropriations Committee**.

CONSIDERATION OF AMENDMENTS

SB 2115: SEN. ANDERSON (Human Services Committee) MOVED that the amendments on SJ pages 289-290 be adopted and then be **REREFERRED** to the **Appropriations Committee** with **DO PASS**, which motion prevailed on a voice vote.

SB 2115 was rereferred to the **Appropriations Committee**.

CONSIDERATION OF AMENDMENTS

SB 2179: SEN. KREUN (Industry, Business and Labor Committee) MOVED that the amendments on SJ pages 292-293 be adopted and then be placed on the Eleventh order with **DO PASS**, which motion prevailed on a voice vote.

CONSIDERATION OF AMENDMENTS

SB 2219: SEN. PIEPKORN (Industry, Business and Labor Committee) MOVED that the amendments on SJ pages 293-294 be adopted and then be placed on the Eleventh order with **DO NOT PASS**, which motion prevailed on a voice vote.

CONSIDERATION OF AMENDMENTS

SB 2165: SEN. VEDAA (Industry, Business and Labor Committee) MOVED that the amendments on SJ page 291 be adopted and then be placed on the Eleventh order with **DO PASS**, which motion prevailed on a voice vote.

CONSIDERATION OF AMENDMENTS

SB 2100: SEN. COOK (Energy and Natural Resources Committee) MOVED that the amendments on SJ page 289 be adopted and then be placed on the Eleventh order with **DO PASS**, which motion prevailed on a voice vote.

CONSIDERATION OF AMENDMENTS

SB 2065: SEN. MEYER (Government and Veterans Affairs Committee) MOVED that the amendments on SJ page 289 be adopted and then be placed on the Eleventh order with **DO PASS**, which motion prevailed on a voice vote.

CONSIDERATION OF AMENDMENTS

SB 2197: SEN. KLEIN (Agriculture Committee) MOVED that the amendments on SJ page 293 be adopted and then be placed on the Eleventh order with **DO PASS**, which motion prevailed on a voice vote.

SECOND READING OF SENATE BILL

SB 2303: A BILL for an Act to amend and reenact sections 14-02.4-01, 14-02.4-02, 14-02.4-03, 14-02.4-04, 14-02.4-05, 14-02.4-06, 14-02.4-08, and 14-02.4-09, subsections 1 and 2 of section 14-02.5-02, sections 14-02.5-03, 14-02.5-04, 14-02.5-05, 14-02.5-07, and 14-02.5-08 of the North Dakota Century Code, relating to prohibition of discrimination on the basis of sexual orientation.

MOTION

SEN. BAKKE MOVED that SB 2303 be amended as follows, which motion failed on a voice vote.

Page 1, line 1, remove "14-02.4-01,"

Page 1, remove lines 7 through 17

Page 4, line 25, remove "or perceived"

Page 6, line 6, replace "for" with "from"

Renumber accordingly

ROLL CALL

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO NOT PASS, the roll was called and there were 20 YEAS, 27 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Bakke; Bekkedahl; Davison; Dotzenrod; Grabinger; Heckaman; Hogan; Holmberg; Krebsbach; Kreun; Lee, J.; Marcellais; Mathern; Meyer; Oban; Oehlke; Piepkorn; Robinson; Roers, K.; Sorvaag

NAYS: Anderson; Burckhard; Clemens; Cook; Dever; Dwyer; Elkin; Erbele; Fors; Hogue; Kannianen; Klein; Larsen, O.; Larson, D.; Lee, G.; Luick; Myrdal; Osland; Patten; Poolman; Roers, J.; Rust; Schaible; Unruh; Vedaa; Wanzek; Wardner

SB 2303 failed.

SECOND READING OF SENATE BILL

SB 2267: A BILL for an Act to create and enact a new section to chapter 14-09 of the North

Dakota Century Code, relating to information provided to a child support obligor to minimize delinquencies.

ROLL CALL

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

YEAS: Anderson; Bakke; Bekkedahl; Burckhard; Clemens; Cook; Davison; Dever; Dotzenrod; Dwyer; Elkin; Erbele; Fors; Grabinger; Heckaman; Hogan; Hogue; Holmberg; Kannianen; Klein; Krebsbach; Kreun; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Oban; Oehlke; Osland; Patten; Piepkorn; Poolman; Robinson; Roers, J.; Roers, K.; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

Engrossed SB 2267 passed.

SECOND READING OF SENATE BILL

SB 2043: A BILL for an Act to amend and reenact subsection 1 of section 50-11.1-04, section 50-11.1-07.8, subsection 1 of section 50-11.1-17, and subsection 2 of section 50-25.1-11 of the North Dakota Century Code, relating to regulation of early childhood services and claims of child abuse and neglect.

ROLL CALL

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

YEAS: Anderson; Bakke; Bekkedahl; Burckhard; Clemens; Cook; Davison; Dever; Dotzenrod; Dwyer; Elkin; Erbele; Fors; Grabinger; Heckaman; Hogan; Hogue; Holmberg; Kannianen; Klein; Krebsbach; Kreun; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Oban; Oehlke; Osland; Patten; Piepkorn; Poolman; Robinson; Roers, J.; Roers, K.; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

Engrossed SB 2043 passed.

SECOND READING OF SENATE BILL

SB 2094: A BILL for an Act to create and enact sections 43-17-44 and 43-17-45 of the North Dakota Century Code, relating to the practice of telemedicine; and to amend and reenact sections 43-17-01 and 43-17-02.3 of the North Dakota Century Code, relating to the definitions of the practice of medicine and telemedicine and the practice of medicine.

ROLL CALL

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

YEAS: Anderson; Bakke; Bekkedahl; Burckhard; Clemens; Cook; Davison; Dever; Dotzenrod; Dwyer; Elkin; Erbele; Fors; Grabinger; Heckaman; Hogan; Hogue; Holmberg; Kannianen; Klein; Krebsbach; Kreun; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Oban; Oehlke; Osland; Patten; Piepkorn; Poolman; Robinson; Roers, J.; Roers, K.; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

Engrossed SB 2094 passed.

SECOND READING OF SENATE BILL

SB 2113: A BILL for an Act to create and enact a new section to chapter 50-10.2 of the North Dakota Century Code, relating to authorized electronic monitoring of facility residents; to amend and reenact sections 12.1-31-14 and 50-10.2-01 of the North Dakota Century Code, relating to authorized electronic monitoring of facility residents and privacy; and to provide a penalty.

ROLL CALL

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

YEAS: Anderson; Bakke; Bekkedahl; Burckhard; Clemens; Cook; Davison; Dever; Dotzenrod; Dwyer; Elkin; Erbele; Fors; Grabinger; Heckaman; Hogan; Hogue; Holmberg; Kannianen; Klein; Krebsbach; Kreun; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Oban; Oehlke; Osland; Patten; Piepkorn; Poolman; Robinson; Roers, J.; Roers, K.; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

Engrossed SB 2113 passed.

SECOND READING OF SENATE BILL

SB 2136: A BILL for an Act to amend and reenact sections 15.1-21-02 and 15.1-21-02.2 of the North Dakota Century Code, relating to public and nonpublic high schools offering elective instruction on the Bible.

ROLL CALL

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO NOT PASS, the roll was called and there were 5 YEAS, 42 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Dwyer; Kannianen; Larsen, O.; Luick; Myrdal

NAYS: Anderson; Bakke; Bekkedahl; Burckhard; Clemens; Cook; Davison; Dever; Dotzenrod; Elkin; Erbele; Fors; Grabinger; Heckaman; Hogan; Hogue; Holmberg; Klein; Krebsbach; Kreun; Larson, D.; Lee, G.; Lee, J.; Marcellais; Mathern; Meyer; Oban; Oehlke; Osland; Patten; Piepkorn; Poolman; Robinson; Roers, J.; Roers, K.; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

SB 2136 failed.

SECOND READING OF SENATE BILL

SB 2141: A BILL for an Act to create and enact a new section to chapter 6-09 of the North Dakota Century Code, relating to the allocation of resources at the time of a child's birth; and to provide legislative intent.

ROLL CALL

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

YEAS: Larsen, O.

NAYS: Anderson; Bakke; Bekkedahl; Burckhard; Clemens; Cook; Davison; Dever; Dotzenrod; Dwyer; Elkin; Erbele; Fors; Grabinger; Heckaman; Hogan; Hogue; Holmberg; Kannianen; Klein; Krebsbach; Kreun; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Oban; Oehlke; Osland; Patten; Piepkorn; Poolman; Robinson; Roers, J.; Roers, K.; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

SB 2141 failed.

SECOND READING OF SENATE BILL

SB 2125: A BILL for an Act to create and enact a new subsection to section 43-26.1-10, a new subsection to section 43-26.1-13, and a new subsection to section 43-26.1-15 of the North Dakota Century Code, relating to the regulation of the practice of physical therapy; and to amend and reenact sections 43-26.1-01, 43-26.1-02, 43-26.1-03, 43-26.1-04, 43-26.1-05, 43-26.1-08, 43-26.1-11, and 43-26.1-14 of the North Dakota Century Code, relating to the board of physical therapy and physical therapy licensure; and to provide for application.

ROLL CALL

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

YEAS: Anderson; Bakke; Bekkedahl; Burckhard; Clemens; Cook; Davison; Dever; Dotzenrod; Dwyer; Elkin; Erbele; Fors; Grabinger; Heckaman; Hogan; Hogue; Holmberg; Kannianen; Klein; Krebsbach; Kreun; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Oban; Oehlke; Osland; Patten; Piepkorn; Poolman; Robinson; Roers, J.; Roers, K.; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

SB 2125 passed.

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

MR. SPEAKER: The Senate has passed, and your favorable consideration is requested on: SB 2184, SB 2208, SB 2240, SB 2246, SB 2262, SB 2305.

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

MR. SPEAKER: The Senate has passed, the emergency clause carried, and your favorable consideration is requested on: SB 2178.

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: HB 1052, HB 1079, HB 1180, HB 1198, HB 1282, HB 1327.

MOTION

SEN. KLEIN MOVED that the Senate be on the Fourth, Fifth, Ninth, and Thirteenth orders of business and at the conclusion of those orders, the Senate stand adjourned until 1:00 p.m., Monday, January 28, 2019, which motion prevailed.

REPORT OF STANDING COMMITTEE

SB 2058: Energy and Natural Resources Committee (Sen. Unruh, Chairman) recommends **DO PASS** (5 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2058 was placed on the Eleventh order on the calendar.

REPORT OF STANDING COMMITTEE

SB 2061: Transportation Committee (Sen. Rust, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (4 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). SB 2061 was placed on the Sixth order on the calendar.

Page 1, line 2, after "vehicles" insert "; and to provide for a legislative management study"

Page 1, line 10, replace "two hundred forty-eight" with "one hundred ten"

Page 1, line 12, replace "seventy-one" with "fifty"

Page 1, after line 24, insert:

"SECTION 2. LEGISLATIVE MANAGEMENT STUDY - ELECTRIC VEHICLE INFRASTRUCTURE NETWORK. During the 2019-20 interim, the legislative management shall consider studying current methods, using the electric vehicle infrastructure coalition, led by the department of transportation, to collaborate with the North Dakota utility industry, and North Dakota electric vehicle stakeholder groups, to design a jointly owned public and private network of electric vehicle infrastructure to support both commercial and noncommercial vehicles and make recommendations regarding electric vehicle charging infrastructure. The study must include the evaluation of the relative costs and benefits associated with various options for electric vehicle infrastructure support and estimate the future annual economic impact. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the Sixty-seventh Legislative Assembly."

Renumber accordingly

REPORT OF STANDING COMMITTEE

SB 2089: Finance and Taxation Committee (Sen. Cook, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (5 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2089 was placed on the Sixth order on the calendar.

Page 1, line 4, after the second comma insert "section 57-39.4-04,"

Page 1, line 5, after the first comma insert "section 57-39.4-19,"

Page 1, line 5, after the third comma insert "subdivision d of subsection 12 of section 57-40.2-04,"

Page 1, line 9, after the second comma insert "seller registration,"

Page 1, line 9, after the third comma insert "uniform tax returns,"

Page 7, after line 30, insert:

"SECTION 8. AMENDMENT. Section 57-39.4-04 of the North Dakota Century Code is amended and reenacted as follows:

57-39.4-04. (303) Seller registration.

Each member state shall participate in an online sales and use tax registration system in cooperation with the other member states. Under this system:

1. A seller registering under the agreement ~~shall be registered~~ may register in each one or more of the member states utilizing the central registration system provided in article IV of the agreement.
2. A ~~model 2, model 3, or model 4 seller may elect to be registered in one or more states as a seller which anticipates making no sales into the state or states if it has not had sales into the state or states for the preceding twelve months. This election does not relieve the seller of its agreement under section 401(B) to collect taxes on all sales into the states or its liability for remitting to the proper states any taxes collected~~ certified service provider may require a seller registering under the agreement to register in all of the full-member states as a condition of receiving certified service provider services.
3. The member states agree not to require the payment of any registration fees or other charges for a seller ~~to register~~ registering through the central registration system in a state in which the seller has no legal requirement to register.
4. A written signature from the seller is not required.

5. An agent may register a seller under uniform procedures adopted by the member states.
6. A seller may cancel its registration under the system at any time under uniform procedures adopted by the governing board. Cancellation does not relieve the seller of its liability for remitting to the proper states any taxes collected.
7. Nothing in this section shall be construed to relieve a seller of any legal obligation it may have under a state's laws to register in that state or its obligation to collect and remit taxes for at least thirty-six months in a state and meet all other requirements for amnesty set out in section 402 of the agreement in order to be eligible for amnesty in the state.
8. Whenever a state joins the agreement, sellers ~~already~~ registered under the agreement shall be ~~registered in the new~~ notified by the governing board and the sellers may elect to also be registered in the new state as follows:
 - a. ~~Model 1 sellers will be automatically registered in such state.~~
 - b. ~~Model 2, model 3, and model 4 sellers will be automatically registered in the new state but may elect to be registered as a seller which anticipates making no sales into the new state.~~
9. ~~Upon registration, the~~ The governing board shall provide to the seller ~~make~~ information available regarding the requirements and options for filing a simplified electronic return and for filing remittances in any member state. ~~Member states~~ A member state may provide information to sellers concerning other tax return filing options in that state.
10. The governing board shall cause the system for registering under the agreement to include a feature that allows sellers registered under the agreement to update relevant registration data in the system and have such updated data provided to all ~~member~~ affected states ~~utilizing the system~~. The governing board shall establish conditions and procedures to allow states which are not members of the agreement to participate in the registration system."

Page 9, after line 8, insert:

"SECTION 10. AMENDMENT. Section 57-39.4-19 of the North Dakota Century Code is amended and reenacted as follows:

57-39.4-19. (318) Uniform tax returns.

Each member state shall:

1. Require that only a single tax return for each taxing period for each seller be filed for the member state to include all the taxing jurisdictions within the member state.
2.
 - a. Require that returns be due no sooner than the twentieth day of the month following the month in which the transaction occurred.
 - b. When the due date for a return falls on a Saturday or Sunday or legal holiday in the subject member state, the return shall be due on the next succeeding business day. If the return is filed in conjunction with a remittance and the remittance cannot be made under subdivision b of subsection 5 of section 57-39.4-20, the return shall be accepted as timely filed on the same day as the remittance under that subsection.
3. Make available to all sellers, whether or not registered under the agreement, except sellers of products qualifying for exclusion from the

provisions of section 57-39.4-09 of this agreement, a simplified return that is filed electronically as follows:

- a. The simplified electronic return hereinafter SER shall be in a form approved by the governing board and shall contain only those fields approved by the governing board. The SER shall contain two parts. Part 1 shall contain information relating to remittances and allocations and part 2 shall contain information relating to exempt sales.
- b. Each member state must notify the governing board if it requires the submission of the part 2 information provided no state may require the submission of part 2 information from a model 4 seller which has no legal requirement to register in the state.
- c. Returns shall be required as follows:
 - (1) Certified service providers must file an SER in all member states in which the model 1 seller is registered under the agreement, on behalf of model 1 sellers. Certified service providers, on behalf of these sellers, shall file the audit reports provided for in article V of the rules and procedures of the agreement for the states, and in addition, shall be required to file part 1 of the SER each month for each member state in which the model 1 seller is registered under the agreement. A state shall allow a model 1 seller to file both part 1 and part 2 of the SER. A model 1 seller which chooses to file both part 1 and part 2 of the SER shall still be required to file the audit reports provided for in article V of the rules and procedures of the agreement.
 - (2) Model 2 and model 3 sellers must file an SER in all member states ~~other than states for which they have indicated that they anticipate making no sales in which they are registered under the agreement~~. These sellers shall file part 1 of the SER every month for all states in which they ~~anticipate making sales are registered under the agreement~~. These sellers need not file ~~part 2 information until January 1, 2012. After this date, they shall have the following options for meeting their obligation to furnish part 2 information:~~
 - (a) File part 2 of the SER together with part 1 of the SER every month; or
 - (b) File part 2 of the SER at the same time part 1 of the SER for the month of December is due. Part 2 information filed under this option shall cover the month of December and all previous months of the same calendar year and shall only require annual and not monthly totals. The sellers shall only be required to file part 2 of the SER for any state which has notified the governing board that it will require the submission of the part 2 information under subdivision b.
 - (3) Every member state shall allow model 4 sellers to file an SER. The sellers shall file part 1 of the SER every month unless a state allows less frequent filing. Model 4 sellers which have a legal requirement to register in the state shall have the following options for meeting their obligation to furnish part 2 information:
 - (a) File part 2 of the SER together with part 1 of the SER; or
 - (b) File part 2 of the SER at the same time part 1 of the SER for the month of December is due. Part 2 information filed

under this option shall cover the month of December and all previous months of the same calendar year and shall only require annual and not monthly totals.

These sellers shall only be required to file part 2 of the SER for any state which has notified the governing board that it will require the submission of the part 2 information under subdivision b.

Model 4 sellers which elect not to file an SER shall file returns in the form under schedules afforded to sellers not registered under the agreement according to the requirements of each member state.

- (4) ~~No later than January 1, 2013, every~~ Every member state shall allow sellers not registered under the agreement that are registered in the state to file an SER. These sellers shall file part 1 of the SER every month unless a state allows less frequent filing and shall have the following options for meeting their obligation to furnish part 2 information:
- (a) File part 2 of the SER together with part 1 of the SER; or
 - (b) File part 2 of the SER at the same time part 1 of the SER for the month of December is due. Part 2 information filed under this option shall cover the month of December and all previous months of the same calendar year and shall only require annual and not monthly totals.

These sellers shall only be required to file part 2 of the SER for any state which has notified the governing board that it will require the submission of the part 2 information under subdivision b.

- d. A state which requires the submission of part 2 information under paragraph 2 may provide an exemption from this requirement to a seller under terms and conditions set out by the state.
 - e. A state may require a seller which elects to file an SER to give at least three months' notice of the seller's intent to discontinue filing an SER.
4. ~~Not require the filing of a return from a seller registered under the agreement which has indicated at the time of registration that it anticipates making no sales which would be sourced to the state under the agreement. A seller shall lose this exemption upon making any taxable sales into the state and shall file a return in the month following the sale. A state may, but is not required to, allow a seller to regain such filing exemption upon such terms and conditions as the state may impose.~~
5. Adopt web services as the standardized transmission process that allows for receipt of uniform tax returns and other formatted information as approved by the governing board. The process must provide for the filing of separate returns for multiple legal entities in a single transmission for each state and will not include any requirement for manual entry or input by the seller of any of the aforementioned information. This process will allow a certified service provider, tax preparer, or any other authorized person to file returns for more than one seller in a single electronic transmission. However, sellers filing returns for multiple legal entities may only do so for affiliated legal entities.
- ~~6.5.~~ Give notice to a seller registered under this agreement which has no legal requirement to register in the state, of a failure to file a required return and a minimum of thirty days to file thereafter prior to establishing

a liability amount for taxes based solely on the seller's failure to timely file a return provided a member state may establish a liability amount for taxes based solely on the seller's failure to timely file a return if such seller has a history of nonfiling or late filing.

- ~~7-6.~~ Nothing in this section shall prohibit a state from allowing additional return options or the filing of returns less frequently."

Page 11, after line 5, insert:

"SECTION 14. AMENDMENT. Subdivision d of subsection 12 of section 57-40.2-04 of the North Dakota Century Code is amended and reenacted as follows:

- d. "Supplies for ostomy care or bladder dysfunction" includes:
- (1) Supplies designed or intended for ostomy care and management, including collection devices, colostomy irrigation equipment and supplies, skin barriers or skin protectors, and other supplies especially designed for use of ostomates.
 - (2) Supplies to be used exclusively by a person with bladder dysfunction, including catheters, collection devices, incontinence pads and pants, adult diapers, and other items used for the care and management of bladder dysfunction. For the purposes of this paragraph:
 - (a) "Adult diapers" means diapers other than children's diapers.
 - (b) "Children's diapers" means diapers marketed to be worn by children.
 - (c) "Diaper" means an absorbent garment worn by humans who are incapable of, or have difficulty, controlling their bladder or bowel movements."

Page 11, line 27, replace "12" with "15"

Renumber accordingly

REPORT OF STANDING COMMITTEE

SB 2187: Transportation Committee (Sen. Rust, Chairman) recommends **DO PASS** (5 YEAS, 1 NAYS, 0 ABSENT AND NOT VOTING). SB 2187 was placed on the Eleventh order on the calendar.

REPORT OF STANDING COMMITTEE

SB 2194: Transportation Committee (Sen. Rust, Chairman) recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2194 was placed on the Eleventh order on the calendar.

REPORT OF STANDING COMMITTEE

SB 2201: Energy and Natural Resources Committee (Sen. Unruh, Chairman) recommends **DO PASS** (4 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). SB 2201 was placed on the Eleventh order on the calendar.

REPORT OF STANDING COMMITTEE

SB 2285: Energy and Natural Resources Committee (Sen. Unruh, Chairman) recommends **DO NOT PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2285 was placed on the Eleventh order on the calendar.

REPORT OF STANDING COMMITTEE

SB 2311: Political Subdivisions Committee (Sen. Burckhard, Chairman) recommends **DO NOT PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2311 was placed on the Eleventh order on the calendar.

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

Shanda Morgan, Secretary

