

## JOURNAL OF THE SENATE

## Fifty-eighth Legislative Assembly

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Bismarck, April 10, 2003

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

The prayer was offered by Father Wilhelm, St. Joseph Catholic Church, Devil's Lake.

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

A quorum was declared by the President.

**CONSIDERATION OF MESSAGE FROM THE HOUSE**

**SEN. HOLMBERG MOVED** that the Senate do not concur in the House amendments to Engrossed SB 2012 as printed on SJ pages 1193-1201 and that a conference committee be appointed to meet with a like committee from the House, which motion prevailed on a voice vote.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE PRESIDENT APPOINTED** as a Conference Committee on Engrossed SB 2012: Sens. Bowman, Kilzer, Krauter.

**MOTION**

**SEN. CHRISTMANN MOVED** that HB 1002, HB 1004, HB 1007, HB 1010, HB 1017, SB 2013, SB 2015, and SB 2416 be moved to the top of the Twelfth order, which motion prevailed.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**SEN. HOLMBERG 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 1002, which motion prevailed.

**THE PRESIDENT APPOINTED** as a Conference Committee on Engrossed HB 1002: Sens. Holmberg, Schobinger, Krauter.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**SEN. HOLMBERG 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 1004, which motion prevailed.

**THE PRESIDENT APPOINTED** as a Conference Committee on Engrossed HB 1004: Sens. Andrist, Kilzer, Mathern.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**SEN. HOLMBERG 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 1007, which motion prevailed.

**THE PRESIDENT APPOINTED** as a Conference Committee on Engrossed HB 1007: Sens. Kilzer, Andrist, Lindaas.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**SEN. HOLMBERG 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 1010, which motion prevailed.

**THE PRESIDENT APPOINTED** as a Conference Committee on Engrossed HB 1010: Sens. Thane, Andrist, Mathern.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**SEN. HOLMBERG 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 1017, which motion prevailed.

**THE PRESIDENT APPOINTED** as a Conference Committee on Engrossed HB 1017: Sens. Grindberg, Thane, Tallackson.

**CONSIDERATION OF MESSAGE FROM THE HOUSE**

**SEN. HOLMBERG MOVED** that the Senate do not concur in the House amendments to Engrossed SB 2013 as printed on SJ pages 1228-1235 and that a conference committee be appointed to meet with a like committee from the House, which motion prevailed on a voice vote.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE PRESIDENT APPOINTED** as a Conference Committee on Engrossed SB 2013: Sens. Holmberg, Christmann, Robinson.

**CONSIDERATION OF MESSAGE FROM THE HOUSE**

**SEN. HOLMBERG MOVED** that the Senate do not concur in the House amendments to Engrossed SB 2015 as printed on SJ pages 1235-1251 and that a conference committee be appointed to meet with a like committee from the House, which motion prevailed on a voice vote.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE PRESIDENT APPOINTED** as a Conference Committee on Engrossed SB 2015: Sens. Holmberg, Stenehjerm, O'Connell.

**CONSIDERATION OF MESSAGE FROM THE HOUSE**

**SEN. HOLMBERG MOVED** that the Senate do not concur in the House amendments to Engrossed SB 2416 as printed on SJ page 1235 and that a conference committee be appointed to meet with a like committee from the House, which motion prevailed on a voice vote.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE PRESIDENT APPOINTED** as a Conference Committee on Engrossed SB 2416: Sens. Thane, Andrist, Mathern.

**MOTION**

**SEN. CHRISTMANN MOVED** that the Senate proceed to the Sixth order. which motion prevailed.

**CONSIDERATION OF AMENDMENTS**

**HB 1011, as engrossed: SEN. CHRISTMANN (Appropriations Committee) MOVED** that the amendments on SJ pages 1259-1260 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed.

**SECOND READING OF HOUSE BILL**

**HB 1011:** A BILL for an Act to provide an appropriation for defraying the expenses of the highway patrol.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 45 YEAS, 1 NAY, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bercier; Bowman; Brown; Christenson; Christmann; Cook; Dever; Erbele; Espgaard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lyson; Mathern; Mutch; Nelson; Nething; Nichols; O'Connell; Robinson; Schobinger; Seymour; Stenehjerm; Syverson; Tallackson; Taylor; Thane; Tollefson; Traynor; Trenbeath; Urlacher; Wardner

**NAYS:** Lindaas

**ABSENT AND NOT VOTING:** Polovitz

Engrossed HB 1011, as amended, passed and the title was agreed to.

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**CONSIDERATION OF AMENDMENTS**

**HB 1012, as engrossed: SEN. BOWMAN (Appropriations Committee) MOVED** that the amendments on SJ pages 1260-1265 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed.

**SECOND READING OF HOUSE BILL**

**HB 1012:** A BILL for an Act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the department of transportation; to authorize the department of transportation to acquire lands; to amend

and reenact sections 24-01-51, 24-02-44, and 39-04-19 of the North Dakota Century Code and section 7 of chapter 331 of the 2001 Session Laws, relating to haying of no-mow areas, department of transportation authority for emergency borrowing from the Bank of North Dakota, and motor vehicle registration fees; and to repeal section 10 of chapter 331 of the 2001 Session Laws, relating to registration fee allocation.

#### 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:** Andrist; Bercier; Bowman; Brown; Christenson; Christmann; Cook; Dever; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Heitkamp; Holmberg; Kilzer; Klein; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lyson; Mathern; Mutch; Nelson; Nething; Nichols; O'Connell; Robinson; Schobinger; Seymour; Stenehjem; Syverson; Tallackson; Taylor; Thane; Tollefson; Traynor; Trenbeath; Urlacher; Wardner

**NAYS:** Krauter; Lindaas

**ABSENT AND NOT VOTING:** Polovitz

Engrossed HB 1012, as amended, passed and the title was agreed to.

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#### CONSIDERATION OF AMENDMENTS

**HB 1019, as engrossed: SEN. GRINDBERG (Appropriations Committee) MOVED** that the amendments on SJ pages 1265-1269 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed.

#### REQUEST

**SEN. ROBINSON REQUESTED** the Senate delay second reading of Engrossed HB 1019, as amended, pending proper drafting of an amendment he planned to propose.

#### MOTION

**SEN. STENEHJEM MOVED** that Engrossed HB 1099, as amended, be held over until 12:30 p.m., which motion prevailed.

Engrossed HB 1019, as amended, was placed on the Fourteenth order.

#### CONSIDERATION OF AMENDMENTS

**HB 1021, as engrossed: SEN. BOWMAN (Appropriations Committee) MOVED** that the amendments on SJ pages 1269-1274 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed.

#### SECOND READING OF HOUSE BILL

**HB 1021:** A BILL for an Act to provide an appropriation for defraying the expenses of the extension service, northern crops institute, upper great plains transportation institute, main research center, branch research centers, and agronomy seed farm; and to provide legislative intent.

#### 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:** Andrist; Bercier; Bowman; Brown; Christenson; Christmann; Cook; Dever; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; Nichols; O'Connell; Robinson; Schobinger; Seymour; Stenehjem; Syverson; Tallackson; Taylor; Thane; Tollefson; Traynor; Trenbeath; Urlacher; Wardner

**ABSENT AND NOT VOTING:** Polovitz

Engrossed HB 1021, as amended, passed and the title was agreed to.

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

**MR. SPEAKER:** The Senate has amended and subsequently passed: HB 1011, HB 1012, HB 1021.

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

**MR. SPEAKER:** The Senate does not concur in the House amendments to SB 2012, SB 2013, SB 2015, and SB 2416 and the President has appointed as a conference committee to act with a like committee from the House on:

**SB 2012:** Sens. Bowman; Kilzer; Krauter

**SB 2013:** Sens. Holmberg; Christmann; Robinson

**SB 2015:** Sens. Holmberg; Stenehjem; O'Connell

**SB 2416:** Sens. Thane; Andrist; Mathern

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

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

**HB 1002:** Sens. Holmberg; Schobinger; Krauter

**HB 1004:** Sens. Andrist; Kilzer; Mathern

**HB 1007:** Sens. Kilzer; Andrist; Lindaas

**HB 1010:** Sens. Thane; Andrist; Mathern

**HB 1017:** Sens. Grindberg; Thane; Tallackson

**MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)**

**MR. PRESIDENT:** The House does not concur in the Senate amendments to HB 1023 and HB 1489. Speaker has appointed as a conference committee to act with a like committee from the Senate on:

**HB 1023:** Reps. Timm; Delzer; Aarsvold

**HB 1489:** Reps. R. Kelsch; D. Johnson; Hunskor

**MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)**

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

**SB 2154:** Reps. R. Kelsch; D. Johnson; Hanson

**MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)**

**MR. PRESIDENT:** The House concurred in the Senate amendments and subsequently passed: HB 1006 and HB 1008.

**MOTION**

**SEN. CHRISTMANN MOVED** that the Senate stand in recess until 12:30 p.m., which motion prevailed.

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

**MOTION**

**SEN. TRAYNOR MOVED** that the Senate reconsider its action whereby the Senate did not concur with the House amendments to Engrossed SB 2255 and that the Senate Conference Committee on Engrossed SB 2255 be dissolved, which motion prevailed.

**CONSIDERATION OF MESSAGE FROM THE HOUSE**

**SEN. TRAYNOR MOVED** that the Senate do concur in the House amendments to Engrossed SB 2255 as printed on SJ pages 1007-1008, which motion prevailed on a voice vote.

Engrossed SB 2255, as amended, was placed on the Eleventh order of business.

**SECOND READING OF SENATE BILL**

**SB 2255:** A BILL for an Act to create and enact chapter 51-26 of the North Dakota Century Code, relating to telephone solicitations; and to provide a penalty.

**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:** Bercier; Bowman; Brown; Christenson; Christmann; Cook; Dever; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; Nichols; Robinson; Schobinger; Seymour; Stenehjem; Syverson; Tallackson; Taylor; Thane; Tollefson; Traynor; Trenbeath; Urlacher; Wardner

**NAYS:** Andrist; O'Connell

**ABSENT AND NOT VOTING:** Polovitz

Reengrossed SB 2255 passed and the title was agreed to.

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**SECOND READING OF HOUSE BILL**

**HB 1019:** A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; to provide for a transfer to the general fund; to provide an exemption; to provide statements of legislative intent; to direct the state tax commissioner to audit the ethanol incentive program; to create and enact two new sections to chapter 54-60 of the North Dakota Century Code, relating to a continuing appropriation and centers of excellence; to amend and reenact section 57-38.5-03 of the North Dakota Century Code, relating to the seed capital investment tax credit; and to provide an effective date.

**MOTION**

**SEN. ROBINSON MOVED** that Engrossed HB 1019 be further amended as follows:

In lieu of the amendments adopted by the Senate as printed on pages 1265-1269 of the Senate Journal, Engrossed House Bill No. 1019 is amended as follows:

Page 1, line 2, replace "for a report to the budget" with "an exemption"

Page 1, line 3, remove "section"

Page 1, line 4, replace "to designate the department of commerce as the state's fiscal" with "to create and enact two new sections to chapter 54-60 of the North Dakota Century Code, relating to a continuing appropriation and centers of excellence"

Page 1, line 5, remove "agent for workforce development programs"

Page 1, line 15, replace "6,718,913" with "6,713,340"

Page 1, line 16, replace "8,442,124" with "8,442,223"

Page 1, line 17, replace "73,864,584" with "46,585,026"

Page 1, after line 17, insert:

"Discretionary grants	1,697,127
North Dakota development fund	2,000,000"

Page 1, line 18, replace "5,483,385" with "2,983,179"

Page 1, line 19, replace "852,014" with "851,911"

Page 1, line 20, replace "95,361,020" with "69,272,806"

Page 1, line 21, replace "77,534,217" with "51,954,482"

Page 1, line 22, replace "17,826,803" with "17,318,324"

Page 2, replace lines 3 through 6 with:

**"SECTION 3. EXEMPTION.** The funds appropriated in the discretionary grants line item in section 1 of this Act are not subject to section 54-44.1-11 and any unexpended funds from this line item may be spent during the biennium beginning July 1, 2005, and ending June 30, 2007."

Page 2, remove lines 16 through 18

Page 3, remove lines 1 through 3

Page 3, line 7, after "income" insert ", net population migration"

Page 3, replace lines 9 through 12 with:

"2. The median annual wage paid to employees in jobs created with assistance from each of the department's economic development and

finance programs, shown by the number of full-time, part-time, and temporary employees in jobs created under each program reported by annual wage, with and without health-related benefits.

3. The state's fiscal investment and the net cost to the state of jobs created by each of the department's economic development and finance programs; private investment related to the jobs created; the number of jobs retained that were created in each of the four prior reporting years; and the estimated related economic impact to the state."

Page 3, line 13, replace "3." with "4."

Page 3, line 15, after "including" insert "the number of businesses hiring individuals trained under these programs," and after "state's" insert "fiscal"

Page 3, line 27, after "The" insert "discretionary"

Page 4, replace lines 1 through 8 with:

**"SECTION 12. RED RIVER VALLEY RESEARCH CORRIDOR MARKETING.**

The discretionary grants line item in section 1 of this Act includes \$200,000 from the general fund for the purpose of contracting with a private organization for conducting a marketing and image-building campaign for the red river valley research corridor during the second year of the biennium beginning July 1, 2003, and ending June 30, 2005.

**SECTION 13. FORT ABRAHAM LINCOLN GRANT.** The discretionary grants line item in section 1 of this Act includes \$100,000 from the general fund for the tourism division for the purpose of providing a grant to the Fort Abraham Lincoln foundation for costs associated with the national guard reconstruction of the seventh cavalry stable, interpretation of the stable, and maintenance and repairs of other fort buildings, for the biennium beginning July 1, 2003, and ending June 30, 2005.

**SECTION 14. DEVELOPMENT FUND - CENTERS OF EXCELLENCE GRANTS.** Notwithstanding chapter 10-30.5, the department of commerce shall provide a grant from the development fund of \$1,500,000 to the North Dakota state university center for technology enterprise and of \$1,000,000 to the university of North Dakota center for innovation. The department shall provide the grant on October 1, 2003.

**SECTION 15. LEGISLATIVE INTENT - INTERNSHIP PROGRAM.** It is the intent of the legislative assembly that the department of commerce workforce development division develop an internship program involving its internet web site and in conjunction with North Dakota university system programs.

**SECTION 16.** Two new sections to chapter 54-60 of the North Dakota Century Code are created and enacted as follows:

**Internet web site fee collections - Continuing appropriation.**

Notwithstanding any other section of law, any moneys received by the department of commerce as subscriptions, commissions, fees, or other revenue from its career guidance and job opportunity services internet web site and deposited in its operating fund are hereby appropriated to the department on a continuing basis for payment of expenses related to administration of the web site.

**Centers of excellence.**

1. The department shall establish and administer a centers of excellence program. The centers of excellence include the North Dakota state university center for beef systems, the North Dakota state university center for nanoscale science and engineering, the North Dakota state university center for technology enterprise, the North Dakota state university center for high performance computing, the university of North Dakota center for innovation, and the university of North Dakota center for aerospace sciences. Before January 1, 2004, the foundation, in consultation with the state board of higher education, shall establish and shall provide the department with centers of excellence eligibility criteria. The department may designate additional centers of excellence based on the established eligibility criteria.
2. The purpose of the program is to develop and engage strategies for science and technology research and development, commercialization,

entrepreneurship, infrastructure, and activities in the state to develop innovative approaches that expand the gross state product; to assist efforts to attract private and federal assistance for science and technology research and development and for commercialization in growth clusters most likely to increase the gross state product; to increase collaboration among state, federal, and private research and development and technology commercialization organizations in the state; to strengthen the leadership and support of the national science foundation experimental program to stimulate competitive research programs and to encourage partnerships with other state institutions for expanded efforts to stimulate economic growth in identified industry clusters; to provide leadership in science and technology policy at a regional, a national, and an international level; and to create employment opportunities for North Dakota university system graduates. Identified industry clusters include advanced manufacturing, aerospace, energy, information and technology, tourism, and value-added agriculture.

3. An application for funds under the centers for excellence program must be received by the department before July first of the biennium during which the funds are awarded. A recipient of funds under this section shall use the funds to enhance capacity, enhance infrastructure, and leverage state, federal, and private sources of funding. Funds awarded under this section may not be used for operations or for academic instruction. The department may award funds under this section to research universities, university-related foundations, and public institutions that are located in the state which demonstrate the potential to deliver expertise and service to industry clusters that will contribute to the gross state product. A recipient of funds under this section which is an institution of higher education under the control of the board of higher education or which is a nonprofit university-related foundation shall provide the department with documentation of availability of two dollars of matching funds for each dollar of funds awarded under this section as a condition of eligibility for receipt of funds under this section; shall provide the department with annual reports for the four years following receipt of the funds; and may not use funds awarded under this section for indirect cost recovery."

Page 4, line 17, after the second "than" insert "two hundred", remove the overstrike over "~~fifty~~", and remove "one"

Page 4, line 18, remove "hundred"

Page 5, overstrike lines 5 and 6

Page 5, line 7, overstrike "7." and insert immediately thereafter "6."

Page 5, line 11, overstrike "8." and insert immediately thereafter "7."

Page 5, line 17, overstrike "9." and insert immediately thereafter "8."

Page 5, line 25, replace "16" with "17"

Page 5, line 26, replace "2003" with "2002"

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### House Bill No. 1019 - Department of Commerce - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$6,791,269	\$6,718,913	(\$5,573)	\$6,713,340
Operating expenses	8,842,124	8,442,124	99	8,442,223
Grants	48,032,153	73,864,584	(27,279,558)	46,585,026
Agricultural products utilization	6,770,557	5,483,385	(2,500,206)	2,983,179
Lewis and Clark bicentennial	853,147	852,014	(103)	851,911
Discretionary grants			1,697,127	1,697,127
North Dakota development fund			2,000,000	2,000,000
Total all funds	\$71,289,250	\$95,361,020	(\$26,088,214)	\$69,272,806

Less estimated income	<u>55,759,805</u>	<u>77,534,217</u>	<u>(25,579,735)</u>	<u>51,954,482</u>
General fund	\$15,529,445	\$17,826,803	(\$508,479)	\$17,318,324
FTE	57.00	57.00	0.00	57.00

**Dept. 601 - Department of Commerce - Detail of Senate Changes**

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE <sup>1</sup>	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS <sup>2</sup>	RESTORES OPERATING FUNDS <sup>3</sup>	CHANGES DEVELOPMENT FUND ADMINISTRATIVE COSTS <sup>4</sup>	REMOVES CONSOLIDATION OF WORKFORCE PROGRAMS <sup>5</sup>	REMOVES FUNDING FOR INTERNSHIP PROGRAMS <sup>6</sup>
Salaries and wages	(\$5,573)					
Operating expenses		(\$19,901)	\$20,000			
Grants					(\$25,032,431)	(\$1,000,000)
Agricultural products utilization	(206)					
Lewis and Clark bicentennial	(103)					
Discretionary grants North Dakota development fund						
Total all funds	(\$5,882)	(\$19,901)	\$20,000	\$0	(\$25,032,431)	(\$1,000,000)
Less estimated income	<u>(1,540)</u>			<u>(398,625)</u>	<u>(22,679,570)</u>	
General fund	(\$4,342)	(\$19,901)	\$20,000	\$398,625	(\$2,352,861)	(\$1,000,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	REMOVES FUNDING FOR ETHANOL INCENTIVES <sup>7</sup>	CREATES A SEPARATE LINE ITEM FOR DISCRETIONARY GRANTS <sup>8</sup>	ADDS FUNDING FOR DISCRETIONARY GRANTS <sup>9</sup>	ADDS FUNDING FOR FEASIBILITY STUDY <sup>10</sup>	ADDS FUNDING FOR MARKETING <sup>11</sup>	ADDS FUNDING FOR HOCKEY MARKETING INITIATIVE <sup>12</sup>
Salaries and wages						
Operating expenses						
Grants		(\$1,247,127)				
Agricultural products utilization	(\$2,500,000)					
Lewis and Clark bicentennial						
Discretionary grants North Dakota development fund		1,247,127	\$150,000	\$50,000	\$200,000	\$50,000
Total all funds	(\$2,500,000)	\$0	\$150,000	\$50,000	\$200,000	\$50,000
Less estimated income	<u>(2,500,000)</u>					
General fund	\$0	\$0	\$150,000	\$50,000	\$200,000	\$50,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	ADDS FUNDING FOR DEVELOPMENT FUND <sup>13</sup>	TOTAL SENATE CHANGES
Salaries and wages		(\$5,573)
Operating expenses		99
Grants		(27,279,558)
Agricultural products utilization		(2,500,206)
Lewis and Clark bicentennial		(103)
Discretionary grants North Dakota development fund	\$2,000,000	1,697,127 2,000,000
Total all funds	\$2,000,000	(\$26,088,214)
Less estimated income		<u>(25,579,735)</u>
General fund	\$2,000,000	(\$508,479)
FTE	0.00	0.00

<sup>1</sup> Funding for state employee health insurance premiums is reduced from \$493 to \$488.70 per month.

<sup>2</sup> This amendment reduces funding for information technology by \$19,901 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 4 percent.

<sup>3</sup> The operating expenses line item is increased to restore \$20,000 of the \$200,000 general fund reduction made by the House for operating costs of the research, business development, and marketing programs of the Division of Economic Development and Finance.

<sup>4</sup> The funding source for the administrative costs of the development fund is changed to the general fund, the same as the executive budget. The House provided that development fund administrative costs be paid from the development fund.

<sup>5</sup> The section added by the House designating the Department of Commerce as the state's fiscal agent and administrator of all workforce development and workforce training funds is removed. As a result, funding added by the House for the following programs is removed:



AGENCY/ PROGRAM	GENERAL FUND	FEDERAL FUNDS	SPECIAL FUNDS	TOTAL
Department of Human Services - Job opportunities and basic skills (JOBS)		(\$8,225,614)		(\$8,225,614)
Department of Human Services - Basic employment skills training (BEST)		(391,198)	(\$7,500)	(398,698)
Job Service - Workforce 2000	(\$1,002,861)			(1,002,861)
Job Service - Senior community service employment		(1,070,352)		(1,070,352)
Job Service - Trade adjustment assistance		(99,800)		(99,800)
Job Service - Workforce Investment Act		(12,735,106)		(12,735,106)
Job Service - New jobs training program			(150,000)	(150,000)
Board for Vocational and Technical Education - Workforce training contracts	(1,350,000)			(1,350,000)
Total	(\$2,352,861)	(\$22,522,070)	(\$157,500)	(\$25,032,431)

<sup>6</sup> Removes funding added by the House for grants for direct support of internships for students entering growth industries that have critical shortages of available employees. A section of legislative intent is added providing that the workforce development division develop a streamlined internship program involving its web site and in conjunction with university system efforts.

<sup>7</sup> Funding of \$2.5 million from the highway tax distribution fund for ethanol incentive payments is removed in accordance with provisions of Senate Bill No. 2222 which includes a continuing appropriation for the Agricultural Products Utilization Commission to make ethanol incentive payments.

<sup>8</sup> Funding for the director's discretionary grants is removed from the grants line item and established as a separate line item in the bill. A section is added allowing the department to continue the appropriation authority included in this line item beyond the 2003-05 biennium.

<sup>9</sup> The discretionary grants line item is increased by \$150,000 from the general fund. The department is expected to have unspent general fund appropriation authority of at least \$200,000 for the 2001-03 biennium, \$150,000 of which has not been included in the March revised general fund turnback estimate for the 2001-03 biennium.

<sup>10</sup> Adds funding for preparing a North Dakota proposal to attract a high-tech manufacturing facility to the state.

<sup>11</sup> The discretionary grants line item is increased by \$200,000 from the general fund. A section of legislative intent is added providing that this funding be used for a marketing and image-building campaign for the Red River Valley research corridor beginning in the second year of the biennium.

<sup>12</sup> The discretionary grants line item is increased by \$50,000 from the general fund for a Canadian marketing initiative relating to the 2005 World Junior Hockey Tournament in Grand Forks.

<sup>13</sup> Funding is added for the development fund.

The section added by the House designating \$25,000 of the director's discretionary grants for use in rescues of visitors to North Dakota tourist attractions is removed.

A section is added providing that the department use \$100,000 of the discretionary grants line item to provide a grant to the Fort Abraham Lincoln Foundation for reconstruction and interpretation of the Seventh Cavalry stable at the fort and for maintenance and repairs of other fort buildings.

The section added by the House precluding the department from spending funding to support the New Economy Initiative is removed.

The section added by the House providing for annual reports to the Budget Section on select activities and outcomes of the department is expanded.

A section is added providing a continuing appropriation for moneys collected from the NDhasjobs.com internet web site.

The maximum seed capital investment that is eligible for an individual income tax credit is increased from the House version of \$100,000 to \$250,000, provisions limiting investments in one qualified business to no more than \$250,000 is removed, and the effective date is changed from taxable years beginning after December 31, 2003, to taxable years beginning after December 31, 2002.

Sections are added creating a Centers of Excellence program and identifying the following entities as Centers of Excellence for the 2003-05 biennium:

- NDSU Center for Beef Systems
- NDSU Center for Nanoscale Science and Engineering

- UND Center for Innovation
- NDSU Center for Technology Enterprise
- UND Center for Aerospace Sciences
- NDSU Center for High Performance Computing

A section is added providing that as of October 1, 2003, the development fund provide \$1.5 million to the NDSU Technology Enterprise and \$1 million to the UND Center for Innovation.

#### REQUEST

**SEN. ROBINSON REQUESTED** a recorded roll call vote on the motion to adopt the proposed further amendments to Engrossed HB 1019, which request was granted.

#### ROLL CALL

The question being on the motion to adopt the proposed further amendments to Engrossed HB 1019, the roll was called and there were 16 YEAS, 30 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Bercier; Christenson; Every; Fairfield; Heitkamp; Krauter; Lindaas; Mathern; Nelson; Nichols; O'Connell; Robinson; Schobinger; Seymour; Tallackson; Taylor

**NAYS:** Andrist; Bowman; Brown; Christmann; Cook; Dever; Erbele; Espgaard; Fischer; Flakoll; Freborg; Grindberg; Holmberg; Kilzer; Klein; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lyson; Mutch; Nething; Stenehjem; Syverson; Thane; Tollefson; Traynor; Trenbeath; Urlacher; Wardner

**ABSENT AND NOT VOTING:** Polovitz

The proposed further amendments to Engrossed HB 1019 failed.

#### MOTION

**SEN. LYSON MOVED** that Engrossed HB 1019 be further amended as follows:

In lieu of the amendments adopted by the Senate as printed on pages 1265-1269 of the Senate Journal, Engrossed House Bill No. 1019 is amended as follows:

Page 1, line 2, replace "for a report to the budget" with "an exemption"

Page 1, line 3, remove "section"

Page 1, line 4, replace "to designate the department of commerce as the state's fiscal" with "to create and enact two new sections to chapter 54-60 of the North Dakota Century Code, relating to a continuing appropriation and centers of excellence"

Page 1, line 5, remove "agent for workforce development programs"

Page 1, line 15, replace "6,718,913" with "6,713,340"

Page 1, line 16, replace "8,442,124" with "8,442,223"

Page 1, line 17, replace "73,864,584" with "46,585,026"

Page 1, after line 17, insert:

"Discretionary grants	1,697,127
North Dakota development fund	2,000,000"

Page 1, line 18, replace "5,483,385" with "2,983,179"

Page 1, line 19, replace "852,014" with "851,911"

Page 1, line 20, replace "95,361,020" with "69,272,806"

Page 1, line 21, replace "77,534,217" with "51,954,482"

Page 1, line 22, replace "17,826,803" with "17,318,324"

Page 2, replace lines 3 through 6 with:

**"SECTION 3. EXEMPTION.** The funds appropriated in the discretionary grants line item in section 1 of this Act are not subject to section 54-44.1-11 and any unexpended funds from this line item may be spent during the biennium beginning July 1, 2005, and ending June 30, 2007."

Page 2, remove lines 16 through 18

Page 3, remove lines 1 through 17

Page 3, line 27, after "The" insert "discretionary"

Page 4, replace lines 1 through 8 with:

**"SECTION 11. RED RIVER VALLEY RESEARCH CORRIDOR MARKETING.** The discretionary grants line item in section 1 of this Act includes \$200,000 from the general fund for the purpose of contracting with a private organization for conducting a marketing and image-building campaign for the red river valley research corridor during the second year of the biennium beginning July 1, 2003, and ending June 30, 2005.

**SECTION 12. FORT ABRAHAM LINCOLN GRANT.** The discretionary grants line item in section 1 of this Act includes \$100,000 from the general fund for the tourism division for the purpose of providing a grant to the Fort Abraham Lincoln foundation for costs associated with the national guard reconstruction of the seventh cavalry stable, interpretation of the stable, and maintenance and repairs of other fort buildings, for the biennium beginning July 1, 2003, and ending June 30, 2005.

**SECTION 13. DEVELOPMENT FUND - CENTERS OF EXCELLENCE GRANTS.** Notwithstanding chapter 10-30.5, the department of commerce shall provide a grant from the development fund of \$1,500,000 to the North Dakota state university center for technology enterprise and of \$1,000,000 to the university of North Dakota center for innovation. The department shall provide the grant on October 1, 2003.

**SECTION 14. LEGISLATIVE INTENT - INTERNSHIP PROGRAM.** It is the intent of the legislative assembly that the department of commerce workforce development division develop an internship program involving its internet web site and in conjunction with North Dakota university system programs.

**SECTION 15.** Two new sections to chapter 54-60 of the North Dakota Century Code are created and enacted as follows:

**Internet web site fee collections - Continuing appropriation.** Notwithstanding any other section of law, any moneys received by the department of commerce as subscriptions, commissions, fees, or other revenue from its career guidance and job opportunity services internet web site and deposited in its operating fund are hereby appropriated to the department on a continuing basis for payment of expenses related to administration of the web site.

**Centers of excellence.**

1. The department shall establish and administer a centers of excellence program. The centers of excellence include the North Dakota state university center for beef systems, the North Dakota state university center for nanoscale science and engineering, the North Dakota state university center for technology enterprise, the North Dakota state university center for high performance computing, the university of North Dakota center for innovation, and the university of North Dakota center for aerospace sciences. Before January 1, 2004, the foundation, in consultation with the state board of higher education, shall establish and shall provide the department with centers of excellence eligibility criteria. The department may designate additional centers of excellence based on the established eligibility criteria.
2. The purpose of the program is to develop and engage strategies for science and technology research and development, commercialization, entrepreneurship, infrastructure, and activities in the state to develop innovative approaches that expand the gross state product; to assist efforts to attract private and federal assistance for science and technology research and development and for commercialization in growth clusters

most likely to increase the gross state product; to increase collaboration among state, federal, and private research and development and technology commercialization organizations in the state; to strengthen the leadership and support of the national science foundation experimental program to stimulate competitive research programs and to encourage partnerships with other state institutions for expanded efforts to stimulate economic growth in identified industry clusters; to provide leadership in science and technology policy at a regional, a national, and an international level; and to create employment opportunities for North Dakota university system graduates. Identified industry clusters include advanced manufacturing, aerospace, energy, information and technology, tourism, and value-added agriculture.

3. An application for funds under the centers for excellence program must be received by the department before July first of the biennium during which the funds are awarded. A recipient of funds under this section shall use the funds to enhance capacity, enhance infrastructure, and leverage state, federal, and private sources of funding. Funds awarded under this section may not be used for operations or for academic instruction. The department may award funds under this section to research universities, university-related foundations, and public institutions that are located in the state which demonstrate the potential to deliver expertise and service to industry clusters that will contribute to the gross state product. A recipient of funds under this section which is an institution of higher education under the control of the board of higher education or which is a nonprofit university-related foundation shall provide the department with documentation of availability of two dollars of matching funds for each dollar of funds awarded under this section as a condition of eligibility for receipt of funds under this section; shall provide the department with annual reports for the four years following receipt of the funds; and may not use funds awarded under this section for indirect cost recovery.

Page 4, line 17, after the second "than" insert "two hundred", remove the overstrike over "~~fifty~~", and remove "one"

Page 4, line 18, remove "hundred"

Page 5, overstrike lines 5 and 6

Page 5, line 7, overstrike "7." and insert immediately thereafter "6."

Page 5, line 11, overstrike "8." and insert immediately thereafter "7."

Page 5, line 17, overstrike "9." and insert immediately thereafter "8."

Page 5, line 26, replace "2003" with "2002"

ReNUMBER accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### House Bill No. 1019 - Department of Commerce - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$6,791,269	\$6,718,913	(\$5,573)	\$6,713,340
Operating expenses	8,842,124	8,442,124	99	8,442,223
Grants	48,032,153	73,864,584	(27,279,558)	46,585,026
Agricultural products utilization	6,770,557	5,483,385	(2,500,206)	2,983,179
Lewis and Clark bicentennial	853,147	852,014	(103)	851,911
Discretionary grants			1,697,127	1,697,127
North Dakota development fund			2,000,000	2,000,000
Total all funds	\$71,289,250	\$95,361,020	(\$26,088,214)	\$69,272,806
Less estimated income	<u>55,759,805</u>	<u>77,534,217</u>	<u>(25,579,735)</u>	<u>51,954,482</u>
General fund	\$15,529,445	\$17,826,803	(\$508,479)	\$17,318,324
FTE	57.00	57.00	0.00	57.00

#### Dept. 601 - Department of Commerce - Detail of Senate Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE 1	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS 2	RESTORES OPERATING FUNDS 3	CHANGES DEVELOPMENT FUND ADMINISTRATIVE COSTS 4	REMOVES CONSOLIDATION OF WORKFORCE PROGRAMS 5	REMOVES FUNDING FOR INTERNSHIP PROGRAMS 6
Salaries and wages	(\$5,573)					
Operating expenses		(\$19,901)	\$20,000			
Grants					(\$25,032,431)	(\$1,000,000)
Agricultural products utilization	(206)					
Lewis and Clark bicentennial	(103)					
Discretionary grants North Dakota development fund						
<b>Total all funds</b>	<b>(\$5,882)</b>	<b>(\$19,901)</b>	<b>\$20,000</b>	<b>\$0</b>	<b>(\$25,032,431)</b>	<b>(\$1,000,000)</b>
Less estimated income	(1,540)			(398,625)	(22,679,570)	
<b>General fund</b>	<b>(\$4,342)</b>	<b>(\$19,901)</b>	<b>\$20,000</b>	<b>\$398,625</b>	<b>(\$2,352,861)</b>	<b>(\$1,000,000)</b>
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	REMOVES FUNDING FOR ETHANOL INCENTIVES 7	CREATES A SEPARATE LINE ITEM FOR DISCRETIONARY GRANTS 8	ADDS FUNDING FOR DISCRETIONARY GRANTS 9	ADDS FUNDING FOR FEASIBILITY STUDY 10	ADDS FUNDING FOR MARKETING 11	ADDS FUNDING FOR HOCKEY AND BASEBALL INITIATIVE 12
Salaries and wages						
Operating expenses						
Grants		(\$1,247,127)				
Agricultural products utilization	(\$2,500,000)					
Lewis and Clark bicentennial						
Discretionary grants North Dakota development fund		1,247,127	\$150,000	\$50,000	\$200,000	\$50,000
<b>Total all funds</b>	<b>(\$2,500,000)</b>	<b>\$0</b>	<b>\$150,000</b>	<b>\$50,000</b>	<b>\$200,000</b>	<b>\$50,000</b>
Less estimated income	(2,500,000)					
<b>General fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$150,000</b>	<b>\$50,000</b>	<b>\$200,000</b>	<b>\$50,000</b>
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	ADDS FUNDING FOR DEVELOPMENT FUND 13	TOTAL SENATE CHANGES
Salaries and wages		(\$5,573)
Operating expenses		99
Grants		(27,279,558)
Agricultural products utilization		(2,500,206)
Lewis and Clark bicentennial		(103)
Discretionary grants North Dakota development fund	\$2,000,000	1,697,127
		2,000,000
<b>Total all funds</b>	<b>\$2,000,000</b>	<b>(\$26,088,214)</b>
Less estimated income		(25,579,735)
<b>General fund</b>	<b>\$2,000,000</b>	<b>(\$508,479)</b>
FTE	0.00	0.00

1 Funding for state employee health insurance premiums is reduced from \$493 to \$488.70 per month.

2 This amendment reduces funding for information technology by \$19,901 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 4 percent.

3 The operating expenses line item is increased to restore \$20,000 of the \$200,000 general fund reduction made by the House for operating costs of the research, business development, and marketing programs of the Division of Economic Development and Finance.

4 The funding source for the administrative costs of the development fund is changed to the general fund, the same as the executive budget. The House provided that development fund administrative costs be paid from the development fund.

5 The section added by the House designating the Department of Commerce as the state's fiscal agent and administrator of all workforce development and workforce training funds is removed. As a result, funding added by the House for the following programs is removed:

AGENCY/ PROGRAM	GENERAL FUND	FEDERAL FUNDS	SPECIAL FUNDS	TOTAL
Department of Human Services - Job opportunities and basic skills (JOBS)		(\$8,225,614)		(\$8,225,614)
Department of Human Services - Basic employment skills training (BEST)		(391,198)	(\$7,500)	(398,698)
Job Service - Workforce 2000	(\$1,002,861)			(1,002,861)
Job Service - Senior community service		(1,070,352)		(1,070,352)

employment				
Job Service - Trade adjustment assistance		(99,800)		(99,800)
Job Service - Workforce Investment Act		(12,735,106)		(12,735,106)
Job Service - New jobs training program			(150,000)	(150,000)
Board for Vocational and Technical Education - Workforce training contracts	(1,350,000)			(1,350,000)
Total	(\$2,352,861)	(\$22,522,070)	(\$157,500)	(\$25,032,431)

<sup>6</sup> Removes funding added by the House for grants for direct support of internships for students entering growth industries that have critical shortages of available employees. A section of legislative intent is added providing that the workforce development division develop a streamlined internship program involving its web site and in conjunction with university system efforts.

<sup>7</sup> Funding of \$2.5 million from the highway tax distribution fund for ethanol incentive payments is removed in accordance with provisions of Senate Bill No. 2222 which includes a continuing appropriation for the Agricultural Products Utilization Commission to make ethanol incentive payments.

<sup>8</sup> Funding for the director's discretionary grants is removed from the grants line item and established as a separate line item in the bill. A section is added allowing the department to continue the appropriation authority included in this line item beyond the 2003-05 biennium.

<sup>9</sup> The discretionary grants line item is increased by \$150,000 from the general fund. The department is expected to have unspent general fund appropriation authority of at least \$200,000 for the 2001-03 biennium, \$150,000 of which has not been included in the March revised general fund turnback estimate for the 2001-03 biennium.

<sup>10</sup> Adds funding for preparing a North Dakota proposal to attract a high-tech manufacturing facility to the state.

<sup>11</sup> The discretionary grants line item is increased by \$200,000 from the general fund. A section of legislative intent is added providing that this funding be used for a marketing and image-building campaign for the Red River Valley research corridor beginning in the second year of the biennium.

<sup>12</sup> The discretionary grants line item is increased by \$50,000 from the general fund, \$25,000 of which is for a Canadian marketing initiative relating to the 2005 World Junior Hockey Tournament in Grand Forks and \$25,000 for providing a grant to the Williston Parks and Recreation Department for costs associated with the Babe Ruth World Series Baseball Tournament.

<sup>13</sup> Funding is added for the development fund.

The section added by the House designating \$25,000 of the director's discretionary grants for use in rescues of visitors to North Dakota tourist attractions is removed.

A section is added providing that the department use \$100,000 of the discretionary grants line item to provide a grant to the Fort Abraham Lincoln Foundation for reconstruction and interpretation of the Seventh Cavalry stable at the fort and for maintenance and repairs of other fort buildings.

The section added by the House precluding the department from spending funding to support the New Economy Initiative is removed.

The section added by the House providing for annual reports to the Budget Section on select activities and outcomes of the department is removed.

A section is added providing a continuing appropriation for moneys collected from the NDhasjobs.com internet web site.

The maximum seed capital investment that is eligible for an individual income tax credit is increased from the House version of \$100,000 to \$250,000, provisions limiting investments in one qualified business to no more than \$250,000 is removed, and the effective date is changed from taxable years beginning after December 31, 2003, to taxable years beginning after December 31, 2002.

Sections are added creating a Centers of Excellence program and identifying the following entities as Centers of Excellence for the 2003-05 biennium:

- NDSU Center for Beef Systems
- NDSU Center for Nanoscale Science and Engineering
- UND Center for Innovation
- NDSU Center for Technology Enterprise
- UND Center for Aerospace Sciences
- NDSU Center for High Performance Computing

A section is added providing that as of October 1, 2003, the development fund provide \$1.5 million to the NDSU Technology Enterprise and \$1 million to the UND Center for Innovation.

#### REQUEST

**SEN. LYSON REQUESTED** a recorded roll call vote on the motion to adopt the proposed further amendments to Engrossed HB 1019, which request was granted.

#### ROLL CALL

The question being on the motion to adopt the proposed further amendments to Engrossed HB 1019, the roll was called and there were 36 YEAS, 10 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bercier; Bowman; Christenson; Christmann; Cook; Dever; Erbele; Espegard; Every; Grindberg; Heitkamp; Holmberg; Kilzer; Krauter; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; Nichols; Robinson; Seymour; Stenehjem; Syverson; Tallackson; Taylor; Thane; Tollefson; Traynor; Trenbeath; Urlacher

**NAYS:** Brown; Fairfield; Fischer; Flakoll; Freborg; Klein; Krebsbach; O'Connell; Schobinger; Wardner

**ABSENT AND NOT VOTING:** Polovitz

The proposed further amendments to Engrossed HB 1019 were adopted.

#### MOTION

**SEN. J. LEE MOVED** that Engrossed HB 1019 be further amended as follows, which motion prevailed on a voice vote.

In lieu of the amendments adopted by the Senate as printed on pages 1265-1269 and pages 1290-1295 of the Senate Journal, Engrossed House Bill No. 1019 is amended as follows:

Page 1, line 2, replace "for a report to the budget" with "an exemption"

Page 1, line 3, remove "section"

Page 1, line 4, replace "to designate the department of commerce as the state's fiscal" with "to create and enact two new sections to chapter 54-60 of the North Dakota Century Code, relating to a continuing appropriation and centers of excellence"

Page 1, line 5, remove "agent for workforce development programs"

Page 1, line 15, replace "6,718,913" with "6,713,340"

Page 1, line 16, replace "8,442,124" with "8,442,223"

Page 1, line 17, replace "73,864,584" with "46,585,026"

Page 1, after line 17, insert:

"Discretionary grants	1,647,127
North Dakota development fund	2,000,000"

Page 1, line 18, replace "5,483,385" with "2,983,179"

Page 1, line 19, replace "852,014" with "851,911"

Page 1, line 20, replace "95,361,020" with "69,222,806"

Page 1, line 21, replace "77,534,217" with "51,954,482"

Page 1, line 22, replace "17,826,803" with "17,268,324"

Page 2, replace lines 3 through 6 with:

**"SECTION 3. EXEMPTION.** The funds appropriated in the discretionary grants line item in section 1 of this Act are not subject to section 54-44.1-11 and any unexpended funds from this line item may be spent during the biennium beginning July 1, 2005, and ending June 30, 2007."

Page 2, remove lines 16 through 18

Page 3, remove lines 1 through 17

Page 3, line 27, after "The" insert "discretionary"

Page 4, replace lines 1 through 8 with:

**"SECTION 11. RED RIVER VALLEY RESEARCH CORRIDOR MARKETING.**

The discretionary grants line item in section 1 of this Act includes \$200,000 from the general fund for the purpose of contracting with a private organization for conducting a marketing and image-building campaign for the red river valley research corridor during the second year of the biennium beginning July 1, 2003, and ending June 30, 2005.

**SECTION 12. FORT ABRAHAM LINCOLN GRANT.** The discretionary grants line item in section 1 of this Act includes \$100,000 from the general fund for the tourism division for the purpose of providing a grant to the Fort Abraham Lincoln foundation for costs associated with the national guard reconstruction of the seventh cavalry stable, interpretation of the stable, and maintenance and repairs of other fort buildings, for the biennium beginning July 1, 2003, and ending June 30, 2005.

**SECTION 13. DEVELOPMENT FUND - CENTERS OF EXCELLENCE GRANTS.** Notwithstanding chapter 10-30.5, the department of commerce shall provide a grant from the development fund of \$1,500,000 to the North Dakota state university center for technology enterprise and of \$1,000,000 to the university of North Dakota center for innovation. The department shall provide the grant on October 1, 2003.

**SECTION 14. LEGISLATIVE INTENT - INTERNSHIP PROGRAM.** It is the intent of the legislative assembly that the department of commerce workforce development division develop an internship program involving its internet web site and in conjunction with North Dakota university system programs.

**SECTION 15.** Two new sections to chapter 54-60 of the North Dakota Century Code are created and enacted as follows:

**Internet web site fee collections - Continuing appropriation.**  
Notwithstanding any other section of law, any moneys received by the department of commerce as subscriptions, commissions, fees, or other revenue from its career guidance and job opportunity services internet web site and deposited in its operating fund are hereby appropriated to the department on a continuing basis for payment of expenses related to administration of the web site.

**Centers of excellence.**

1. The department shall establish and administer a centers of excellence program. The centers of excellence include the North Dakota state university center for beef systems, the North Dakota state university center for nanoscale science and engineering, the North Dakota state university center for technology enterprise, the North Dakota state university center for high performance computing, the university of North Dakota center for innovation, and the university of North Dakota center for aerospace sciences. Before January 1, 2004, the foundation, in consultation with the state board of higher education, shall establish and shall provide the department with centers of excellence eligibility criteria. The department may designate additional centers of excellence based on the established eligibility criteria.
2. The purpose of the program is to develop and engage strategies for science and technology research and development, commercialization, entrepreneurship, infrastructure, and activities in the state to develop innovative approaches that expand the gross state product; to assist efforts to attract private and federal assistance for science and technology research and development and for commercialization in growth clusters most likely to increase the gross state product; to increase collaboration among state, federal, and private research and development and technology commercialization organizations in the state; to strengthen the leadership and support of the national science foundation experimental program to stimulate competitive research programs and to encourage partnerships with other state institutions for expanded efforts to stimulate economic growth in identified industry clusters; to provide leadership in science and technology policy at a regional, a national, and an international



level; and to create employment opportunities for North Dakota university system graduates. Identified industry clusters include advanced manufacturing, aerospace, energy, information and technology, tourism, and value-added agriculture.

3. An application for funds under the centers for excellence program must be received by the department before July first of the biennium during which the funds are awarded. A recipient of funds under this section shall use the funds to enhance capacity, enhance infrastructure, and leverage state, federal, and private sources of funding. Funds awarded under this section may not be used for operations or for academic instruction. The department may award funds under this section to research universities, university-related foundations, and public institutions that are located in the state which demonstrate the potential to deliver expertise and service to industry clusters that will contribute to the gross state product. A recipient of funds under this section which is an institution of higher education under the control of the board of higher education or which is a nonprofit university-related foundation shall provide the department with documentation of availability of two dollars of matching funds for each dollar of funds awarded under this section as a condition of eligibility for receipt of funds under this section; shall provide the department with annual reports for the four years following receipt of the funds; and may not use funds awarded under this section for indirect cost recovery."

Page 4, line 17, after the second "than" insert "two hundred", remove the overstrike over "~~fifty~~", and remove "one"

Page 4, line 18, remove "hundred"

Page 5, overstrike lines 5 and 6

Page 5, line 7, overstrike "7." and insert immediately thereafter "6."

Page 5, line 11, overstrike "8." and insert immediately thereafter "7."

Page 5, line 17, overstrike "9." and insert immediately thereafter "8."

Page 5, line 26, replace "2003" with "2002"

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### House Bill No. 1019 - Department of Commerce - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$6,791,269	\$6,718,913	(\$5,573)	\$6,713,340
Operating expenses	8,842,124	8,442,124	99	8,442,223
Grants	48,032,153	73,864,584	(27,279,558)	46,585,026
Agricultural products utilization	6,770,557	5,483,385	(2,500,206)	2,983,179
Lewis and Clark bicentennial	853,147	852,014	(103)	851,911
Discretionary grants			1,647,127	1,647,127
North Dakota development fund			2,000,000	2,000,000
Total all funds	\$71,289,250	\$95,361,020	(\$26,138,214)	\$69,222,806
Less estimated income	<u>55,759,805</u>	<u>77,534,217</u>	<u>(25,579,735)</u>	<u>51,954,482</u>
General fund	\$15,529,445	\$17,826,803	(\$558,479)	\$17,268,324
FTE	57.00	57.00	0.00	57.00

#### Dept. 601 - Department of Commerce - Detail of Senate Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE <sup>1</sup>	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS <sup>2</sup>	RESTORES OPERATING FUNDS <sup>3</sup>	CHANGES DEVELOPMENT FUND ADMINISTRATIVE COSTS <sup>4</sup>	REMOVES CONSOLIDATION OF WORKFORCE PROGRAMS <sup>5</sup>	REMOVES FUNDING FOR INTERNSHIP PROGRAMS <sup>6</sup>
Salaries and wages	(\$5,573)					
Operating expenses		(\$19,901)	\$20,000			

Grants					(\$25,032,431)	(\$1,000,000)
Agricultural products utilization	(206)					
Lewis and Clark bicentennial	(103)					
Discretionary grants North Dakota development fund						
Total all funds	(\$5,882)	(\$19,901)	\$20,000	\$0	(\$25,032,431)	(\$1,000,000)
Less estimated income	(1,540)			(398,625)	(22,679,570)	
General fund	(\$4,342)	(\$19,901)	\$20,000	\$398,625	(\$2,352,861)	(\$1,000,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

REMOVES FUNDING FOR ETHANOL INCENTIVES 7      CREATES A SEPARATE LINE ITEM FOR DISCRETIONARY GRANTS 8      ADDS FUNDING FOR DISCRETIONARY GRANTS 9      ADDS FUNDING FOR FEASIBILITY STUDY 10      ADDS FUNDING FOR MARKETING 11

Salaries and wages						
Operating expenses						
Grants		(\$1,247,127)				
Agricultural products utilization	(\$2,500,000)					
Lewis and Clark bicentennial						
Discretionary grants North Dakota development fund		1,247,127	\$150,000	\$50,000	\$200,000	
Total all funds	(\$2,500,000)	\$0	\$150,000	\$50,000	\$200,000	
Less estimated income	(2,500,000)					
General fund	\$0	\$0	\$150,000	\$50,000	\$200,000	
FTE	0.00	0.00	0.00	0.00	0.00	

ADDs FUNDING FOR DEVELOPMENT FUND 12      TOTAL SENATE CHANGES

Salaries and wages		(\$5,573)				
Operating expenses		99				
Grants		(27,279,558)				
Agricultural products utilization		(2,500,206)				
Lewis and Clark bicentennial		(103)				
Discretionary grants North Dakota development fund	\$2,000,000	1,647,127	2,000,000			
Total all funds	\$2,000,000	(\$26,138,214)				
Less estimated income		(25,579,735)				
General fund	\$2,000,000	(\$558,479)				
FTE	0.00	0.00				

1 Funding for state employee health insurance premiums is reduced from \$493 to \$488.70 per month.

2 This amendment reduces funding for information technology by \$19,901 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 4 percent.

3 The operating expenses line item is increased to restore \$20,000 of the \$200,000 general fund reduction made by the House for operating costs of the research, business development, and marketing programs of the Division of Economic Development and Finance.

4 The funding source for the administrative costs of the development fund is changed to the general fund, the same as the executive budget. The House provided that development fund administrative costs be paid from the development fund.

5 The section added by the House designating the Department of Commerce as the state's fiscal agent and administrator of all workforce development and workforce training funds is removed. As a result, funding added by the House for the following programs is removed:

AGENCY/ PROGRAM	GENERAL FUND	FEDERAL FUNDS	SPECIAL FUNDS	TOTAL
Department of Human Services - Job opportunities and basic skills (JOBS)		(\$8,225,614)		(\$8,225,614)
Department of Human Services - Basic employment skills training (BEST)		(391,198)	(\$7,500)	(398,698)
Job Service - Workforce 2000	(\$1,002,861)			(1,002,861)
Job Service - Senior community service employment		(1,070,352)		(1,070,352)
Job Service - Trade adjustment assistance		(99,800)		(99,800)
Job Service - Workforce Investment Act		(12,735,106)		(12,735,106)
Job Service - New jobs training program			(150,000)	(150,000)
Board for Vocational and Technical Education -	(1,350,000)			(1,350,000)

Workforce training contracts				
Total	(\$2,352,861)	(\$22,522,070)	(\$157,500)	(\$25,032,431)

6 Removes funding added by the House for grants for direct support of internships for students entering growth industries that have critical shortages of available employees. A section of legislative intent is added providing that the workforce development division develop a streamlined internship program involving its web site and in conjunction with university system efforts.

7 Funding of \$2.5 million from the highway tax distribution fund for ethanol incentive payments is removed in accordance with provisions of Senate Bill No. 2222 which includes a continuing appropriation for the Agricultural Products Utilization Commission to make ethanol incentive payments.

8 Funding for the director's discretionary grants is removed from the grants line item and established as a separate line item in the bill. A section is added allowing the department to continue the appropriation authority included in this line item beyond the 2003-05 biennium.

9 The discretionary grants line item is increased by \$150,000 from the general fund. The department is expected to have unspent general fund appropriation authority of at least \$200,000 for the 2001-03 biennium, \$150,000 of which has not been included in the March revised general fund turnback estimate for the 2001-03 biennium.

10 Adds funding for preparing a North Dakota proposal to attract a high-tech manufacturing facility to the state.

11 The discretionary grants line item is increased by \$200,000 from the general fund. A section of legislative intent is added providing that this funding be used for a marketing and image-building campaign for the Red River Valley research corridor beginning in the second year of the biennium.

12 Funding is added for the development fund.

The section added by the House designating \$25,000 of the director's discretionary grants for use in rescues of visitors to North Dakota tourist attractions is removed.

A section is added providing that the department use \$100,000 of the discretionary grants line item to provide a grant to the Fort Abraham Lincoln Foundation for reconstruction and interpretation of the Seventh Cavalry stable at the fort and for maintenance and repairs of other fort buildings.

The section added by the House precluding the department from spending funding to support the New Economy Initiative is removed.

The section added by the House providing for annual reports to the Budget Section on select activities and outcomes of the department is removed.

A section is added providing a continuing appropriation for moneys collected from the NDhasjobs.com internet web site.

The maximum seed capital investment that is eligible for an individual income tax credit is increased from the House version of \$100,000 to \$250,000, provisions limiting investments in one qualified business to no more than \$250,000 is removed, and the effective date is changed from taxable years beginning after December 31, 2003, to taxable years beginning after December 31, 2002.

Sections are added creating a Centers of Excellence program and identifying the following entities as Centers of Excellence for the 2003-05 biennium:

- NDSU Center for Beef Systems
- NDSU Center for Nanoscale Science and Engineering
- UND Center for Innovation
- NDSU Center for Technology Enterprise
- UND Center for Aerospace Sciences
- NDSU Center for High Performance Computing

A section is added providing that as of October 1, 2003, the development fund provide \$1.5 million to the NDSU Technology Enterprise and \$1 million to the UND Center for Innovation.

**HB 1019:** A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; to provide for a transfer to the general fund; to provide an exemption; to provide statements of legislative intent; to direct the state tax commissioner to audit the ethanol incentive program; to create and enact two new sections to chapter 54-60 of the North Dakota Century Code, relating to a continuing appropriation and centers of excellence; to amend and reenact section 57-38.5-03 of the North Dakota Century Code, relating to the seed capital investment tax credit; and to provide an effective date.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 40 YEAS, 6 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Brown; Christmann; Cook; Dever; Erbele; Espegard; Every; Fischer; Flakoll; Freborg; Grindberg; Holmberg; Kilzer; Klein; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; Nichols; Robinson; Schobinger; Seymour; Stenehjem; Syverson; Tallackson; Taylor; Thane; Tollefson; Traynor; Trenbeath; Urlacher; Wardner

**NAYS:** Bercier; Christenson; Fairfield; Heitkamp; Krauter; O'Connell

**ABSENT AND NOT VOTING:** Polovitz

Engrossed HB 1019, as amended, passed and the title was agreed to.

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#### CONSIDERATION OF AMENDMENTS

**HB 1003, as engrossed: SEN. HOLMBERG (Appropriations Committee) MOVED** that the amendments on SJ pages 1251-1259 be adopted and then be placed on the Fourteenth order with **DO PASS**.

#### REQUEST

**SEN. MATHERN REQUESTED** that the Senate divide the amendments to Engrossed HB 1003, which request was granted on a voice vote.

**DIVISION A:** Footnote number 3 regarding building projects associated with Dickinson State University, Valley City State University, and Mayville State University.

**DIVISION B:** The remainder of the proposed amendments.

#### REQUEST

**SEN. MATHERN REQUESTED** a recorded roll call vote on Division A of the proposed amendments to Engrossed HB 1003, which request was granted.

#### ROLL CALL

The question being the adoption of Division A of the proposed amendments to Engrossed HB 1003, the roll was called and there were 29 YEAS, 17 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Brown; Christenson; Christmann; Cook; Dever; Erbele; Espegard; Fischer; Flakoll; Freborg; Grindberg; Holmberg; Kilzer; Klein; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lyson; Mutch; Nething; Schobinger; Stenehjem; Syverson; Thane; Tollefson; Traynor; Trenbeath

**NAYS:** Bercier; Bowman; Every; Fairfield; Heitkamp; Krauter; Lindaas; Mathern; Nelson; Nichols; O'Connell; Robinson; Seymour; Tallackson; Taylor; Urlacher; Wardner

**ABSENT AND NOT VOTING:** Polovitz

Division A of the proposed amendments to Engrossed HB 1003 was adopted on a recorded roll call vote.

The question being the adoption of Division B of the proposed amendments to Engrossed HB 1003, the motion passed on a voice vote.

Division B of the proposed amendments to Engrossed HB 1003 was adopted on a voice vote.

Therefore, the question being the adoption of the proposed amendments which include Division A and Division B, the proposed amendments to HB 1003 were adopted on a voice vote.

Engrossed HB 1003, as amended, was placed on the Fourteenth order for immediate second reading.

### SECOND READING OF HOUSE BILL

**HB 1003:** A BILL for an Act to provide an appropriation for defraying the expenses of the North Dakota university system; to authorize the state board of higher education to issue and sell bonds for capital projects; to provide statements of legislative intent; to provide for a general fund transfer; to provide for a legislative council study; amend and reenact sections 15-10-08, 15-10-12, 54-44.1-04, 54-44.1-06, and 54-44.1-11 of the North Dakota Century Code, relating to compensation of state board of higher education members, higher education institutions' special revenue funds, budget requests and block grant appropriations, and unexpended appropriations; and to declare an emergency.

### MOTION

**SEN. ROBINSON MOVED** that Engrossed HB 1003 be further amended as follows:

In lieu of the amendments adopted by the Senate as printed on pages 1251-1259 of the Senate Journal, Engrossed House Bill No. 1003 is amended as follows:

Page 1, line 3, remove "to authorize the industrial commission to issue and sell bonds for capital"

Page 1, line 4, remove "projects;" and after the third semicolon insert "to provide for a legislative council study;"

Page 1, line 19, replace "14,100,689" with "12,790,689"

Page 1, line 20, remove "and centers for excellence" and replace "7,000,000" with "4,100,000"

Page 1, after line 20, insert:  
"Centers for excellence" 1,900,000"

Page 1, line 21, replace "435,306" with "485,306"

Page 1, line 22, replace "4,479,337" with "4,472,850"

Page 1, line 24, replace "26,135,148" with "25,089,639"

Page 1, after line 24, insert:  
"Operations pool" 5,800,000"

Page 2, line 3, replace "4,430,215" with "2,930,215"

Page 2, line 5, replace "816,368" with "1,066,368"

Page 2, line 8, replace "64,407,816" with "65,645,820"

Page 2, line 9, replace "5,355,507" with "3,855,507"

Page 2, line 10, replace "59,052,309" with "61,790,313"

Page 2, line 14, replace "15,493,038" with "15,462,327"

Page 2, line 15, replace "15,743,038" with "15,712,327"

Page 2, line 19, replace "4,963,824" with "4,957,682"

Page 2, line 20, replace "5,008,655" with "5,002,513"

Page 2, line 24, replace "5,319,181" with "5,312,371"

Page 2, line 25, replace "5,407,971" with "5,401,161"

Page 2, line 29, replace "84,584,943" with "84,733,126"

Page 2, remove lines 30 and 31

Page 3, line 1, replace "117,347,079" with "117,395,262"

Page 3, line 3, replace "87,047,079" with "87,095,262"

Page 3, line 7, replace "66,875,983" with "66,826,959"

Page 3, line 8, replace "83,613,514" with "83,564,490"

Page 3, line 10, replace "68,613,514" with "68,564,490"

Page 3, line 14, replace "23,774,891" with "23,736,824"

Page 3, line 15, replace "28,217,311" with "28,179,244"

Page 3, line 17, replace "24,548,391" with "24,510,324"

Page 3, line 21, replace "13,590,878" with "13,573,831"

Page 3, line 22, replace "18,984,840" with "18,967,793"

Page 3, line 24, replace "13,984,840" with "13,967,793"

Page 3, line 27, replace "364,589" with "414,589"

Page 3, line 28, replace "8,349,835" with "8,427,335"

Page 3, remove line 29

Page 3, line 30, replace "8,764,424" with "8,841,924"

Page 4, line 2, replace "8,614,424" with "8,691,924"

Page 4, line 6, replace "25,554,142" with "25,519,578"

Page 4, line 7, replace "26,166,992" with "26,132,428"

Page 4, line 11, replace "11,144,078" with "11,304,672"

Page 4, line 12, replace "11,409,412" with "11,570,006"

Page 4, line 15, replace "112,663" with "209,663"

Page 4, line 16, replace "4,057,001" with "4,052,856"

Page 4, line 17, replace "4,169,664" with "4,262,519"

Page 4, line 21, replace "30,268,879" with "29,990,865"

Page 4, line 22, replace "30,268,879" with "29,990,865"

Page 4, line 26, replace "2,717,215" with "2,715,016"

Page 4, line 27, replace "2,863,276" with "2,861,077"

Page 4, line 29, replace "1,773,275" with "1,771,076"

Page 4, line 30, replace "361,808,443" with "364,463,001"

Page 5, line 1, replace "112,046,775" with "102,524,428"

Page 5, line 2, replace "473,855,218" with "466,987,429"

Page 5, line 3, replace "\$435,306" with "\$485,306"

Page 5, line 8, replace "\$14,100,689" with "\$12,790,689"

Page 5, line 11, replace "and by the industrial commission to establish an escrow account as authorized in" with a period

Page 5, remove line 12

Page 5, line 13, replace "\$26,135,148" with "\$25,089,639"

Page 5, after line 20, insert:

**"SECTION 5. OPERATIONS POOL.** The sum of \$5,800,000, or so much of the sum as may be necessary, included in the operations pool line item in subdivision 1 of section 1 of this Act, is to be allocated by the state board of higher education to the entities included in section 1 to address campus operations reductions."

Page 5, line 30, after the period insert "All additional funds received under the North Dakota-Minnesota reciprocity agreement during the biennium beginning July 1, 2003, and ending June 30, 2005, are appropriated to the state board of higher education for reimbursement to institutions under the control of the board and for student financial assistance grants, as determined by the board."

Page 6, line 24, remove the second "the"

Page 6, line 25, remove "purpose of repaying principal and interest on" and replace "loans from the Bank of North" with "costs"

Page 6, line 26, remove "Dakota, pursuant to section 54-16-13"

Page 7, line 12, after "center" insert "and athletic complex" and replace "\$8,000,000" with "\$21,000,000"

Page 7, remove line 13

Page 7, remove lines 21 through 31

Page 8, remove lines 1 through 15

Page 9, remove lines 11 and 12

Page 9, remove line 23

Page 9, line 24, replace "e." with "d."

Page 9, line 25, replace "f." with "e."

Page 9, line 26, replace "g." with "f."

Page 10, line 15, replace "\$13,258,969" with "\$18,058,969"

Page 10, line 21, remove "- **CENTERS FOR EXCELLENCE**"

Page 10, line 22, remove "and centers for excellence"

Page 10, line 23, replace "\$5,000,000 for the competitive research program and \$2,000,000" with "\$100,000"

Page 10, line 24, replace "research efforts that focus on research that will have a positive impact on the" with "for establishment of a design center at the university of North Dakota. Federal and private matching funds totaling \$300,000 must be leveraged by the North Dakota university system prior to June 30, 2004, or the funding is to be made available for other competitive research initiatives."

Page 10, remove lines 25 and 26

Page 10, after line 26, insert:

**"SECTION 18. CENTERS FOR EXCELLENCE.** The centers for excellence line item in subdivision 1 of section 1 of this Act includes \$1,400,000 for the John D. Odegard center for aerospace science - center of excellence in multimedia technology and \$500,000 is for future centers for excellence. Of the \$1,400,000, \$206,000 is for the expanded air service enterprise - upper great plains air taxi service. Federal

matching funding relating to the expanded air service enterprise - upper great plains air taxi service must be leveraged by the North Dakota university system prior to June 30, 2004, or the funding is to be made available for other centers for excellence. The funding for future centers for excellence is to be distributed by the state board of higher education based on determination of centers for excellence by the department of commerce foundation board.

**SECTION 19. EDUCATION INCENTIVE PROGRAMS.** The funding appropriated for education incentive programs may be allocated to education incentive programs as determined by the state board of higher education, including the reduction or elimination of specific programs, and the state board of higher education may determine the appropriate number of years of program eligibility for each education incentive program.

**SECTION 20. TRANSFER AUTHORITY.** If, during the biennium beginning July 1, 2003, and ending June 30, 2005, the state board of higher education determines that funds allocated to institution operations in section 1 of this Act are needed for capital projects or extraordinary repairs, the board may transfer funds from operations to capital assets. The board shall report any transfer of funds under this section to the office of management and budget.

**SECTION 21. LEGISLATIVE COUNCIL STUDY - HIGHER EDUCATION.** The legislative council shall consider continuing the study of higher education during the 2003-04 interim. If conducted, the study may include the use of the higher education roundtable format. The study should further refine the expectations of the North Dakota university system in meeting the state's needs in the twenty-first century, the funding methodology needed to meet those expectations and needs, and the accountability system and reporting methodology for the university system. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-ninth legislative assembly.

**SECTION 22. CONSTRUCTION OF BASKETBALL ARENA - APPROVAL.** The state board of higher education may approve amendments to terms of the agreement entered into under chapter 159 of the 1999 Session Laws and may authorize the construction of a basketball arena on the site authorized under that legislation for the university of North Dakota to be financed with private funds.

**SECTION 23. PURCHASE OF HOTEL - APPROVAL.** The state board of higher education may authorize the university of North Dakota to purchase a hotel and land upon which the hotel is located within the city of Grand Forks for use as a student residence facility for a sum not to exceed \$1,200,000, under terms approved by the board. The university of North Dakota may utilize available housing reserve funds for the purchase.

**SECTION 24. MAYVILLE STATE UNIVERSITY - FIELDHOUSE RENOVATION AND ADDITION - REVENUE NOTE.** The state board of higher education may, as an alternative to issuing revenue bonds to finance the Mayville state university fieldhouse renovation and addition authorized in section 13 of this Act, enter into an agreement or agreements and do all things necessary to finance this improvement with a tax-exempt revenue note, under terms and conditions acceptable to the board. The proceeds of the revenue note must be used to pay all or part of the cost of construction, equipment, and furnishing of the Mayville state university fieldhouse, costs of issuance, interest, and any reasonable required reserve. The note may be issued based on the pledge of revenues generated by the fieldhouse, student fees, local sales tax revenues dedicated to the improvement, and assignment of capital campaign collections or other private funds. A revenue note authorized by this section may not constitute a direct obligation of the state or any agency or political subdivision of the state within the meaning of any statutory or constitutional provision. The principal and interest on the note must be payable solely from revenues generated by the fieldhouse, student fees, local sales tax revenues dedicated to the improvement, and assignment of capital campaign collections or other private funds.

**SECTION 25. LEGISLATIVE INTENT - UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES.** It is the intent of the fifty-eighth legislative assembly that funding of \$395,000 included in the operations line item in subdivision 13 of section 1 of this Act is considered one-time funding and the funding is not to be included in the university of North Dakota school of medicine and health sciences base funding for determination of funding requests for the 2005-07 biennium."



Page 20, line 23, replace the first comma with "and" and remove ", and 14"

Renumber accordingly

### STATEMENT OF PURPOSE OF AMENDMENT:

#### House Bill No. 1003 - Summary of Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
University System office				
Total all funds	\$467,577,358	\$64,407,816	\$1,238,004	\$65,645,820
Less estimated income	<u>115,498,722</u>	<u>5,355,507</u>	<u>(1,500,000)</u>	<u>3,855,507</u>
General fund	\$352,078,636	\$59,052,309	\$2,738,004	\$61,790,313
Bismarck State College				
Total all funds	\$0	\$17,528,038	(\$30,711)	\$17,497,327
Less estimated income		<u>1,785,000</u>		<u>1,785,000</u>
General fund	\$0	\$15,743,038	(\$30,711)	\$15,712,327
Lake Region State College				
Total all funds	\$0	\$5,383,655	(\$6,142)	\$5,377,513
Less estimated income		<u>375,000</u>		<u>375,000</u>
General fund	\$0	\$5,008,655	(\$6,142)	\$5,002,513
Williston State College				
Total all funds	\$0	\$5,407,971	(\$6,810)	\$5,401,161
Less estimated income				
General fund	\$0	\$5,407,971	(\$6,810)	\$5,401,161
University of North Dakota				
Total all funds	\$0	\$140,347,079	\$48,183	\$140,395,262
Less estimated income		<u>53,300,000</u>		<u>53,300,000</u>
General fund	\$0	\$87,047,079	\$48,183	\$87,095,262
UND Medical Center				
Total all funds	\$0	\$30,268,879	(\$278,014)	\$29,990,865
Less estimated income				
General fund	\$0	\$30,268,879	(\$278,014)	\$29,990,865
North Dakota State University				
Total all funds	\$0	\$94,613,514	(\$49,024)	\$94,564,490
Less estimated income		<u>26,000,000</u>		<u>26,000,000</u>
General fund	\$0	\$68,613,514	(\$49,024)	\$68,564,490
State College of Science				
Total all funds	\$0	\$28,217,311	(\$38,067)	\$28,179,244
Less estimated income		<u>3,668,920</u>		<u>3,668,920</u>
General fund	\$0	\$24,548,391	(\$38,067)	\$24,510,324
Dickinson State University				
Total all funds	\$0	\$24,866,887	(\$5,899,094)	\$18,967,793
Less estimated income		<u>10,882,047</u>	<u>(5,882,047)</u>	<u>5,000,000</u>
General fund	\$0	\$13,984,840	(\$17,047)	\$13,967,793
Mayville State University				
Total all funds	\$0	\$14,119,424	(\$1,277,500)	\$12,841,924
Less estimated income		<u>5,505,000</u>	<u>(1,355,000)</u>	<u>4,150,000</u>
General fund	\$0	\$8,614,424	\$77,500	\$8,691,924
Minot State University				
Total all funds	\$0	\$26,166,992	(\$34,564)	\$26,132,428
Less estimated income				
General fund	\$0	\$26,166,992	(\$34,564)	\$26,132,428
Valley City State University				
Total all funds	\$0	\$15,494,712	(\$624,706)	\$14,870,006
Less estimated income		<u>4,085,300</u>	<u>(785,300)</u>	<u>3,300,000</u>
General fund	\$0	\$11,409,412	\$160,594	\$11,570,006
Minot State University - Bottineau				
Total all funds	\$0	\$4,169,664	\$92,855	\$4,262,519
Less estimated income				
General fund	\$0	\$4,169,664	\$92,855	\$4,262,519
Forest Service				
Total all funds	\$2,915,258	\$2,863,276	(\$2,199)	\$2,861,077
Less estimated income	<u>1,090,001</u>	<u>1,090,001</u>		<u>1,090,001</u>
General fund	\$1,825,257	\$1,773,275	(\$2,199)	\$1,771,076
Bill Total				
Total all funds	\$470,492,616	\$473,855,218	(\$6,867,789)	\$466,987,429
Less estimated income	<u>116,588,723</u>	<u>112,046,775</u>	<u>(9,522,347)</u>	<u>102,524,428</u>
General fund	\$353,903,893	\$361,808,443	\$2,654,558	\$364,463,001

#### House Bill No. 1003 - General Fund Summary

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
University System office	\$352,078,636	\$59,052,309	\$2,738,004	\$61,790,313
Bismarck State College		15,743,038	(30,711)	15,712,327
Lake Region State College		5,008,655	(6,142)	5,002,513
Williston State College		5,407,971	(6,810)	5,401,161
University of North Dakota		87,047,079	48,183	87,095,262
UND Medical Center		30,268,879	(278,014)	29,990,865
North Dakota State University		68,613,514	(49,024)	68,564,490
State College of Science		24,548,391	(38,067)	24,510,324

Dickinson State University		13,984,840	(17,047)	13,967,793
Mayville State University		8,614,424	77,500	8,691,924
Minot State University		26,166,992	(34,564)	26,132,428
Valley City State University		11,409,412	160,594	11,570,006
Minot State University - Bottineau		4,169,664	92,855	4,262,519
Forest Service	<u>1,825,257</u>	<u>1,773,275</u>	<u>(2,199)</u>	<u>1,771,076</u>
Total general fund	\$353,903,893	\$361,808,443	\$2,654,558	\$364,463,001

**Detail of Senate Changes to the General Fund**

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE 1	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS 2	REMOVES FUNDING FOR CAPITAL ASSETS 3	ADJUSTS FUNDING FOR COMPETITIVE RESEARCH PROGRAM AND CENTERS FOR EXCELLENCE 4	RESTORES FUNDING FOR BOARD INITIATIVES 5	PROVIDES FUNDING FOR OPERATIONS POOL 6
University System office	(\$2,064)	(\$1,049,932)	(\$1,310,000)	(\$1,000,000)	\$50,000	\$5,800,000
Bismarck State College		(30,711)				
Lake Region State College		(6,142)				
Williston State College		(6,810)				
University of North Dakota		(101,817)			(50,000)	
UND Medical Center		(28,014)				
North Dakota State University		(49,024)				
State College of Science		(38,067)				
Dickinson State University		(17,047)				
Mayville State University		(22,500)				
Minot State University		(34,564)				
Valley City State University		(39,406)				
Minot State University - Bottineau		(4,145)				
Forest Service	<u>(1,961)</u>	<u>(238)</u>				
Total general fund	(\$4,025)	(\$1,428,417)	(\$1,310,000)	(\$1,000,000)	\$0	\$5,800,000

	ADJUSTS FUNDING FOR CAPITAL ASSETS 7	ADJUSTS FUNDING FOR STUDENT GRANT PROGRAMS 8	RESTORES FUNDING FOR CAMPUS OPERATIONS 9	REMOVES FUNDING FOR MARKETING INITIATIVE 10	TOTAL GENERAL FUND CHANGES
University System office		\$250,000			\$2,738,004
Bismarck State College					(30,711)
Lake Region State College					(6,142)
Williston State College					(6,810)
University of North Dakota			\$250,000	(\$50,000)	48,183
UND Medical Center			(250,000)		(278,014)
North Dakota State University					(49,024)
State College of Science					(38,067)
Dickinson State University					(17,047)
Mayville State University			100,000		77,500
Minot State University					(34,564)
Valley City State University			200,000		160,594
Minot State University - Bottineau	\$97,000				92,855
Forest Service					<u>(2,199)</u>
Total general fund	\$97,000	\$250,000	\$300,000	(\$50,000)	\$2,654,558

**House Bill No. 1003 - Other Funds Summary**

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
University System office	\$115,498,722	\$5,355,507	(\$1,500,000)	\$3,855,507
Bismarck State College		1,785,000		1,785,000
Lake Region State College		375,000		375,000
Williston State College				
University of North Dakota		53,300,000		53,300,000
UND Medical Center				
North Dakota State University		26,000,000		26,000,000
State College of Science		3,668,920		3,668,920
Dickinson State University		10,882,047	(5,882,047)	5,000,000
Mayville State University		5,505,000	(1,355,000)	4,150,000
Minot State University				
Valley City State University		4,085,300	(785,300)	3,300,000
Minot State University - Bottineau				
Forest Service	<u>1,090,001</u>	<u>1,090,001</u>		<u>1,090,001</u>
Total other funds	\$116,588,723	\$112,046,775	(\$9,522,347)	\$102,524,428

**Detail of Senate Changes to Other Funds**

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE 1	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS 2	REMOVES FUNDING FOR CAPITAL ASSETS 3	ADJUSTS FUNDING FOR COMPETITIVE RESEARCH PROGRAM AND CENTERS FOR EXCELLENCE 4	RESTORES FUNDING FOR BOARD INITIATIVES 5	PROVIDES FUNDING FOR OPERATIONS POOL 6
University System office						
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						

UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total other funds	\$0	\$0	(\$8,022,347)	\$0	\$0	\$0

	ADJUSTS FUNDING FOR CAPITAL ASSETS 7	ADJUSTS FUNDING FOR STUDENT GRANT PROGRAMS 8	RESTORES FUNDING FOR CAMPUS OPERATIONS 9	REMOVES FUNDING FOR MARKETING INITIATIVE 10	TOTAL OTHER FUNDS CHANGES
University System office		(\$1,500,000)			(\$1,500,000)
Bismarck State College					
Lake Region State College					
Williston State College					
University of North Dakota					
UND Medical Center					
North Dakota State University					
State College of Science					
Dickinson State University					(5,882,047)
Mayville State University					(1,355,000)
Minot State University					
Valley City State University					(785,300)
Minot State University - Bottineau					
Forest Service					
Total other funds	\$0	(\$1,500,000)	\$0	\$0	(\$9,522,347)

**House Bill No. 1003 - All Funds Summary**

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
University System office	\$467,577,358	\$64,407,816	\$1,238,004	\$65,645,820
Bismarck State College		17,528,038	(30,711)	17,497,327
Lake Region State College		5,383,655	(6,142)	5,377,513
Williston State College		5,407,971	(6,810)	5,401,161
University of North Dakota		140,347,079	48,183	140,395,262
UND Medical Center		30,268,879	(278,014)	29,990,865
North Dakota State University		94,613,514	(49,024)	94,564,490
State College of Science		28,217,311	(38,067)	28,179,244
Dickinson State University		24,866,887	(5,899,094)	18,967,793
Mayville State University		14,119,424	(1,277,500)	12,841,924
Minot State University		26,166,992	(34,564)	26,132,428
Valley City State University		15,494,712	(624,706)	14,870,006
Minot State University - Bottineau		4,169,664	92,855	4,262,519
Forest Service	<u>2,915,258</u>	<u>2,863,276</u>	<u>(2,199)</u>	<u>2,861,077</u>
Total all funds	\$470,492,616	\$473,855,218	(\$6,867,789)	\$466,987,429
FTE	2,400.38	2,400.38	0.00	2,400.38

**Detail of Senate Changes to All Funds**

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE 1	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS 2	REMOVES FUNDING FOR CAPITAL ASSETS 3	ADJUSTS FUNDING FOR COMPETITIVE RESEARCH PROGRAM AND CENTERS FOR EXCELLENCE 4	RESTORES FUNDING FOR BOARD INITIATIVES 5	PROVIDES FUNDING FOR OPERATIONS POOL 6
University System office	(\$2,064)	(\$1,049,932)	(\$1,310,000)	(\$1,000,000)	\$50,000	\$5,800,000
Bismarck State College		(30,711)				
Lake Region State College		(6,142)				
Williston State College		(6,810)				
University of North Dakota		(101,817)			(50,000)	
UND Medical Center		(28,014)				
North Dakota State University		(49,024)				
State College of Science		(38,067)				
Dickinson State University		(17,047)	(5,882,047)			
Mayville State University		(22,500)	(1,355,000)			
Minot State University		(34,564)				
Valley City State University		(39,406)	(785,300)			
Minot State University - Bottineau		(4,145)				
Forest Service	<u>(1,961)</u>	<u>(238)</u>				
Total all funds	(\$4,025)	(\$1,428,417)	(\$9,332,347)	(\$1,000,000)	\$0	\$5,800,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

  

	ADJUSTS FUNDING FOR CAPITAL ASSETS 7	ADJUSTS FUNDING FOR STUDENT GRANT PROGRAMS 8	RESTORES FUNDING FOR CAMPUS OPERATIONS 9	REMOVES FUNDING FOR MARKETING INITIATIVE 10	TOTAL ALL FUNDS CHANGES
University System office		(\$1,250,000)			\$1,238,004
Bismarck State College					(30,711)
Lake Region State College					(6,142)
Williston State College					(6,810)

University of North Dakota		\$250,000	(\$50,000)	48,183
UND Medical Center		(250,000)		(278,014)
North Dakota State University				(49,024)
State College of Science				(38,067)
Dickinson State University				(5,899,094)
Mayville State University		100,000		(1,277,500)
Minot State University				(34,564)
Valley City State University		200,000		(624,706)
Minot State University - Bottineau	\$97,000			92,855
Forest Service				(2,199)
Total all funds	\$97,000	(\$1,250,000)	\$300,000	(\$50,000)
FTE	0.00	0.00	0.00	0.00

<sup>1</sup> This amendment reduces funding for state employee health insurance premiums from \$493 per month to \$488.70 per month. This only affects the North Dakota University System office and the Forest Service. The executive budget recommendation included no funding for health insurance increases for higher education institutions.

<sup>2</sup> This amendment reduces the general fund for the North Dakota University System office, higher education institutions, and the Forest Service equivalent to a 4 percent reduction in information technology funding; however, the reductions are not limited to information technology.

<sup>3</sup> This amendment removes the authorization provided by the House for the Industrial Commission to issue bonds totaling \$8,022,347 for construction costs associated with the following projects:

Dickinson State University	Murphy Hall Phase I addition	\$5,882,047
Valley City State University	Graichen Gymnasium elevator and emergency exits	\$785,300
Mayville State University	Steamline replacement Phase 2	\$1,355,000

This amendment removes the escrow account established for the purpose of making the first four annual lease rental payments for the retirement of the bonds. The escrow account was to consist of up to \$1,310,000 transferred from the general fund amounts appropriated for capital assets in Subdivision 1 of Section 1 and \$250,000 provided as local responsibility from other Dickinson State University fund sources.

<sup>4</sup> This amendment provides funding of \$4,100,000 from the general fund for competitive research, a decrease in funding from the House version of \$900,000, and provides funding of \$1,900,000 from the general fund for centers for excellence, a decrease in funding from the House version of \$100,000. The amendment provides \$100,000 of the funding for competitive research is for the establishment of a design center at the University of North Dakota. The amendment also provides \$1,500,000 of the funding for centers for excellence is for the John D. Odegard Center for Aerospace - Center of Excellence in Multimedia Technology and \$500,000 is to be allocated by the State Board of Higher Education for future centers for excellence. Of the funding for the John D. Odegard Center for Aerospace - Center of Excellence in Multimedia Technology, \$206,000 is for an Expanded Air Service Enterprise - Upper Great Plains Air Taxi Service Initiative.

<sup>5</sup> This amendment restores funding of \$50,000 from the general fund to the North Dakota University System office board initiatives line item and remove funding of \$50,000 from the general fund allocated by the House to the University of North Dakota for the university's Nordic Initiative.

<sup>6</sup> This amendment provides funding of \$5.8 million from the general fund for an operations pool to be allocated by the State Board of Higher Education to higher education institutions.

<sup>7</sup> **Mayville State University** - This amendment transfers funding of \$50,000 from a special line item as provided by the House for improvements in Old Main to the university's capital assets line item. The funding is intended to provide total capital assets funding equivalent to 3.89 percent of the North Dakota University System capital assets funding formula.

**Minot State University - Bottineau** - This amendment provides capital assets funding of \$97,000 from the general fund to Minot State University - Bottineau. The funding is intended to provide total capital assets funding equivalent to 10.49 percent of the North Dakota University System capital assets funding formula.

<sup>8</sup> This amendment removes the special funds spending authority of \$1.5 million added by the House for the student financial assistance grants relating to potential payments that may be received under the North Dakota-Minnesota reciprocity agreement and modifies Section 6 of the engrossed bill to provide that the North Dakota University System office is appropriated all additional funds received under the North Dakota-Minnesota reciprocity agreement for student financial assistance grants. In addition, the amendment also increases funding for the scholars program by \$250,000 from the general fund, from \$816,368 to \$1,066,368.

<sup>9</sup> This amendment restores funding of \$250,000 from the general fund to the University of North Dakota, from the University of North Dakota Medical School. This amendment also provides funding of \$100,000 from the general fund to Mayville State University and \$200,000 from the general fund to Valley City State University for costs associated with the institutions' high-tech laptop computer initiatives.

<sup>10</sup> This amendment removes funding of \$50,000 from the general fund provided by the House to the University of North Dakota for a grant to the university's athletic department for a Canadian marketing initiative relating to the 2005 World Junior Hockey Tournament.

### House Bill No. 1003 - Other Changes - Senate Action

This amendment also:

- Amends Section 11 of the bill to clarify language regarding funding included from the water development trust fund for disaster-related costs.
- Amends Section 16 of the bill to remove two new accountability measures added by the House.
- Amends Section 17 of the bill to increase the transfer from the student loan trust fund to the state general fund by \$4,800,000, from \$13,258,969 to \$18,058,969.
- Adds a section to the bill relating to education incentive programs.

- Adds a section to the bill allowing the State Board of Higher Education to authorize the transfer of funds from a higher education institution's operations line item to the capital assets line item.
- Adds a section to the bill providing for a Legislative Council study relating to the continuation of the higher education study.
- Adds a section to the bill allowing the State Board of Higher Education to authorize the construction of a basketball arena for the University of North Dakota to be funded with private funds.
- Adds a section to the bill allowing the State Board of Higher Education to authorize the University of North Dakota to purchase for a sum of \$1.2 million a hotel and land upon which the hotel is located for use as a student residence facility.
- Adds a section to the bill relating to the Mayville State University fieldhouse renovation project.
- Adds a section to the bill relating to funding for the University of North Dakota Medical School.
- Amends the emergency clause to include the contingency and capital emergency line item and Section 11 of the bill.

#### REQUEST

**SEN. ROBINSON REQUESTED** a recorded roll call vote on the motion to adopt the proposed further amendments to Engrossed HB 1003, which request was granted.

#### ROLL CALL

The question being on the motion to adopt the proposed further amendments to Engrossed HB 1003, the roll was called and there were 14 YEAS, 32 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Bercier; Christenson; Every; Fairfield; Heitkamp; Krauter; Lindaas; Mathern; Nelson; O'Connell; Robinson; Seymour; Tallackson; Taylor

**NAYS:** Andrist; Bowman; Brown; Christmann; Cook; Dever; Erbele; Espegard; Fischer; Flakoll; Freborg; Grindberg; Holmberg; Kilzer; Klein; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lyson; Mutch; Nething; Nichols; Schobinger; Stenehjem; Syverson; Thane; Tollefson; Traynor; Trenbeath; Urlacher; Wardner

**ABSENT AND NOT VOTING:** Polovitz

The proposed further amendments to Engrossed HB 1003 failed.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 40 YEAS, 6 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bercier; Bowman; Brown; Christenson; Christmann; Cook; Dever; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Holmberg; Kilzer; Klein; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lyson; Mutch; Nething; Nichols; O'Connell; Schobinger; Seymour; Stenehjem; Syverson; Tallackson; Taylor; Thane; Tollefson; Traynor; Trenbeath; Urlacher; Wardner

**NAYS:** Heitkamp; Krauter; Lindaas; Mathern; Nelson; Robinson

**ABSENT AND NOT VOTING:** Polovitz

Engrossed HB 1003, as amended, passed, the title was agreed to, and the emergency clause was declared carried.

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#### APPOINTMENT OF CONFERENCE COMMITTEE

**SEN. HOLMBERG 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 1001, which motion prevailed.

**THE PRESIDENT APPOINTED** as a Conference Committee on Engrossed HB 1001: Sens. Grindberg, Christmann, Krauter.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**SEN. HOLMBERG 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 1013, which motion prevailed.

**THE PRESIDENT APPOINTED** as a Conference Committee on Engrossed HB 1013: Sens. Bowman, Kringstad, Robinson.

**CONSIDERATION OF MESSAGE FROM THE HOUSE**

**SEN. MUTCH MOVED** that the Senate do not concur in the House amendments to Engrossed SB 2335 as printed on SJ page 1227 and that a conference committee be appointed to meet with a like committee from the House, which motion prevailed on a voice vote.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE PRESIDENT APPOINTED** as a Conference Committee on Engrossed SB 2335: Sens. Espegard, Krebsbach, Heitkamp.

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

**MR. SPEAKER:** The Senate has reconsidered its action whereby it did not concur with the House amendments to SB 2255 and wishes to inform you that the Senate does now concur with the House amendments to SB 2255 and subsequently passed the same. Also, the Senate has dissolved the Senate Conference Committee on SB 2255.

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

**MR. SPEAKER:** The Senate has amended, subsequently passed, and the emergency clause carried: HB 1003.

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

**MR. SPEAKER:** The Senate does not concur in the House amendments to SB 2335 and the President has appointed as a conference committee to act with a like committee from the House on:

**SB 2335:** Sens. Espegard; Krebsbach; Heitkamp

**MOTION**

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

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

**REPORT OF STANDING COMMITTEE**

**HB 1016, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (9 YEAS, 5 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1016 was placed on the Sixth order on the calendar.

Page 1, line 2, after "rehabilitation" insert "; to provide for an early release program; to provide an exemption to chapters 48-01.1 and 54-44.7 of the North Dakota Century Code, relating to public improvement contract bids and architect, engineer, and land surveying services; to provide a statement of legislative intent; to provide for legislative council studies"

Page 1, line 10, replace "20,461,983" with "21,605,127"

Page 1, line 11, replace "66,836,583" with "70,338,308"

Page 1, line 12, replace "9,651,218" with "9,635,918"

Page 1, line 13, replace "11,602,021" with "11,583,071"

Page 1, line 14, replace "108,551,805" with "113,162,424"

Page 1, line 15, replace "30,135,194" with "30,270,459"

Page 1, line 16, replace "78,416,611" with "82,891,965"

Page 2, after line 2, insert:

**"SECTION 4. NINETY-DAY EARLY RELEASE.** Except as otherwise provided in this section, the department of corrections and rehabilitation shall grant a one-time

sentence reduction of ninety days, or the balance of the sentence if the remaining amount of the inmate's sentence to be served in custody is less than ninety days, to each inmate in the custody of the department of corrections and rehabilitation on March 1, 2003. An inmate serving a sentence for a conviction of any sexual offense or attempted sexual offense in violation of section 12.1-20-03, 12.1-20-03.1, 12.1-20-04, 12.1-20-05, 12.1-20-05.1, 12.1-20-06, 12.1-20-07 except subdivision a of subsection 1, 12.1-20-11, 12.1-20-12.1, or 12.1-20-12.2, or for an offense in violation of chapter 12.1-27.2, serving a sentence for a conviction of any offense or attempted offense in violation of chapter 12.1-27.2, serving a sentence for a conviction of any offense or attempted offense in violation of section 12.1-16-01, 12.1-16-02, 12.1-17-02, 12.1-18-01, 12.1-22-01, or subdivision b of subsection 2 of section 12.1-22-02, or serving a sentence of nine months or less of imprisonment may not receive the sentence reduction provided by this section.

**SECTION 5. PURCHASE OF LAND AND BUILDINGS - EXEMPTION FROM CHAPTERS 48-01.1 AND 54-44.7.** The department of corrections and rehabilitation may purchase within the limits of legislative appropriation provided for that purpose the LaHaug building and surrounding real property for the purpose of a women's prison on the grounds of the state hospital. Ownership of the food service building, the dining facility and attached building 18A, the laundry building, and buildings eight and fifty on the grounds of the state hospital also must be transferred to the department of corrections and rehabilitation. The department of corrections and rehabilitation is not subject to the provisions of chapters 48-01.1 and 54-44.7 relating to public improvement contract bids and architect, engineer, and land surveying services for construction and renovation relating to the LaHaug building, nurses' building, food service building, dining facility and attached building 18A, laundry building, and building eight.

**SECTION 6. LEGISLATIVE INTENT - ADDITIONAL UNSPENT GENERAL FUND APPROPRIATION AUTHORITY.** It is the intent of the fifty-eighth legislative assembly that the department of corrections and rehabilitation have unspent general fund appropriation authority of at least \$1,415,895 for the 2001-03 biennium. This includes \$242,000 that was previously planned to be used for the remodeling of the state hospital's nurses' building before June 30, 2003, and was not included in the March revised general fund turnback estimate for the 2001-03 biennium.

**SECTION 7. LEGISLATIVE COUNCIL STUDY - SOUTHWEST MULTI-COUNTY CORRECTION CENTER.** The legislative council shall consider studying, during the 2003-04 interim, the potential uses of the southwest multi-county correction center by the department of corrections and rehabilitation. If chosen, the study must consult with the North Dakota university system and industries, including oil-related industries, regarding the use of the southwest multi-county correction center facilities as a possible transition center, or other use, by the department of corrections and rehabilitation. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-ninth legislative assembly.

**SECTION 8. LEGISLATIVE COUNCIL STUDY - PRESENTENCE REPORT.** The legislative council shall consider studying, during the 2003-04 interim, the effect of the department of corrections and rehabilitation conducting a presentence investigation, preparing a presentence report, making criminal records checks, and including that information in a report for the court. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-ninth legislative assembly.

**SECTION 9. LEGISLATIVE COUNCIL STUDY - DEPARTMENT OF CORRECTIONS AND REHABILITATION AUTHORITY FOR PLACEMENT OF OFFENDERS.** The legislative council shall consider studying, during the 2003-04 interim, the impact of providing the department of corrections and rehabilitation with additional authority for placement of offenders sentenced to prison. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-ninth legislative assembly."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1016 - Department of Corrections and Rehabilitation - Senate Action**

	BUDGET	VERSION	CHANGES	VERSION
Field services	\$21,632,548	\$20,461,983	\$1,143,144	\$21,605,127
Prisons Division	71,185,029	66,836,583	3,501,725	70,338,308
Juvenile community services	9,615,306	9,651,218	(15,300)	9,635,918
Youth Correctional Center	<u>11,476,494</u>	<u>11,602,021</u>	<u>(18,950)</u>	<u>11,583,071</u>
Total all funds	\$113,909,377	\$108,551,805	\$4,610,619	\$113,162,424
Less estimated income	<u>30,992,766</u>	<u>30,135,194</u>	<u>135,265</u>	<u>30,270,459</u>
General fund	\$82,916,611	\$78,416,611	\$4,475,354	\$82,891,965
FTE	717.18	641.18	66.00	707.18

### Dept. 530 - Department of Corrections and Rehabilitation - Detail of Senate Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE 1	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS 2	RESTORES FUNDING AND FTEs FOR PROPOSED WOMEN'S PRISON 3	REMOVES FUNDING FOR CONTRACT HOUSING FOR WOMEN INMATES 4	RESTORES 1 PAROLE AND PROBATION OFFICER II 5	RESTORES GENERAL FUND FUNDING 6
Field services	(\$8,430)	(\$17,110)			\$90,376	\$1,078,308
Prisons Division	(51,875)	(37,652)	\$7,560,574	(\$6,642,320)		2,922,998
Juvenile community services	(3,521)	(11,779)				
Youth Correctional Center	<u>(9,549)</u>	<u>(9,401)</u>				
Total all funds	(\$73,375)	(\$75,942)	\$7,560,574	(\$6,642,320)	\$90,376	\$4,001,306
Less estimated income	<u>(5,987)</u>		<u>1,294,603</u>	<u>(1,243,727)</u>	<u>90,376</u>	
General fund	(\$67,388)	(\$75,942)	\$6,265,971	(\$5,398,593)	\$0	\$4,001,306
FTE	0.00	0.00	65.00	0.00	1.00	0.00
	SAVINGS FROM 90-DAY EARLY RELEASE PROGRAM 7	TOTAL SENATE CHANGES				
Field services		\$1,143,144				
Prisons Division	(\$250,000)	3,501,725				
Juvenile community services		(15,300)				
Youth Correctional Center		<u>(18,950)</u>				
Total all funds	(\$250,000)	\$4,610,619				
Less estimated income		<u>135,265</u>				
General fund	(\$250,000)	\$4,475,354				
FTE	0.00	66.00				

1 This amendment reduces the funding for state employee health insurance premiums from \$493 to \$488.70 per month.

2 This amendment reduces funding for information technology by \$75,942 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 4 percent.

3 This amendment restores the funding and 65 FTE positions for the Governor's recommendation for a women's prison at the State Hospital LaHaug Building, which was removed by the House.

4 This amendment removes funding to contract to house all women inmates for the 2003-05 biennium, which was added by the House.

5 This amendment restores one parole and probation officer II that was removed by the House.

6 This amendment restores part of the general fund amount that the House had removed for the Field Services Division and the Prisons Division.

7 This amendment reduces funding for the Prisons Division as a result of the 90-day early release program.

This amendment also adds six sections to the bill, Sections 4, 5, 6, 7, 8, and 9. Section 4 provides for an early release program; Section 5 provides an exemption to North Dakota Century Code Chapters 48-01.1 and 54-44.7 relating to public improvement contract bids and architect, engineer, and land surveying services; Section 6 provides legislative intent for unspent general fund appropriation authority; Section 7 provides for a Legislative Council study of the Southwest Multi-County Correction Center; Section 8 provides for a Legislative Council study of presentence reports; and Section 9 provides for a Legislative Council Study of the Department of Corrections and Rehabilitation authority for placement of offenders.

### CONSIDERATION OF AMENDMENTS

**HB 1016, as engrossed: SEN. KRINGSTAD (Appropriations Committee) REQUESTED** that the recommended amendments to Engrossed HB 1016 be divided in the following manner, which request was granted:

**DIVISION A:** Section 4 of the proposed amendments.



The remainder of the proposed amendments to be further divided after Division A is decided.

The question being the adoption of Division A of the proposed amendments to Engrossed HB 1016, the motion failed on a voice vote.

Division A of the proposed amendments to Engrossed HB 1016 failed on a voice vote.

#### REQUEST

**SEN. BOWMAN REQUESTED** that the Senate divide the remaining amendments to Engrossed HB 1016 in the following manner, which request was granted:

**DIVISION B:** Section 5 of the proposed amendments.

**DIVISION C:** The remainder of the proposed amendments.

#### MOTION

**SEN. CHRISTMANN MOVED** that the Senate stand in recess for five minutes, which motion prevailed.

**THE SENATE RECONVENED**, with President Dalrymple presiding.

#### RULING BY THE PRESIDENT

**PRESIDENT DALRYMPLE RULED** Section 5 of the proposed amendments could not be further divided.

#### REQUEST

**SEN. EVERY REQUESTED** a recorded roll call vote on Division B of the proposed amendments to Engrossed HB 1016, which request was granted.

#### ROLL CALL

The question being the adoption of Division B of the proposed amendments to Engrossed HB 1016, the roll was called and there were 16 YEAS, 29 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Christmann; Dever; Fischer; Flakoll; Grindberg; Holmberg; Kilzer; Krebsbach; Kringstad; Lee, G.; Lee, J.; Nething; Stenehjelm; Tallackson; Trenbeath

**NAYS:** Bowman; Brown; Christenson; Cook; Erbele; Espgaard; Every; Fairfield; Freborg; Heitkamp; Klein; Krauter; Lindaas; Lyson; Mathern; Mutch; Nelson; Nichols; O'Connell; Robinson; Schobinger; Seymour; Syverson; Taylor; Thane; Tollefson; Traynor; Urlacher; Wardner

**ABSENT AND NOT VOTING:** Bercier; Polovitz

Division B of the proposed amendments to Engrossed HB 1016 failed.

The question being the adoption of Division C of the proposed amendments to Engrossed HB 1016, the motion passed on a voice vote.

Division C of the proposed amendments to Engrossed HB 1016 was adopted on a voice vote.

Therefore, the question being the adoption of the proposed amendments to Engrossed 1016, which exclude Divisions A and B and include Division C, the proposed amendments to Engrossed HB 1016 were adopted on a voice vote.

Engrossed HB 1016, as amended, was placed on the Fourteenth order for immediate second reading.

#### SECOND READING OF HOUSE BILL

**HB 1016:** A BILL for an Act to provide an appropriation for defraying the expenses of the department of corrections and rehabilitation; to provide a statement of legislative intent; to provide for legislative council studies; and to declare an emergency.

#### ROLL CALL

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

**YEAS:** Andrist; Bowman; Brown; Christenson; Christmann; Cook; Dever; Erbele; Espgaard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Heitkamp; Kilzer; Klein; Krauter;

Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; Nichols; O'Connell; Robinson; Schobinger; Seymour; Stenehjerm; Syverson; Tallackson; Taylor; Thane; Tollefson; Traynor; Trenbeath; Urlacher; Wardner

**NAYS:** Holmberg

**ABSENT AND NOT VOTING:** Bercier; Polovitz

Engrossed HB 1016, as amended, passed, the title was agreed to, and the emergency clause was declared carried.

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**REPORT OF STANDING COMMITTEE**

**HB 1015, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (9 YEAS, 5 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1015 was placed on the Sixth order on the calendar.

Page 1, line 3, after the third semicolon insert "to amend and reenact sections 15-05-07, 15-05-16, and 23-20.2-03, subsections 2 and 4 of section 23-25-02, sections 23-29-07.6, 23-29-07.7, and 23-33-10, subdivision k of subsection 1 of section 38-08-04, sections 38-08-04.2, 38-12-02, 38-12-03, 38-12.1-01, 38-12.1-02, and 38-12.1-04, subsection 1 of section 38-12.1-05, subsections 12 and 24 of section 38-14.1-03, subsection 2 of section 38-14.1-21, sections 38-15-03, 38-19-03, 38-19-04, 54-17.3-02, 54-17.3-03, 54-17.3-04, 54-17.3-05, 54-17.3-06, 54-17.3-07, and 54-17.4-01, subsection 14 of section 54-17.4-02, sections 54-17.4-06, 54-17.4-07, 54-17.4-09, 54-17.4-10, 54-17.4-11, and 54-17.4-12, and subsection 1 of section 61-28-03 of the North Dakota Century Code, relating to the state geologist; to repeal section 54-17.4-05 of the North Dakota Century Code, relating to the state geologist; to provide an effective date;"

Page 1, line 14, replace "6,264,047" with "5,871,834"

Page 1, line 15, replace "1,947,591" with "1,916,559"

Page 1, line 19, replace "44,380,928" with "43,957,683"

Page 1, line 20, replace "37,296,489" with "37,295,870"

Page 1, line 21, replace "7,084,439" with "6,661,813"

Page 2, line 1, replace "16,546,603" with "16,527,614"

Page 2, line 2, replace "11,372,000" with "11,014,932"

Page 2, line 5, replace "30,243,603" with "29,867,546"

Page 2, line 14, replace "16,703,856" with "16,690,956"

Page 2, line 18, replace "30,018,282" with "30,005,382"

Page 2, line 21, replace "3,934,267" with "3,929,907"

Page 2, line 25, replace "33,618,207" with "33,613,847"

Page 2, line 26, replace "15,159,439" with "14,736,813"

Page 2, line 27, replace "131,176,581" with "130,782,645"

Page 2, line 28, replace "146,336,020" with "145,519,458"

Page 4, line 5, after "**TRANSFER**" insert "**- INDUSTRIAL COMMISSION REPORT**"

Page 4, line 11, after the period insert "The industrial commission shall report to the fifty-ninth legislative assembly regarding the mill and elevator association's net income to date and estimated net income for the remainder of the 2003-05 biennium."

Page 5, after line 31, insert:

"**SECTION 14. AMENDMENT.** Section 15-05-07 of the North Dakota Century Code is amended and reenacted as follows:

**15-05-07. Board to ascertain and keep schedule of all lands on which coal exists.** The board of university and school lands, with the assistance of the ~~state geologist~~ director of oil and gas, shall ascertain and determine the quantity and description of all lands under its control on which coal exists and shall compile and keep a statement and schedule of all such lands.

**SECTION 15. AMENDMENT.** Section 15-05-16 of the North Dakota Century Code is amended and reenacted as follows:

**15-05-16. Reports - ~~State geologist~~ Director of oil and gas - State department of health.** The ~~state geologist~~ director of oil and gas or the state department of health, on the request of the board of university and school lands, shall visit any land leased under section 15-05-09 and shall make a report of the visit to the board. The ~~state geologist~~ director of oil and gas or the state department of health may not receive a fee for making the examination and report but must be paid necessary expenses incurred in connection therewith.

**SECTION 16. AMENDMENT.** Section 23-20.2-03 of the North Dakota Century Code is amended and reenacted as follows:

**23-20.2-03. Jurisdiction of the industrial commission.** The commission has jurisdiction and authority and is charged with the responsibility to enforce the provisions of this chapter. This chapter does not apply to any activity regulated under chapters 23-29, 38-08, 38-12, 61-28, and 61-28.1. The commission acting through the ~~office of the state geologist~~ director of oil and gas has the authority:

1. To require:
  - a. Identification of ownership of all facilities and equipment used for the underground storage and retrieval of material and waste disposal.
  - b. The making and filing of all logs and reports on facility location, drilling, boring, excavating, and construction and the filing, free of charge, of samples, core chips, and complete cores, when requested, in the office of the ~~state geologist~~ director of oil and gas.
  - c. The drilling, boring, excavating, and construction of facilities in a manner to prevent contamination and pollution of surface and ground water sources and the environment.
  - d. The furnishing of a reasonable bond with good and sufficient surety, conditioned upon the full compliance with the provisions of this chapter, and the rules of the commission relating to the underground storage and retrieval of material and waste disposal.
  - e. Metering or other measuring of all material injected, emplaced, stored, disposed into, or retrieved from any facility regulated by this chapter.
  - f. That every person who operates a facility for the underground storage and retrieval of material or for waste disposal in this state shall keep and maintain complete and accurate records of the quantities and nature of material stored, retrieved, or disposed of, which records must be available to the commission or its agents at all times, and that every such person file with the commission such reports as it may prescribe.
  - g. That upon termination of the operation of any facility or activity regulated by this chapter, the operator of such facility shall restore the surface as nearly as possible to its original condition and productivity.
2. To regulate:
  - a. The drilling, boring, excavating, and construction of all underground storage, retrieval, and waste disposal facilities.
  - b. Operations to assure the optimum performance of all facilities regulated by this chapter.

3. To limit and prescribe the nature, quantity, and source of materials to be stored in, whether as waste or otherwise, or retrieved from any facility regulated by this chapter.
4. To promulgate and to enforce rules, regulations, and orders to effectuate the purposes of this chapter.

The jurisdiction granted the commission by this chapter is not exclusive and does not affect the jurisdiction of other governmental entities.

**SECTION 17. AMENDMENT.** Subsections 2 and 4 of section 23-25-02 of the North Dakota Century Code are amended and reenacted as follows:

2. There is hereby established an air pollution control advisory council, hereinafter referred to as the advisory council, of nine members to include the state health officer, the ~~state geologist~~ director of oil and gas, the director of the department of transportation, and six other members to be appointed by the governor, one of whom must be a representative of county or municipal government, one a representative of the solid fuels industry, one a representative of the fluid and gas fuels industry, one a representative of the environmental sciences, and two appointed at large.
4. The advisory council shall select its own chairman from among its members. The state health officer, ~~state geologist~~ director of oil and gas, and director of the department of transportation each may designate a principal deputy or assistant to act in the officer's place and stead. The chief sanitary engineer of the state department of health, or that officer's designated assistant, must be the principal administrative officer of the council.

**SECTION 18. AMENDMENT.** Section 23-29-07.6 of the North Dakota Century Code is amended and reenacted as follows:

**23-29-07.6. Preconstruction site review.** The department, in cooperation with the state engineer and the ~~state geologist~~ director of oil and gas, shall develop criteria for siting a solid waste disposal facility based upon potential impact on environmental resources. Any application for a landfill permit received after the department develops siting criteria as required by this section must be reviewed for site suitability by the department after consultation with the state engineer and ~~state geologist~~ director of oil and gas before any site development. Site development does not include the assessment or monitoring associated with the review as required by the department in consultation with the state engineer and ~~state geologist~~ director of oil and gas.

**SECTION 19. AMENDMENT.** Section 23-29-07.7 of the North Dakota Century Code is amended and reenacted as follows:

**23-29-07.7. Review of existing municipal waste landfills.** By July 1, 1995, the state engineer and ~~state geologist~~ director of oil and gas shall complete site suitability reviews of all existing municipal waste landfills within the state. The reports of such reviews must be provided to the department for use in site improvement, site remediation, or landfill closure.

**SECTION 20. AMENDMENT.** Section 23-33-10 of the North Dakota Century Code is amended and reenacted as follows:

**23-33-10. Wellhead protection program.** The department in cooperation with the state engineer and ~~state geologist~~ director of oil and gas shall assist in implementing a public water supply wellhead protection program for protection of ground water resources utilizing existing state and local statutory authority.

**SECTION 21. AMENDMENT.** Subdivision k of subsection 1 of section 38-08-04 of the North Dakota Century Code is amended and reenacted as follows:

- k. The filing free of charge of samples and core chips and of complete cores when requested in the office of the ~~state geologist~~ director of oil and gas within six months after the completion or abandonment of the well.

**SECTION 22. AMENDMENT.** Section 38-08-04.2 of the North Dakota Century Code is amended and reenacted as follows:

**38-08-04.2. Director of oil and gas.** The industrial commission is authorized to appoint a director of oil and gas and to set the director's salary within the limits of legislative appropriations. ~~The industrial commission may designate the state geologist as the director of oil and gas.~~

**SECTION 23. AMENDMENT.** Section 38-12-02 of the North Dakota Century Code is amended and reenacted as follows:

**38-12-02. Jurisdiction of commission.** The commission has jurisdiction and authority over all persons and property, public and private, necessary to enforce effectively the provisions of this chapter. Subject to the provisions of section 38-08-21, ~~the state geologist~~ director of oil and gas shall act as a supervisor charged with the duty of enforcing the regulations and orders of the commission applicable to the subsurface mineral resources of this state and the provisions of this chapter. The commission has authority to make such investigations as it deems proper to determine whether facts exist which justify action by the commission. The commission acting through the office of ~~the state geologist~~ director of oil and gas has the authority:

1. To require:
  - a. The furnishing of a reasonable bond with good and sufficient surety, conditioned upon the full compliance with the provisions of this chapter, and the rules and regulations of the commission prescribed to govern the exploration, development, and production of subsurface minerals on state and private lands within the state of North Dakota.
  - b. The delivery, free of charge, to the ~~state geologist~~ director of oil and gas of the basic exploration data collected by the operator, within thirty days of field collection of such data. This data must include:
    - (1) Sample cuts, core chips, or whole cores.
    - (2) Sample logs, radioactivity logs, resistivity logs, or other types of electrical or mechanical logs.
    - (3) Elevation and location information on the data collection points.
    - (4) Other pertinent information as may be requested by the ~~state geologist~~ director of oil and gas.

The data so submitted is confidential for a period of one year when so requested by the operator and such period may be further extended upon approval by the commission.
  - c. The filing of monthly production reports in the manner prescribed by the commission, and any other reports deemed necessary by the commission.
  - d. The conducting of all exploration, development, and production operations in such a manner as to prevent pollution of freshwater supplies, to provide for the protection of the environment and public safety, and to ensure the optimum recovery of the mineral resource.
  - e. The reclamation of all land disturbed by operations regulated by this chapter to a condition consistent with prior land use and productive capacity.
2. To regulate the drilling, and abandonment of exploration test holes and producing wells and all other exploration, development, production, and reclamation operations.
3. To promulgate and to enforce rules, regulations, and orders to effectuate the purposes and the intent of this chapter.
4. To inspect all exploration, development, and production sites. For the purposes of this subsection, the ~~state geologist~~ director of oil and gas or his representative shall have access to all exploration, development or

production installations for purposes of inspection and shall have the authority to require the operator's aid if same is necessary and is requested.

**SECTION 24. AMENDMENT.** Section 38-12-03 of the North Dakota Century Code is amended and reenacted as follows:

**38-12-03. Permit required.** It is unlawful to commence operations for the exploration, development, or production of subsurface minerals without first obtaining a permit from the ~~state geologist~~ director of oil and gas, under such rules and regulations as may be prescribed by the commission and paying to the commission a fee for each such permit in an amount to be prescribed by the commission.

**SECTION 25. AMENDMENT.** Section 38-12.1-01 of the North Dakota Century Code is amended and reenacted as follows:

**38-12.1-01. Legislative findings.** The legislative assembly of the state of North Dakota finds that:

1. The discovery and evaluation of coal deposits is advantageous in an industrial society.
2. Coal occurs hidden under the ground and must be searched for by diverse techniques, and that the search, exploration, or prospecting for coal is a necessary and expensive prerequisite to coal extraction and for land use planning in coal-bearing areas.
3. It is to the benefit of society to allow coal exploration and to require the information generated from exploration to be available to the ~~office of the state geologist~~ director of oil and gas.

**SECTION 26. AMENDMENT.** Section 38-12.1-02 of the North Dakota Century Code is amended and reenacted as follows:

**38-12.1-02. Declaration of policy.** It is hereby declared to be in the public interest to have persons engaged in coal exploration or evaluation report their findings to the ~~office of the state geologist~~ director of oil and gas so that data on the location, quantity, and quality of coal, and the characteristics of associated material, will be available to assist the state in determining what the attitude of the state should be regarding future development of coal resources.

**SECTION 27. AMENDMENT.** Section 38-12.1-04 of the North Dakota Century Code is amended and reenacted as follows:

**38-12.1-04. Jurisdiction of commission.** The commission has jurisdiction and authority over all persons and property, both public and private, necessary to effectively enforce ~~the provisions of~~ this chapter. The ~~state geologist~~ director of oil and gas shall act as a supervisor charged with the duty of enforcing the regulations and orders of the commission applicable to the provisions of this chapter. The commission has authority to make such investigations as it ~~deems~~ determines proper to determine whether facts exist which justify action by the commission. The commission acting through the ~~office of the state geologist~~ director of oil and gas has the authority:

1. To require:
  - a. The furnishing of a reasonable bond with good and sufficient surety, conditioned upon the full compliance with the provisions of this chapter, and the rules and regulations of the commission prescribed to govern the exploration for coal on state and private lands and roads used in coal exploration within the state of North Dakota.
  - b. The delivery, free of charge, to the ~~state geologist~~ director of oil and gas of the basic data collected during the course of the exploration within a reasonable time as may be prescribed by the ~~state geologist~~ director of oil and gas. The data so submitted is confidential and available only to the office of the ~~state geologist~~ director of oil and gas for official purposes for a period of two years, and such period of confidentiality must, upon application, be extended for one-year periods by the ~~state geologist~~ director of oil and gas, for a total period not to exceed ten years unless it is demonstrated that such period

should be further extended in order to prevent possible resulting harm to the person, his successors, and assigns, who delivered such basic data to the ~~state geologist~~ director of oil and gas. The basic data must include, if specifically requested by the ~~state geologist~~ director of oil and gas and if the information has been developed by or for a person conducting the exploration:

- (1) Sample cuts.
  - (2) Drillers' logs, sample logs, radioactivity logs, resistivity logs, or other types of electrical or mechanical logs.
  - (3) Elevation and location information on the data collection points.
  - (4) Other pertinent information as may be required by the ~~state geologist~~ director of oil and gas.
2. To require the plugging, covering, or reburial in an appropriate manner so as to protect environmental quality, general health and safety, and economic values, of all holes, pits, or trenches excavated during the course of coal exploration.
  3. To promulgate and enforce rules, regulations, and orders to effectuate the provisions, purpose, and intent of this chapter.
  4. To inspect all drilling or exploration sites. For the purposes of this subsection, the ~~state geologist~~ director of oil and gas or ~~his~~ the director's representatives ~~shall have~~ has access to all drilling or exploration installations regulated by this chapter for the purpose of inspection and sampling and ~~shall have the authority to~~ may require the operators' aid if ~~he~~ the director finds it necessary and requests it.
  5. Notwithstanding any of the other provisions of this section, the commission acting through the office of the ~~state geologist~~ director of oil and gas shall require that any lands substantially disturbed in coal exploration, including excavations, roads, drill holes, and the removal of necessary facilities and equipment be reclaimed in accordance with the applicable performance standards of section 38-14.1-24. Reclamation must be accomplished so as to protect environmental quality, general health and safety, and economic values.

**SECTION 28. AMENDMENT.** Subsection 1 of section 38-12.1-05 of the North Dakota Century Code is amended and reenacted as follows:

1. It is unlawful to commence operations for drilling for the exploration for coal without first obtaining a permit from the ~~state geologist~~ director of oil and gas, under such rules ~~and regulations~~ as may be prescribed by the commission, and paying to the commission a fee of one hundred dollars for each such permit area. The permit application must include a description of the exploration area, and the period of proposed exploration. The permit must be granted within thirty days after proper application is submitted therefor.

**SECTION 29. AMENDMENT.** Subsections 12 and 24 of section 38-14.1-03 of the North Dakota Century Code are amended and reenacted as follows:

12. To ~~promulgate regulations~~ adopt rules consistent with state law, in consultation with the ~~state geologist~~ director of oil and gas, state department of health, and the state engineer for the protection of the quality and quantity of waters affected by surface coal mining operations.
24. To provide by ~~regulation~~ rule for the conservation and utilization of other minerals found within the permit area during surface coal mining and reclamation operations in consultation with the ~~state geologist~~ director of oil and gas and to approve plans for the use of such other minerals outside the permit area so long as the permittee affirmatively demonstrates that such removal is lawful and will provide equal or greater protection to the environment and to public health and safety and will achieve reclamation consistent with the purposes of this chapter.

**SECTION 30. AMENDMENT.** Subsection 2 of section 38-14.1-21 of the North Dakota Century Code is amended and reenacted as follows:

2. The commission's approval or modification of the permit or permit revision application must include consideration of the advice and technical assistance of the state historical society, the state department of health, the state soil conservation committee, the state game and fish department, the state forester, the ~~state geologist~~ director of oil and gas, and the state engineer, and may also include those state agencies versed in soils, agronomy, ecology, geology, and hydrology, and other agencies and individuals experienced in reclaiming surface mined lands.

**SECTION 31. AMENDMENT.** Section 38-15-03 of the North Dakota Century Code is amended and reenacted as follows:

**38-15-03. Jurisdiction of commission.** The commission has continuing jurisdiction and authority over all persons and property, public and private, necessary to enforce effectively the provisions of this chapter. The ~~state geologist~~ director of oil and gas shall act as a supervisor charged with enforcing the regulations and orders of the commission applicable to the provisions of this chapter. The commission has authority to make investigations it deems proper to determine whether facts exist which justify action by the commission. The commission has the authority:

1. To require the furnishing of a reasonable bond with good and sufficient surety, conditioned upon the full compliance with the provisions of this chapter, and the rules and regulations of the commission prescribed to govern, satisfy, and resolve conflicting interests among producers within North Dakota.
2. To resolve conflicting interests of producers of natural resources which cannot be voluntarily concluded by them in the public interest to eliminate waste, to the end that the producer, landowner, and mineral owner realize the greatest possible economic advantage.
3. To promulgate and to enforce rules, regulations, and orders to effectuate the purposes and intent of this chapter.

**SECTION 32. AMENDMENT.** Section 38-19-03 of the North Dakota Century Code is amended and reenacted as follows:

**38-19-03. Jurisdiction of the commission.** The commission has jurisdiction and authority and is charged with the responsibility to enforce ~~the provisions of this chapter.~~ This chapter does not apply to any activity regulated under chapters 38-08, 38-12, 38-12.1, 38-14.1, and 61-28. The jurisdiction granted to the commission by this chapter is not exclusive and does not affect the jurisdiction of other governmental entities. The commission acting through the office of the ~~state geologist~~ director of oil and gas has the authority:

1. To require:
  - a. Identification of ownership of all facilities, installations, and equipment used in the extraction of geothermal energy.
  - b. The making and filing of all logs and reports on facility location, drilling, boring, excavating, and construction and the filing, free of charge, of samples, core chips, and complete cores, when requested, in the office of the ~~state geologist~~ director of oil and gas.
  - c. The drilling, boring, casing, excavating, plugging, and construction of facilities in a manner to prevent contamination and pollution of surface and ground water sources and unnecessary environmental degradation.
  - d. The furnishing of a reasonable bond with good and sufficient surety, conditioned upon the full compliance with the rules of the commission relating to the extraction of geothermal energy.
  - e. Metering or measuring all products extracted from or by means of a facility regulated by this chapter.



- f. That every person who operates a geothermal energy extraction facility in this state shall keep and maintain complete and accurate records of the quantities and nature of products extracted from or by means of any facility, and the ultimate disposition of such products, which records must be available to the commission or its agents at all times, and that every such person file with the commission such reports as it may prescribe.
  - g. That upon termination of the operation of any facility or activity regulated by this chapter, the operator of the facility shall restore the surface as nearly as possible to its original condition and productivity.
2. To regulate:
    - a. The drilling, boring, excavating, and construction of all geothermal energy extraction facilities.
    - b. Operations to assure the optimum performance of all facilities regulated under this chapter.
  3. To limit and prescribe the nature, quantity, and source of geothermal energy to be extracted from any facility regulated by this chapter.
  4. To adopt rules and issue orders to effectuate the purposes of this chapter.

**SECTION 33. AMENDMENT.** Section 38-19-04 of the North Dakota Century Code is amended and reenacted as follows:

**38-19-04. Permit or report required.** It is unlawful to commence any operations for the drilling, boring, excavating, or construction of a geothermal energy extraction facility, which is used for other than private residential heating and cooling purposes, without first securing a permit from the ~~state geologist~~ director of oil and gas, under such rules as may be adopted by the commission and after paying to the commission a fee for each such facility in an amount to be prescribed by the commission by rule. The fee set must be related to the cost or regulation and inspection under this chapter.

A report is required upon completion of any geothermal energy extraction facility used solely for private residential heating or cooling purposes. The report must be prepared by the geothermal energy extraction facility installer on a form provided by the ~~state geologist~~ director of oil and gas and must be furnished to the ~~state geologist~~ director of oil and gas within thirty days after the completion of the facility. The report must contain relevant information the ~~state geologist~~ director of oil and gas requires relating to the environmental safety of the facility, including the facility owner and location, a log of formations penetrated, if any, system specifications and design, and fluids used in the facility.

All construction of geothermal energy extraction facilities must comply with rules adopted under this chapter.

**SECTION 34. AMENDMENT.** Section 54-17.3-02 of the North Dakota Century Code is amended and reenacted as follows:

**54-17.3-02. Jurisdiction of the commission.** The commission, acting through the ~~office of the state geologist~~ director of oil and gas, has jurisdiction and authority to enforce the provisions of sections 54-17.3-01 through 54-17.3-08. The commission has authority to make such investigations as it deems proper to determine whether facts exist which justify action by the commission. The commission has authority to adopt rules and issue orders to effectuate ~~the provisions of~~ sections 54-17.3-01 through 54-17.3-08.

**SECTION 35. AMENDMENT.** Section 54-17.3-03 of the North Dakota Century Code is amended and reenacted as follows:

**54-17.3-03. Permit required.** A permit must be obtained by any person, organization, institution, or company engaged on one's own behalf or on behalf of another to:

1. Identify or evaluate paleontological resources to satisfy state or federal requirements; or

2. Investigate, excavate, collect, or otherwise record paleontological resources on land owned by the state or its political subdivisions.

A permit may be issued upon filing of an application that contains information prescribed by the ~~state geologist~~ director of oil and gas and upon the applicant's payment to the ~~state geologist~~ director of oil and gas of the fee set by the ~~state geologist~~ director of oil and gas. The ~~state geologist~~ director of oil and gas may waive the fee requirement if the applicant is an instrumentality of the state. A permit may be issued only for the activities and at the locations described in the permit application.

**SECTION 36. AMENDMENT.** Section 54-17.3-04 of the North Dakota Century Code is amended and reenacted as follows:

**54-17.3-04. Permit - Duration - Revocation.** A permit issued under sections 54-17.3-01 through 54-17.3-08 expires on December thirty-first of the year in which it is issued. A permit may be extended upon written request to the ~~state geologist~~ director of oil and gas before expiration of the permit and upon payment to the ~~state geologist~~ director of oil and gas of the fee set by the ~~state geologist~~ director of oil and gas. A permit may be revoked at any time if it appears the permittee secured the permit through false information or that any activities performed by the permittee are being conducted negligently or improperly, or without regard for the careful preservation and conservation of the paleontological resource.

**SECTION 37. AMENDMENT.** Section 54-17.3-05 of the North Dakota Century Code is amended and reenacted as follows:

**54-17.3-05. Coordination of quaternary fossil finds.** The ~~state geologist~~ director of oil and gas shall notify the director of the state historical society of all quaternary paleontological finds reported to the ~~state geologist~~ director of oil and gas which potentially or actually contain cultural resources. The treatment of sites containing both paleontological remains and cultural resources must be handled in a manner jointly agreed upon by the ~~state geologist~~ director of oil and gas and the director. The term cultural resources has the same definition as the term is defined in section 55-03-00.1.

**SECTION 38. AMENDMENT.** Section 54-17.3-06 of the North Dakota Century Code is amended and reenacted as follows:

**54-17.3-06. Protection of paleontological specimens and sites.** Any paleontological resource found or located upon any land owned by the state or its political subdivisions may not be destroyed, defaced, altered, removed, or otherwise disposed of in any manner without approval of the ~~state geologist~~ director of oil and gas. The ~~state geologist~~ director of oil and gas shall determine the significance of the paleontological resource to the understanding of the paleontologic and geologic history of North Dakota. It is the responsibility of the state and its political subdivisions to cooperate with the ~~state geologist~~ director of oil and gas in identifying and implementing any reasonable alternative to destruction or alteration of any paleontological resource.

**SECTION 39. AMENDMENT.** Section 54-17.3-07 of the North Dakota Century Code is amended and reenacted as follows:

**54-17.3-07. Transfer of paleontological resources.** The ~~state geologist~~ director of oil and gas may exchange with or transfer to universities, colleges, governmental bodies, and scientific institutions duplicate paleontological resources it holds. The state historical society must receive preference for the receipt of duplicate paleontological resources.

**SECTION 40. AMENDMENT.** Section 54-17.4-01 of the North Dakota Century Code is amended and reenacted as follows:

**54-17.4-01. Definitions.** As used in this chapter, unless the context otherwise requires:

1. "Commission" means the North Dakota industrial commission.
2. "~~State geologist~~ means the North Dakota ~~state geologist~~ Director" means the director of oil and gas.
3. "Survey" means the North Dakota geological survey.

**SECTION 41. AMENDMENT.** Subsection 14 of section 54-17.4-02 of the North Dakota Century Code is amended and reenacted as follows:

14. Consider such other scientific and economic questions in the field of geology as in the judgment of the state geologist ~~director~~ is ~~deemed determined to be~~ of value to the people of the state.

**SECTION 42. AMENDMENT.** Section 54-17.4-06 of the North Dakota Century Code is amended and reenacted as follows:

**54-17.4-06. State geologist Director - Authority.** The state geologist ~~director~~ is the executive and administrative head of the survey and shall exercise the powers of the office and be responsible for the execution of its duties.

**SECTION 43. AMENDMENT.** Section 54-17.4-07 of the North Dakota Century Code is amended and reenacted as follows:

**54-17.4-07. State geologist Director - Grants, funds, and contracts.** The state geologist ~~director~~, with the approval of the commission, may accept and expend money from and enter into contracts with federal, state, local, or other public entities to carry out the purposes of this chapter or to provide geological services. If such funds exceed appropriations made by the legislative assembly, the state geologist ~~director~~ shall seek emergency commission approval for their expenditure.

**SECTION 44. AMENDMENT.** Section 54-17.4-09 of the North Dakota Century Code is amended and reenacted as follows:

**54-17.4-09. State geologist Director - Specimens collected - Exhibited - Exchanged.** The state geologist ~~director~~ shall cause proper specimens, skillfully prepared, secured, and labeled, of rocks, minerals, ores, coals, fossils, and other earth materials discovered or examined in the course of the geological surveys to be preserved for public inspection free of cost. The state geologist ~~director~~, when practicable, shall cause duplicate specimens in reasonable numbers and quantities to be collected and preserved for the purpose of exchange with or transfer to universities, colleges, governmental bodies, and scientific institutions.

**SECTION 45. AMENDMENT.** Section 54-17.4-10 of the North Dakota Century Code is amended and reenacted as follows:

**54-17.4-10. State geologist Director - Purchase and sale of maps - Appropriation.** The ~~state geologist is authorized to~~ director may purchase cartographic products from the federal government for the purpose of reselling the products to the public at a fee set by the state geologist ~~director~~. All moneys collected from the sale of the products must be deposited in the cartographic products fund. This fund must be maintained as a special fund and all moneys transferred into the fund are hereby appropriated and must be used and disbursed solely for the purpose of paying the ~~state geologist's~~ director's cost of purchasing and reselling the products.

**SECTION 46. AMENDMENT.** Section 54-17.4-11 of the North Dakota Century Code is amended and reenacted as follows:

**54-17.4-11. State geologist Director - Colleges and universities - Cooperation.** The board of higher education and the survey shall develop a cooperative agreement for the sharing of books, equipment, and other physical resources.

**SECTION 47. AMENDMENT.** Section 54-17.4-12 of the North Dakota Century Code is amended and reenacted as follows:

**54-17.4-12. State geologist Director - Collection of global positioning system data - Fee.** All moneys collected for the sale of global positioning system community-base station data must be deposited in the global positioning system community-base station fund. This fund must be maintained as a revolving fund and all moneys transferred into the fund are hereby appropriated and must be used and disbursed solely for the purpose of paying the ~~state geologist's~~ director's cost of collecting and distributing the data. This fund is not subject to section 54-44.1-11.

**SECTION 48. AMENDMENT.** Subsection 1 of section 61-28-03 of the North Dakota Century Code is amended and reenacted as follows:

- The state water pollution control board consists of thirteen persons. The board must include the state health officer, state engineer, director of the game and fish department, ~~state geologist~~ director of oil and gas, and nine other members appointed by the governor, three of whom must be representatives of production agriculture, two of whom must be representatives of manufacturing and processing, one of whom must be a representative of the solid fuels industry, one of whom must be a representative of the fluid and gas fuels industry, one of whom must be a representative of the environmental sciences, and one of whom must be a representative of county or municipal government.

**SECTION 49. REPEAL.** Section 54-17.4-05 of the North Dakota Century Code is repealed.

**SECTION 50. EFFECTIVE DATE.** Sections 14 through 49 of this Act become effective on January 1, 2004."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1015 - Summary of Senate Action**

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Industrial Commission				
Total all funds	\$44,449,595	\$44,380,928	(\$423,245)	\$43,957,683
Less estimated income	<u>37,302,824</u>	<u>37,296,489</u>	(619)	<u>37,295,870</u>
General fund	\$7,146,771	\$7,084,439	(\$422,626)	\$6,661,813
Bank of North Dakota				
Total all funds	\$38,494,966	\$38,318,603	(\$376,057)	\$37,942,546
Less estimated income	<u>30,419,966</u>	<u>30,243,603</u>	(376,057)	<u>29,867,546</u>
General fund	\$8,075,000	\$8,075,000	\$0	\$8,075,000
Housing Finance Agency				
Total all funds	\$33,660,732	\$33,618,207	(\$4,360)	\$33,613,847
Less estimated income	<u>33,660,732</u>	<u>33,618,207</u>	(4,360)	<u>33,613,847</u>
General fund	\$0	\$0	\$0	\$0
Mill and Elevator				
Total all funds	\$30,018,282	\$30,018,282	(\$12,900)	\$30,005,382
Less estimated income	<u>30,018,282</u>	<u>30,018,282</u>	(12,900)	<u>30,005,382</u>
General fund	\$0	\$0	\$0	\$0
Bill Total				
Total all funds	\$146,623,575	\$146,336,020	(\$816,562)	\$145,519,458
Less estimated income	<u>131,401,804</u>	<u>131,176,581</u>	(393,936)	<u>130,782,645</u>
General fund	\$15,221,771	\$15,159,439	(\$422,626)	\$14,736,813

**House Bill No. 1015 - Industrial Commission - Senate Action**

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$6,332,714	\$6,264,047	(\$392,213)	\$5,871,834
Operating expenses	1,947,591	1,947,591	(31,032)	1,916,559
Capital assets	68,300	68,300		68,300
Grants	16,270,000	16,270,000		16,270,000
Bond payments	<u>19,830,990</u>	<u>19,830,990</u>		<u>19,830,990</u>
Total all funds	\$44,449,595	\$44,380,928	(\$423,245)	\$43,957,683
Less estimated income	<u>37,302,824</u>	<u>37,296,489</u>	(619)	<u>37,295,870</u>
General fund	\$7,146,771	\$7,084,439	(\$422,626)	\$6,661,813
FTE	58.37	58.37	(5.00)	53.37

**Dept. 405 - Industrial Commission - Detail of Senate Changes**

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE <sup>1</sup>	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS <sup>2</sup>	REDUCES FUNDING FOR SALARIES AND WAGES AND REMOVES 6 FTE POSITIONS <sup>3</sup>	ADDS FUNDING AND 1 FTE POSITION FOR PETROLEUM ENGINEER <sup>4</sup>	TOTAL SENATE CHANGES
Salaries and wages	(\$6,089)		(\$535,500)	\$149,376	(\$392,213)
Operating expenses		(\$31,032)			(31,032)
Capital assets					
Grants					
Bond payments					

Total all funds	(\$6,089)	(\$31,032)	(\$535,500)	\$149,376	(\$423,245)
Less estimated income	<u>(619)</u>				<u>(619)</u>
General fund	(\$5,470)	(\$31,032)	(\$535,500)	\$149,376	(\$422,626)
FTE	0.00	0.00	(6.00)	1.00	(5.00)

<sup>1</sup> This amendment reduces the funding for state employee health insurance premiums from \$493 to \$488.70 per month.

<sup>2</sup> This amendment reduces funding for information technology by \$31,032 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 4 percent.

<sup>3</sup> This amendment reduces funding for salaries and wages by \$535,500 from the general fund and removes six FTE positions as a result of the merger of the Oil and Gas Division and the Geological Survey.

<sup>4</sup> This amendment adds funding and one FTE for the petroleum engineer IV position which was removed from the Oil and Gas Division in the Governor's recommendation.

### House Bill No. 1015 - Bank of North Dakota - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$16,722,966	\$16,546,603	(\$18,989)	\$16,527,614
Operating expenses	11,372,000	11,372,000	(357,068)	11,014,932
Capital assets	825,000	825,000		825,000
Contingencies	1,500,000	1,500,000		1,500,000
PACE fund	5,700,000	5,700,000		5,700,000
Agriculture PACE fund	1,425,000	1,425,000		1,425,000
Beginning farmer	<u>950,000</u>	<u>950,000</u>		<u>950,000</u>
Total all funds	\$38,494,966	\$38,318,603	(\$376,057)	\$37,942,546
Less estimated income	<u>30,419,966</u>	<u>30,243,603</u>	<u>(376,057)</u>	<u>29,867,546</u>
General fund	\$8,075,000	\$8,075,000	\$0	\$8,075,000
FTE	178.50	178.50	0.00	178.50

### Dept. 471 - Bank of North Dakota - Detail of Senate Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE <sup>1</sup>	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS <sup>2</sup>	TOTAL SENATE CHANGES
Salaries and wages	(\$18,989)		(\$18,989)
Operating expenses		(\$357,068)	(357,068)
Capital assets			
Contingencies			
PACE fund			
Agriculture PACE fund			
Beginning farmer			
Total all funds	(\$18,989)	(\$357,068)	(\$376,057)
Less estimated income	<u>(18,989)</u>	<u>(357,068)</u>	<u>(376,057)</u>
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

<sup>1</sup> This amendment reduces the funding for state employee health insurance premiums from \$493 to \$488.70 per month.

<sup>2</sup> This amendment reduces funding for information technology by \$357,068 from special funds, which represents a reduction in information technology funding from special funds of approximately 4 percent.

### House Bill No. 1015 - Housing Finance Agency - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$3,976,792	\$3,934,267	(\$4,360)	\$3,929,907
Operating expenses	2,415,560	2,415,560		2,415,560
Grants	27,168,380	27,168,380		27,168,380
HFA contingencies	<u>100,000</u>	<u>100,000</u>		<u>100,000</u>
Total all funds	\$33,660,732	\$33,618,207	(\$4,360)	\$33,613,847
Less estimated income	<u>33,660,732</u>	<u>33,618,207</u>	<u>(4,360)</u>	<u>33,613,847</u>
General fund	\$0	\$0	\$0	\$0
FTE	43.00	43.00	0.00	43.00

**Dept. 473 - Housing Finance Agency - Detail of Senate Changes**

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE <sup>1</sup>	TOTAL SENATE CHANGES
Salaries and wages	(\$4,360)	(\$4,360)
Operating expenses		
Grants		
HFA contingencies		
Total all funds	(\$4,360)	(\$4,360)
Less estimated income	<u>(4,360)</u>	<u>(4,360)</u>
General fund	\$0	\$0
FTE	0.00	0.00

<sup>1</sup> This amendment reduces the funding for state employee health insurance premiums from \$493 to \$488.70 per month.

**House Bill No. 1015 - Mill and Elevator - Senate Action**

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$16,703,856	\$16,703,856	(\$12,900)	\$16,690,956
Operating expenses	13,014,426	13,014,426		13,014,426
Contingencies	250,000	250,000		250,000
Agriculture promotion	<u>50,000</u>	<u>50,000</u>		<u>50,000</u>
Total all funds	\$30,018,282	\$30,018,282	(\$12,900)	\$30,005,382
Less estimated income	<u>30,018,282</u>	<u>30,018,282</u>	<u>(12,900)</u>	<u>30,005,382</u>
General fund	\$0	\$0	\$0	\$0
FTE	125.00	125.00	0.00	125.00

**Dept. 475 - Mill and Elevator - Detail of Senate Changes**

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE <sup>1</sup>	TOTAL SENATE CHANGES
Salaries and wages	(\$12,900)	(\$12,900)
Operating expenses		
Contingencies		
Agriculture promotion		
Total all funds	(\$12,900)	(\$12,900)
Less estimated income	<u>(12,900)</u>	<u>(12,900)</u>
General fund	\$0	\$0
FTE	0.00	0.00

<sup>1</sup> This amendment reduces the funding for state employee health insurance premiums from \$493 to \$488.70 per month.

This amendment also requires the Mill and Elevator Association to report to the 59th Legislative Assembly regarding the Mill and Elevator's net income to date and estimated net income for the remainder of the 2003-05 biennium.

Sections are added changing the statutory reference from State Geologist to director of oil and gas, effective January 1, 2004.

**CONSIDERATION OF AMENDMENTS**

**HB 1015, as engrossed: SEN. SCHOBINGER (Appropriations Committee) MOVED** that the amendments be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed.

**SECOND READING OF HOUSE BILL**

**HB 1015:** A BILL for an Act to provide an appropriation for defraying the expenses of the state industrial commission and the agencies under the management of the industrial commission; to provide a continuing appropriation; to provide an exemption; to authorize transfers; to amend and reenact sections 15-05-07, 15-05-16, and 23-20.2-03, subsections 2 and 4 of section 23-25-02, sections 23-29-07.6, 23-29-07.7,

and 23-33-10, subdivision k of subsection 1 of section 38-08-04, sections 38-08-04.2, 38-12-02, 38-12-03, 38-12.1-01, 38-12.1-02, and 38-12.1-04, subsection 1 of section 38-12.1-05, subsections 12 and 24 of section 38-14.1-03, subsection 2 of section 38-14.1-21, sections 38-15-03, 38-19-03, 38-19-04, 54-17.3-02, 54-17.3-03, 54-17.3-04, 54-17.3-05, 54-17.3-06, 54-17.3-07, and 54-17.4-01, subsection 14 of section 54-17.4-02, sections 54-17.4-06, 54-17.4-07, 54-17.4-09, 54-17.4-10, 54-17.4-11, and 54-17.4-12, and subsection 1 of section 61-28-03 of the North Dakota Century Code, relating to the state geologist; to repeal section 54-17.4-05 of the North Dakota Century Code, relating to the state geologist; to provide an effective date; and to declare an emergency.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 44 YEAS, 0 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Brown; Christenson; Christmann; Cook; Dever; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; Nichols; O'Connell; Robinson; Schobinger; Seymour; Stenehjerm; Syverson; Taylor; Thane; Tollefson; Traynor; Trenbeath; Urlacher; Wardner

**ABSENT AND NOT VOTING:** Bercier; Polovitz; Tallackson

Engrossed HB 1015, as amended, passed, the title was agreed to, and the emergency clause was declared carried.

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#### MOTION

**SEN. CHRISTMANN MOVED** that the Senate proceed to the Fourteenth order, which motion prevailed.

#### SECOND READING OF HOUSE CONCURRENT RESOLUTION

**HCR 3078:** A concurrent resolution urging Congress to appropriate sufficient funds to reimburse property owners for land inundated by Devils Lake, reimburse the city of Devils Lake for municipal water lines inundated by Devils Lake, and to provide funding for a state outlet from Devils Lake.

The question being on the final adoption of the resolution, which has been read, and is PLACED ON THE CALENDAR WITHOUT RECOMMENDATION.

Engrossed HCR 3078 was declared adopted, and the title was agreed to on a voice vote.

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#### MOTION

**SEN. CHRISTMANN MOVED** that the Senate proceed to the Twelfth order, which motion prevailed.

#### MOTION

**SEN. CHRISTMANN MOVED** that HB 1489 be moved to the top of the Twelfth order, which motion prevailed.

#### APPOINTMENT OF CONFERENCE COMMITTEE

**SEN. FREBORG 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 1489, which motion prevailed.

**THE PRESIDENT APPOINTED** as a Conference Committee on Engrossed HB 1489: Sens. Freborg, Cook, Christenson.

#### MOTION

**SEN. CHRISTMANN MOVED** that HB 1023 be moved to the top of the Twelfth order, which motion prevailed.

#### APPOINTMENT OF CONFERENCE COMMITTEE

**SEN. HOLMBERG MOVED** that the President appoint a committee of three to act with a like committee from the House as a Conference Committee on Reengrossed HB 1023, which motion prevailed.

**THE PRESIDENT APPOINTED** as a Conference Committee on Reengrossed HB 1023: Sens. Kringstad, Christmann, Krauter.

#### MOTION

**SEN. HOLMBERG MOVED** that the Senate reconsider its action whereby the Senate did not concur in the House amendments to Engrossed SB 2334, and that the Senate Conference Committee on Engrossed SB be dissolved, which motion prevailed.

#### CONSIDERATION OF MESSAGE FROM THE HOUSE

**SEN. HOLMBERG MOVED** that the Senate do concur in the House amendments to Engrossed SB 2334 as printed on SJ page 959, which motion prevailed on a voice vote.

Engrossed SB 2334, as amended, was placed on the Eleventh order of business.

#### SECOND READING OF SENATE BILL

**SB 2334:** A BILL for an Act to provide for a beef systems center of excellence.

#### 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, 0 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Brown; Christenson; Christmann; Cook; Dever; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; Nichols; O'Connell; Robinson; Schobinger; Seymour; Stenehjem; Syverson; Taylor; Thane; Tollefson; Traynor; Trenbeath; Urlacher; Wardner

**ABSENT AND NOT VOTING:** Bercier; Polovitz; Tallackson

Engrossed SB 2334, as amended, passed and the title was agreed to.

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#### MOTION

**SEN. CHRISTMANN MOVED** that the Senate proceed to the Twelfth order, which motion prevailed.

#### CONSIDERATION OF MESSAGE FROM THE HOUSE

**SEN. HOLMBERG MOVED** that the Senate do concur in the House amendments to Engrossed SB 2018 as printed on SJ pages 1126-1127, which motion prevailed on a voice vote.

Engrossed SB 2018, as amended, was placed on the Eleventh order of business.

#### SECOND READING OF SENATE BILL

**SB 2018:** A BILL for an Act to provide an appropriation for defraying the expenses of the state seed department.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 43 YEAS, 1 NAY, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Brown; Christenson; Christmann; Cook; Dever; Erbele; Espegard; Every; Fischer; Flakoll; Freborg; Grindberg; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; Nichols; O'Connell; Robinson; Schobinger; Seymour; Stenehjem; Syverson; Taylor; Thane; Tollefson; Traynor; Trenbeath; Urlacher; Wardner

**NAYS:** Fairfield

**ABSENT AND NOT VOTING:** Bercier; Polovitz; Tallackson

Reengrossed SB 2018 passed and the title was agreed to.

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#### 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 1142-1143, 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 workers compensation bureau.

**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, 0 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Brown; Christenson; Christmann; Cook; Dever; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; Nichols; O'Connell; Robinson; Schobinger; Seymour; Stenehjem; Syverson; Taylor; Thane; Tollefson; Traynor; Trenbeath; Urlacher; Wardner

**ABSENT AND NOT VOTING:** Bercier; Polovitz; Tallackson

Reengrossed SB 2023 passed and the title was agreed to.

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**CONSIDERATION OF MESSAGE FROM THE HOUSE**

**SEN. HOLMBERG MOVED** that the Senate do not concur in the House amendments to Engrossed SB 2024 as printed on SJ pages 1143-1144, which motion prevailed on a voice vote.

Engrossed SB 2024, as amended, was placed on the Eleventh order of business.

**SECOND READING OF SENATE BILL**

**SB 2024:** A BILL for an Act to provide an appropriation for defraying the expenses of various state retirement and investment agencies.

**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, 0 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Brown; Christenson; Christmann; Cook; Dever; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; Nichols; O'Connell; Robinson; Schobinger; Seymour; Stenehjem; Syverson; Taylor; Thane; Tollefson; Traynor; Trenbeath; Urlacher; Wardner

**ABSENT AND NOT VOTING:** Bercier; Polovitz; Tallackson

Reengrossed SB 2024 passed and the title was agreed to.

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**CONSIDERATION OF MESSAGE FROM THE HOUSE**

**SEN. HOLMBERG MOVED** that the Senate do concur in the House amendments to SB 2025 as printed on SJ page 1161, which motion prevailed on a voice vote.

SB 2025, as amended, was placed on the Eleventh order of business.

**SECOND READING OF SENATE BILL**

**SB 2025:** A BILL for an Act to provide an appropriation for defraying certain medical assistance expenses of the department of human services; and to declare an emergency.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 43 YEAS, 1 NAY, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Brown; Christenson; Christmann; Cook; Dever; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mutch; Nelson; Nething; Nichols; O'Connell; Robinson; Schobinger; Seymour; Stenehjem; Syverson; Taylor; Thane; Tollefson; Traynor; Trenbeath; Urlacher; Wardner

**NAYS:** Mathern

**ABSENT AND NOT VOTING:** Bercier; Polovitz; Tallackson

Engrossed SB 2025 passed, the title was agreed to, and the emergency clause was declared carried.

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**CONSIDERATION OF MESSAGE FROM THE HOUSE**

**SEN. TRAYNOR MOVED** that the Senate do concur in the House amendments to SB 2045 as printed on SJ page 1006, which motion prevailed on a voice vote.

SB 2045, as amended, was placed on the Eleventh order of business.

**SECOND READING OF SENATE BILL**

**SB 2045:** A BILL for an Act to amend and reenact sections 25-03.1-11 and 25-03.1-19 and subsection 2 of section 25-03.1-26 of the North Dakota Century Code, relating to involuntary treatment and commitment procedures.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 43 YEAS, 1 NAY, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Brown; Christenson; Christmann; Cook; Dever; Erbele; Espegard; Every; Fischer; Flakoll; Freborg; Grindberg; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; Nichols; O'Connell; Robinson; Schobinger; Seymour; Stenehjerm; Syverson; Taylor; Thane; Tollefson; Traynor; Trenbeath; Urlacher; Wardner

**NAYS:** Fairfield

**ABSENT AND NOT VOTING:** Bercier; Polovitz; Tallackson

Engrossed SB 2045 passed and the title was agreed to.

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**MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)**

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

**SB 2311:** Reps. Rennerfeldt; Wald; Warner

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

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

**HB 1001:** Sens. Grindberg; Christmann; Krauter

**HB 1013:** Sens. Bowman; Kringstad; Robinson

**MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)**

**MR. PRESIDENT:** The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1092, HB 1158.

**MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)**

**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently passed: HB 1037, HB 1043, HB 1116, HB 1190, HB 1391, HB 1461, HB 1486.

**MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)**

**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently passed: HB 1051, HB 1088, HB 1112, HB 1197, HB 1218.

**MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)**

**MR. PRESIDENT:** The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1123.

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

**MR. SPEAKER:** The Senate has passed unchanged: HCR 3078.

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

**MR. SPEAKER:** The Senate has amended and subsequently passed: HB 1019.

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

**MR. SPEAKER:** The Senate has amended, subsequently passed, and the emergency clause carried: HB 1015, HB 1016.

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

**MR. SPEAKER:** The Senate has concurred in the House amendments and subsequently passed: SB 2018, SB 2023, SB 2024, SB 2025, and SB 2045.

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

**MR. SPEAKER:** The Senate has reconsidered its action whereby it did not concur with the House amendments to SB 2334 and wishes to inform you that the Senate does now concur with the House amendments to SB 2334 and subsequently passed the same. Also, the Senate has dissolved the Senate Conference Committee on SB 2334.

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

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

**HB 1023:** Sens. Kringstad; Christmann; Krauter

**HB 1489:** Sens. Freborg; Cook; Christenson

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

**MR. SPEAKER:** The President has signed and your signature is respectfully requested on: SB 2041, SB 2261, SB 2394, SB 2407, SB 2410, SCR 4001, SCR 4010, SCR 4022, SCR 4029, SCR 4040.

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

**MR. SPEAKER:** The President has signed: HB 1068, HB 1103, HB 1166, HB 1180, HB 1212, HB 1298, HB 1363, HB 1430, HB 1471, HB 1492, HCR 3024, HCR 3041, HCR 3053, HCR 3061.

**MOTION**

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

**MOTION**

**SEN. CHRISTMANN MOVED** that the Senate be on the fourth, Fifth, and Seventh orders of business and at the conclusion of those orders, the Senate stand adjourned until 8:00 a.m., Friday, April 11, 2003, which motion prevailed.

**REPORT OF STANDING COMMITTEE**

**HB 1022, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (10 YEAS, 4 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1022 was placed on the Sixth order on the calendar.

Page 1, line 2, remove ", the state auditor, and the legislative council"

Page 1, line 3, replace "for a" with "an exemption"

Page 1, line 4, remove "general fund transfer", replace "legislative intent" with "for a legislative council study", and remove "a new section to chapter"

Page 1, line 5, remove "54-10 and"

Page 1, line 6, remove "information technology responsibilities of the state auditor and"

Page 1, line 8, remove the second "to"

Page 1, remove line 9

Page 1, line 10, remove "reviews;"

Page 1, line 18, replace "25,736,848" with "25,699,374"

Page 1, line 19, replace "33,120,860" with "33,117,659"

Page 1, line 21, replace "5,598,014" with "5,591,472"

Page 1, line 22, replace "764,028" with "731,952"

Page 1, line 23, replace "2,674,003" with "2,567,043"

Page 1, line 24, replace "7,536,689" with "7,386,662"

Page 2, line 2, replace "687,314" with "658,565"

Page 2, line 3, replace "1,286,738" with "1,337,138"

Page 2, line 5, replace "107,468,694" with "107,154,065"

Page 2, line 6, replace "93,679,908" with "97,255,242"

Page 2, line 7, replace "13,788,786" with "9,898,823"

Page 2, line 8, after "**PURPOSES**" insert "- **APPROPRIATION**"

Page 2, line 9, after "arrange" insert "through the issuance of evidences of indebtedness under chapter 54-17.2 from the effective date of this Act and ending June 30, 2005,"

Page 2, line 10, replace "\$16,400,000" with "\$20,000,000 to be loaned to the information technology department" and after "the" insert "purchase or lease of computer hardware and software and for the costs of the implementation services for the"

Page 2, line 11, replace ", which" with ". ConnectND" and replace ", through the" with "and is for the purpose of this Act, a project as that term is defined in chapter 54-17.2."

Page 2, remove line 12

Page 2, line 13, remove "and ending June 30, 2003."

Page 2, line 15, after the second comma insert "are"

Page 2, line 16, replace "include" with ", debt service repayment, and" and after "of" insert "ConnectND"

Page 2, line 18, after the period insert "For purposes of this Act, loan or debt service repayments are equivalent to lease rental payments as that term is used in chapter 54-17.2. ConnectND student fee revenues and other available funds are hereby appropriated to the North Dakota university system for the North Dakota university system's share of the ConnectND project costs, debt service repayment, refunding of ConnectND interim borrowings, and other costs incidental to ConnectND implementation."

Page 2, line 20, replace "July" with "June"

Page 2, line 27, replace "funds" with "charges", replace "available" with "and collected", and replace "higher education institutions" with "information technology department from users of the system"

Page 2, replace lines 28 through 30 with:

**"SECTION 4. FUNDING - EXCEPTION - AUTHORIZATION.** Notwithstanding section 54-16-04, the information technology department may transfer appropriation authority between line items within section 1 of this Act for the biennium beginning July 1, 2003, and ending June 30, 2005. The department shall notify the office of management and budget of any transfer made pursuant to this section. The department shall report any transfers made in excess of \$50,000 pursuant to this section to the budget section.

**SECTION 5. INFORMATION TECHNOLOGY LEGISLATIVE COUNCIL STUDY.** The legislative council shall consider studying during the 2003-04 interim the potential for centralizing and consolidating information technology services. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-ninth legislative assembly."

Page 3, remove lines 1 through 30

Page 4, remove lines 1 through 12

Page 5, line 2, after "entity" insert "except the department may continue to provide the wide area network services it provided to the private, charitable, and nonprofit entities receiving services from the department on January 1, 2003. The department shall file with the state auditor before September 1, 2003, a description of the wide area network services the department provided to each private, charitable, and nonprofit entity receiving services from the department on January 1, 2003"

Page 5, remove lines 3 and 4

ReNUMBER accordingly

### STATEMENT OF PURPOSE OF AMENDMENT:

#### House Bill No. 1022 - Summary of Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Information Technology Department				
Total all funds	\$108,189,267	\$107,468,694	(\$314,629)	\$107,154,065
Less estimated income	97,581,730	93,679,908	3,575,334	97,255,242
General fund	\$10,607,537	\$13,788,786	(\$3,889,963)	\$9,898,823
State Auditor				
Total all funds	\$0	\$197,000	(\$197,000)	\$0
Less estimated income				
General fund	\$0	\$197,000	(\$197,000)	\$0
Legislative Council				
Total all funds	\$0	\$98,000	(\$98,000)	\$0
Less estimated income				
General fund	\$0	\$98,000	(\$98,000)	\$0
Bill Total				
Total all funds	\$108,189,267	\$107,763,694	(\$609,629)	\$107,154,065
Less estimated income	97,581,730	93,679,908	3,575,334	97,255,242
General fund	\$10,607,537	\$14,083,786	(\$4,184,963)	\$9,898,823

#### House Bill No. 1022 - Information Technology Department - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$26,012,849	\$25,736,848	(\$37,474)	\$25,699,374
Operating expenses	33,120,860	33,120,860	(3,201)	33,117,659
Capital assets	5,323,000	5,323,000		5,323,000
Division of Independent Study	5,667,842	5,598,014	(6,542)	5,591,472
Educational Technology Council	796,655	764,028	(32,076)	731,952
EduTech	2,674,003	2,674,003	(106,960)	2,567,043
Wide area network	7,799,623	7,536,689	(150,027)	7,386,662
Enterprise resource planning system	20,000,000	20,000,000		20,000,000
Geographic information system	716,097	687,314	(28,749)	658,565
Prairie Public Broadcasting	1,337,138	1,286,738	50,400	1,337,138
Criminal justice information sharing	4,741,200	4,741,200		4,741,200
Total all funds	\$108,189,267	\$107,468,694	(\$314,629)	\$107,154,065
Less estimated income	97,581,730	93,679,908	3,575,334	97,255,242
General fund	\$10,607,537	\$13,788,786	(\$3,889,963)	\$9,898,823
FTE	248.20	248.20	0.00	248.20

#### Dept. 112 - Information Technology Department - Detail of Senate Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE 1	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS 2	RESTORES FUNDING FOR THE DIVISION OF INDEPENDENT STUDY AND PRAIRIE PUBLIC BROADCASTING 3	CHANGES FUNDING SOURCE 4	TOTAL SENATE CHANGES
Salaries and wages	(\$21,154)	(\$16,320)			(\$37,474)
Operating expenses		(3,201)			(3,201)
Capital assets					
Division of Independent Study	(4,534)	(34,008)	\$32,000		(6,542)
Educational Technology Council	(210)	(31,866)			(32,076)
EduTech		(106,960)			(106,960)
Wide area network	(210)	(149,817)			(150,027)
Enterprise resource planning system					
Geographic information system	(105)	(28,644)			(28,749)
Prairie Public Broadcasting			\$50,400		50,400
Criminal justice information sharing					

Total all funds	(\$26,213)	(\$370,816)	\$82,400	\$0	(\$314,629)
Less estimated income	<u>(24,666)</u>			<u>3,600,000</u>	<u>3,575,334</u>
General fund	(\$1,547)	(\$370,816)	\$82,400	(\$3,600,000)	(\$3,889,963)
FTE	0.00	0.00	0.00	0.00	0.00

<sup>1</sup> This amendment reduces the funding for state employee health insurance premiums from \$493 to \$488.70 per month.

<sup>2</sup> This amendment reduces funding for information technology by \$370,816 from the general fund.

<sup>3</sup> This amendment restores funding of \$32,000 from the general fund for the Division of Independent Study and funding of \$50,400 from the general fund for Prairie Public Broadcasting which had been removed by the House.

<sup>4</sup> This amendment changes the funding source for the enterprise resource planning system initiative (ConnectND) from \$3.6 million from the general fund and \$16.4 million from special funds (revenue bond proceeds or other available sources) to \$20 million of special funds (revenue bond proceeds), as recommended in the executive budget.

### House Bill No. 1022 - State Auditor - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Information technology audits		\$197,000	(\$197,000)	
Total all funds	\$0	\$197,000	(\$197,000)	\$0
Less estimated income				
General fund	\$0	\$197,000	(\$197,000)	\$0
FTE	0.00	2.00	(2.00)	0.00

### Dept. 117 - State Auditor - Detail of Senate Changes

	REMOVES FUNDING FOR INFORMATION TECHNOLOGY AUDITS <sup>1</sup>	TOTAL SENATE CHANGES
Information technology audits	(\$197,000)	(\$197,000)
Total all funds	(\$197,000)	(\$197,000)
Less estimated income		
General fund	(\$197,000)	(\$197,000)
FTE	(2.00)	(2.00)

<sup>1</sup> This amendment removes the general fund appropriation of \$197,000 provided to the State Auditor's office for the purpose of defraying costs associated with employing two information technology auditors for the 2003-05 biennium. In relation, this amendment also removes the new section to Chapter 54-10 of the North Dakota Century Code relating to information technology responsibilities of the State Auditor and the repeal of Section 54-59-13 relating to information technology reviews added by the House.

### House Bill No. 1022 - Legislative Council - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Information technology analysis		\$98,000	(\$98,000)	
Total all funds	\$0	\$98,000	(\$98,000)	\$0
Less estimated income				
General fund	\$0	\$98,000	(\$98,000)	\$0
FTE	0.00	1.00	(1.00)	0.00

### Dept. 160 - Legislative Council - Detail of Senate Changes

	REMOVES FUNDING FOR INFORMATION TECHNOLOGY ANALYSIS <sup>1</sup>	TOTAL SENATE CHANGES
Information technology analysis	(\$98,000)	(\$98,000)
Total all funds	(\$98,000)	(\$98,000)

Less estimated income	_____	_____
General fund	(\$98,000)	(\$98,000)
FTE	(1.00)	(1.00)

<sup>1</sup> This amendment removes the general fund appropriation of \$98,000 provided to the Legislative Council for the purpose of employing an information technology analyst and contracting for information technology analysis services.

This amendment also:

- Adds a section allowing the Information Technology Department to transfer between line items.
- Adds a section providing for a Legislative Council study of centralizing and consolidating information technology services.
- Removes the section added by the House providing a \$3 million transfer from the student loan trust fund to the general fund.

#### REPORT OF CONFERENCE COMMITTEE

**SB 2150, as engrossed:** Your conference committee (Sens. Espegard, Mutch, Bercier and Reps. Bernstein, Galvin, Thorpe) recommends that the **HOUSE RECEDE** from the House amendments on SJ page 981, adopt amendments as follows, and place SB 2150 on the Seventh order:

That the House recede from its amendments as printed on page 981 of the Senate Journal and page 922 of the House Journal and that Engrossed Senate Bill No. 2150 be amended as follows:

Page 1, line 10, after "furnish" insert ", upon request and payment of a fee of three dollars."

Page 1, line 11, after "or" insert "to a" and replace "upon" with "if the person has given written consent to the prospective employer for this information"

Page 1, line 12, remove "request and payment of a fee of three dollars"

Page 8, line 21, after "serious" insert "traffic"

Page 8, line 22, after "vehicle" insert ", and either conviction results in the revocation, cancellation, or suspension of an operator's license, including a commercial driver's license"

Page 8, line 25, after "serious" insert "traffic"

Page 8, line 26, after "vehicle" insert ", and any of the convictions results in the revocation, cancellation, or suspension of an operator's license, including a commercial driver's license"

Re-number accordingly

Engrossed SB 2150 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**SB 2188:** Your conference committee (Sens. Brown, J. Lee, Polovitz and Reps. Price, Pietsch, Sandvig) recommends that the **SENATE ACCEDE** to the House amendments on SJ pages 1006-1007 and place SB 2188 on the Seventh order.

SB 2188 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**SB 2345, as engrossed:** Your conference committee (Sens. Brown, Erbele, Polovitz and Reps. Porter, Wieland, Potter) recommends that the **SENATE ACCEDE** to the House amendments on SJ page 1011 and place SB 2345 on the Seventh order.

Engrossed SB 2345 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**HB 1037, as engrossed:** Your conference committee (Sens. J. Lee, Brown, Fairfield and Reps. Porter, Pietsch, Potter) recommends that the **HOUSE ACCEDE** to the Senate amendments on HJ page 985 and place HB 1037 on the Seventh order.

Engrossed HB 1037 was placed on the Seventh order of business on the calendar.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1043, as engrossed:** Your conference committee (Sens. Dever, Krebsbach, Nelson and Reps. Grande, Klemin, Winrich) recommends that the **HOUSE ACCEDE** to the Senate amendments on HJ pages 892-893, adopt further amendments as follows, and place HB 1043 on the Seventh order:

That the House accede to the Senate amendments as printed on pages 892 and 893 of the House Journal and pages 702 and 703 of the Senate Journal and that Engrossed House Bill No. 1043 be further amended as follows:

Page 1, line 1, after "to" insert "create and enact two new subsections to section 54-59-05 of the North Dakota Century Code, relating to powers and duties of the information technology department; and to", after "reenact" insert "sections 54-35-15.1 and 54-59-02,", and after "54-59-05" insert a comma

Page 1, line 2, after "to" insert "the information technology committee, information technology department responsibilities,"

Page 1, after line 6, insert:

**"SECTION 1. AMENDMENT.** Section 54-35-15.1 of the North Dakota Century Code is amended and reenacted as follows:

**54-35-15.1. Information technology committee - Appointment.** The legislative council, during each biennium, shall appoint an information technology committee in the same manner as the council appoints other interim committees. The council shall appoint ~~four~~ six members of the house of representatives and ~~three~~ five members of the senate to the committee. The chief information officer of the state is an ex officio, nonvoting member of the committee. The council shall designate the chairman of the committee. The committee shall operate according to the statutes and procedure governing the operation of other legislative council interim committees.

**SECTION 2. AMENDMENT.** Section 54-59-02 of the North Dakota Century Code is amended and reenacted as follows:

**54-59-02. Information technology department - Responsibility.** The information technology department is established with the responsibility for all wide area network services planning, selection, and implementation for all state agencies, including institutions under the control of the board of higher education, counties, cities, and school districts in this state. With respect to a county, city, or school district, wide area network services are those services necessary to transmit voice, data, or video outside the county, city, or school district. In exercising its powers and duties, the department is responsible for computer support services, host software development, statewide communications services, standards for providing information to other state agencies and the public through the internet, technology planning, process redesign, and quality assurance. The department may not exercise its powers and duties in a manner that competes or otherwise interferes with the provision of telecommunications service to a private, charitable, or nonprofit entity by a privately or cooperatively owned telecommunications company.

Page 2, after line 6, insert:

**"SECTION 4.** Two new subsections to section 54-59-05 of the North Dakota Century Code are created and enacted as follows:

May provide wide area network services to a state agency, city, county, school district, or other political subdivision of this state. The information technology department may not provide wide area network service to any private, charitable, or nonprofit entity except the information technology department may continue to provide the wide area network service the department provided to the private, charitable, and nonprofit entities receiving services from the department on January 1, 2003. The department shall file with the state auditor before September 1, 2003, a description of the wide area network service the department provided to each private, charitable, and nonprofit entity receiving services from the department on January 1, 2003.



Shall assure proper measures for security, firewalls, and internet protocol addressing at the state's interface with other facilities."

Renumber accordingly

Engrossed HB 1043 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**HB 1051, as engrossed:** Your conference committee (Sens. Trenbeath, Traynor, Bercier and Reps. Klemin, Kretschmar, Delmore) recommends that the **SENATE RECEDE** from the Senate amendments on HJ page 818, adopt amendments as follows, and place HB 1051 on the Seventh order:

That the Senate recede from its amendments as printed on page 818 of the House Journal and page 646 of the Senate Journal and that Engrossed House Bill No. 1051 be amended as follows:

Page 1, line 2, remove "the confidentiality of"

Page 1, line 6, overstrike "- Confidential"

Page 1, line 12, after "body" insert "or management" and after "issued" insert "or work ceases on the audit"

Renumber accordingly

Engrossed HB 1051 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**HB 1088, as reengrossed:** Your conference committee (Sens. Traynor, Trenbeath, Nelson and Reps. Kretschmar, Maragos, Eckre) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1101-1104, adopt amendments as follows, and place HB 1088 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1101-1104 of the House Journal and pages 811-813 of the Senate Journal and that Reengrossed House Bill No. 1088 be amended as follows:

Page 1, line 4, replace "section 27-05.2-03" with "sections 12-48-15, 12-48.1-03, 29-26-22, 39-08-20, and 51-04-03.1" and replace "fees charged by the clerk of" with "court administration fees"

Page 1, line 5, remove "the district court"

Page 1, replace lines 7 through 24 with:

**"SECTION 1. AMENDMENT.** Section 12-48-15 of the North Dakota Century Code is amended and reenacted as follows:

**12-48-15. Disposition of moneys earned - Warden to keep account of money earned by inmates - Investment in interest-bearing accounts.**

1. The warden of the penitentiary shall keep an account for each inmate. Not more than fifty percent of an inmate's penitentiary earnings, as provided by penitentiary rules, must be withheld from an inmate and deposited in a separate account for the inmate and may not be made available to the inmate until the inmate's release from the penitentiary, except as authorized by the warden. The remainder of an inmate's earnings must be made available to the inmate on a regular basis.
2. Inmates may, in writing, authorize the warden or designee to deposit any of their accumulated earnings from the prison industries, hobby, work release, or any other prison program in an interest-earning account in the Bank of North Dakota for the benefit of the inmate. The account must be a two-signature account requiring the inmate's signature and that of an authorized designated officer or employee of the state penitentiary for withdrawal.
3. The warden may directly deposit an inmate's funds from sources outside of the penitentiary in any bank or account the inmate may designate. If a

court order does not allow an inmate to designate a bank or account other than a Bank of North Dakota account or if it is necessary for the benefit and protection of the inmate, the warden, upon written explanation to the inmate, shall deposit an inmate's funds from sources outside the penitentiary into a Bank of North Dakota account. The department of corrections and rehabilitation and its divisions, departments, officers, and employees may not be held responsible or liable for any inmate income or funds deposited into a bank or account designated by an inmate.

4. The warden is responsible for guiding inmates in making proper use of their funds to pay their obligations, including the payment of ~~court costs~~ any administration fee, court-appointed counsel fees, court-ordered restitution, support for dependent relatives, or to provide for their own medical, surgical, eye care, or dental treatment or services not generally provided by the state. The warden may withdraw funds from an inmate's penitentiary account or Bank of North Dakota two-signature account, without the inmate's signature, to meet the inmate's legitimate financial obligations. Before the funds may be withdrawn, the inmate must first receive written notice and be provided a penitentiary administrative hearing with the right to penitentiary staff assistance and the right to appeal to the director of the department of corrections and rehabilitation. An inmate is not entitled to prior written notice, administrative hearing, or right to an appeal to the department of corrections and rehabilitation when funds are to be withdrawn for payment of a court-ordered obligation, including child support, provided the inmate has had notice and an opportunity to be heard in the court proceedings.
5. The warden may pay an inmate all funds in the inmate's account, less the inmate's outstanding obligations to the penitentiary, when the inmate is transferred to a county jail or regional correctional center or placed in community corrections confinement. The warden shall pay an inmate all funds in the inmate's account less the inmate's outstanding obligations to the penitentiary when the inmate is transferred to a correctional facility outside of this state, released on parole, or discharged from the penitentiary.

**SECTION 2. AMENDMENT.** Section 12-48.1-03 of the North Dakota Century Code is amended and reenacted as follows:

**12-48.1-03. Use of funds earned on work release.** The plan for the inmate shall provide that any funds earned in outside employment will be used in the following order: for necessary expenses of the inmate, including room and board costs of the institution; ~~court costs or any administration fee and~~ fine; restitution if a part of the sentence; necessary support of dependents; and credited to inmate's personal account to be paid the inmate on release."

Page 2, remove lines 1 through 19

Page 2, line 24, after "fund" insert "certain" and remove "paragraph 2 of"

Page 2, line 25, remove "subdivision a of subsection 1 of" and replace "27-05.2-03" with "29-26-22"

Page 4, after line 7, insert:

**SECTION 6. AMENDMENT.** Section 29-26-22 of the North Dakota Century Code is amended and reenacted as follows:

**29-26-22. Judgment for fines, ~~costs~~, and court administration fee - ~~Statement to be filed by court~~ Special fund - Docketing and enforcement.** In all criminal cases ~~except infractions~~, upon a plea or finding of guilt, ~~at the court shall impose a court administration fee in lieu of the assessment of court costs. The court administration fee must include a fee of up to thirty percent of the maximum allowable fine for the offense may be taxed against the defendant in lieu of the assessment of court costs~~ one hundred twenty-five dollars for a class B misdemeanor, two hundred dollars for a class A misdemeanor, four hundred dollars for a class C felony, six hundred fifty dollars for a class B felony, and nine hundred dollars for a class A or AA felony. If the court does assess costs as part of its sentence, the court shall include in the judgment the facts justifying the amount assessed. In addition, in all criminal cases except infractions, the court administration fee must include one hundred dollars. Of

the additional one hundred dollar court administration fee, the first seven hundred fifty thousand dollars collected per biennium must be deposited in the indigent defense administration fund, which must be used to contract for indigent defense services in this state, and the next four hundred sixty thousand dollars collected per biennium must be deposited in the court facilities improvement and maintenance fund. After the minimum thresholds have been collected, one-half of the additional court administration fee must be deposited in each fund. A court may waive the administration fee upon a showing of indigency as provided in section 25-03.1-13. District court costs, administration fees, exclusive of amounts deposited in the indigent defense administration fund and the court facilities and improvement fund, and forfeitures must be deposited in the state general fund. A judgment that the defendant pay a fine, costs, or court administration fee, or any combination thereof both, may be docketed, and thereafter docketed constitutes a lien upon the real estate of the defendant in like manner as a judgment for money rendered in a civil action. The court may allow the defendant to pay any assessed costs or administrative administration fee in installments. When a defendant is assessed costs or administrative administration fees, the court may not impose at the same time an alternative sentence to be served if the costs fees are not paid.

**SECTION 7. AMENDMENT.** Section 39-08-20 of the North Dakota Century Code is amended and reenacted as follows:

**39-08-20. Driving without liability insurance prohibited - Penalty.**

1. A person may not drive, or the owner may not cause or knowingly permit to be driven, a motor vehicle in this state without a valid policy of liability insurance in effect in order to respond in damages for liability arising out of the ownership, maintenance, or use of that motor vehicle in the amount required by chapter 39-16.1. Upon being stopped by a law enforcement officer for the purpose of enforcing or investigating the possible violation of an ordinance or state law or during the investigation of an accident, the person driving the motor vehicle shall provide to the officer upon request satisfactory evidence of the policy required under this section. If unable to comply with the request, that person may be charged with a violation of this section if that person fails to submit satisfactory evidence of the policy to the officer or the officer's agency within twenty days of the date of the request. If that person produces a valid policy of liability insurance in effect at the time of violation of this section to the officer, officer's agency, or a court, that person may not be convicted or assessed any ~~costs~~ administration fee for violation of this section. If the driver is not an owner of the motor vehicle, the driver does not violate this section if the driver provides the court with evidence identifying the owner of the motor vehicle and describing circumstances under which the owner caused or permitted the driver to drive the motor vehicle. Violation of this section is a class B misdemeanor and the sentence imposed must include a fine of at least one hundred fifty dollars which may not be suspended. A person convicted for a second or subsequent violation of driving without liability insurance within an eighteen-month period must be fined at least three hundred dollars which may not be suspended.
2. Upon conviction for a violation of this section or equivalent ordinance, the person who has been convicted shall provide proof of motor vehicle liability insurance to the department in the form of a written or electronically transmitted certificate from an insurance carrier authorized to do business in this state. This proof must be provided for a period of three years and kept on file with the department. If the person fails to provide this information, the department shall suspend that person's driving privileges and may not issue or renew that person's operator's license unless that person provides proof of insurance.
3. A person who has been convicted for violation of this section or equivalent ordinance shall surrender that person's operator's license and purchase a duplicate operator's license with a notation requiring that person to keep proof of liability insurance on file with the department. The fee for this license is fifty dollars and the fee to remove this notation is fifty dollars.
4. When an insurance carrier has certified a motor vehicle liability policy, the insurance carrier shall notify the director no later than ten days after cancellation or termination of the certified insurance policy by filing a notice of cancellation or termination of the certified insurance policy; except that a policy subsequently procured and certified shall, on the effective date of its

certification, terminate the insurance previously certified with respect to any motor vehicle designated in both certificates.

**SECTION 8. AMENDMENT.** Section 51-04-03.1 of the North Dakota Century Code is amended and reenacted as follows:

**51-04-03.1. License to be carried by licensee and exhibited on demand.** Every transient merchant licensed under this chapter shall have the license in immediate possession at all times when engaging in or transacting any business regulated by this chapter. The licensee shall display the license when requested to do so by any court, law enforcement official, peace officer, or consumer. However, a person charged with violating this requirement may not be convicted, fined, or assessed ~~court costs~~ the administration fee if the license is produced in court or to the arresting officer and if the license was valid at the time of the arrest."

Renumber accordingly

Reengrossed HB 1088 was placed on the Seventh order of business on the calendar.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1092, as engrossed:** Your conference committee (Sens. Klein, Espgaard, Heitkamp and Reps. Ruby, Nottestad, Thorpe) recommends that the **HOUSE ACCEDE** to the Senate amendments on HJ page 1078 and place HB 1092 on the Seventh order.

Engrossed HB 1092 was placed on the Seventh order of business on the calendar.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1112, as engrossed:** Your conference committee (Sens. Nething, Espgaard, Bercier and Reps. Ruby, Weisz, Thorpe) recommends that the **SENATE RECEDE** from the Senate amendments on HJ page 969, adopt amendments as follows, and place HB 1112 on the Seventh order:

That the Senate recede from its amendments as printed on page 969 of the House Journal and page 703 of the Senate Journal and that Engrossed House Bill No. 1112 be amended as follows:

Page 3, line 6, overstrike "Official or" and insert immediately thereafter "Except for publicly owned vehicles that provide service beyond the agency's jurisdiction, official," after "owned" insert an underscored comma, and after "emergency" insert an underscored comma

Page 3, line 7, overstrike "may not be required to pay" and insert immediately thereafter "are not subject to"

Renumber accordingly

Engrossed HB 1112 was placed on the Seventh order of business on the calendar.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1116, as engrossed:** Your conference committee (Sens. Nething, Espgaard, Heitkamp and Reps. Dosch, M. Klein, Boe) recommends that the **HOUSE ACCEDE** to the Senate amendments on HJ pages 1078-1079 and place HB 1116 on the Seventh order.

Engrossed HB 1116 was placed on the Seventh order of business on the calendar.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1123, as engrossed:** Your conference committee (Sens. Erbele, Fischer, Fairfield and Reps. Pollert, Devlin, Potter) recommends that the **SENATE RECEDE** from the Senate amendments on HJ page 1109, adopt amendments as follows, and place HB 1123 on the Seventh order:

That the Senate recede from its amendments as printed on page 1109 of the House Journal and pages 911 and 954 of the Senate Journal and that Engrossed House Bill No. 1123 be amended as follows:

Page 1, line 2, after the second "officer" insert "; and to declare an emergency"

Page 1, line 11, replace "The deputy state health officer must hold, at a minimum," with "A deputy state health officer who does not hold a health-related degree may not"

individually issue an order regarding public health unless the order is cosigned by a physician who is employed by the department or cosigned by the state epidemiologist"

Page 1, line 12, remove "a baccalaureate degree in a health-related field, such as epidemiology or public health"

Page 1, after line 13, insert:

**"SECTION 2. EMERGENCY.** This Act is declared to be an emergency measure."

ReNUMBER accordingly

Engrossed HB 1123 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**HB 1158:** Your conference committee (Sens. Klein, Seymour, Erbele and Reps. Belter, Kreidt, Froelich) recommends that the **HOUSE ACCEDE** to the Senate amendments on HJ page 1012, adopt further amendments as follows, and place HB 1158 on the Seventh order:

That the House accede to the Senate amendments as printed on page 1012 of the House Journal and page 851 of the Senate Journal and that House Bill No. 1158 be further amended as follows:

Page 1, line 1, after "reenact" insert "section 4-28-03," and after "19-18-02" insert a comma

Page 1, line 4, after the first "to" insert "wheat commission membership and"

Page 1, after line 5, insert:

**"SECTION 1. AMENDMENT.** Section 4-28-03 of the North Dakota Century Code is amended and reenacted as follows:

**4-28-03. Wheat commission - Members.** There is hereby created the North Dakota state wheat commission which consists of seven members. One member must be appointed or elected from each of the districts of the state established by the provisions of this chapter and one member must be appointed or elected from the state at large. Each member, except the member from the state at large, must be a bona fide resident of and a qualified elector in the district the member represents, must have farming operations in such district, and must have been actually engaged in the production of wheat and have derived a substantial portion of the member's income therefrom for at least five years next preceding the member's appointment or election. The member from the state at large must have similar qualifications except as limited by district lines.

Not more than sixty days prior to expiration of the term of the member from the state at large, a nominating committee consisting of the agriculture commissioner, the president of the North Dakota crop improvement association, the director of the North Dakota agricultural experiment station, the director of the North Dakota state university extension service, the president of the North Dakota farm bureau, the president of the North Dakota farmers union, ~~and~~ the president of the North Dakota grain dealers association, the president of the North Dakota grain growers association, and an individual who is a resident of this state and a member of the United States durum growers association, or their duly authorized representatives, shall submit to the governor a list of three names and within sixty days after expiration of the term the governor shall appoint, from the nominees so named, the member at large to the commission.

Each member of the commission shall hold office for a term of four years and until the member's successor has been selected and has qualified except that the commissioners elected and serving from the first and fourth districts shall hold office for terms ending on June 30, 1984; the commissioners elected and serving from the second and fifth districts shall hold office for terms ending on June 30, 1985; and the commissioners elected and serving from the third and sixth districts shall hold office for terms ending on June 30, 1982; and the commissioner appointed and serving as the state at large member shall hold office for a term ending on June 30, 1983. No producer is entitled to serve more than three terms.

At least sixty days prior to the expiration of the term of office of a commissioner representing any district, a meeting of producers must be held in each county in the

district for the purpose of electing a county representative. The county agent shall call such meeting by publishing notice in the official newspaper of the county for two successive weeks, the last publication to be not less than five nor more than ten days prior to the meeting. The meeting must be held at a central location within the county and must be called to order by the county agent. The county agent, in cooperation with the cooperative extension service, shall conduct all elections under this section in each county in the manner the county agent deems fair and reasonable. Votes must be canvassed by the county agent and certified by the county agent with the name and post-office address of the elected county representative to the director of the North Dakota state university extension service who shall thereupon, as expeditiously as possible, call a meeting of the county representatives of the district. Notice of such meeting must be sent to each county representative by registered or certified mail not less than five days prior to the meeting which must be held at a central location within the district. At such district meeting, the county representatives shall elect one of their number as the district member of the commission. The ballots at such meeting must be canvassed by the North Dakota state university extension service and the result of election certified to the governor by the director. Additional meetings of county representatives may be called by the state wheat commission for the purpose of promoting its programs. All expenses of all such meetings and elections must be paid from commission funds. County representatives must be reimbursed for expenses necessarily incurred in attending meetings and performing other official duties on the same basis as other state officers. Any vacancy occurring on the commission other than by expiration of term of office must be filled by the county representatives who shall elect one of their number as the district member of the commission for the remainder of the unexpired term. If the vacancy is from the state at large, appointment must be made from three nominations submitted by the nominating committee as in the case of the original appointment."

Page 7, line 21, replace "Section 3" with "Sections 1 and 4" and replace "is" with "are"

Renumber accordingly

HB 1158 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**HB 1190, as engrossed:** Your conference committee (Sens. Klein, Mutch, Every and Reps. Severson, Tieman, Thorpe) recommends that the **HOUSE ACCEDE** to the Senate amendments on HJ page 1142 and place HB 1190 on the Seventh order.

Engrossed HB 1190 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**HB 1197, as engrossed:** Your conference committee (Sens. Erbele, Urlacher, Nichols and Reps. Pollert, Uglem, Mueller) recommends that the **SENATE RECEDE** from the Senate amendments on HJ page 984, adopt amendments as follows, and place HB 1197 on the Seventh order:

That the Senate recede from its amendments as printed on page 984 of the House Journal and pages 795 and 796 of the Senate Journal and that Engrossed House Bill No. 1197 be amended as follows:

Page 1, line 3, after the first comma insert "60-02.1-29," and after the second comma insert "60-02.1-31, 60-02.1-32, 60-02.1-33, and 60-02.1-34, subsection 3 of section 60-02.1-35, and sections 60-02.1-37,"

Page 1, after line 10, insert:

**"SECTION 2. AMENDMENT.** Section 60-02.1-29 of the North Dakota Century Code is amended and reenacted as follows:

**60-02.1-29. Appointment of commission.** Upon the insolvency of any licensee, the commission shall apply to the district court of Burleigh County, ~~North Dakota~~ for authority to take all action necessary to act as trustee of the trust fund described in section 60-02.1-30. Upon notice to the licensee as the court ~~shall prescribe~~ prescribes, but not exceeding twenty days, or upon waiver of notice in writing by the licensee, the court shall hear and determine the application in a summary manner. If the court determines that the licensee is insolvent within the meaning of this chapter and that it would be in the best interests of the ~~claimants~~ receipt holders that the commission secure and execute the trust, the court shall issue an order granting the

application, without bond, and the commission shall proceed to exercise its authority without further direction from the court.

Upon the filing of the commission's application, the court may issue ex parte a temporary order to preserve or protect the assets of the trust fund until the court issues its order granting or denying the application."

Page 1, line 14, remove "noncredit-sale" and overstrike "claimants" and insert immediately thereafter "noncredit-sale receiptholders"

Page 2, after line 8, insert:

**"SECTION 4. AMENDMENT.** Section 60-02.1-31 of the North Dakota Century Code is amended and reenacted as follows:

**60-02.1-31. Joinder of surety - Deposit of proceeds.** Each surety on the insolvent licensee's bonds must be joined as a party to the insolvency proceeding. If it is in the best interests of the ~~claimants~~ receiptholders, the court may order a surety to deposit some or all of the penal sum of the bond into the trustee's trust account pending determination of the surety's liability under the bond.

**SECTION 5. AMENDMENT.** Section 60-02.1-32 of the North Dakota Century Code is amended and reenacted as follows:

**60-02.1-32. Notice to ~~claimants~~receiptholders.** Upon its appointment, the commission may take possession of relevant books and records of the licensee. The commission shall publish a notice of its appointment once each week for two consecutive weeks in all daily newspapers in the state and may notify, by ordinary mail, ~~potential claimants~~ the holders of record of outstanding receipts disclosed by the licensee's records. The notice must require ~~claimants~~ outstanding receiptholders to file their claims with the commission along with the receipts or other evidence of the claims required by the commission. If a ~~claimant~~ an outstanding receiptholder fails to submit a claim within forty-five days after the last publication of the notice or a longer time set by the commission, the commission is relieved of further duty in the administration of the insolvency on behalf of the ~~claimant~~ receiptholder and the ~~claimant~~ receiptholder may be barred from participation in the trust fund. ~~Claimants~~ Outstanding receiptholders are not parties to the insolvency action unless admitted by the court upon a motion for intervention.

**SECTION 6. AMENDMENT.** Section 60-02.1-33 of the North Dakota Century Code is amended and reenacted as follows:

**60-02.1-33. Remedy of ~~claimants~~receiptholders.** No ~~claimant~~ receiptholder has a separate claim for relief upon any insolvent licensee's bond, nor for insurance, nor against any person converting grain, nor against any other ~~claimant~~ receiptholder, except through the trustee, unless, upon demand of five or more ~~claimants~~ receiptholders, the commission fails or refuses to apply for its own appointment or unless the district court denies the application. ~~Provisions of this~~ This chapter ~~does~~ not prohibit any ~~claimant~~ receiptholder, either individually or in conjunction with other ~~claimants~~ receiptholders, from pursuing concurrently any other remedy against the person or property of the licensee.

**SECTION 7. AMENDMENT.** Section 60-02.1-34 of the North Dakota Century Code is amended and reenacted as follows:

**60-02.1-34. Commission to marshal trust assets.** Upon its appointment, the commission shall marshal all of the trust fund assets. The commission may maintain suits in the name of the state of North Dakota for the benefit of all ~~claimants~~ receiptholders against the licensee's bonds, insurers of grain, any person who may have converted any grain, and any person who may have received preferential treatment by being paid by the insolvent licensee after the first default.

**SECTION 8. AMENDMENT.** Subsection 3 of section 60-02.1-35 of the North Dakota Century Code is amended and reenacted as follows:

3. Settle and compromise any action when it will be in the best interests of the ~~claimants~~ receiptholders.

**SECTION 9. AMENDMENT.** Section 60-02.1-37 of the North Dakota Century Code is amended and reenacted as follows:

**60-02.1-37. Report of trustee to court - Approval - Distribution.**

1. Upon the receipt and evaluation of claims, the commission shall file with the court a report showing the amount and validity of each claim after recognizing ~~relevant~~:
- 4- a. ~~Liens~~ Relevant liens or pledges.
- 2- b. ~~Assignments~~ Relevant assignments.
- 3- c. ~~Deductions~~ Relevant deductions due to advances or offsets accrued in favor of the licensee.
- 4- d. In case of relevant cash claims or checks, the amount of the claim, with interest from the date of default at the weighted average prime rate charged by the Bank of North Dakota.
2. The report must also contain the proposed distribution of the trust fund assets, less expenses incurred by the commission in the administration of the insolvency. If the trust fund is insufficient to redeem all claims in full, the report should list the funds as prorated.
3. The court shall set a hearing and the appropriate notice for interested persons to show cause why the commission's report should not be approved and distribution of the fund be made as proposed. Copies of the report and notice of hearing must be served by the commission by certified mail upon the licensee and the surety and by ordinary mail upon all ~~claimants~~ persons having claims filed with the commission.
4. Any aggrieved person having an objection to the commission's report shall file the objection with the court and serve copies on the commission, the licensee, and the surety at least ten days before the hearing. Failure to file and serve objections in the time set is a waiver of the objection.
5. Following the hearing, the court shall approve or modify the report and issue an order directing payment of the necessary bond proceeds, distribution of the trust fund, and discharge of the commission from its trust."

Page 3, line 24, replace "Act" with "chapter"

Page 3, line 27, remove "section 1 of" and replace "Act" with "chapter"

Page 4, line 16, replace "fifty" with "eighty"

Page 4, line 22, replace "Act" with "chapter"

Page 4, line 25, replace "Act" with "chapter"

Page 5, line 3, remove "section 1 of" and replace "Act" with "chapter"

Renumber accordingly

Engrossed HB 1197 was placed on the Seventh order of business on the calendar.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1218, as engrossed:** Your conference committee (Sens. Lyson, Traynor, Every and Reps. Drovdal, F. Klein, Solberg) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1002-1003, adopt amendments as follows, and place HB 1218 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1002 and 1003 of the House Journal and pages 834 and 835 of the Senate Journal and that Engrossed House Bill No. 1218 be amended as follows:

Page 1, line 3, replace "lessees" with "owners"

Page 1, line 8, overstrike "a"



Page 1, line 9, overstrike "lessee owning" and insert immediately thereafter "the owner of"

Page 1, line 10, overstrike "lessee's" and insert immediately thereafter "owner's"

Page 1, line 12, overstrike "lessee" and insert immediately thereafter "owner" and remove the overstrike over "~~The~~" and insert immediately thereafter "recovery of a risk penalty is as follows:

a."

Page 1, line 13, replace "lessee's" with "owner's"

Page 1, line 15, overstrike "lessee's" and insert immediately thereafter "owner's"

Page 1, line 18, overstrike "No risk penalty may be assessed against an unleased"

Page 1, line 19, overstrike "mineral interest." and insert immediately thereafter:

"b. If the nonparticipating owner's interest in the spacing unit is not subject to a lease or other contract for development, the risk penalty is fifty percent of the nonparticipating owner's share of the reasonable actual costs of drilling and completing the well and may be recovered out of production from the pooled spacing unit, as provided by section 38-08-10, exclusive of any royalty provided for in subsection 1.

c. The owner paying for the nonparticipating owner's share of the drilling and operation of a well may recover from the nonparticipating owner a risk penalty for the risk involved in drilling and completing the well only if the paying owner has made an unsuccessful, good-faith attempt to have the unleased nonparticipating owner execute a lease or to have the leased nonparticipating owner join in and participate in the risk and cost of drilling the well. Before a risk penalty may be imposed, the paying owner must notify the nonparticipating owner with proof of service that the paying owner intends to impose a risk penalty and that the nonparticipating owner may object to the risk penalty by either responding in opposition to the petition for a risk penalty or if no such petition has been filed, by filing an application or request for hearing with the industrial commission."

Page 2, line 5, overstrike "lessees" and insert immediately thereafter "owners"

Page 2, line 7, replace "lessee" with "owner"

Page 2, line 8, replace "lessee" with "owner"

Page 2, line 9, replace "If the nonparticipating lessee's" with "The recovery of the risk penalty is as follows:

a. If the nonparticipating owner's"

Page 2, line 11, replace "lessee's" with "owner's"

Page 2, after line 13, insert:

"b. If the nonparticipating owner's interest in the unit is not subject to a lease or other contract for development, the penalty is fifty percent of the nonparticipating owner's share of the unit expense and may be recovered out of production from the unit exclusive of any royalty provided for in section 38-08-09.13.

c. The owner paying for the nonparticipating owner's share of the unit expense may recover from the nonparticipating owner a risk penalty for the risk involved in the unit expense only if the paying owner has made an unsuccessful, good-faith attempt to have the unleased nonparticipating owner execute a lease or to have the leased nonparticipating owner join in and participate in the risk of the unit expense. Before a risk penalty may be imposed, the paying owner must notify the nonparticipating owner with proof of service that the paying owner intends to impose a risk penalty and that the nonparticipating owner may object to the risk penalty by either

responding in opposition to the petition for a risk penalty or if no such petition has been filed, by filing an application or request for hearing with the industrial commission."

Renumber accordingly

Engrossed HB 1218 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**HB 1391, as engrossed:** Your conference committee (Sens. Tollefson, Traynor, Heitkamp and Reps. DeKrey, D. Johnson, Solberg) recommends that the **HOUSE ACCEDE** to the Senate amendments on HJ page 1107, adopt further amendments as follows, and place HB 1391 on the Seventh order:

That the House accede to the Senate amendments as printed on page 1107 of the House Journal and page 874 of the Senate Journal and that Engrossed House Bill No. 1391 be further amended as follows:

Page 1, line 2, after "fees" insert "; and to declare an emergency"

Page 5, after line 7, insert:

"**SECTION 2. EMERGENCY.** This Act is declared to be an emergency measure."

Renumber accordingly

Engrossed HB 1391 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**HB 1438, as engrossed:** Your conference committee (Sens. J. Lee, Brown, Fairfield and Reps. Devlin, Wieland, Niemeier) recommends that the **HOUSE ACCEDE** to the Senate amendments on HJ page 1191, adopt further amendments as follows, and place HB 1438 on the Seventh order:

That the House accede to the Senate amendments as printed on pages 951 and 952 of the House Journal and pages 778-780 of the Senate Journal and that Engrossed House Bill No. 1438 be further amended as follows:

Page 12, line 11, replace "from which" with "relating to"

Page 12, line 12, remove "may be identified"

Renumber accordingly

Engrossed HB 1438 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**HB 1461:** Your conference committee (Sens. Trenbeath, Dever, Nelson and Reps. Galvin, Grande, Delmore) recommends that the **HOUSE ACCEDE** to the Senate amendments on HJ page 1146 and place HB 1461 on the Seventh order.

HB 1461 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**HB 1486, as engrossed:** Your conference committee (Sens. Klein, Urlacher, Nichols and Reps. Nicholas, Uglen, Boe) recommends that the **HOUSE ACCEDE** to the Senate amendments on HJ page 1012 and place HB 1486 on the Seventh order.

Engrossed HB 1486 was placed on the Seventh order of business on the calendar.

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

**WILLIAM R. HORTON, Secretary**