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DESCRIPTION

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Deanna Talbot
Operator's Signature

10/23/03
Date

SPECIAL SESSION

2003 JOINT APPROPRIATIONS

SB 2422

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Deanna Galt
Operator's Signature

10/23/03
Date

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2422

~~Senate~~ ^{Joint} Appropriations Committee

Conference Committee

Hearing Date 5-5-03

Tape Number	Side A	Side B	Meter #
1	X		0-189
Committee Clerk Signature <i>Sandra Dawson</i>			

Minutes: **CHAIRMAN HOLMBERG** opened the joint appropriations hearing of the special session to SB 2422. A bill relating to the presentation of emergency request petitions to the emergency commission; relating to procedures employed by the emergency commission and approvals by the budget section; relating to departmental emergency funds; and to provide an effective date. **REPRESENTATIVE RICK BERG** explained the veto on this bill relates to the make up of the emergency commission where additional legislators were added. He believes this bill does not include that language.

CHAIRMAN HOLMBERG stated to the committee members that this was HB 1421, and it was a technical corrections bill to the emergency commission. The Senate added language as **REP. BERG** stated to add an additional legislator to the emergency commission. The Governor vetoed the bill. The bill is introduced as SB 2422 is the original technical corrections bill that the Secretary of State gave a great deal of testimony on. The House passed it unanimously, the Senate passed it unanimously and what it does is goes back to the technical correction. There are

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Deanna Galbraith
Operator's Signature

10/23/03
Date

Page 2
Senate Appropriations Committee
Bill/Resolution Number SB 2422
Hearing Date 5-5-03

no other changes except that the amendments the Governor found objectionable, were removed.
It is the bill as we heard it.

CHAIRMAN HOLMBERG closed the joint appropriations hearing on SB 2422. (Meter 189).

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Deanna Holmberg
Operator's Signature

10/23/03
Date

SPECIAL SESSION

2003 SENATE APPROPRIATIONS

SB 2422

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Deanna Talbot
Operator's Signature

10/23/03
Date

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2422

Senate Appropriations Committee

Conference Committee

Hearing Date 5-5-03

Tape Number	Side A	Side B	Meter #
2	A		0-133
Committee Clerk Signature <i>Sandra Davison</i>			

Minutes: **CHAIRMAN HOLMBERG** opened the hearing for the special session on SB 2422.

A bill relating to the presentation of emergency request petitions to the emergency commission; relating to procedures employed by the emergency commission and approvals by the budget section; relating to departmental emergency funds; and to provide an effective date. Roll was called, a quorum was established.

SENATOR KRINGSTAD made a motion of **DO PASS** with **SENATOR THANE** seconded.

A roll call vote of 11 yeas, 0 nays and 3 absent passed the bill. **SENATOR HOLMBERG** will carry the bill.

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Deanna Galt
Operator's Signature

10/23/03
Date

Date: 5-5-03
Roll Call Vote #: /

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2422

Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do PASS

Motion Made By Kringstad Seconded By Thane

Senators	Yes	No	Yes	No
HOLMBERG	✓			
BOWMAN	✓			
GRINDBERG	✓			
ANDRIST	✓			
CHRISTMANN	A			
KILZER	✓			
KRINGSTAD	✓			
KRAUTER	✓			
LINDAAS	✓			
MATHERN	✓			
ROBINSON	A			
SCHOBINGER	✓			
TALLACKSON	A			
THANE	✓			

Total (Yes) 11 No 0

Absent 3

Floor Assignment Holmberg

If the vote is on an amendment, briefly indicate intent:

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Deanna Tallackson
Operator's Signature

10/23/03
Date

REPORT OF STANDING COMMITTEE (410)
May 5, 2003 5:22 p.m.

Module No: SS-01-0039
Carrier: Holmberg
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE
SB 2422: Appropriations Committee (Sen. Holmberg, Chairman) recommends **DO PASS**
(11 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING). SB 2422 was placed on the
Eleventh order on the calendar.

(2) DESK, (3) COMM

Page No. 1

SS-01-0039

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Deanna Holmberg
Operator's Signature

10/23/03
Date

SPECIAL SESSION

2003 HOUSE APPROPRIATIONS

SB 2422

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Deanna Hall
Operator's Signature

10/23/03
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2442

2422

House Appropriations Committee

Conference Committee

Hearing Date May 6, 2003

Tape Number	Side A	Side B	Meter #
1	XX		
Committee Clerk Signature <i>Kelly Schmitt</i>			

Minutes:

Chairman Svedjan called the committee to order. Roll was taken with all members present.

Chairman Svedjan this is the Emergency Commission bill, the only thing at issue had to do with the change of membership on the emergency commission. His recommendation is to leave the commission as it is.

Rep. Carlisle moved a DO PASS on SB 2422, second by Rep. Wald

Rep. Gulleson the actions of the Governor (veto) took us to current law. We are saying the provisions of this bill now, that we prefer that over what is currently. Why do we need this bill, doesn't the Governor veto bring us back to the original bill.

Rep. Svedjan with HB 1421 there were a number of other issues dealt with that also get vetoed here. Those need to be passed.

Rep. Delzer HB 1421 came from the Secretary of State, the reason being, audit findings questioned some of the things were questionable. This bill addressed those concerns. The House

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Deanna Hall
Operator's Signature

10/23/03
Date

Page 2
House Appropriations Committee
Bill/Resolution Number SB 2422
Hearing Date May 6, 2003

amended this and the Senate concurred. We wanted to make sure the Emergency Commission could receive money, but the expenditures had to go through the budget section. I think is passed pretty unanimous in both houses. I have reservations about appropriations where the executive branch has strong input. The constitution says the legislative branch does the appropriating. I think we should have something to do with the appropriation.

Rep. Svedjan the membership would still include 3 legislators. I have a document prepared for Sen. Holmberg. (see letter)

A ROLL CALL vote was taken on SB 2422. 22 YEAH 0 NAY 1 Absent/not voting

MOTION CARRIES

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Deanna Ballantyne
Operator's signature

10/23/03
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2422

House Appropriations Committee

Conference Committee

Hearing Date May 7, 2003

Tape Number	Side A	Side B	Meter #
2	xx		0-5.6

Committee Clerk Signature *Kelly Schmidt*

Minutes:

Chairman Svedjan called the committee to order, roll was taken with all members present.

Rep. Wald moved to reconsider SB 2422, second by **Rep. Brusegaard**, on a voice vote the **MOTION CARRIED**

Rep. Berg explained a legislative error had occurred on this bill (HB 1362) during the session.

The ramifications of leaving the error unattended were severe enough that it needed to be addressed here. (SEE LETTER FROM SECRETARY OF STATE)

Rep. DeKrey This raises tremendous problems with the business world and those purchasing stock in the state of ND, we need to fix this now.

Secretary of State, Al Jaeger emphasized the urgency to change nor because their would be damaging effects, this is something that "just happened".

Rep. Brusegaard moved a DO PASS on amendment .0201, second by **Rep. Wald**, on a voice vote, the **MOTION CARRIED**

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Deanna Schultz
Operator's Signature

10/23/03
Date

Page 2
House Appropriations Committee
Bill/Resolution Number SB 2422
Hearing Date May 7, 2003

Rep. Wald moved a DO PASS as AMENDED on SB 2422, second by Rep. Monson.

A ROLL Call vote was taken passing 23 YEAH 0 NAY 0 Absent and not voting

MOTION CARRIES

Meeting adjourned.

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Deanna Galbraith
Operator's Signature

10/23/03
Date

Date: 5-6-03
Roll Call Vote #: _____

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2422

House _____ Appropriations _____ Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass on SB 2422

Motion Made By Rep. Carlisle Seconded By Rep. Wald

Representatives	Yes	No	Representatives	Yes	No
Rep. Ken Svedjan (Chair)	x		Rep. Bob Skarphol	x	
Rep. Mike Timm (Vice-Chair)	x		Rep. Blair Thoreson	x	
Rep. Bob Martinson	x		Rep. Eliot Glassheim	x	
Rep. Thomas Brusegaard	x		Rep. Joe Kroeber	x	
Rep. David Monson	x		Rep. John Warner		
Rep. Earl Rennerfeldt	x		Rep. Jeff Delzer	x	
Rep. Francis J. Wald	x		Rep. Amy Warnke	x	
Rep. Ole Aarsvold	x		Rep. Larry Bellew	x	
Rep. Pam Gulleon	x		Rep. Keith Kempenich	x	
Rep. Ron Carlisle	x		Rep. James Kerzman	x	
Rep. Al Carlson	x		Rep. Ralph Metcalf	x	
Rep. Kim Koppelman	x				

Total (Yes) _____ 22 No _____ 0

Absent _____ 1

Floor Assignment Rep. Carlisle

If the vote is on an amendment, briefly indicate intent:

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Deanna [Signature]
Operator's Signature

10/23/03
Date

REPORT OF STANDING COMMITTEE (410)
May 6, 2003 11:30 a.m.

Module No: HS-02-0058
Carrier: Carlisle
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE
SB 2422: Appropriations Committee (Rep. Svedjan, Chairman) recommends **DO PASS**
(22 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2422 was placed on the
Fourteenth order on the calendar.

(2) DESK, (3) COMM

Page No. 1

HS-02-0058

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Deanna Carlisle
Operator's Signature

10/23/03
Date

[Handwritten scribble]

Date: 5.7.03

Roll Call Vote #: _____

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. _____

House _____ Appropriations _____ Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken reconsider SB 2422

Motion Made By Wald Seconded By Thoreson

Representatives	Yes	No	Representatives	Yes	No
Rep. Ken Svedjan (Chair)			Rep. Bob Skarphol		
Rep. Mike Timm (Vice-Chair)			Rep. Blair Thoreson		
Rep. Bob Martinson			Rep. Eliot Glassheim		
Rep. Thomas Brusegaard			Rep. Joe Kroeber		
Rep. David Monson			Rep. John Warner		
Rep. Earl Rennerfeldt			Rep. Jeff Delzer		
Rep. Francis J. Wald			Rep. Amy Warnke		
Rep. Ole Aarsvold			Rep. Larry Bellew		
Rep. Pam Gulleson			Rep. Keith Kempenich		
Rep. Ron Carlisle			Rep. James Kerzman		
Rep. Al Carlson			Rep. Ralph Metcalf		
Rep. Kim Koppelman					

[Handwritten "Vote" with a large checkmark]

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

[Handwritten "Carry" with a checkmark]

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[Handwritten Signature]
Operator's Signature

10/23/03
Date

30809.0201
Title.

Prepared by the Legislative Council staff for
Representative Berg
May 7, 2003

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2422

Page 1, line 3, after "reenact" insert "subdivision a of subsection 1 of section 10-19.1-63,"

Page 1, line 5, after "to" insert "consideration for issuance of shares of stock and"

Page 1, after line 8, insert:

"SECTION 1. AMENDMENT. Subdivision a of subsection 1 of section 10-19.1-63 of the North Dakota Century Code as amended in section 9 of House Bill No. 1362, as approved by the fifty-eighth legislative assembly, is amended and reenacted as follows:

a. ~~Shares may be issued for any consideration, including, without limitation:~~

- ~~(1) Money or other tangible or intangible property received by the corporation or to be received by the corporation under a written agreement, or services rendered to the corporation or to be rendered to the corporation, as authorized by resolution approved by the affirmative vote of the directors required by section 10-19.1-46; or~~
- ~~(2) If provided for in the articles, approved by the affirmative vote of the shareholders required by section 10-19.1-74, establishing a price in money or other consideration, or a minimum price, or a general formula or method by which the price will be determined.~~

The consideration for the issuance of shares may be paid, in whole or in part, in money; in other property, tangible or intangible; or in labor or services actually performed for the corporation. When payment of the consideration for which shares are to be issued is received by the corporation, the shares are considered fully paid and nonassessable. Neither promissory notes nor future services constitute payment or part payment for shares of a corporation.

Renumber accordingly

5:7.03

Date: 5/6/03

Roll Call Vote #: [Click here to type Roll Call Vote #](#)

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO.

House Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number 0201

Action Taken _____

Motion Made By Brusegaard Seconded By Wald

Representatives	Yes	No	Representatives	Yes	No
Svedjan			Skarphol		
Timm			Thoreson		
Martinson			Warner		
Brusegaard			Delzer		
Aarsvold			Warnke		
Gulleson			Bellew		
Monson			Kempenich		
Rennerfeldt			Kerzman		
Wald			Metcalf		
Carlisle					
Carlson					
Glassheim					
Koppelman					
Kroeber					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Carried

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Deanna [Signature]
Operator's Signature

10/23/03
Date

5-7-03

Date: 5/6/03

Roll Call Vote #: Click here to type Roll Call Vote #

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO.

House Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number 0201

Action Taken Do Pass as amended SB 2422

Motion Made By Wald Seconded By Monson

Representatives	Yes	No	Representatives	Yes	No
Svedjan	✓		Skarphol	✓	
Timm	✓		Thoreson	✓	
Martinson	✓		Warner	✓	
Brusegaard	✓		Deizer	✓	
Aarsvold	✓		Warnke	✓	
Gulleson	✓		Bellew	✓	
Monson	✓		Kempnich	✓	
Rennerfeldt	✓		Kerzman	✓	
Wald	✓		Metcalf	✓	
Carlisle	✓				
Carlson	✓				
Glassheim	✓				
Koppelman	✓				
Kroeber	✓				

Total (Yes) 23 No 0

Absent Wald.

Floor Assignment —

If the vote is on an amendment, briefly indicate intent:

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Deanna Hall
Operator's Signature

10/23/03
Date

REPORT OF STANDING COMMITTEE

SB 2422: Appropriations Committee (Rep. Svedjan, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (23 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2422 was placed on the Sixth order on the calendar.

Page 1, line 3, after "reenact" insert "subdivision a of subsection 1 of section 10-19.1-63," and after "54-16-00.1" insert a comma

Page 1, line 5, after "to" insert "consideration for issuance of shares of stock and"

Page 1, after line 8, insert:

"SECTION 1. AMENDMENT. Subdivision a of subsection 1 of section 10-19.1-63 of the North Dakota Century Code as amended in section 9 of House Bill No. 1362, as approved by the fifty-eighth legislative assembly, is amended and reenacted as follows:

- a. ~~Shares may be issued for any consideration, including, without limitation:~~
- (1) ~~Money or other tangible or intangible property received by the corporation or to be received by the corporation under a written agreement, or services rendered to the corporation or to be rendered to the corporation, as authorized by resolution approved by the affirmative vote of the directors required by section 10-19.1-46; or~~
 - (2) ~~If provided for in the articles, approved by the affirmative vote of the shareholders required by section 10-19.1-74, establishing a price in money or other consideration, or a minimum price, or a general formula or method by which the price will be determined.~~

The consideration for the issuance of shares may be paid, in whole or in part, in money; in other property, tangible or intangible; or in labor or services actually performed for the corporation. When payment of the consideration for which shares are to be issued is received by the corporation, the shares are considered fully paid and nonassessable. Neither promissory notes nor future services constitute payment or part payment for shares of a corporation."

Renumber accordingly

SPECIAL SESSION

2003 TESTIMONY

SB 2422

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Deanna Talbot
Operator's Signature

10/23/03
Date

ALVIN A. JAEGER
SECRETARY OF STATE

HOME PAGE <http://www.state.nd.us/seo>



PHONE (701) 328-2900
FAX (701) 328-2992

E-MAIL seo@state.nd.us

SECRETARY OF STATE

STATE OF NORTH DAKOTA
600 EAST BOULEVARD AVENUE DEPT 108
BISMARCK ND 58505-0500

May 5, 2003

TO: Senator Holmberg

FR: Al Jaeger, Secretary of State

RE: Senate Bill 2422

The main purpose of this bill is to clarify and establish uniform procedures for the four different types of requests that are submitted to the Emergency Commission and to remove obsolete and redundant provisions.

Section 1: Adds text to clarify the definition of what constitutes an emergency.

Section 2: Removes text that is no longer relevant to any particular type of request or situation and yet which could have unintended financial consequences for an institution if not removed.

Section 3: Creates a new section of law that clarifies who can submit requests to the Emergency Commission and lists the four different types of requests that can be submitted for consideration.

Section 4: Removes the reference to federal funds because this section of law only pertains to line item transfers. The receipt and disbursement of federal funds is covered in Section 5.

Section 5: This section makes it clear that it pertains to both the acceptance and disbursement of federal funds, inserts the same emergency provisions that already exist in state law for line item transfers in Section 4, and adds the provision that all federal funds over \$50,000, which are accepted under emergency circumstances, must still have Budget Section approval before they can be expended.

Section 6: Inserts the same emergency provisions for the acceptance and expenditures of "other funds" that already exist in state law for line item transfers in Section 4 and which are being added for federal funds in Section 5.

Section 7: Inserts the same emergency provisions and procedures for the contingency fund that already exist in state law for line item transfers in Section 4 and which are being added for federal funds in Section 5 and for other funds in section 6.

Section 8: Clarifies the submission process for intergovernmental service agency requests.

Section 9: Repeals two sections of law that duplicate existing provisions in section 4.

America needs you. VOTE! - Luke Boyer - 2000-2002 Get Out the Vote Slogan Winner - Carrington Jr. High School

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Deanna Hall
Operator's Signature

10/23/03
Date

ALVIN A. JAEGER
SECRETARY OF STATE

HOME PAGE www.state.nd.us/nec



PHONE (701) 328-2900
FAX (701) 328-2992
E-MAIL sos@state.nd.us

SECRETARY OF STATE
STATE OF NORTH DAKOTA
600 EAST BOULEVARD AVENUE DEPT 108
BISMARCK ND 58505-0500

February 26, 2003

*relates to
SB 2422*

TO: Senator Holmberg and Members – Senate Appropriations Committee

FR: Al Jaeger, Secretary of State

RE: HB 1421 – Emergency Commission

According to the provisions of the Century Code, the Secretary of State serves as a member of the Emergency Commission. In addition, the Secretary of State also serves as its Secretary. In my Secretarial role, I am directly involved with the processing of each of the requests submitted by agencies and in the preparation of the agenda for each Emergency Commission meeting. Therefore, I am very familiar with how the present law procedurally relates to that process.

The purpose of this bill is to amend certain sections of Chapter 54-16 to: (a) make the chapter's procedural process consistent among the four types of requests that are submitted to the Emergency Commission; (b) to clarify and improve text; (c) to delete obsolete provisions; and (d) to repeal two sections of the law that are no longer applicable.

Page 1, Section 1: Almost all of the requests submitted to the Emergency Commission are related to an unforeseen happening, e.g., unanticipated federal funds, unexpected expenses etc. Therefore, the underlined addition in line 11 more accurately defines an emergency as either a calamity or an unforeseen happening.

Page 1, Section 2: On line 23, and in the two lines on top of the next page, the text is removed because it is no longer relevant to any particular situation and it could actually result in unintended consequences if not removed. For example, the university system now operates under a "flexibility with accountability" budgeting system. In addition, an institution may experience "an unforeseen happening" because of the availability of unanticipated federal funds. Therefore, the present text may actually prohibit approval of increased spending authority to accept those funds even though such acceptance is allowed in two other subsections (N.D.C.C. § 54-16-04.1 and 54-16-04.2) of the same chapter.

Page 2, Section 3: Currently, only N.D.C.C. § 54-16-04 (the section of the Century Code that pertains to line item transfers) identifies who can submit requests to the Emergency Commission. Therefore, beginning on line 5, a new section of law is created in Chapter 54-16. It identifies who can submit a request to the Emergency Commission and lists the four types of requests that can be submitted. This applies the same process to each type of request.

Page 2, Section 4: N.D.C.C. § 54-16-04 pertains to line item transfers. Beginning on line 16, the intent of the removed text will now appear in the new Century Code text created by section 3. On line 23, since this section of the Century Code pertains only to line item transfers, the reference to federal funds is being removed. The provisions for the expenditure of federal funds are covered in N.D.C.C. § 54-16-04, which is in section 5 of this bill.

Continued on reverse side

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Deanna Hall
Operator's Signature

10/23/03
Date

Testimony
HB 1421
Page two

Page 3, Section 5: On line 9, the caption for this section states that it pertains to the acceptance and disbursement of federal funds. However, the "acceptance" of federal funds is not specifically referenced anywhere in N.D.C.C. § 54-16-04.1. That omission is being corrected by the addition of the underlined words in line 17. On line 18, the underlined text inserts the same "emergency" provisions adopted by the 1995 Legislative Assembly (Session Law, Chapter 508) that currently are only referenced in N.D.C.C. § 54-16-04, which pertains to line item transfers. Although the Emergency Commission is authorized to accept funds under these circumstances, the House amended line 22 to add the provision that those accepted federal funds (in excess of \$50,000) cannot be expended without budget section approval.

Page 4, Section 6: The provisions in N.D.C.C. § 54-16-04.2 pertain to the acceptance and expenditure of other funds. On line 10, the underlined text inserts the same "emergency" provisions adopted by the 1995 Legislative Assembly (Session Law, Chapter 508) that currently are only referenced in N.D.C.C. § 54-16-04, which pertains to line item transfers. Again, this is to adopt the same standards for each type of request.

Page 4, Section 7: This section pertains to the contingency fund appropriated in OMB's budget for use by the Emergency Commission. The changes add the Budget Section to the approval process, which makes it consistent with the existing requirements for the other three types of requests in N.D.C.C. § 54-16-04, 54-16-04.1, and 54-16-04.2. In addition, the same "emergency" provisions are added that either exist or are being added in Sections 4, 5, and 6 of this bill.

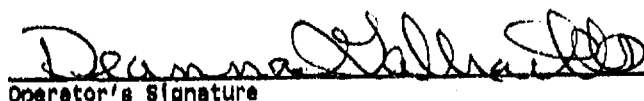
Page 4, Section 8: The changes in this section clarify the submission process for intergovernmental service agency requests.

Page 5, Section 9: The repeal of the following two sections are proposed because they are a duplication of the requirements of N.D.C.C. § 54-16-04 in section 4 of this bill. If an agency does have a contingency line in their appropriation, they must already secure approval from the Emergency Commission for a line item transfer. In addition, it is my understanding that OMB has drafted the appropriation bills (where these two sections of law might be applicable) to allow the governing board (e.g., banking board) to make the decision whether or not to allow the transfer from a department's contingency fund (e.g. Department of Financial Institutions).

54-16-10. Departmental emergency funds - Penalty. Moneys appropriated by the legislative assembly to be used for emergency purposes by any state officer may not be expended until such moneys as may be necessary have been transferred to the subdivision of the regular appropriation in which the emergency exists. A transfer of emergency funds may not be made until an itemized, verified petition establishing that an emergency exists and the necessity for the transfer has been presented to the emergency commission by the state officer desiring the transfer, and has been approved in writing by a majority of the commission. Any person who violates this section is guilty of a class A misdemeanor.

54-16-11. Departmental emergency fund consideration. The emergency commission, as soon as possible after presentation of the verified petition under section 54-16-10, shall meet and determine the question of the existence of the emergency and the necessity for the transfer of emergency funds, and shall promptly approve or reject the petition.

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*Notes to
SB 2422*

During the drafting process, Section 9 of HB 1362 inadvertently deleted a long-standing provision in corporate law that provided for the non-assess ability of shares. The error was not discovered until just a few days ago.

This major business bill was heard by the respective Judiciary Committees and both chambers unanimously passed it.

Without this amendment, the shareholders of a corporation could have liability beyond the investment in their stock, new corporations will be reluctant to incorporate in North Dakota, and individual investors would not want to own stock in a North Dakota corporation because their liability would extend beyond their investment in the stock.

The adoption of this amendment to correct this inadvertent oversight is critical for the continued growth of business and the economy of North Dakota.

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Deanna Kall...
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10/23/03
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