

JOURNAL OF THE HOUSE

Fifty-first Legislative Assembly

* * * * *

Bismarck, April 19, 1989

The House convened at 8:00 a.m., with Speaker Kretschmar presiding.

The prayer was offered by Representative Kolbo.

The roll was called and all Representatives were present, except Representatives Flaagan, Gerl, Lang, Shaft, Ulmer, and W. Williams.

A quorum was declared by the Speaker.

CORRECTION and REVISION of the JOURNAL (Rep. V. Olson, Chairman)
MR. SPEAKER: Your Committee on Correction and Revision of the Journal has carefully examined the Journal of the Seventy-third Day and finds it to be correct.

REP. HAUGEN MOVED that the report be adopted, which motion prevailed.

MOTION

REP. KLOUBEC MOVED that the rules be suspended and that all bills acted upon yesterday be messaged to the Senate, which motion prevailed.

MESSAGE to the SENATE from the HOUSE (Roy Gilbreath, Chief Clerk)

MR. PRESIDENT: The House has passed unchanged: SB 2004.

MESSAGE to the SENATE from the HOUSE (Roy Gilbreath, Chief Clerk)

MR. PRESIDENT: The House has adopted the conference committee report on HB 1036 and subsequently failed to pass the same.

MESSAGE to the SENATE from the HOUSE (Roy Gilbreath, Chief Clerk)

MR. PRESIDENT: The House has adopted the conference committee report on SB 2006.

MESSAGE to the SENATE from the HOUSE (Roy Gilbreath, Chief Clerk)

MR. PRESIDENT: The House has adopted the conference committee report on SB 2003, SB 2005, and SB 2014 and subsequently passed the same.

MESSAGE to the SENATE from the HOUSE (Roy Gilbreath, Chief Clerk)

MR. PRESIDENT: The House has adopted the conference committee report on HB 1005, HB 1024, and HB 1128 and subsequently passed the same.

MESSAGE to the SENATE from the HOUSE (Roy Gilbreath, Chief Clerk)

MR. PRESIDENT: The House has amended and subsequently failed to pass: SB 2531.

HOUSE ENROLLING REPORT

The following bill was enrolled: HB 1134.

MOTION

REP. KLOUBEC MOVED that the House stand in recess until 10:00 a.m., which motion prevailed.

THE HOUSE RECONVENED pursuant to recess taken, with Speaker Kretschmar presiding.

MESSAGE to the HOUSE from the SENATE (Patricia Conrad, Secretary)

MR. SPEAKER: The Senate has reconsidered its action whereby it did not concur with the House amendments to SB 2270, and wishes to inform you that the Senate does now concur with the House amendments to SB 2270, and subsequently passed the same. Also, the Senate has dissolved the Senate Conference Committee on SB 2270.

MESSAGE to the HOUSE from the SENATE (Patricia Conrad, Secretary)

MR. SPEAKER: The Senate has reconsidered its action whereby it passed HB 1626. The Senate has reconsidered its action whereby it adopted the conference committee report on HB 1626, and now has not adopted the conference committee report on HB 1626. The President has appointed as a new conference committee to meet with a like committee from the House on:

HB 1626: Sens. W. Meyer, Kinnoin, Krebsbach

REPORT OF CONFERENCE COMMITTEE

MR. SPEAKER: Your Conference Committee to which was referred HB 1023 has had the same under consideration and recommends that the SENATE RECEDE from the Senate amendments as found on pages 1499-1500 of the House Journal and that HB 1023 be amended as follows:

Page 1, line 12, replace "3,261,158" with "3,429,158"

Page 1, line 14, replace "1,698,257" with "1,980,257"

Page 1, line 18, replace "9,071,713" with "9,521,713"

Page 1, line 20, replace "4,188,466" with "4,638,466"

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 750 - PARKS AND RECREATION DEPARTMENT

This amendment adds \$450,000 of the \$500,000 from the general fund which the Senate added to this bill because of the defeat of Senate Bill No. 2027 which was the Governor's enhancement proposal for the Parks and Recreation Department. Equipment funding in the amount of \$24,300 and additional funding for state parks' operating costs of \$25,700 that the Senate added are not included in these amendments. The \$450,000 of funding provided in addition to the House version is as follows:

GENERAL FUND

Salaries and wages

Provides funding from the general fund for the following two positions at the Devils Lake State Park:

One FTE park manager II	\$ 63,000
One FTE park ranger	44,000

Provides funding from the general fund for temporary salaries

	61,000
Subtotal	\$ 168,000

Operating expenses

Provides funding from the general fund for the following:

Nature preserves and heritage program	\$ 50,000
Turtle River State Park summer camps	12,000
Prairie Rose State Games	90,000
State parks' maintenance costs	47,900
State parks' operating costs	59,000
Inflationary costs	<u>23,100</u>
Subtotal	\$ 282,000
 Total	 \$ 450,000

For the Senate: Sens. Tallackson, Yockim, Lips

For the House: Reps. Sorensen, Wald, Watne

HB 1023 was placed on the Seventh order of business on the calendar.

SPECIAL ORDER OF BUSINESS

REP. KLOUBEC MOVED that the House be on a Special Order of Business to elect the House member to the Education Commission of the States and the Board of Directors of the North Dakota Heritage Foundation, pursuant to section 15-64-01, which motion prevailed.

REP. R. LARSON MOVED that Rep. Gates be nominated to the Education Commission of the States, which motion prevailed.

REP. LINDGREN MOVED that nominations cease, which motion prevailed.

Rep. Gates was elected to the Education Commission of the States on a voice vote.

REP. RYDELL MOVED that Rep. Sorensen be nominated to the Board of Directors of the North Dakota Heritage Foundation, which motion prevailed.

REP. R. ANDERSON MOVED that nominations cease, which motion prevailed.

Rep. Sorensen was elected to the Board of Directors of the North Dakota Heritage Foundation on a voice vote.

APPOINTMENT OF COMMITTEES

SPEAKER KRETSCHMAR ANNOUNCED the following House Interim Committee appointments:

Legislative Council
 Representative Kloubec
 Representative Schneider
 Representative Kretschmar
 Representative R. Hausauer
 Representative K. Thompson
 Representative Mertens
 Representative Kelly
 Representative W. Williams

Capitol Grounds Planning Commission
 Representative A. Olson
 Representative Goetz

Representative Laughlin

Multistate Tax Compact Advisory Committee
Representative A. Hausauer
Representative Tomac

North Dakota Centennial Commission
Representative Rydell
Representative Hokana

Indian Affairs Commission
Representative Martin

Medical Center Advisory Council
Representative Payne

REP. KLOUBEC MOVED that the Special Order of Business be dissolved, which motion prevailed.

MOTION

REP. GERL MOVED that House Rule 105 be suspended for one day, which motion failed on a voice vote.

MESSAGE to the HOUSE from the SENATE (Patricia Conrad, Secretary)

MR. SPEAKER: The President has signed and your signature is respectfully requested: SB 2001, SB 2024, SB 2417, SB 2455, SB 2475, SB 2538, SCR 4043.

REPORT OF CONFERENCE COMMITTEE

MR. SPEAKER: Your Conference Committee to which was referred Reengrossed HB 1040 has had the same under consideration and recommends that the SENATE RECEDE from the Senate amendments as found on page 2319 of the House Journal and that Reengrossed HB 1040 be amended as follows:

Page 1, line 10, after "branch" insert "and financially shall assist certain ambulance services licensed under this chapter as determined by the branch in obtaining equipment"

Page 1, line 14, replace "training" with "equipment"

Page 1, line 17, replace "training" with "identified equipment acquisitions. The health services branch shall adopt a schedule of eligibility for financial assistance for equipment. The schedule must provide for a direct relationship between the amount of funds certified and the number of responses during the preceding calendar year for the purpose of rendering medical care, transportation, or both, to individuals who were sick or incapacitated. The schedule must require that as the number of responses increases, a greater amount of funds certified is required. The schedule must classify responses and the financial assistance available for various classifications. The health services branch may establish minimum and maximum amounts of financial assistance to be provided an ambulance service under this section"

Page 1, line 19, remove "in a manner determined by the health services"

Page 1, line 20, remove "branch to be fair and equitable or the health services branch,"

Page 2, after line 3, insert:

"SECTION 2. LEGISLATIVE INTENT. It is the intent of the legislative assembly that the health services branch give priority to training grants over equipment grants."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment applies the 50 percent matching requirement to equipment grants rather than training grants. A statement of legislative intent is added stating the intent that the Health Services Branch give priority to training grants over equipment grants.

For the Senate: Sens. Maixner, Robinson, Tennefos
For the House: Reps. Belter, A. Hausauer, J. DeMers

Reengrossed HB 1040 was placed on the Seventh order of business on the calendar.

MOTION

REP. KLOUBEC MOVED that the House stand in recess until 1:00 p.m., which motion prevailed.

THE HOUSE RECONVENED pursuant to recess taken, with Speaker Kretschmar presiding.

SIGNING OF BILLS AND RESOLUTIONS (Roy Gilbreath, Chief Clerk)

THE CHIEF CLERK ANNOUNCED that the Speaker signed the following enrolled bills and resolution: SB 2001, SB 2024, SB 2417, SB 2455, SB 2475, SB 2538, SCR 4043.

MESSAGE TO THE SENATE FROM THE HOUSE (Roy Gilbreath, Chief Clerk)

MR. PRESIDENT: The Speaker has signed: SB 2001, SB 2024, SB 2417, SB 2455, SB 2475, SB 2538, SCR 4043.

REPORT OF CONFERENCE COMMITTEE

MR. SPEAKER: Your Conference Committee to which was referred Engrossed HB 1001 has had the same under consideration and recommends that the SENATE RECEDE from the Senate amendments as found on pages 2234-2244 of the House Journal and that Engrossed HB 1001 be amended as follows:

Page 1, line 3, after the semicolon insert "to create and enact a new section to chapter 34-06 of the North Dakota Century Code, relating to the application of wage and hour standards to persons providing companionship services and family home care;" replace "and" with "to amend and reenact sections 4-01-21, 26.1-01-09, 34-05-01.2, 49-01-05, 54-07-04, 54-08-03, 54-09-05, 54-10-10, 54-11-13, 54-12-11, and 57-01-04 of the North Dakota Century Code, relating to the salaries of the commissioner of agriculture, commissioner of insurance, commissioner of labor, public service commissioners, governor, lieutenant governor, secretary of state, state auditor, state treasurer, attorney general, and tax commissioner;" and after "transfers" insert "; to provide for a legislative council study; and to declare an emergency"

Page 1, line 16, replace "2,772,826" with "1,278,374"

Page 1, remove line 17

Page 1, line 18, replace "858,754" with "440,828"

Page 1, line 19, replace "27,171" with "4,250"

Page 1, after line 22, insert:

"Protection and advocacy project 1,945,270"

Page 2, line 3, replace "4,484,996" with "4,494,467"

Page 2, line 4, replace "1,744,310" with "1,704,310"

Page 2, line 5, replace "2,740,686" with "2,790,157"

Page 2, line 8, replace "223,769" with "231,428"

Page 2, line 11, replace "238,662" with "246,321"

Page 2, line 14, replace "980,673" with "1,076,983"

Page 2, line 16, replace "162,237" with "200,243"

Page 2, line 19, replace "1,440,866" with "1,575,182"

Page 2, line 26, replace "8,203,485" with "8,683,770"

Page 2, line 27, replace "264,130" with "388,141"

Page 2, line 28, replace "1,585,396" with "1,821,683"

Page 3, line 1, replace "162,611" with "210,759"

Page 3, line 4, replace "8,000" with "253,000"

Page 3, line 8, replace "12,182,563" with "13,316,294"

Page 3, line 9, replace "5,060,579" with "5,199,754"

Page 3, line 10, replace "7,121,984" with "8,116,540"

Page 3, line 13, replace "3,363,365" with "3,426,705"

Page 3, line 14, replace "27,650" with "30,250"

Page 3, line 15, replace "451,961" with "456,261"

Page 3, line 17, replace "3,864,616" with "3,934,856"

Page 3, line 19, replace "3,403,505" with "3,473,745"

Page 3, line 22, replace "442,628" with "511,508"

Page 3, line 24, replace "65,214" with "70,061"

Page 3, line 26, replace "528,386" with "602,113"

Page 3, line 28, replace "523,386" with "597,113"

Page 4, line 2, replace "8,936,142" with "9,157,200"

Page 4, line 3, replace "1,218,446" with "1,295,714"

Page 4, line 4, replace "1,697,462" with "1,968,962"

Page 4, line 7, replace "12,273,800" with "12,843,626"

Page 4, line 8, replace "400,000" with "421,500"

Page 4, line 9, replace "11,873,800" with "12,422,126"

Page 4, line 12, replace "514,075" with "521,631"

Page 4, line 14, replace "863" with "3,863"

Page 4, line 15, replace "598,802" with "609,358"

Page 4, line 17, replace "492,815" with "503,371"

Page 4, line 20, replace "4,231,055" with "4,218,465"

Page 4, line 21, replace "248,779" with "214,421"

Page 4, line 22, replace "4,011,866" with "4,037,866"

Page 4, line 23, replace "55,125" with "63,125"

Page 4, line 24, replace "8,546,825" with "8,533,877"

Page 4, line 25, replace "4,873,801" with "4,858,179"

Page 4, line 26, replace "3,673,024" with "3,675,698"

Page 4, line 29, replace "1,987,403" with "1,994,967"

Page 5, line 2, replace "1,351,299" with "1,385,799"

Page 5, after line 7, insert:

"Agriculture mediation services

800,000"

Page 5, line 9, replace "4,706,018" with "5,548,082"

Page 5, line 10, replace "1,132,479" with "1,932,479"

Page 5, line 11, replace "3,573,539" with "3,615,603"

Page 5, line 14, replace "1,988,048" with "2,264,965"

Page 5, line 16, replace "528,102" with "542,570"

Page 5, line 17, replace "10,009" with "13,609"

Page 5, line 18, replace "2,527,127" with "2,822,112"

Page 5, line 22, replace "291,347" with "353,235"

Page 5, line 23, replace "183,901" with "167,858"

Page 5, line 25, replace "476,148" with "521,993"

Page 5, line 26, replace "35,842,927" with "37,867,599"

Page 5, line 27, replace "16,310,394" with "17,766,782"

Page 5, line 28, replace "52,153,321" with "55,634,381"

Page 6, line 24, replace "835,000" with "959,268"

Page 9, line 1, remove "performing"

Page 9, remove line 2

Page 9, line 3, replace "are not currently provided to," with "oil and gas meter monitoring responsibilities"

Page 9, after line 11, insert:

"SECTION 16. A new section to chapter 34-06 of the North Dakota Century Code is hereby created and enacted to read as follows:

Exemption for companionship services and family home care.

1. Employees who provide companionship services for individuals who, because of age or disability, are unable to care for themselves are exempt from any minimum wage and hour standards that may be prescribed under this chapter, to the extent that those companionship services are provided by an employee from ten p.m. to nine a.m., up to a total of eight hours, during which time the employee is available to perform duties for the aged or disabled individual, but is free to sleep and otherwise engage in normal private pursuits in the aged or disabled individual's home. Employees who provide companionship services are not entitled to any overtime premium that may be prescribed under this chapter.
2. An individual who provides family home care is exempt from any minimum wage and hour standards that may be prescribed under this chapter.
3. An individual who contracts with an elderly or disabled person, or a spouse or relative of an elderly or disabled person as described in subdivision b of subsection 4, to provide room, board, supervisory care, and personal services to that elderly or disabled person is exempt from any minimum wage and hour standards that may be prescribed under this chapter.
4. As used in this section:
 - a. "Companionship services" means those services that provide fellowship, care, and protection for individuals who, because of advanced age or physical or mental disabilities, cannot care for their own needs. Those services may include household work related to the care

of the aged or disabled person, including meal preparation, bed making, washing of clothes, and other similar services, and may include the performance of general household work if that work does not exceed twenty percent of the total weekly hours worked. "Companionship services" do not include services relating to the care and protection of the aged or disabled which require and are performed by trained personnel, including a registered or practical nurse, and do not include individuals who provide care and protection for infants and young children who are not physically or mentally disabled.

b. "Family home care" means the provision of room, board, supervisory care, and personal services to an eligible elderly or disabled person by the spouse or by one of the following relatives, or the current or former spouse of one of the following relatives, of the elderly or disabled person: parent, grandparent, adult child, adult sibling, adult grandchild, adult niece, or adult nephew.

SECTION 17. AMENDMENT. Section 4-01-21 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

4-01-21. Salary of commissioner of agriculture. The annual salary of the commissioner of agriculture is ~~forty-six~~ forty-nine thousand three hundred dollars.

SECTION 18. AMENDMENT. Section 26.1-01-09 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

26.1-01-09. Salary of commissioner. The annual salary of the commissioner is ~~forty-six~~ forty-nine thousand three hundred dollars.

SECTION 19. AMENDMENT. Section 34-05-01.2 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

34-05-01.2. Department of labor to be administered by commissioner of labor. The department of labor must be administered by a commissioner of labor who must be elected for a four-year term on a no-party ballot in the year 1966 and every four years thereafter in the same manner as provided for no-party candidates pursuant to title 16.1. Following his election, the term of the commissioner of labor commences on the same day as the terms for other elected state officials. The commissioner of labor shall possess the same qualifications for office as the commissioner of agriculture. The annual salary of the commissioner of labor is ~~forty-six~~ forty-nine thousand three hundred dollars.

SECTION 20. AMENDMENT. Section 49-01-05 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

49-01-05. Salary of commissioners. The annual salary of a commissioner is ~~forty-six~~ forty-nine thousand three hundred dollars. All fees received or charged by any such commissioner for any act or service rendered in any official capacity, shall be accounted for and

paid over by him monthly to the state treasurer and shall be credited to the general fund of the state.

SECTION 21. AMENDMENT. Section 54-07-04 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

54-07-04. Salary of governor. The annual salary of the governor is ~~sixty~~ sixty-five thousand ~~eight two~~ hundred ~~sixty two~~ dollars.

SECTION 22. AMENDMENT. Section 54-08-03 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

54-08-03. Salary of lieutenant governor. The annual salary of the lieutenant governor is fifty up to fifty-three thousand five hundred dollars.

SECTION 23. AMENDMENT. Section 54-09-05 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

54-09-05. Salary of secretary of state. The annual salary of the secretary of state is ~~forty six~~ forty-nine thousand three hundred dollars.

SECTION 24. AMENDMENT. Section 54-10-10 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

54-10-10. Salary of state auditor. The annual salary of the state auditor is ~~forty six~~ forty-nine thousand three hundred dollars.

SECTION 25. AMENDMENT. Section 54-11-13 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

54-11-13. Salary of state treasurer. The annual salary of the state treasurer is ~~forty six~~ forty-nine thousand three hundred dollars.

SECTION 26. AMENDMENT. Section 54-12-11 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

54-12-11. Salary of attorney general. The annual salary of the attorney general is ~~fifty two~~ fifty-five thousand seven hundred dollars.

SECTION 27. AMENDMENT. Section 57-01-04 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

57-01-04. Salary. The annual salary of the state tax commissioner is ~~forty six~~ forty-nine thousand three hundred dollars.

SECTION 28. APPROPRIATION - TRANSFER - TAX DEPARTMENT. There is hereby authorized, as included in the appropriation for the state tax commissioner in subdivision 8 of section 1 of this Act, a transfer of

\$21,500, or so much as may be necessary, from the centennial tree program trust fund to defray the expense of administering the centennial tree program trust fund income tax contribution.

SECTION 29. CONTINGENT APPROPRIATION - AGRICULTURE COMMISSIONER. There is hereby appropriated the sum of \$45,238, or so much thereof as may be necessary, from the general fund in the state treasury, and \$256,350 in federal funds, or so much thereof as may be necessary, to the agriculture commissioner for the biennium beginning July 1, 1989, and ending June 30, 1991. The \$45,238 general fund appropriation is contingent upon the ability to match additional federal environmental protection agency funds.

SECTION 30. INCOME AUTHORIZATION - STATE TREASURER. The state treasurer is authorized, as included in the appropriation for the state treasurer in subdivision 7 of section 1 of this Act, to administer the sale of alcohol beverage decals for liquor and beer destined for delivery to a federal enclave in North Dakota for domestic consumption and not transported through a licensed North Dakota wholesaler.

SECTION 31. LEGISLATIVE COUNCIL STUDY. The legislative council shall study the budgetary impact on the state and counties, and the fiscal effect on providers, of providing companionship services, family home care, and personal care services, and the feasibility and desirability of providing exemptions from minimum wage and hour standards that may be prescribed under chapter 34-06 for persons who provide companionship services, family home care, and personal care services. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-second legislative assembly.

SECTION 32. EMERGENCY. Fifty-three thousand dollars of the \$253,000 provided for the court monitor line item in subdivision 5 of section 1 of this Act is declared to be emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 101 - GOVERNOR'S OFFICE

The salaries and wages line item is increased by \$9,471 from the general fund to provide for a \$65,200 annual salary for the Governor. In addition, Section 54-07-04 is amended to provide for the \$65,200 salary.

The following changes are made to provide for a Protection and Advocacy Project special line item of \$1,945,270:

Salaries and wages	\$(1,503,923)
Data processing	(500)
Operating expenses	(417,926)
Equipment	(22,921)
Protection and Advocacy Project	<u>\$ 1,945,270</u>
Total	<u>\$ 0</u>

The funding source for employment incentives (\$40,000) is changed from other funds to the general fund because the \$1 fee for a handicapped parking insignia is deposited in the general fund.

DEPARTMENT 106 - LIEUTENANT GOVERNOR

The salaries and wages line item is increased by \$7,659 from the general fund to provide for a \$53,500 annual salary for the Lieutenant Governor. In addition, Section 54-08-03 is amended to provide for the \$53,500 salary.

DEPARTMENT 108 - SECRETARY OF STATE

The salaries and wages line item is increased by \$7,556 from the general fund to provide for a \$49,300 annual salary for the Secretary of State. In addition, Section 54-09-05 is amended to provide for the \$49,300 salary.

The salaries and wages line item is also increased by \$61,764 from the general fund to restore two of the three data input positions, deleted by the Governor, to allow computer automation of corporation, contractors, notary public, and other office divisions, and by \$26,990 from the general fund to maintain the current salary levels of the Deputy Secretary of State (\$14,249), the executive secretary (\$11,663), and a clerk position (\$1,078).

The operating expenses line item is also increased by \$38,006 from the general fund.

DEPARTMENT 125 - ATTORNEY GENERAL

The salaries and wages line item is increased by \$8,078 from the general fund to provide for a \$55,700 annual salary for the Attorney General. In addition, Section 54-12-11 is amended to provide for the \$55,700 salary.

The salaries and wages line item is increased by \$125,175 from other funds to provide for an attorney (\$79,068) and a legal assistant (\$46,107) to handle foreclosure activities for the Bank of North Dakota currently paid on a contractual basis.

This amendment also adds the following changes for gaming activities which provides \$170,000 less than is needed to fully fund the new position by allowing for a delay in filling the positions:

SALARIES AND WAGES	OPERATING EXPENSES	DATA PROCESSING	EQUIPMENT	TOTAL GENERAL FUND
\$ 347,032	\$ 174,287	\$ 124,011	\$ 46,148	\$ 691,478

The following schedule presents the amounts required for a full two years of funding for each position. As is presented below, the total amount is reduced by \$170,000 requiring that some of the positions be filled later in the biennium.

<u>HB 1184</u> (off track parimutuel wagering) 2 auditor II positions	\$ 117,578
--	------------

HB 1249 (\$5 "twenty-one")

HB 1292 (calcuttas)

<u>HB 1641 (electronic video gaming)</u>	
3 audit technicians	150,087
2 auditor II positions	117,578
1 data processing coordinator II	58,789
<u>Additional office space</u>	
2 clerk III positions	73,000
Total	\$ 517,032
Less reduction for phasein of positions	170,000
Amount appropriated	\$ 347,032

The operating expenses line item is increased by \$50,000 from the general fund for the transfer of prosecution witness fees from the Supreme Court. In addition, operating expenses are increased by \$12,000 from other funds related to the two additional employees.

The equipment line item is increased by \$2,000 from other funds related to the two additional employees.

The court monitor line item is increased by \$245,000 from the general fund, of which \$53,000 is for deficiency amounts for the 1985-87 (\$21,270) and 1987-89 (\$31,730) bienniums, and \$192,000 is for the 1989-91 biennium. An emergency clause is added for this line item for the deficiency amounts.

DEPARTMENT 117 - STATE AUDITOR

The salaries and wages line item is increased by \$7,556 from the general fund to provide for a \$49,300 annual salary for the State Auditor. In addition, Section 54-10-10 is amended to provide for the \$49,300 salary.

The salaries and wages line item is increased by \$55,784 from the general fund to fund an existing political subdivision auditor position. This position is anticipated to increase general fund revenues by approximately \$42,000.

The data processing line item is increased by \$2,600 from the general fund.

The operating expenses line item is increased by \$4,300 to provide adequate funding for the Fargo office rental expense.

DEPARTMENT 120 - STATE TREASURER

The salaries and wages line item is increased by \$7,556 from the general fund to provide for a \$49,300 annual salary for the State Treasurer. In addition, Section 54-11-13 is amended to provide for the \$49,300 salary.

The salaries and wages line item is also increased by \$57,181 from the general fund to restore 1.5 of the 2.5 FTE clerical positions deleted in the Governor's budget and by \$4,143 from the general fund for temporary salaries.

The operating expenses line item is increased by \$4,847 from the general fund related to the 1.5 FTE positions.

Section 30 is added authorizing the State Treasurer to administer the sale of alcohol beverage decals for alcohol delivered to a federal enclave in North Dakota.

DEPARTMENT 127 - TAX DEPARTMENT

The salaries and wages line item is increased by \$7,565 from the general fund to provide for a \$49,300 annual salary for the Tax Commissioner. In addition, Section 57-01-04 is amended to provide for the \$49,300 salary.

The transfer amount to the general fund from motor vehicle fuel taxes revenue in Section 5 is amended from \$835,000 to \$959,268 to reflect the anticipated Tax Department administrative costs for the collection of motor vehicle and special fuel tax revenues.

A transfer from the Centennial tree program trust fund of \$21,500 is provided in Section 28 for the costs of administering the income tax contribution for the Centennial tree program trust fund (House Bill No. 1456).

The salaries and wages line item is increased by \$76,020 to restore the audit technician and account technician city sales tax positions deleted by the House. The employee turnover/vacancy salary adjustment is reduced to \$165,000, a \$50,000 general fund increase. Salaries and wages are also increased by \$30,492 from the general fund to provide adequate funding for minimum wages increases. In addition, salaries and wages are increased by \$56,981 from the general fund to provide adequate funding for taxpayer assistance and withholding clerk positions.

The operating expenses line item is increased by \$250,000 from the general fund to partially restore reductions made in the executive recommendation.

The data processing line item is increased by \$77,268 from the general fund to upgrade the "Importer-Automation" and "Motor Fuels-Accounts Receivable" programs. Although appropriated from the general fund, this expenditure also increases the motor vehicle fuel taxes revenue transfer in Section 5 as stated above.

DEPARTMENT 406 - LABOR COMMISSIONER

The salaries and wages line item is increased \$7,556 from the general fund to provide for a \$49,300 annual salary for the Labor Commissioner. In addition, Section 34-05-01.2 is amended to provide for the \$49,300 salary.

The equipment line item is increased by \$3,000 from the general fund.

Section 16 is added relating to the application of wage and hour standards to persons providing companionship services and family home care.

Section 31 is added calling for a Legislative Council study of the impact of implementing Section 16.

DEPARTMENT 408 - PUBLIC SERVICE COMMISSION

The salaries and wages line item is increased by \$22,667 from the general fund to provide for \$49,300 annual salaries for the Public Service Commissioners. In addition, Section 49-01-05 is amended to provide for the \$49,300 salaries.

The salaries and wages line item is reduced by \$35,257, of which \$11,635 is from the general fund and \$23,622 is from federal funds to delete an administrative secretary position relating to the "bingo" stamp transfer from the Public Service Commission to the Motor Vehicle Department (House Bill No. 1259). This change provides the Public Service Commission with 55 FTE, two FTE less than the 1987-89 biennium. In addition, operating expenses are reduced by \$5,000, and data processing is reduced by \$34,358, all from the general fund relative to this transfer.

The operating expenses line item is increased by \$31,000 from the general fund for motor pool expenses.

The equipment line item is increased by \$8,000 from federal funds to provide a match for reclamation equipment.

Section 14 is amended because oil and gas metering responsibilities were not transferred to the Industrial Commission as anticipated in the executive budget.

DEPARTMENT 602 - DEPARTMENT OF AGRICULTURE

The salaries and wages line item is increased by \$7,564 from the general fund to provide for a \$49,300 annual salary for the Agriculture Commissioner. In addition, Section 4-01-21 is amended to provide for the \$49,300 salary.

The operating expenses line item is increased by \$12,000 from the general fund for dairy laboratory fees and by \$22,500 from the general fund for the state motor pool.

An agriculture mediation services special line item of \$800,000 from other funds is added. It is anticipated the \$300,000 will be collected from mediation fees and be used to match federal funds.

Section 29 is added to provide \$45,238 from the general fund to match \$256,350 in federal Environmental Protection Agency funds. The general fund appropriation is contingent upon receiving the federal funds and if approved, will result in four additional FTE positions.

DEPARTMENT 401 - INSURANCE COMMISSIONER

The salaries and wages line item is increased by \$7,555 from the insurance regulatory trust fund to provide for a \$49,300 annual salary for the Insurance Commissioner. In addition, Section 26.1-01-09 is amended to provide for the \$49,300 salary.

The salaries and wages line item is increased by \$44,362 from other funds to restore the accountant position deleted in the House. Salaries and wages are also increased by \$225,000 from other funds for an actuary position.

The operating expenses line item is increased by \$14,468 from other funds; \$968 for the accountant position, \$1,000 for the actuary position, and \$12,500 for membership and travel for the National Conference of Insurance Legislators (COIL).

The equipment line item is increased by \$3,600 from other funds, \$1,800 for the accountant position and \$1,800 for the actuary position.

DEPARTMENT 617 - LIVESTOCK SANITARY BOARD

The salaries and wages line item is increased by \$61,888 from the general fund to restore two .6 FTE livestock inspectors.

The operating expenses line item is reduced by \$16,043 from the general fund as follows:

Professional services	\$(25,252)
Postage and telephone	3,981
Printing	2,596
Travel	2,632
Total	<u>\$(16,043)</u>

TOTAL BILL

A comparison of House Bill No. 1001 is as follows:

	Executive Recommendation	House Version	Senate Version	Conference Committee	Comparison of Conference Committee Version to Executive Recommendation
General fund	\$35,691,256	\$35,842,927	\$38,645,530	\$37,847,599	\$2,176,343
Special funds	<u>16,915,157</u>	<u>16,310,394</u>	<u>17,746,782</u>	<u>17,746,782</u>	<u>851,625</u>
Total	<u>\$52,606,413</u>	<u>\$52,153,321</u>	<u>\$56,412,312</u>	<u>\$55,634,381</u>	<u>\$3,027,968</u>

The conference committee version is \$777,951 from the general fund less than Senate version; \$3,461,060 (\$2,024,612 from the general fund and \$1,456,348 from special funds) more than the House version; and \$3,027,968 (\$2,176,343 from the general fund and \$851,625 from special funds) more than the executive recommendation.

For the Senate: Sens. Wogsland, Shea, Nelson

For the House: Reps. Gunsch, Gerntholz, Laughlin (refused to sign)

Engrossed HB 1001 was placed on the Seventh order of business on the calendar.

ANNOUNCEMENT BY THE SPEAKER

THE SPEAKER ANNOUNCED that Rep. Payne would be replacing Rep. R. Hausauer on the Conference Committees on HB 1025 and HB 1507.

MESSAGE to the SENATE from the HOUSE (Roy Gilbreath, Chief Clerk)

MR. PRESIDENT: The Speaker has appointed Rep. Payne to replace Rep. R. Hausauer on the Conference Committee on HB 1025.

MESSAGE to the SENATE from the HOUSE (Roy Gilbreath, Chief Clerk)

MR. PRESIDENT: The Speaker has appointed Rep. Payne to replace Rep. R. Hausauer on the Conference Committee on HB 1507.

MESSAGE to the HOUSE from the SENATE (Patricia Conrad, Secretary)

MR. SPEAKER: The Senate has adopted the conference committee report on HB 1005, HB 1024, and HB 1128 and subsequently passed the same.

APPOINTMENT OF CONFERENCE COMMITTEE

THE SPEAKER ANNOUNCED that the Senate had not adopted the conference committee report on HB 1626 and appointed the following to a new Conference Committee on HB 1626: Reps. O. Hanson, Gunsch, Laughlin.

MESSAGE to the SENATE from the HOUSE (Roy Gilbreath, Chief Clerk)

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

HB 1626: Reps. O. Hanson, Gunsch, Laughlin

MOTION

REP. R. ANDERSON MOVED that the House stand in recess until 5:00 p.m., which motion prevailed.

THE HOUSE RECONVENED pursuant to recess taken, with Speaker Kretschmar presiding.

MESSAGE to the HOUSE from the SENATE (Patricia Conrad, Secretary)

MR. SPEAKER: The Senate has adopted the conference committee report on SB 2002 and SB 2332 and subsequently passed the same.

REPORTS OF CONFERENCE COMMITTEES

MR. SPEAKER: Your Conference Committee to which was referred Engrossed SB 2002 has had the same under consideration and recommends that the HOUSE RECEDE from the House amendments as found on pages 1901-1906 of the House Journal and that Engrossed SB 2002 be amended as follows:

Page 1, line 3, remove the second "and" and after "27-07.1-04" insert ", and 27-24-04"

Page 1, line 5, after "courts" insert "and reimbursement for temporary judge appointments"

Page 1, line 16, replace "3,994,941" with "3,922,383"

Page 1, line 17, replace "140,000" with "102,500"

Page 1, line 18, replace "1,265,500" with "1,015,500"

Page 1, line 19, replace "156,000" with "84,000"

Page 1, line 20, replace "295,225" with "279,225"

Page 1, line 22, replace "5,893,666" with "5,445,608"

Page 2, line 2, replace "5,680,366" with "5,232,308"

Page 2, line 5, replace "12,581,553" with "12,330,613"

Page 2, line 6, replace "4,401,961" with "3,951,961"

Page 2, line 7, replace "219,975" with "106,975"

Page 2, line 8, replace "834,082" with "783,991"

Page 2, line 9, replace "18,037,571" with "17,173,540"

Page 2, line 11, replace "17,895,239" with "17,031,208"

Page 2, line 15, replace "212,130" with "176,582"

Page 2, line 16, replace "121,000" with "118,500"

Page 2, line 18, replace "335,130" with "297,082"

Page 2, line 20, replace "275,130" with "237,082"

Page 2, line 21, replace "23,850,735" with "22,500,598"

Page 2, line 23, replace "24,266,367" with "22,916,230"

Page 3, replace lines 22 through 29 with:

"27-05-03. Salaries and expenses of district judges. Each district judge of this state shall receive an annual salary commencing July 1, ~~1985~~ 1989, of ~~fifty-three thousand three hundred eighty-three~~ fifty-nine thousand four hundred five dollars and commencing July 1, ~~1986~~, an annual salary of fifty five thousand five hundred nineteen 1990, an annual salary of sixty-two thousand nine hundred sixty-nine dollars and his actual travel expenses, which shall include mileage and subsistence while engaged in the discharge of his official duties outside the county in which his chambers are located. Such salary and expenses shall be payable monthly in the manner provided by law.

Each district judge who has been appointed by the supreme court to act as presiding judge of a judicial district shall receive an additional one thousand ~~two hundred sixty-six~~ four hundred eight dollars per annum commencing July 1, ~~1985~~, and ~~one thousand three hundred sixteen~~ dollars per annum commencing July 1, 1986 1989, and ~~one thousand four hundred ninety-three~~ dollars per annum commencing July 1, 1990."

Page 4, remove lines 1 through 8

Page 4, after line 22, insert:

"SECTION 7. AMENDMENT. Section 27-24-04 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

27-24-04. Compensation and expenses of persons appointed temporary judge - ~~Reimbursement to counties.~~

1. A temporary judge appointed as provided in section 27-24-01 ~~shall~~ must receive as compensation for each day of service in the performance of duties under the appointment an amount equal to five percent of the gross monthly salary of a regularly elected or appointed judge of the court in which the temporary judge is to serve, or one-half of that daily compensation for services of one-half day or less. The compensation ~~shall~~ must be paid upon the certificate of the temporary judge that the services were performed for the number of days shown in the certificate, and ~~shall~~ must be paid in the same manner as the salaries of the regularly elected or appointed judges are paid.

2. A temporary judge appointed as provided in section 27-24-01 or assigned as provided in section 27-24-02 to serve outside the county in which the judge resides or maintains an office ~~shall~~ must receive, in addition to daily compensation, reimbursement for travel expenses necessarily incurred in the performance of duties as temporary judge. The expenses ~~shall~~ must be reimbursed upon the certification by the temporary judge that the expenses were actually incurred, in the same manner as like expenses of regularly elected or appointed judges are paid.
3. The state shall reimburse on a pro rata basis the county or counties for whom a county judge provides judicial services the salary paid to the judge by the county or counties during the period the county judge serves as temporary judge in a district court following appointment under section 27-24-01."

Renumber accordingly

The section added by the Senate that will keep the county court judges' minimum salary at 85 percent of a district court judge's salary as of January 1, 1989, remains in the bill.

STATEMENT OF PURPOSE OF AMENDMENT:

The amendments decrease the general fund appropriation in the engrossed bill by \$1,350,137. A schedule detailing the changes is as follows:

DEPARTMENT 180 - SUPREME COURT

	Salaries and Wages	Data Processing	Operating Expenses	Equipment	Judges Retirement	Total
Delete 1 staff attorney added in executive budget	\$ (88,558)					\$ (88,558)
Change line items for judges retirement reduction relating to Senate changes	16,000				\$ (16,000)	
Reduce funding for the following line items		\$ (37,500)	\$ (250,000)	\$ (72,000)		(359,500)
Subtotal	\$ (72,558)	\$ (37,500)	\$ (250,000)	\$ (72,000)	\$ (16,000)	\$ (448,058)

DEPARTMENT 185 - DISTRICT COURTS

	Salaries and Wages	Data Processing	Operating Expenses	Equipment	Judges Retirement	Total
Delete 6 FTEs added in executive budget (3 law clerks, two probation officers, and 1 secre- tary II. This provides 2 FTEs more than the 1987-89 number - 1 secretary II and 1 court reporter II	\$ (347,296)					\$ (347,296)
Increase funding to provide judges' salary increases of 7 percent effective July 1, 1989 and 6 percent effective July 1, 1990	38,813				\$ 7,452	46,265
Change line items for judges retirement reduction relating to Senate changes	\$ 57,543				\$ (57,543)	
Reduce funding for the following line items			\$ (450,000)	\$ (113,000)		\$ (563,000)
Subtotal	\$ (250,940)		\$ (450,000)	\$ (113,000)	\$ (50,091)	\$ (864,031)

DEPARTMENT 183 - JUDICIAL CONDUCT COMMISSION

	Salaries and Wages	Data Processing	Operating Expenses	Equipment	Judges Retirement	Total
Delete 1 FTE added in executive budget	\$ (35,548)					\$ (35,548)
Reduce funding for operating expenses			\$ (2,500)			(2,500)
Subtotal	\$ (35,548)		\$ (2,500)			\$ (38,048)
Total changes - all general fund	<u>\$ (359,046)</u>	<u>\$ (37,500)</u>	<u>\$ (702,500)</u>	<u>\$ (185,000)</u>	<u>\$ (66,091)</u>	<u>\$ (1,350,137)</u>

The following is a schedule comparing the justices' and judges' present salaries to the salaries contained in Senate Bill No. 2002 as introduced, amended by the Senate, amended by the House, and by these amendments:

	Present Salary	SB 2002 as Introduced*	Amended SB 2002 (Senate Version)	Amended Engrossed SB 2002 (House Version) ¹	House Version Percent Increase	Conference Committee	Conference Committee Increase
Justices	859,140	870,000	1st yr. 863,071 2nd yr. 868,342	864,463	9%	1st yr. 863,071 2nd yr. 868,342	6%
Chief Justice	60,785	72,000	1st yr. 65,648 2nd yr. 70,243	64,108 ¹	8.8% ¹	1st yr. 65,648 2nd yr. 70,243	8%
District court judges	55,519	65,000	1st yr. 58,850 2nd yr. 62,381	59,461	7.1%	1st yr. 59,405 2nd yr. 62,969	7%
Presiding district judges	56,835	64,400	1st yr. 60,245 2nd yr. 63,840	60,777 ²	6.9% ²	1st yr. 60,813 2nd yr. 64,442	7%

*Salary effective July 1, 1989.

¹ The Chief Justice's salary is \$1,648 more than the justices' salaries, the same difference as provided in current law.

² The presiding judges' salaries are \$1,316 more than the district judges' salaries, the same difference as provided in current law.

Also, a section is added that requires the state to reimburse counties the salary amount paid to a county judge while serving as a temporary district court judge.

The salaries and wages line item provides for employee salary increases equivalent to those provided in House Bill No. 1005.

The proposed amendments provide for a general fund reduction to the Governor's budget of \$1,711,983.

A schedule of the differences between these proposed amendments and the House version is as follows:

	General Fund
Remove funding for paying portion of county judges' salaries	\$(268,403)
Reduce funding for district courts' operating expenses (\$50,000) and equipment (\$50,000)	(100,000)
Reduce funding for the Supreme Court's equipment	(32,000)
Add funding to provide district judge salary increases of seven and six percent rather than one-time 7.1 percent	141,680
Add funding to provide Supreme Court justices increases at eight and seven percent rather than one-time nine percent	30,237
Total net reduction to House version	<u>\$(228,486)</u>

For the Senate: Sens. Redlin, Stromme, Lips
 For the House: Reps. Kingsbury, Gunsch, Laughlin

Engrossed SB 2002 was placed on the Seventh order of business on the calendar.

MR. SPEAKER: Your Conference Committee to which was referred SB 2332 has had the same under consideration and recommends that the SENATE ACCEDE to the House amendments as found on pages 2187-2188 of the House Journal and that SB 2332 be further amended as follows:

Page 1, line 1, after "reenact" insert "subsection 9 of section 12.1-32-02,"

Page 1, line 2, after "to" insert "sentencing alternatives,"

Page 1, line 3, after "offenders" insert a comma

Page 1, after line 5, insert:

"SECTION 1. AMENDMENT. Subsection 9 of section 12.1-32-02 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

9. A person convicted of a felony who is sentenced to imprisonment for not more than one year ~~shall be~~ is deemed to have been convicted of a misdemeanor upon successful completion of the term of imprisonment, except a person convicted of violating subdivision b or c of subsection 1 of section 19-03.1-23."

Page 1, line 15, after "a" insert "firearm,"

Page 2, line 15, after the first "to" insert "willfully"

Page 2, line 19, replace "The" with "Except when a person delivers a controlled substance without receiving remuneration or agreeing to receive remuneration for the controlled substance, the"

Page 2, line 21, after the underscored period insert "However, the court may suspend execution of no more than one-half of any sentence imposed for a first offense under subdivision a, b, or c of this subsection."

Page 3, line 2, remove ", and must be fined at least two thousand five"

Page 3, line 3, remove "hundred dollars"

Page 3, line 5, remove ", and must be fined ten thousand dollars"

Page 3, line 14, remove ", and must be fined at least one thousand five"

Page 3, line 15, remove "hundred dollars"

Page 3, line 17, remove ", and must be fined ten thousand dollars"

Page 3, line 23, remove ", and must be fined at least one thousand dollars"

Page 3, line 25, remove ", and must be fined five thousand dollars"

Page 4, line 17, after "by" insert "willfully"

Page 4, line 21, replace the underscored comma with "or a"

Page 4, line 22, remove ", or a public or private college or university"

Page 4, line 23, remove ", to be served without"

Page 4, line 24, remove "benefit of parole"

Page 4, line 26, remove "without benefit of parole"

Page 4, line 27, replace "eighteen" with "twenty-one"

Page 5, line 1, replace "and must be" with ", to be served without benefit of parole"

Page 5, line 2, remove "fined at least two thousand dollars"

Page 5, line 4, replace "and must be fined at" with ", to be served without benefit of parole"

Page 5, line 5, remove "least four thousand dollars"

Page 5, line 8, replace "eighteen" with "twenty-one"

Page 5, line 15, remove ", and must be fined at least two thousand"

Page 5, line 16, remove "dollars"

Page 6, line 7, replace the underscored comma with "or a"

Page 6, line 8, remove "or a public or private college or university,"

Reumber accordingly

For the Senate: Sens. Maxson (refused to sign), J. Meyer, Stenehjem

For the House: Reps. Aas, Shaft, A. Williams

SB 2332 was placed on the Seventh order of business on the calendar.

REPORT OF STANDING COMMITTEE

MR. SPEAKER: Your Committee on Appropriations (Rep. Peterson, Chairman) to which was referred Reengrossed SB 2540 has had the same under consideration and recommends by a vote of 13 YEAS, 9 NAYS, 1 ABSENT AND NOT VOTING that the same BE AMENDED AS FOLLOWS and when so amended, recommends the same DO PASS:

Page 1, line 8, replace "and" with "to provide for a legislative council study of the state meat inspection program;" and after "appropriation" insert "; and to provide an expiration date"

Page 8, line 8, replace "Establishments shall pay overtime fees to the board" with "The board shall charge each establishment an hourly fee based upon the amount of time inspection services are provided to the establishment. On July first of each year the board shall establish the hourly fee in effect for that fiscal year, based upon fifty percent of the estimated cost of inspectors' salaries, including fringe benefits, for the year. The board may charge an additional fee"

Page 8, line 10, after the underscored period insert "The establishment shall pay the required fees to the board on a monthly basis for deposit in the livestock sanitary board's operating fund for the purpose of defraying a portion of the costs of the meat inspection program."

Page 11, after line 16, insert:

"SECTION 15. LEGISLATIVE COUNCIL STUDY OF STATE MEAT INSPECTION PROGRAM. The legislative council, or its designated committee, shall conduct a study during the 1989-90 interim of the state meat inspection program established by this Act including a review of the fee structure and the amount of fees collected. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-second legislative assembly."

Page 11, line 24, replace "606,816" with "361,116"

Page 11, line 25, replace "240,000" with "174,484"

Page 11, line 27, replace "861,216" with "550,000"

Page 11, line 28, replace "430,608" with "397,850"

Page 11, line 29, replace "430,608" with "152,150"

Page 11, after line 29, insert:

"SECTION 17. EXPIRATION DATE. This Act is effective through June 30, 1991, and after that date is ineffective."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 617 - LIVESTOCK SANITARY BOARD

Section 9 of the reengrossed bill is amended to require the Livestock Sanitary Board to charge processing plants an hourly fee to defray 50 percent of the cost of the meat inspectors' salaries, including fringe benefits. This change will provide an estimated \$122,850 of other income during the 1989-91 biennium.

This amendment also provides funding to the Livestock Sanitary Board for the state meat inspection program as follows:

	REENGROSSED BILL AS PASSED BY THE SENATE	PROPOSED FUNDING	CHANGE FROM SENATE VERSION
<u>Salaries and wages</u>			
1 FTE veterinary compliance officer/coordinator	\$ 88,200	\$ 88,200	\$ 0
Lay meat inspectors (Senate version 10 FTE) (House version 5 FTE)	491,400	245,700	(245,700)
1 FTE secretary	<u>27,216</u>	<u>27,216</u>	<u>0</u>
Total salaries and wages	\$ 606,816	\$ 361,116	\$ (245,700)

<u>Operating expenses</u>			
Contract services	\$ 50,000	\$ 50,000	\$ 0
Supplies	48,000	24,000	(24,000)
Telephone, postage, and printing	9,000	9,000	0
Travel	72,000	42,484	(29,516)
Inspector and supervisor training	24,000	12,000	(12,000)
Repairs	7,000	7,000	0
Insurance	5,000	5,000	0
Rent	25,000	25,000	0
Total operating expenses	\$ 240,000	\$ 174,484	\$ (65,516)
<u>Equipment</u>	\$ 14,400	\$ 14,400	\$ 0
Total funding	\$ 861,216	\$ 550,000	\$ (311,216)
<u>Estimated income</u>			
Federal funds	\$ 430,608	\$ 275,000	\$ (155,608)
Other income	0	122,850	122,850
Total	\$ 430,608	\$ 397,850	\$ (32,758)
General fund	\$ 430,608	\$ 152,150	\$ (278,458)

A section is added directing the Legislative Council to study the state meat inspection program during the 1989-90 interim.

Section 17 is added providing that the state meat inspection program will be discontinued on June 30, 1991, unless, based upon the Legislative Council study or other action, legislation is introduced and approved during the 1991 legislative session to continue the program.

SB 2540 was placed on the Sixth order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

REP. GUNSCH MOVED that the conference committee report on HB 1001 be adopted.

REQUESTS

REP. GERL REQUESTED a ruling by the Speaker as to whether Section 16 of the conference committee amendments to HB 1001 was germane to the bill pursuant to House Rule 327, which request was granted.

REP. SCHNEIDER REQUESTED a ruling by the Speaker whether Joint Rule 301(5) does not also apply to the question of the amendment being germane, which request was granted.

RULING BY THE SPEAKER

SPEAKER KRETSCHMAR RULED that Section 16 of HB 1001 was not germane to the bill according to the rules. He also ruled that if the conference committee report was not adopted, a new conference committee would be appointed, and under Mason's Rules, this might be interpreted as a free conference committee.

MOTIONS

REP. KLOUBEC MOVED that the decision of the Speaker be appealed.

On a verification vote, the decision of the Speaker was overturned.

REP. GOETZ MOVED the previous question, which motion prevailed.

The question being on the motion to adopt the conference committee report on HB 1001, the conference committee report was adopted on a verification vote.

Engrossed HB 1001, as amended, was placed on the Eleventh order of business on the calendar.

CONFLICT OF INTEREST

REP. SHAFT STATED that he had a conflict of interest on HB 1001.

MOTION

REP. KLOUBEC MOVED that Rep. Shaft and all members who might have a conflict of interest on HB 1001 be allowed to vote, which motion prevailed.

SECOND READING OF HOUSE BILL

HB 1001: A BILL for an Act making an appropriation for defraying the expenses of various elected officials of the state of North Dakota and the livestock sanitary board; to create and enact a new section to chapter 34-06 of the North Dakota Century Code, relating to the application of wage and hour standards to persons providing companionship services and family home care; to amend and reenact sections 4-01-21, 26.1-01-09, 34-05-01.2, 49-01-05, 54-07-04, 54-08-03, 54-09-05, 54-10-10, 54-11-13, 54-12-11, and 57-01-04 of the North Dakota Century Code, relating to the salaries of the commissioner of agriculture, commissioner of insurance, commissioner of labor, public service commissioners, governor, lieutenant governor, secretary of state, state auditor, state treasurer, attorney general, and tax commissioner; to provide for transfers; to provide for a legislative council study; 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 54 YEAS, 50 NAYS, 2 ABSENT AND NOT VOTING.

YEAS: Aas; Anderson, R.; Belter; Berg, G.; Berg, R.; Bernstein; Christman; Clayburgh; Dalrymple; Dorso; Enget; Gates; Gerhardt; Gerntholz; Goetz; Gorman; Haugen; Haugland; Howard; Jensen; Kloubec; Knell; Kouba; Larson, D.; Larson, R.; Martin; Martinson; Mertens; Nicholas; Olsen, D.; Olson, V.; Payne; Peterson; Rydell; Schatz; Schmidt; Shaft; Shide; Solberg; Sorensen; Soukup; Stenehjem; Thompson, K.; Timm; Tollefson; Trautman; Ulmer; Urlacher; Vander Vorst; Wald; Wentz; Whalen; Williams, A.; Speaker Kretschmar

NAYS: Aarsvold; Anderson, B.; Brokaw; Carlson; DeMers, J.; DeMers, P.; Flaagan; Frey; Gerl; Gilmore; Graba; Gunsch; Halmrast; Hanson, L.; Hanson, O.; Hoffner; Hokana; Huether; Kaldor; Kelly; Kingsbury; Kolbo; Lang; Laughlin; Lindgren; Marks; Melby; Murphy; Myrdal; Nelson; Ness; Nowatzki; Oban; Olson, A.; O'Shea; Ring; Scherber; Schindler; Schneider; Shockman; Skjerven; Smette; Starke; Stofferahn; Thompson, V.; Tokach; Tomac; Watne; Wilkie; Williams, W.

ABSENT AND NOT VOTING: Hausauer, A.; Hausauer, R.

HB 1001 passed, the title was agreed to, and the emergency clause lost.

HOUSE ENROSSING AND ENROLLING REPORT

The following bills were engrossed and enrolled: HB 1005, HB 1024, HB 1128.

MOTION

REP. WENTZ MOVED that the House reconsider its action whereby HB 1036 failed to pass, which motion lost on a verification vote.

REPORT OF CONFERENCE COMMITTEE

REP. SORENSEN MOVED that the conference committee report on HB 1023 be adopted, which motion prevailed.

HB 1023, as amended, was placed on the Eleventh order of business on the calendar.

SECOND READING OF HOUSE BILL

HB 1023: A BILL for an Act making an appropriation for defraying the expenses of the parks and recreation department of the state of North Dakota and providing for a transfer from the snowmobile fund and the trail tax transfer fund.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 95 YEAS, 5 NAYS, 6 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Aas; Anderson, B.; Anderson, R.; Belter; Berg, G.; Berg, R.; Bernstein; Brokaw; Carlson; Christman; Clayburgh; Dalrymple; DeMers, J.; DeMers, P.; Enget; Flaagan; Frey; Gates; Gerhardt; Gerl; Gerntholz; Goetz; Gorman; Graba; Halmrast; Hanson, L.; Haugen; Haugland; Hoffner; Hokana; Howard; Huether; Jensen; Kaldor; Kelly; Kingsbury; Kloubec; Knell; Kolbo; Kouba; Larson, D.; Larson, R.; Laughlin; Lindgren; Marks; Martin; Martinson; Mertens; Myrdal; Nelson; Ness; Nicholas; Nowatzki; Oban; Olsen, D.; Olson, A.; Olson, V.; O'Shea; Payne; Peterson; Ring; Rydell; Schatz; Scherber; Schindler; Schmidt; Schneider; Shaft; Shide; Shockman; Skjerven; Smette; Solberg; Sorensen; Soukup; Starke; Stenehjem; Stofferahn; Thompson, K.; Timm; Tokach; Tollefson; Tomac; Trautman; Ulmer; Urlacher; Vander Vorst; Wald; Watne; Wentz; Wilkie; Williams, A.; Williams, W.; Speaker Kretschmar

NAYS: Gilmore; Gunsch; Melby; Murphy; Whalen

ABSENT AND NOT VOTING: Dorso; Hanson, O.; Hausauer, A.; Hausauer, R.; Lang; Thompson, V.

(Conference committee members Reps. Dorso and V. Thompson were excused.)

HB 1023 passed and the title was agreed to.

MESSAGE to the HOUSE from the SENATE (Patricia Conrad, Secretary)

MR. SPEAKER: The Senate has not adopted the conference committee report on SB 2016 and the President has appointed as a new conference committee to act with a like committee from the House on:

SB 2016: Sens. Tallackson, Redlin, Naaden

MESSAGE to the HOUSE from the SENATE (Patricia Conrad, Secretary)

MR. SPEAKER: The Senate has adopted the conference committee report on SB 2412 and subsequently passed the same.

REPORT OF CONFERENCE COMMITTEE

MR. SPEAKER: Your Conference Committee to which was referred Engrossed SB 2412 has had the same under consideration and recommends that the HOUSE RECEDE from the House amendments as found on pages 1628 and 2097-2100 of the House Journal and that Engrossed SB 2412 be amended as follows:

Page 1, line 3, after "program" insert "; and to provide a statement of legislative intent"

Page 1, line 20, after "employees" insert "not eligible for medicare. In determining premiums for coverage under this subsection for active eligible employees, the total projected premium requirements of the entire subgroup must be reduced by the projected aggregate monthly credit toward hospital and medical benefits coverage allowed retired employees not eligible for medicare under section 5 of Senate Bill No. 2068 as approved by the fifty-first legislative assembly. The reduced premium requirements must then be divided by the number of subgroup members to determine the premiums for active eligible employees. Premiums for coverage under this subsection for retired employees not eligible for medicare must be calculated based on the projected premium requirements of the entire subgroup less the total projected premium income as determined under this subsection for active eligible employees"

Page 1, line 21, remove the overstrike over "~~Retired~~", after "eligible" insert "medicare-eligible", and remove the overstrike over "~~employee group medical and hospital benefits~~"

Page 1, line 22, remove the overstrike over "~~coverage-~~" Page 2, line 1, remove the overstrike over "~~3-~~"

Page 2, line 2, remove the overstrike over "~~4-~~" and remove "3."

Page 2, line 3, remove the overstrike over "~~5-~~" and remove "4."

Page 2, line 5, remove the overstrike over "~~6-~~" and remove "5."

Page 2, after line 23, insert:

"SECTION 3. LEGISLATIVE INTENT - POTENTIAL DEFICIENCY. The fifty-first legislative assembly recognizes that the recommended increase for health insurance premiums did not anticipate creating a single actuarial pool for the active employees and pre-medicare retirees as proposed in this Act. The legislative assembly also appreciates the difficulty in projecting the actual ending balance in the health insurance fund several months in advance of the end of the biennium and recognizes the possibility exists that sufficient funds may not be available in the health insurance fund to absorb the costs of implementing this Act. However, the legislative assembly understands that an equal probability exists that certain savings may occur that could provide sufficient resources for implementation of this Act. Therefore, it is the intent of the legislative assembly that

existing appropriations should be utilized to implement the provisions of this Act. If sufficient funds are not available to fully defray the implementation costs for the biennium beginning July 1, 1989, and ending June 30, 1991, the public employees retirement system shall present a deficiency appropriation request to the fifty-second legislative assembly."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

The proposed amendment is in lieu of the house amendment (Section 3 - Appropriation) and would replace the appropriation with the above language. The purpose of the amendment is to recognize that implementation of this bill will result in an incremental cost to the states health insurance premiums and that this cost was not included in the recommended amount for health premiums for the 1989-91 biennium. Further the amendment recognizes the difficulty in projecting the amount of claims to be incurred before the end of the 87-89 biennium and consequently the ending cash balance in the health insurance fund. However, claims have recently been trending below projections and if the trend continues the possibility exists that sufficient funds may be available to implement this bill. Consequently, the amendment directs that existing resources should be utilized to the extent possible and if they are not sufficient the Public Employees Retirement System should seek a deficiency appropriation.

For the Senate: Sens. Keller, Krauter, Todd

For the House: Reps. Dorso, Wald, Solberg

Engrossed SB 2412 was placed on the Seventh order of business on the calendar.

REQUEST

REP. TIMM REQUESTED that the record show that the Conference Committee on SB 2243 members be excused, which request was granted.

REPORT OF CONFERENCE COMMITTEE

REP. BELTER MOVED that the conference committee report on Reengrossed HB 1040 be adopted, which motion prevailed.

Reengrossed HB 1040, as amended, was placed on the Eleventh order of business on the calendar.

SECOND READING OF HOUSE BILL

HB 1040: A BILL for an Act to create and enact a new section to chapter 23-27 of the North Dakota Century Code, relating to state assistance to licensed ambulance services.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 98 YEAS, 0 NAYS, 8 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Aas; Anderson, B.; Anderson, R.; Belter; Berg, G.; Berg, R.; Bernstein; Brokaw; Carlson; Christman; Clayburgh; Dalrymple; DeMers, J.; DeMers, P.; Enget; Flaagan; Frey; Gates; Gerhard; Gerl; Gerntholz; Gilmore; Goetz; Gorman; Graba; Gunsch; Halmrast; Hanson, L.; Haugen; Haugland; Hoffner; Hokana; Howard; Huether; Jensen; Kaldor;

Kelly; Kingsbury; Kloubec; Knell; Kolbo; Kouba; Lang; Larson, D.; Larson, R.; Laughlin; Lindgren; Marks; Martin; Martinson; Melby; Mertens; Murphy; Myrdal; Nelson; Ness; Nicholas; Oban; Olsen, D.; Olson, A.; Olson, V.; O'Shea; Peterson; Ring; Rydell; Schatz; Scherber; Schindler; Schmidt; Schneider; Shaft; Shide; Shockman; Skjerven; Smette; Solberg; Sorensen; Soukup; Starke; Stenehjelm; Stofferahn; Thompson, K.; Tokach; Tollefson; Tomac; Trautman; Ulmer; Urlacher; Vander Vorst; Wald; Watne; Wentz; Whalen; Wilkie; Williams, A.; Williams, W.; Speaker Kretschmar

NAYS: None

ABSENT AND NOT VOTING: Dorso; Hanson, O.; Hausauer, A.; Hausauer, R.; Nowatzki; Payne; Thompson, V.; Timm

(Conference committee members Reps. Dorso, Timm, and V. Thompson were excused.)

HB 1040 passed and the title was agreed to.

MOTION

REP. KLOUBEC MOVED that the rules be suspended and that HB 1001, HB 1023, and HB 1040 be messaged to the Senate immediately, which motion prevailed.

REPORT OF CONFERENCE COMMITTEE

REP. KINGSBURY MOVED that the conference committee report on SB 2002 be adopted, which motion prevailed.

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

SECOND READING OF SENATE BILL

SB 2002: A BILL for an Act to provide an appropriation for defraying the expenses of the judicial branch of the government of the state of North Dakota; and to amend and reenact sections 27-02-02, 27-05-03, 27-07.1-04, and 27-24-04 of the North Dakota Century Code, relating to the salaries of the judges of the supreme, district, and county courts and reimbursement for temporary judge appointments.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 63 YEAS, 36 NAYS, 7 ABSENT AND NOT VOTING.

YEAS: Aas; Berg, G.; Berg, R.; Bernstein; Carlson; Clayburgh; Dalrymple; DeMers, J.; Enget; Flaagan; Gates; Gerhardt; Gerntholz; Gilmore; Goetz; Gorman; Graba; Halmrast; Hanson, L.; Haugen; Haugland; Hausauer, A.; Hokana; Huether; Jensen; Kelly; Kingsbury; Kloubec; Kolbo; Kouba; Larson, D.; Larson, R.; Laughlin; Lindgren; Marks; Martinson; Mertens; Murphy; Nicholas; Olson, V.; Peterson; Ring; Rydell; Schatz; Scherber; Schindler; Schneider; Shaft; Solberg; Sorensen; Soukup; Starke; Stenehjelm; Thompson, K.; Tollefson; Trautman; Ulmer; Wald; Watne; Wentz; Williams, A.; Williams, W.; Speaker Kretschmar

NAYS: Aarsvold; Anderson, B.; Anderson, R.; Belter; Brokaw; Christman; DeMers, P.; Frey; Gerl; Gunsch; Hoffner; Howard; Kaldor; Knell; Lang;

Martin; Melby; Myrdal; Nelson; Ness; Oban; Olsen, D.; Olson, A.; O'Shea; Schmidt; Shide; Shockman; Skjerven; Smette; Stofferahn; Tokach; Tomac; Urlacher; Vander Vorst; Whalen; Wilkie

ABSENT AND NOT VOTING: Dorso; Hanson, O.; Hausauer, R.; Nowatzki; Payne; Thompson, V.; Timm

(Conference committee members Reps. Dorso, Timm, and V. Thompson were excused.)

SB 2002 passed and the title was agreed to.

APPOINTMENT OF ACTING SPEAKER

Rep. A. Hausauer was appointed Acting Speaker.

MESSAGE to the SENATE from the HOUSE (Roy Gilbreath, Chief Clerk)

MR. PRESIDENT: The House has adopted the conference committee report on HB 1001 and subsequently passed the same but the emergency clause failed to pass.

MESSAGE to the SENATE from the HOUSE (Roy Gilbreath, Chief Clerk)

MR. PRESIDENT: The House has adopted the conference committee report on HB 1023 and HB 1040 and subsequently passed the same.

REPORT OF CONFERENCE COMMITTEE

REP. AAS MOVED that the conference committee report on SB 2332 be adopted, which motion prevailed.

SB 2332, as amended, was placed on the Fourteenth order of business on the calendar.

SECOND READING OF SENATE BILL

SB 2332: A BILL for an Act to amend and reenact subsection 9 of section 12.1-32-02, sections 12.1-32-02.1, 19-03.1-23, and 54-21-25 of the North Dakota Century Code, relating to sentencing alternatives, prison terms for certain offenders, penalties for unlawful manufacture, delivery, or possession of controlled substances, and authority to contract with other governmental agencies for prisoners and juvenile delinquents; to provide a penalty; 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 80 YEAS, 18 NAYS, 8 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Aas; Anderson, R.; Belter; Berg, G.; Berg, R.; Bernstein; Brokaw; Christman; Clayburgh; Dalrymple; Enget; Flaagan; Gates; Gerntholz; Gilmore; Goetz; Gorman; Graba; Gunsch; Halmrast; Hanson, L.; Hanson, O.; Haugen; Haugland; Hausauer, A.; Hoffner; Howard; Huether; Jensen; Kingsbury; Kloubec; Knell; Lang; Larson, D.; Larson, R.; Laughlin; Lindgren; Marks; Martin; Martinson; Melby; Myrdal; Ness; Nicholas; Oban; Olsen, D.; Olson, A.; Olson, V.; O'Shea; Rydell; Schatz; Scherber; Schindler; Schmidt; Shaft; Shide; Shockman; Skjerven; Smette; Solberg; Sorensen; Soukup; Starke; Stenehjem; Thompson, K.; Tokach; Tollefson; Tomac; Trautman; Urlacher; Vander Vorst; Wald;

Watne; Wentz; Whalen; Wilkie; Williams, A.; Williams, W.;
Speaker Kretschmar

NAYS: Anderson, B.; Carlson; DeMers, J.; DeMers, P.; Frey; Gerhardt; Gerl;
Hokana; Kaldor; Kelly; Kolbo; Kouba; Murphy; Nelson; Ring; Schneider;
Stofferahn; Ulmer

ABSENT AND NOT VOTING: Dorso; Hausauer, R.; Mertens; Nowatzki; Payne;
Peterson; Thompson, V.; Timm

(Conference committee members Reps. Dorso, Timm, and V. Thompson were
excused.)

SB 2332 passed and the title was agreed to.

REPORT OF CONFERENCE COMMITTEE

REP. DORSO MOVED that the conference committee report on Engrossed SB 2412 be
adopted, which motion prevailed.

Engrossed SB 2412, as amended, was placed on the Fourteenth order of business
on the calendar.

SECOND READING OF SENATE BILL

SB 2412: A BILL for an Act to amend and reenact section 54-52.1-02 and
subsection 3 of section 54-52.1-03 of the North Dakota Century Code,
relating to establishing subgroups in the uniform group insurance
program; and to provide a statement of 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 99 YEAS, 0 NAYS, 7 ABSENT AND NOT
VOTING.

YEAS: Aarsvold; Aas; Anderson, B.; Anderson, R.; Belter; Berg, G.; Berg, R.;
Bernstein; Brokaw; Carlson; Christman; Clayburgh; Dalrymple;
DeMers, J.; DeMers, P.; Enget; Flaagan; Frey; Gerhardt; Gerl;
Gerntholz; Gilmore; Goetz; Gorman; Graba; Gunsch; Halmrast; Hanson, L.;
Hanson, O.; Haugen; Haugland; Hausauer, A.; Hoffner; Hokana; Howard;
Huether; Jensen; Kaldor; Kelly; Kingsbury; Kloube; Knell; Kolbo;
Kouba; Lang; Larson, D.; Larson, R.; Laughlin; Lindgren; Marks; Martin;
Martinson; Melby; Mertens; Murphy; Myrdal; Nelson; Ness; Nowatzki;
Oban; Olsen, D.; Olson, A.; Olson, V.; O'Shea; Payne; Ring; Rydell;
Schatz; Scherber; Schindler; Schmidt; Schneider; Shaft; Shide;
Shockman; Skjerven; Smette; Solberg; Sorensen; Soukup; Starke;
Stenehjem; Stofferahn; Thompson, K.; Tokach; Tollefson; Tomac;
Trautman; Ulmer; Urlacher; Vander Vorst; Wald; Watne; Wentz; Whalen;
Wilkie; Williams, A.; Williams, W.; Speaker Kretschmar

NAYS: None

ABSENT AND NOT VOTING: Dorso; Gates; Hausauer, R.; Nicholas; Peterson;
Thompson, V.; Timm

(Conference committee members Reps. Dorso, Timm, and V. Thompson were
excused.)

SB 2412 passed and the title was agreed to.

SIGNING OF BILLS AND RESOLUTIONS (Roy Gilbreath, Chief Clerk)
THE CHIEF CLERK ANNOUNCED that the Speaker signed the following enrolled bills: HB 1005, HB 1011, HB 1024, HB 1128, HB 1134.

MESSAGE to the SENATE from the HOUSE (Roy Gilbreath, Chief Clerk)
MR. PRESIDENT: The Speaker has signed and your signature is respectfully requested: HB 1005, HB 1011, HB 1024, HB 1128, HB 1134.

APPOINTMENT OF CONFERENCE COMMITTEE

THE SPEAKER ANNOUNCED that the Senate had not adopted the conference committee report on SB 2016 and appointed the following to a new Conference Committee on SB 2016: Reps. Kingsbury, Gunsch, Solberg.

MOTION

REP. KLOUBEC MOVED that the rules be suspended and that SB 2002, SB 2332, and SB 2412 be messaged to the Senate immediately, which motion prevailed.

MESSAGE to the SENATE from the HOUSE (Roy Gilbreath, Chief Clerk)
MR. PRESIDENT: The House has adopted the conference committee report on SB 2002, SB 2332, and SB 2412 and subsequently passed the same.

MOTION

REP. KLOUBEC MOVED that the House stand in recess until 7:00 p.m., which motion prevailed.

THE HOUSE RECONVENED pursuant to recess taken, with Speaker Kretschmar presiding.

REPORTS OF CONFERENCE COMMITTEES

MR. SPEAKER: Your Conference Committee to which was referred Engrossed HB 1007 has had the same under consideration and recommends that the SENATE RECEDE from the Senate amendments as found on page 1924 of the House Journal and that Engrossed HB 1007 be amended as follows:

Page 1, line 15, replace "1,010,000" with "1,050,000"

Page 1, line 16, replace "3,272,275" with "3,312,275"

Page 1, line 18, replace "2,326,252" with "2,366,252"

Page 1, line 20, replace "960,000" with "1,000,000"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 250 - STATE LIBRARY

The grants line item is increased by \$40,000 from the general fund, from \$960,000 to \$1,000,000, for state aid to public libraries. The House had provided no additional funding for state aid to public libraries while the Senate had provided an additional \$54,000 for state aid to public libraries.

For the Senate: Sens. Mushik, Waldera, Lips

For the House: Reps. Gunsch, Kingsbury, Graba

Engrossed HB 1007 was placed on the Seventh order of business on the calendar.

MR. SPEAKER: Your Conference Committee to which was referred Engrossed HB 1049 has had the same under consideration and recommends that the SENATE RECEDE from the Senate amendments as found on pages 2319-2323 of the House Journal and that Engrossed HB 1049 be amended as follows:

Page 1, line 1, after "10-30.1-04" insert a comma

Page 1, line 2, remove "and" and after "10-30.2" insert ", a new subsection to section 57-01-02, and two new subdivisions to subsection 1 of section 57-38-01.2"

Page 1, line 5, after "corporations" insert ", the authority of the tax commissioner and attorney general to waive tax due, and tax exemptions for pension benefits" and remove the second "and"

Page 1, line 6, replace "sections" with "section", after the first comma insert "subsection 4 of section 10-30.1-04, subsection 1 of section 10-30.1-05, sections", remove "subsection 2 of section", and after the third comma insert "10-30.1-08, 10-30.1-09,"

Page 1, line 7, remove "and sections", remove the second "and", and after "10-30.2-14" insert ", and subdivisions j and l of subsection 1 of section 57-38-01.2"

Page 1, line 10, remove the second "and"

Page 1, line 11, after "Incorporated" insert ", and tax exemptions for pension benefits; and to provide an effective date"

Page 1, line 19, overstrike "; and" and insert immediately thereafter an underscored period

Page 1, line 20, after "Is" insert "a business which through a process employing knowledge and labor adds value to a product for resale."

c. Has its principal office in this state and is primarily"

Page 1, line 21, replace "A" with "However, after the effective date of this Act, a", after "business" insert "or an affiliate of a business", and replace "invests in" with "owns"

Page 1, line 22, remove "on or after January 1, 1989"

Page 2, line 2, replace "one million" with "five hundred thousand" and replace "entities" with "an entity or an affiliate of an entity"

Page 2, line 3, replace "purchase" with "owns"

Page 2, line 14, replace "a substantial portion" with "eighty percent"

Page 2, line 15, after "investors" insert "within two years of receiving the funds"

Page 2, after line 17, insert:

"SECTION 3. AMENDMENT. Subsection 4 of section 10-30.1-04 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

4. A venture capital corporation will provide financing to qualified entities to be used solely for the purpose of enhancing the production capacity of the qualified entity or the ability of the qualified entity to do business in this state. The venture capital corporation may establish and regulate terms and conditions, consistent with this chapter, with respect to the financing. The financing may include any combination of equity investments, loans, guarantees, and commitments for financing, but no more than twenty percent of the stated capital of a venture capital corporation may be invested in any one qualified entity. For purposes of this chapter, "one qualified entity" means a single entity or a group of affiliated entities that are engaged in a unitary business.

SECTION 4. AMENDMENT. Subsection 1 of section 10-30.1-05 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

1. Subject to sections 10-30.1-06, 10-30.1-07, and 10-30.1-08, a taxpayer is entitled to a credit against any state income tax liability which may be imposed on the taxpayer for a particular taxable year that begins after December 31, 1984, if the taxpayer makes an investment in a venture capital corporation. However, a taxpayer that makes an investment in a venture capital corporation on or after the effective date of this Act is only entitled to a tax credit if the venture capital corporation uses the funds it receives from the taxpayer to invest or provide financing to qualified entities, which entities do not include a business or an affiliate of a business that owns tax exempt securities. Investments by Myron G. Nelson Fund, Incorporated, in a venture capital corporation do not qualify for the tax credit provided by this chapter. Tax credits under this chapter are not subject to payment of interest as provided in section 57-38-35.1."

Page 3, line 1, replace "Subsection 2 of section" with "Section"

Page 3, after line 2, insert:

"10-30.1-07. Taxable year for credit.

1. The tax credit must be credited against the taxpayer's income tax liability for the taxable year in which full consideration for the investment in the venture capital corporation is received by the venture capital corporation. If the amount of the tax credit exceeds the taxpayer's tax liability for that taxable year, the amount of the credit which exceeds the tax liability may be carried back or carried forward, to the extent not already used as a credit pursuant to this section, as a credit against the taxpayer's

state income tax liability for ~~the three taxable years preceding and the~~ seven taxable years following the taxable year in which full consideration for the investment is received."

Page 3, after line 14, insert:

"SECTION 7. AMENDMENT. Section 10-30.1-08 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

10-30.1-08. Tax credit limits. The total amount of investments for which tax credits are allowed for all taxpayers under this chapter for the period beginning on ~~July 1, 1985, and ending December 31, 1986, is four million dollars; and for each two year period thereafter is four million dollars plus up to one million dollars of any investments available for tax credits from the previous two year period January 1, 1989, and ending December 31, 1990, is one million dollars.~~ If investments in venture capital corporations reported to the state tax commissioner pursuant to section 10-30.1-10 exceed the limits on investments for tax credit imposed by this section, the credit must be allowed to taxpayers in the chronological order of their investments in the venture capital corporations as determined from the forms provided for in section 10-30.1-10.

SECTION 8. AMENDMENT. Section 10-30.1-09 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

10-30.1-09. Tax credit - Procedure. To receive the tax credit provided by this chapter, a taxpayer must claim the tax credit on the taxpayer's annual state income tax return in the manner prescribed by the state tax commissioner and file with the taxpayer's annual state tax return a copy of the form issued by the venture capital corporation as to the taxpayer's investment in the venture capital corporation pursuant to section 10-30.1-10. The tax credit provided for in this chapter, including ~~carrybacks and~~ carryforwards, may not be claimed by taxpayers filing income tax returns pursuant to the provisions of section 57-38-30.3."

Page 4, line 28, overstrike "carried back for not more than three taxable years or"

Page 5, line 21, overstrike "carried back for not more than three taxable years or"

Page 6, line 2, after the underscored period insert "However, the total amount of investments for which tax credits are allowed for all taxpayers under this chapter for the period beginning January 1, 1989, and ending December 31, 1990, is one million two hundred fifty thousand dollars."

Page 6, line 13, after "corporation" insert ", or a separate legal entity such as a limited partnership created by the corporation as an affiliate for the purpose of obtaining investment capital from the public"

Page 7, after line 8, insert:

"SECTION 16. A new subsection to section 57-01-02 of the North Dakota Century Code is hereby created and enacted to read as follows:

May, upon a showing of good cause, waive any and all tax due. A lien must have been filed against the debtor's property prior to the request for a waiver. The waiver must be approved by the attorney general.

SECTION 17. AMENDMENT. Subdivisions j and l of subsection 1 of section 57-38-01.2 of the 1987 Supplement to the North Dakota Century Code are hereby amended and reenacted to read as follows:

- j. Reduced by any amount, up to a maximum of five thousand dollars, received pursuant to the United States Civil Service Retirement Act, firemen's relief associations authorized by chapters 18-05 and 18-11, or policemen's pension funds authorized by chapter 40-45; provided, however, that the adjustment provided in this subdivision shall be reduced by any amount received pursuant to the federal Social Security Act.
- l. Reduced by any amount, up to a maximum of five thousand dollars, received by any person sixty fifty years of age or older as retired military personnel pay for service in the United States army, navy, air force, coast guard, or marine corps or reserve components thereof; provided, however, that the adjustment provided in this subdivision shall be reduced by any amount received pursuant to the federal Social Security Act.

SECTION 18. A new subdivision to subsection 1 of section 57-38-01.2 of the 1987 Supplement to the North Dakota Century Code is hereby created and enacted to read as follows:

Reduced by the amount, up to a maximum of five thousand dollars for any person or ten thousand dollars if a joint return is filed, of investment made after January 1, 1989, in either a venture capital corporation organized pursuant to chapter 10-30.1 or in the Myron G. Nelson Fund, Incorporated, or a separate legal entity such as a limited partnership created by the Myron G. Nelson Fund, Incorporated, as an affiliate, which entities are organized pursuant to chapter 10-30.2. This deduction may only be taken in the tax year in which the taxpayer qualifies for a credit pursuant to chapter 10-30.1 or 10-30.2. However, a taxpayer that makes an investment in a venture capital corporation on or after the effective date of this Act is only entitled to a deduction if the venture capital corporation uses the funds it receives from the taxpayer to invest or provide financing to qualified entities, which entities do not include a business or an affiliate of a business that owns tax exempt securities.

SECTION 19. A new subdivision to subsection 1 of section 57-38-01.2 of the 1987 Supplement to the North Dakota Century Code is hereby created and enacted to read as follows:

Reduced by any amount, up to a maximum of five thousand dollars, received as retirement benefits paid by the United States, a territory or possession or political subdivision thereof, the government of the District of Columbia, or an agency or instrumentality of one or more of the foregoing, other than retired military personnel pay, as exempted in subdivision 1; provided, however, that the adjustment provided in this subdivision must be reduced by any amount received pursuant to the federal Social Security Act.

SECTION 20. EFFECTIVE DATE. Sections 17 and 19 of this Act are effective for taxable years beginning after December 31, 1988."

Renumber accordingly

For the Senate: Sens. Satrom, Maixner, Moore
For the House: Reps. Timm, A. Hausauer, Tomac

Engrossed HB 1049 was placed on the Seventh order of business on the calendar.

MR. SPEAKER: Your Conference Committee to which was referred Engrossed HB 1626 has had the same under consideration and recommends that the SENATE RECEDE from the Senate amendments as found on pages 1892-1893 of the House Journal and that Engrossed HB 1626 be amended as follows:

Page 1, line 16, replace "\$500,000" with "\$40,000"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 602 - AGRICULTURE DEPARTMENT

This amendment provides a \$40,000 general fund appropriation for noxious weed control. The House had passed this bill with a \$500,000 general fund appropriation for noxious weed control which the Senate removed.

In addition, the Senate amendment to Section 63-01.1-06.2, which provided that no expenditure pursuant to legislative appropriations for leafy spurge control shall be made related to private land if the land is owned by a corporation, is removed.

For the Senate: Sens. W. Meyer, Kinnoin, Krebsbach
For the House: Reps. O. Hanson, Gunsch, Laughlin

Engrossed HB 1626 was placed on the Seventh order of business on the calendar.

MR. SPEAKER: Your Conference Committee to which was referred Reengrossed HB 1637 has had the same under consideration and recommends that the SENATE RECEDE from the Senate amendments as found on pages 2146-2154 of the House Journal and that Reengrossed HB 1637 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact section 15-34.2-03, subsections 2 and 3 of section 15-40.1-06, sections 15-40.1-07, 15-40.1-08, 15-40.1-16, and

subsection 1 of section 15-40.2-03 of the North Dakota Century Code, relating to the foundation aid weighting factors, the per-pupil payment, the equalization factor, and transportation aid to schools; and to provide for contingent additional per-pupil foundation aid payments.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 15-34.2-03 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-34.2-03. Transportation - Payment optional with school board - Schedule. The school board of any school district in the state may pay, ~~in its discretion~~ to each family living more than two miles [3.22 kilometers] from a school in the district which is taught the required length of time, a sum per day for each day's attendance of a student or students of such family, when transported by a member of the family or by a conveyance furnished or paid for by the family, or when the family has paid for lodging for the child, according to the distance between the home of the family and the school, at the rate of ~~ten~~ twenty cents per day for each one-half mile [.80 kilometer] over two miles [3.22 kilometers]. Such distance shall be measured by the route from the front door of the nearest operating school to the front door of the family's residence according to the most convenient public course of travel. Payments for transportation shall not be limited to the amount set forth in this section where the student or students are required to be transported to another school because the school which they had been attending is closed.

SECTION 2. AMENDMENT. Subsections 2 and 3 of section 15-40.1-06 of the 1987 Supplement to the North Dakota Century Code are hereby amended and reenacted to read as follows:

2. a. The educational support per pupil during the first year of the ~~1987-89~~ 1989-91 biennium shall be one thousand ~~four~~ five hundred ~~twenty-five~~ twenty-five dollars and for the second year of the biennium the educational support per pupil shall be one thousand ~~four~~ five hundred ~~twelve~~ forty-five dollars and shall be the basis for calculating grants-in-aid on a per-pupil basis as provided in sections 15-40.1-07 and 15-40.1-08.
- b. School districts operating high schools not meeting the minimum curriculum as provided in section 15-41-24 or the teacher qualifications in section 15-41-25 shall be supported in the amount of two hundred twenty dollars, which shall be the basis for calculating grants-in-aid on a per-pupil basis as provided in section 15-40.1-07.
3. In determining the amount of payment due school districts for per-pupil aid under this section, the product of ~~twenty~~ twenty-one mills for the 1989-90 school year and ~~twenty-two~~ twenty-two mills for each year thereafter times the latest available net assessed and equalized valuation of property of the school district ~~shall~~ must be subtracted from the amount of such aid.

SECTION 3. AMENDMENT. Section 15-40.1-07 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-40.1-07. High school per-pupil payments - Amount - Proportionate payments. ~~There~~ Payments must be paid made each year from state funds to ~~all~~ each school ~~districts of the county~~ district operating a high ~~schools~~ school and to each school ~~districts~~ district contracting to educate high school pupils in a federal school, subject to adjustment as provided in section 15-40.1-09, payments as follows:

1. For each high ~~schools~~ school district having under seventy-five pupils in average daily membership in grades nine through twelve, the amount of money resulting from multiplying the factor ~~1.70~~ 1.635 for the 1989-90 school year and, beginning July 1, 1990, the factor 1.625 times the number of high school pupils in grades nine through twelve registered in that school district, times the educational support per pupil as provided in section 15-40.1-06 for each high school pupil registered in the schools each year.
2. For each high ~~schools~~ school district having seventy-five or more, but less than one hundred fifty pupils in average daily membership in grades nine through twelve, the amount of money resulting from multiplying the factor ~~1.40~~ 1.35 for the 1989-90 school year and, beginning July 1, 1990, the factor 1.335 times the number of high school pupils in grades nine through twelve registered in that school district times the educational support per pupil as provided in section 15-40.1-06 for each high school pupil registered in the schools each year.
3. For each high ~~schools~~ school district having one hundred fifty or more, but less than five hundred fifty pupils in average daily membership in grades nine through twelve, the amount of money resulting from multiplying the factor ~~1.32~~ 1.28 for the 1989-90 school year and, beginning July 1, 1990, the factor 1.24 times the number of high school pupils in grades nine through twelve registered in that school district times the educational support per pupil as provided in section 15-40.1-06 for each high school pupil registered in the schools each year.
4. For each high ~~schools~~ school district having a total high school enrollment of five hundred fifty or more pupils in average daily membership in grades nine through twelve, the amount of money resulting from multiplying the factor ~~1.20~~ 1.17 for the 1989-90 school year and, beginning July 1, 1990, the factor 1.14 times the number of high school pupils in grades nine through twelve registered in that school district times the educational support per pupil as provided in section 15-40.1-06 for each high school pupil registered in the schools each year.
5. For high schools having an approved alternative education program, the amount of money resulting from multiplying the factor in:

- a. Subsection 1 times the number of pupils registered in the alternative education program times the educational support per pupil as provided in section 15-40.1-06 if the alternative education program has less than seventy-five pupils in average daily membership.
- b. Subsection 2 times the number of pupils registered in the alternative education program times the educational support per pupil as provided in section 15-40.1-06 if the alternative education program has seventy-five or more, but less than one hundred fifty pupils in average daily membership.
- c. Subsection 3 times the number of pupils registered in the alternative education program times the educational support per pupil as provided in section 15-40.1-06 if the alternative education program has one hundred fifty or more, but less than five hundred fifty pupils in average daily membership.
- d. Subsection 4 times the number of pupils registered in the alternative education program times the educational support per pupil as provided in section 15-40.1-06 if the alternative education program has five hundred fifty or more pupils in average daily membership.

Every high school district ~~shall~~ must receive at least as much in total payments as it would have received if it had the highest number of pupils in the next lower category. However, no payment ~~shall~~ may be made for those pupils for whom federal agencies provide education. Such payments ~~shall~~ may not be made unless four or more units of standard high school work approved by the superintendent of public instruction are offered during the current year, only certificated teachers have been employed, and the other standards prescribed by this chapter have been met. Payments ~~shall~~ must be made to the high school district in which the student is enrolled for graduation and units of approved vocational education in accordance with the provisions of chapter 15-20.1, and other courses approved by the superintendent of public instruction, earned in another high school district shall be included to meet the minimum four required units. In the case of students enrolled in nonpublic schools for graduation or students enrolled in less than four units of standard high school work who are in their fourth year of high school coursework and who are enrolled in approved alternative high school curriculum programs, proportionate payments ~~shall~~ must be made to the public school district in which such student is enrolled for specific courses. School districts offering high school summer school programs ~~shall~~ be are eligible for proportionate payments provided each course offered in such programs satisfies requirements for graduation, comprises at least as many clock hours as courses offered during the regular school term, and complies with rules adopted by the superintendent of public instruction. The superintendent may adopt rules regarding eligibility for school districts to receive proportionate payments for such summer education programs.

Districts that did not maintain high schools during the year of 1964-1965 ~~shall~~ are not be eligible for payments unless they have a minimum enrollment of twenty-five pupils if four years of high school

work are offered, a minimum enrollment of twenty pupils if three years of high school work are offered, a minimum enrollment of fifteen pupils if two years of high school work are offered, and a minimum enrollment of ten pupils if one year of high school work is offered. Payments pursuant to this chapter to school districts in bordering states ~~shall~~ must be made after subtracting the amount realized from a ~~twenty mill~~ the mill levy in subsection 3 of section 15-40.1-06 in the sending school district divided by the total number of resident pupils enrolled in the school district plus the number of resident pupils from the district attending school in another state.

SECTION 4. AMENDMENT. Section 15-40.1-08 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-40.1-08. Elementary per-pupil payments - Amount. ~~There~~ Payments must be ~~paid~~ made from state funds to ~~each school districts of the county district operating an elementary schools school and to each school districts district~~ contracting to educate elementary pupils in a federal school, employing teachers holding valid certificates or permits in accordance with section 15-47-46 and chapter 15-36, ~~payments based on the number of registered students at the beginning of each school year,~~ adjusted as provided in section 15-40.1-09, as follows:

1. For each one-room rural schools there must be paid that school, the amount of money resulting from multiplying the factor ~~1.30~~ 1.29 for the 1989-90 school year and, beginning July 1, 1990, the factor 1.28 times the number of pupils in that school in grades one through eight in average daily membership, up to a maximum of sixteen pupils, times the educational support per pupil as provided in section 15-40.1-06 for each of the first sixteen pupils in grades one through eight in average daily membership; and for. There must be paid .9 times each additional pupil in its school in grades one through eight in average daily membership ~~there shall be paid .9~~ times the educational support per pupil as provided in section 15-40.1-06, except that no payment may be made for more than twenty pupils in average daily membership. If the one-room rural school is located in a school district with another elementary school, the weighting factor for the pupils in grades one through six must be based on the average daily membership in the district in grades one through six as provided in subsections 2 through 4. If the one-room rural school is located in a school district with another school that has pupils in grade seven or eight, the weighting factor for the pupils in grades seven and eight must be the same as that provided for in subsection 5.
2. For each elementary schools school in school districts having under one hundred pupils in average daily membership ~~there must be paid that~~ in grades one through six, the amount of money resulting from multiplying the factor ~~1.0~~ 1.045 for the 1989-90 school year and, beginning July 1, 1990, the factor 1.09 times the number of pupils in that school in grades one through six in average daily membership in each classroom or for each teacher, up to a maximum of twenty pupils per classroom or per teacher, times the educational support per pupil as provided in section 15-40.1-06 ~~for each of the first~~

twenty pupils in grades one through six in average daily membership in each classroom or for each teacher and for. There must be paid .9 times each additional pupil in that school in grades one through six in average daily membership in each classroom or for each teacher there shall be paid .9 times the educational support per pupil as provided in section 15-40.1-06, except that no payment may be made for more than twenty-five pupils in average daily membership in each classroom or for each teacher.

3. For each elementary schools school in school districts having one hundred or more pupils in average daily membership in grades one through six, and provided the districts in which such schools are located have an average daily membership of less than one thousand elementary pupils, there must be paid that in grades one through six, the amount of money resulting from multiplying the factor ~~0.9~~ .9025 for the 1989-90 school year and, beginning July 1, 1990, the factor .905 times the number of pupils in that school in grades one through six in average daily membership in each classroom or for each teacher times the educational support per pupil as provided in section 15-40.1-06 for each of the first thirty pupils in grades one through six in average daily membership in each classroom or for each teacher, except that no payment may be made for more than thirty pupils in average daily membership in each classroom or for each teacher.
4. For each elementary schools school in school districts having an average daily membership of one thousand or more elementary pupils, there must be paid that in grades one through six, the amount of money resulting from multiplying the factor .95 times the number of pupils in that school in grades one through six in average daily membership in each classroom or for each teacher times the educational support per pupil as provided in section 15-40.1-06 for each of the first thirty pupils in grades one through six in average daily membership in each classroom or for each teacher, except that no payment may be made for more than thirty pupils in average daily membership in each classroom or for each teacher.
5. For each of the above classes of elementary schools, except for one-room rural schools that are not located in a district with another school that has pupils in grade seven or eight, there must be paid that to each school the amount of money resulting from multiplying the factor ~~1.0~~ 1.005 for the 1989-90 school year and, beginning July 1, 1990, the factor 1.01 times the number of pupils in that school in grades seven and eight in average daily membership in each classroom or for each teacher times the educational support per pupil as provided in section 15-40.1-06 for each of the first thirty pupils in grades seven and eight in average daily membership in each classroom or for each teacher, except that no payment may be made for more than thirty pupils in average daily membership in each classroom or for each teacher.
6. For each elementary schools school having pupils under the compulsory age for school attendance, but not less than three

years of age, in a special education program approved by the director of special education, there must be paid that the amount of money resulting from multiplying the factor ~~49~~ .75 for the 1989-90 school year and, beginning July 1, 1990, the factor 1.01 times the educational support per pupil as provided in section 15-40.1-06 for each number of special education pupil pupils in that school under the compulsory age for school attendance in average daily membership in each classroom or for each teacher times the educational support per pupil as provided in section 15-40.1-06.

7. For each elementary schools school providing kindergartens which are a kindergarten that is established according to provisions of section 15-45-01, and for each out-of-state kindergarten programs program, approved by the state superintendent and utilized by North Dakota school districts bordering other states, there must be paid that the amount of money resulting from multiplying the factor .50 times the number of pupils in that school in average daily membership in each classroom or for each teacher times the educational support per-pupil payment for that elementary school as determined under this section for each of the first twenty-five pupils in average daily membership in each classroom or for each teacher, except that no payment may be made for more than twenty-five pupils in average daily membership in each classroom or for each teacher. The full per-pupil payment shall be made only to those kindergarten programs providing the equivalent of ninety full days of classroom instruction during any twelve-month period. Programs providing shorter periods of instruction during the same time period shall receive a proportionately smaller per-pupil payment.

Every school district ~~shall~~ must receive at least as much in total payments for elementary pupils as it would have received if it had the highest number of pupils in the next lower category. Payments pursuant to this chapter to school districts in bordering states ~~shall~~ must be made after subtracting the amount realized from a ~~twenty mill~~ the mill levy in subsection 3 of section 15-40.1-06 in the sending school district divided by the total number of resident pupils enrolled in the school district plus the number of resident pupils from the district attending school in another state.

SECTION 5. AMENDMENT. Section 15-40.1-16 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-40.1-16. Aid for transportation. There shall be paid from state funds to each school district providing schoolbus transportation in contract schoolbuses or in district-owned and operated schoolbuses, and to school districts with students riding commercial buses to and from school within the incorporated limits of a city, the following amounts:

1. For schoolbuses and school vehicles transporting pupils who live outside the incorporated limits of the city in which the school the pupil is enrolled is located, a sum equal to thirty five and one-half twenty-five cents during each year of the ~~1987-89~~ 1989-91 biennium for vehicles having a

capacity of nine or fewer pupils and ~~seventy-two~~ sixty-eight cents per mile [1.61 kilometers] for each year of the ~~1987-89~~ 1989-91 biennium for schoolbuses having a capacity of ten or more pupils. In addition, those school districts qualifying for payments for buses having a capacity of ten or more pupils ~~shall be~~ are entitled to an amount equal to ~~nineteen~~ twenty-five cents per day for each public school pupil living outside the city limits who is transported in such buses.

2. For pupils who ride schoolbuses or commercial buses to or from school and who live within the incorporated limits of the city in which the school the pupil is enrolled is located, a sum equal to ~~nine~~ twelve and one-half cents per pupil per one-way trip. However, no payment shall be made under this subsection for a student who rode on a vehicle for which payments are claimed under subsection 1.

The mileage payments provided for in this section shall be made to each school district for transporting pupils to and from school. Such payments shall be made only to school districts operating schoolbuses in accordance with the laws of this state relating to standards for schoolbuses, and to the qualifications of schoolbus drivers. Certification as to the compliance with the laws of this state in regard to schoolbuses and their drivers shall be made in such manner and in such detail as the superintendent of public instruction may require at the time an application is made for payments provided under this section. The superintendent of public instruction shall do an onsite audit of the books and records, regarding transportation cost, pupils transported and miles traveled, of at least ten school districts each fiscal year to verify compliance with section 15-40.1-16.

SECTION 6. AMENDMENT Subsection 1 of section 15-40.2-03 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

1. Such payments as are received for ~~him~~ that pupil from state payments received by the admitting district, less the average amount per North Dakota resident pupil enrolled in the school district realized from ~~a twenty mill~~ the school district levy in subsection 3 of section 15-40.1-06; and

SECTION 7. CONTINGENT SEPARATE AND ADDITIONAL PER-PUPIL PAYMENT.

The superintendent of public instruction shall distribute a separate and additional per-pupil payment from any unspent amount appropriated to the grants - foundation aid program for the biennium beginning July 1, 1989, and ending June 30, 1991, in the May 1, 1991, foundation aid payment to schools. Any payment made under this section must be on a weighted basis to be determined according to chapter 15-40.1."

Renumber accordingly

For the Senate: Sens. O'Connell, Kelsh, Peterson
For the House: Reps. K. Thompson, Gates, L. Hanson

Reengrossed HB 1637 was placed on the Seventh order of business on the calendar.

MESSAGE to the SENATE from the HOUSE (Roy Gilbreath, Chief Clerk)

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

SB 2016: Reprs. Kingsbury, Gunsch, Solberg

SIXTH ORDER OF BUSINESS

REP. PETERSON MOVED that the amendments to Reengrossed SB 2540 as recommended by the Committee on Appropriations be adopted, and when so adopted, recommends the same DO NOT PASS, which motion prevailed.

Reengrossed SB 2540 was placed on the Fourteenth order of business on the calendar.

SECOND READING OF SENATE BILL

SB 2540: A BILL for an Act to create and enact nine new sections to chapter 36-23.1 of the North Dakota Century Code, relating to inspection and condemnation of meat and to injunctions; to amend and reenact sections 36-23.1-01, 36-23.1-02, 36-23.1-03, and 36-23.1-04 of the North Dakota Century Code, relating to inspection of meat and slaughterhouses; to repeal sections 36-23.1-05, 36-23.1-06, and 36-23.1-08 of the North Dakota Century Code, relating to reinspections and the sale of unapproved meat; to provide a penalty; to provide for a legislative council study of the state meat inspection program; to provide an appropriation; and to provide an expiration 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 50 YEAS, 50 NAYS, 6 ABSENT AND NOT VOTING.

YEAS: Aas; Anderson, R.; Belter; Berg, G.; Brokaw; Christman; Dorso; Gerntholz; Goetz; Gorman; Gunsch; Hanson, O.; Haugen; Hoffner; Hokana; Howard; Huether; Jensen; Knell; Kolbo; Kouba; Lang; Larson, D.; Martin; Melby; Murphy; Myrdal; Nicholas; Nowatzki; Oban; Olsen, D.; Olson, A.; Olson, V.; Schatz; Scherber; Schindler; Skjerven; Smette; Sorensen; Soukup; Thompson, K.; Timm; Tokach; Tollefson; Trautman; Urlacher; Vander Vorst; Wald; Whalen; Speaker Kretschmar

NAYS: Aarsvold; Anderson, B.; Berg, R.; Bernstein; Carlson; Clayburgh; Dalrymple; DeMers, J.; DeMers, P.; Enget; Flaagan; Frey; Gates; Gerl; Gilmore; Graba; Halmrast; Hanson, L.; Haugland; Hausauer, A.; Kaldor; Kelly; Larson, R.; Laughlin; Lindgren; Marks; Martinson; Nelson; Ness; O'Shea; Payne; Peterson; Ring; Rydell; Schmidt; Schneider; Shaft; Shide; Shockman; Starke; Stenehjem; Stofferahn; Thompson, V.; Tomac; Ulmer; Watne; Wentz; Wilkie; Williams, A.; Williams, W.

ABSENT AND NOT VOTING: Gerhardt; Hausauer, R.; Kingsbury; Kloubec; Mertens; Solberg

SB 2540 lost.

REQUEST

REP. TIMM REQUESTED that the members of the Conference Committee on SB 2243 (Reps. Timm, Dorso, and V. Thompson) be excused, which request was granted.

REPORT OF CONFERENCE COMMITTEE

REP. GUNSCH MOVED that the conference committee report on Engrossed HB 1007 be adopted, which motion prevailed.

Engrossed HB 1007, as amended, was placed on the Eleventh order of business on the calendar.

REQUEST

REP. KLOUBEC REQUESTED that the record show that the conference committee on HB 1005 (Reps. Kingsbury, Gunsch, and Solberg) were excused, which request was granted.

SECOND READING OF HOUSE BILL

HB 1007: A BILL for an Act making an appropriation for defraying the expenses of the state library of the state of North Dakota.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 96 YEAS, 2 NAYS, 8 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Aas; Anderson, B.; Anderson, R.; Belter; Berg, G.; Berg, R.; Bernstein; Brokaw; Carlson; Christman; Clayburgh; Dalrymple; DeMers, J.; DeMers, P.; Enget; Flaagan; Frey; Gates; Gerhardt; Gerl; Gerntholz; Gilmore; Goetz; Gorman; Graba; Gunsch; Halmrast; Hanson, L.; Haugen; Haugland; Hausauer, A.; Hoffner; Hokana; Howard; Huether; Jensen; Kaldor; Kelly; Kloubec; Knell; Kolbo; Kouba; Lang; Larson, D.; Larson, R.; Laughlin; Lindgren; Marks; Martin; Martinson; Melby; Myrdal; Nelson; Ness; Nicholas; Nowatzki; Oban; Olsen, D.; Olson, A.; Olson, V.; O'Shea; Payne; Ring; Rydell; Schatz; Scherber; Schindler; Schmidt; Schneider; Shaft; Shide; Shockman; Skjerven; Smette; Sorensen; Soukup; Starke; Stenehjem; Stofferahn; Thompson, K.; Tokach; Tollefson; Tomac; Trautman; Ulmer; Urlacher; Vander Vorst; Wald; Watne; Wentz; Whalen; Wilkie; Williams, A.; Williams, W.; Speaker Kretschmar

NAYS: Hanson, O.; Murphy

ABSENT AND NOT VOTING: Dorso; Hausauer, R.; Kingsbury; Mertens; Peterson; Solberg; Thompson, V.; Timm

(Conference committee members Reps. Dorso, Kingsbury, Solberg, V. Thompson, and Timm were excused.)

HB 1007 passed and the title was agreed to.

MESSAGE to the HOUSE from the SENATE (Patricia Conrad, Secretary)

MR. SPEAKER: The President has signed: HB 1005, HB 1011, HB 1024, HB 1128, HB 1134.

MESSAGE to the HOUSE from the SENATE (Patricia Conrad, Secretary)

MR. SPEAKER: The President has signed and your signature is respectfully requested: SB 2003, SB 2004, SB 2005, SB 2006, SB 2014, SB 2270.

MESSAGE to the HOUSE from the SENATE (Patricia Conrad, Secretary)

MR. SPEAKER: The Senate has adopted the conference committee report on HB 1001, HB 1023, and HB 1040 and subsequently passed the same.

REPORT OF CONFERENCE COMMITTEE

REP. TIMM MOVED that the conference committee report on Engrossed HB 1049 be adopted, which motion prevailed.

Engrossed HB 1049, as amended, was placed on the Eleventh order of business on the calendar.

SECOND READING OF HOUSE BILL

HB 1049: A BILL for an Act to create and enact a new subsection to section 10-30.1-04, two new sections to chapter 10-30.2, a new subsection to section 57-01-02, and two new subdivisions to subsection 1 of section 57-38-01.2 of the North Dakota Century Code, relating to investments made by venture capital corporations and procedures for claiming the income tax credit for investment in the Myron G. Nelson Fund, Incorporated, and venture capital corporations, the authority of the tax commissioner and attorney general to waive tax due, and tax exemptions for pension benefits; to amend and reenact section 10-30.1-01, subsection 4 of section 10-30.1-04, subsection 1 of section 10-30.1-05, sections 10-30.1-06, 10-30.1-07, 10-30.1-08, 10-30.1-09, 10-30.2-06, 10-30.2-11, 10-30.2-12, 10-30.2-13, 10-30.2-14, and subdivisions j and l of subsection 1 of section 57-38-01.2 of the North Dakota Century Code, relating to investments made by venture capital corporations and tax credits for investment in the Myron G. Nelson Fund, Incorporated, and venture capital corporations, board of director liability and investment policy of the Myron G. Nelson Fund, Incorporated, and tax exemptions for pension benefits; 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 94 YEAS, 2 NAYS, 10 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Anderson, B.; Anderson, R.; Belter; Berg, G.; Berg, R.; Bernstein; Brokaw; Carlson; Christman; Clayburgh; Dalrymple; DeMers, J.; DeMers, P.; Enget; Flaagan; Frey; Gates; Gerhardt; Gerntholz; Gilmore; Goetz; Gorman; Graba; Halmrast; Hanson, L.; Hanson, O.; Haugen; Haugland; Hausauer, A.; Hoffner; Hokana; Howard; Huether; Jensen; Kaldor; Kelly; Kloubec; Knell; Kolbo; Kouba; Lang; Larson, D.; Larson, R.; Laughlin; Lindgren; Marks; Martin; Martinson; Melby; Murphy; Myrdal; Nelson; Ness; Nicholas; Nowatzki; Oban; Olsen, D.; Olson, A.; Olson, V.; O'Shea; Payne; Ring; Rydell; Schatz; Scherber; Schindler; Schmidt; Schneider; Shaft; Shide; Shockman; Skjerven; Smette; Sorensen; Soukup; Starke; Stenehjem; Stofferahn; Thompson, K.; Tokach; Tollefson; Tomac; Trautman; Ulmer; Urlacher; Vander Vorst; Wald; Watne; Wentz; Wilkie; Williams, A.; Williams, W.; Speaker Kretschmar

NAYS: Aas; Gerl

ABSENT AND NOT VOTING: Dorso; Gunsch; Hausauer, R.; Kingsbury; Mertens; Peterson; Solberg; Thompson, V.; Timm; Whalen

(Conference committee members Reps. Dorso, Gunsch, Kingsbury, Solberg, V. Thompson, and Timm were excused.)

HB 1049 passed and the title was agreed to.

REPORT OF CONFERENCE COMMITTEE

REP. O. HANSON MOVED that the conference committee report on Engrossed HB 1626 be adopted, which motion prevailed.

Engrossed HB 1626, as amended, was placed on the Eleventh order of business on the calendar.

SECOND READING OF HOUSE BILL

HB 1626: A BILL for an Act to create and enact a new section to chapter 63-01.1 of the North Dakota Century Code, relating to county weed board mill levies for noxious weed control; and to provide an appropriation.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 89 YEAS, 8 NAYS, 9 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Aas; Anderson, B.; Anderson, R.; Belter; Berg, R.; Bernstein; Brokaw; Christman; Clayburgh; Dalrymple; DeMers, P.; Enget; Flaagan; Gates; Gerhardt; Gerntholz; Gilmore; Goetz; Gorman; Graba; Halmarst; Hanson, L.; Hanson, O.; Haugen; Haugland; Hausauer, A.; Hoffner; Hokana; Howard; Huether; Jensen; Kaldor; Kelly; Kloubec; Knell; Kolbo; Kouba; Lang; Larson, D.; Larson, R.; Laughlin; Lindgren; Marks; Martin; Martinson; Melby; Murphy; Myrdal; Nelson; Ness; Nicholas; Nowatzki; Olsen, D.; Olson, A.; Olson, V.; O'Shea; Payne; Rydell; Schatz; Schindler; Schmidt; Schneider; Shaft; Shide; Shockman; Skjerven; Smette; Sorensen; Soukup; Starke; Stenehjem; Stofferahn; Thompson, K.; Tokach; Tollefson; Tomac; Trautman; Ulmer; Urlacher; Vander Vorst; Wald; Watne; Wentz; Whalen; Wilkie; Williams, A.; Williams, W.; Speaker Kretschmar

NAYS: Berg, G.; Carlson; DeMers, J.; Frey; Gerl; Oban; Ring; Scherber

ABSENT AND NOT VOTING: Dorso; Gunsch; Hausauer, R.; Kingsbury; Mertens; Peterson; Solberg; Thompson, V.; Timm

(Conference committee members Reps. Dorso, Gunsch, Kingsbury, Solberg, V. Thompson, and Timm were excused.)

HB 1626 passed and the title was agreed to.

MOTION

REP. KLOUBEC MOVED that the rules be suspended and that all final action taken on HB 1007, HB 1049, and HB 1626 be messaged to the Senate immediately, which motion prevailed.

MESSAGE to the SENATE from the HOUSE (Roy Gilbreath, Chief Clerk)
MR. PRESIDENT: The House has adopted the conference committee report on HB 1007, HB 1049, and HB 1626 and subsequently passed the same.

MOTION

REP. KLOUBEC MOVED that the House stand in recess until 9:00 p.m., which motion prevailed.

THE HOUSE RECONVENED pursuant to recess taken, with Speaker Kretschmar presiding.

MESSAGE to the HOUSE from the SENATE (Patricia Conrad, Secretary)

MR. SPEAKER: The Senate has amended and subsequently passed: HB 1259.

Page 1, line 3, remove "and dedicating the use of the fees;"

Page 1, line 4, remove "and to provide for allocation of the fees"

Page 1, line 16, remove "for"

Page 1, line 17, remove "the purpose of defraying the expenses of the highway patrol"

Page 1, line 20, remove the overstrike over "~~all~~" and remove "Except as otherwise provided"

Page 1, line 21, remove "under section 49-18-41.1, all"

Page 2, remove lines 3 through 7

Renumber accordingly

REPORTS OF CONFERENCE COMMITTEES

MR. SPEAKER: Your Conference Committee to which was referred Reengrossed HB 1507 has had the same under consideration and recommends that the SENATE RECEDE from the Senate amendments as found on pages 1996-2000 of the House Journal and that Reengrossed HB 1507 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 15-40.1 and seven new sections to title 15 of the North Dakota Century Code, relating to bonus payments for cooperative education programs and the establishment of planning grants and supplemental pupil payments for the restructuring of school district boundaries; to amend and reenact paragraph 2 of subdivision a of subsection 11 of section 15-39.1-04 of the North Dakota Century Code, relating to membership in the teachers' fund for retirement; to provide an appropriation; to provide for distribution of unspent funds; to provide for a statement of legislative intent; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Paragraph 2 of subdivision a of subsection 11 of section 15-39.1-04 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

- (2) The superintendent of public instruction, assistant superintendents of public instruction, county superintendents, assistant superintendents, supervisors of instruction, state school supervisors and inspectors, every person engaged as president, dean, school librarian, or registrar of any state institution, the secretary of the North Dakota education association, all assistant secretaries and professional staff of such association, the commissioner of higher education, the professional

staff of an interim school district, and the professional staff of the North Dakota high school activities association.

SECTION 2. A new section to title 15 of the North Dakota Century Code is hereby created and enacted to read as follows:

School district restructuring - Rules. The superintendent of public instruction, with assistance from the state board of public school education, shall adopt rules under chapter 28-32 for the purpose of administering planning grants and supplemental payments to contiguous school districts or parts of school districts for the purposes of planning and implementing the restructuring of school district boundaries for the purpose of increasing the educational opportunities of students and the sharing of school administrators. The superintendent of public instruction, if requested, shall provide assistance to school districts in the development and implementation of a plan for the restructuring of contiguous school districts. The superintendent of public instruction may provide other services if requested by the school districts. The plan and any subsequent amendments must be adopted by a majority vote of the membership of each of the participating school boards and the state board of public school education prior to becoming eligible to receive supplemental pupil payments.

SECTION 3. A new section to title 15 of the North Dakota Century Code is hereby created and enacted to read as follows:

School district restructuring - Planning grant - Final report.

1. Upon receipt of a request for a planning grant from a consortium of school districts whose school boards have by majority vote approved participation in a planning grant to study the restructuring of school boundaries and upon approval of the state board of public school education, the superintendent of public instruction shall provide financial assistance and, if requested, technical assistance.
2. The planning grant must include the study and analysis of:
 - a. Past and projected enrollment trends and other student demographic characteristics and special service needs.
 - b. School facilities.
 - c. Student transportation systems.
 - d. Financial resources available from local, state, and federal sources.
 - e. Personnel characteristics, capabilities, and assignments.
 - f. Other factors as deemed important.
3. The final report must include:
 - a. An analysis of data studied, the findings, and recommendations.

- b. A plan for the restructuring of the participating school districts.
 - c. A time line for the implementation of the plan.
 - d. Plans for the establishment of an interim district board to oversee the implementation of the plan.
4. Upon approval of the preliminary plan for the restructuring of the participating school districts by a majority vote of the school board members and the state board of public school education, the superintendent of public instruction shall make available supplemental payments as provided in section 6 of this Act.

SECTION 4. A new section to title 15 of the North Dakota Century Code is hereby created and enacted to read as follows:

Interim district board. The interim district board is composed of at least one school board member appointed by the school board of each participating school district. Each representative must be a member of the school board of the school district of the appointing school board. The representative shall serve at the pleasure of the appointing school board and may be recalled by a majority vote of the appointing board. Each board member's term expires at the end of that member's term on the local school board. The board shall adopt bylaws for the conduct of its business and is governed, unless specifically provided otherwise, by the laws applicable to school districts.

SECTION 5. A new section to title 15 of the North Dakota Century Code is hereby created and enacted to read as follows:

Interim district board - Powers and duties.

1. The interim district board shall:

- a. Coordinate the programs and services according to the terms of the approved plan for school district restructuring.
- b. Implement the plan for delivering education services.
- c. Implement methods for sharing administrative and management services. For the purposes of this subdivision an administrator includes:
 - (1) Executive administrators, which include the superintendent and such assistants as deputy, associate, and assistant superintendents who perform activities with respect to the general direction and management of the affairs of the local school district.
 - (2) Business administrators, which includes personnel associated with activities concerned with purchasing, paying for, transporting, exchanging, and maintaining goods and services for the school district.

- d. Develop a process for school districts or parts of school districts to join or withdraw from the projected restructured school district.
- e. Develop procedures for a pupil who is a resident of a member district to enroll in programs or courses offered by another member district and the sharing of costs.
- f. Establish methods for involving parents and other constituents of the participating school districts.
- g. Review the plan annually and propose necessary amendments to the member school districts and to the state board of public school education for adoption by a majority vote of each body.
- h. Submit an annual report to the participating school boards of the participating school districts at their annual meetings in July of each year and to the superintendent of public instruction on the same date.

SECTION 6. A new section to title 15 of the North Dakota Century Code is hereby created and enacted to read as follows:

State aid - Planning grants - Supplemental pupil payments.

1. Payments for approved planning grants must be made quarterly for a period not to exceed one year.
2. Each participating school district is entitled to receive state aid for a period not to exceed three years in the amount of from one hundred twenty-five to one hundred sixty-five dollars per full-time equivalent pupil in average daily membership the previous year in the participating school districts. The superintendent of public instruction shall distribute the payments pursuant to section 15-40.1-05. Prior to being entitled to the maximum payment under this subsection, a participating school district must have one or more administrators jointly assigned and the participating districts' plan must be attempting to improve the quality of instruction as determined by the superintendent of public instruction.
3. Upon adoption of the restructuring plan by the voters of the participating school districts pursuant to chapter 15-27.3, the newly formed school district is eligible to receive the supplemental pupil payment for an additional period of two years following the effective date of the reorganization based on the number of full-time equivalent students in average daily membership during the year prior to the effective date of the reorganization.

SECTION 7. A new section to title 15 of the North Dakota Century Code is hereby created and enacted to read as follows:

Assistance from superintendent of public instruction. The superintendent of public instruction may hire a state school district restructuring coordinator and assistants as may be necessary to assist

school districts in the planning, organizing, and implementation of the plan to restructure school districts.

SECTION 8. A new section to title 15 of the North Dakota Century Code is hereby created and enacted to read as follows:

Report to the legislative council and legislative assembly. The superintendent of public instruction shall report to the legislative council interim committee on education regarding the status of the planning grants and the known number of interim school districts and to the legislative assembly at the organizational session in 1990 regarding the status of planning grants for the biennium and the number of school districts that are implementing the plans developed under the planning grants during the second year of the 1989-91 biennium.

SECTION 9. APPROPRIATION. There is hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$180,000, or so much as may be necessary, to the superintendent of public instruction for the purpose of defraying the salary and expenses of the state school district restructuring coordinator, the sum of \$200,000, or so much thereof as may be necessary, for the purpose of making planning grants to the projected restructured districts, and the sum of \$874,500, or so much thereof as may be necessary, to the superintendent of public instruction for the purpose of making payments of from \$125 up to \$165 per pupil to the projected restructured districts, with an approved plan, for the biennium beginning July 1, 1989, and ending June 30, 1991. For the budget year 1990-91, if the state aid required to meet section 6 of this Act exceeds the amount available, the superintendent of public instruction shall reduce the supplemental pupil payments proportionally so that the state aid to be paid during the 1989-91 biennium does not exceed \$1,074,500.

SECTION 10. If House Bill No. 1637 is approved by the fifty-first legislative assembly, becomes effective, and contains a provision authorizing the superintendent of public instruction to distribute any unspent amount appropriated to the grants - foundation aid program, then a new section is hereby created and enacted to read as follows:

DISTRIBUTION OF UNSPENT FUNDS. If the amount appropriated pursuant to section 9 of this Act exceeds the amount necessary to make the payments as required in section 6 of this Act, the unspent amount must be made available to the superintendent of public instruction to distribute pursuant to the superintendent's authority to distribute any unspent amount appropriated to the grants - foundation aid program under the provisions of House Bill No. 1637.

SECTION 11. LEGISLATIVE INTENT. If school districts to the east and west of North Dakota highway 83 qualify for the pilot project, it is the intent of the legislative assembly that at least one pilot project be located on the east side of North Dakota highway 83 and at least one pilot project be located on the west side of North Dakota highway 83.

SECTION 12. EMERGENCY. This Act is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

The 1989-91 appropriation is based on the following:

	GENERAL FUND
Department of public instruction administration	\$ 180,000
Planning grants - 4 the first year, 6 more the second year at an average of \$20,000/grant	200,000
Per-pupil payments (2nd year) - \$125 to \$165 per pupil as determined by the rulemaking authority of public instruction for up to 5,300 students for the second year of the biennium. Before a school district can receive the maximum per-pupil amount of \$165, it must be determined by the Superintendent of Public Instruction that the school districts are sharing administrators and increasing the quality of instruction through the restructured district.	874,500
Total	<u>\$ 1,254,500</u>

Adds a statement of legislative intent that if possible, at least one pilot program will be located on each side of North Dakota Highway 83.

For the Senate: Sens. Heinrich, Mathern, Freborg

For the House: Reps. Gates, Payne, Aarsvold

Reengrossed HB 1507 was placed on the Seventh order of business on the calendar.

REP. GATES MOVED that the conference committee report on Reengrossed HB 1507 be adopted, which motion prevailed on a verification vote.

Reengrossed HB 1507, as amended, was placed on the Eleventh order of business on the calendar.

SECOND READING OF HOUSE BILL

HB 1507: A BILL for an Act to create and enact a new section to chapter 15-40.1 and seven new sections to title 15 of the North Dakota Century Code, relating to bonus payments for cooperative education programs and the establishment of planning grants and supplemental pupil payments for the restructuring of school district boundaries; to amend and reenact paragraph 2 of subdivision a of subsection 11 of section 15-39.1-04 of the North Dakota Century Code, relating to membership in the teachers' fund for retirement; to provide an appropriation; to provide for distribution of unspent funds; to provide for a statement of legislative intent; and to declare an emergency.

MOTION

REP. FLAAGAN MOVED the previous question, which motion prevailed.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 74 YEAS, 29 NAYS, 3 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Aas; Anderson, B.; Belter; Berg, G.; Berg, R.; Bernstein; Carlson; Christman; Clayburgh; Dalrymple; DeMers, J.; DeMers, P.; Dorso; Flaagan; Frey; Gates; Gerhardt; Gerl; Gerntholz; Goetz; Gorman; Graba; Halmrast; Haugen; Haugland; Hausauer, A.; Hoffner; Hokana; Huether; Jensen; Kaldor; Kelly; Kingsbury; Kloubec; Knell; Kolbo; Larson, D.; Larson, R.; Laughlin; Lindgren; Martinson; Myrdal; Nelson; Nicholas; Nowatzki; Oban; Olson, V.; Payne; Peterson; Ring; Rydell; Scherber; Schmidt; Schneider; Shaft; Skjerven; Sorensen; Soukup; Starke; Stenehjem; Stofferahn; Thompson, V.; Timm; Tokach; Tollefson; Tomac; Trautman; Ulmer; Wald; Watne; Wentz; Williams, A.; Speaker Kretschmar

NAYS: Brokaw; Enget; Gilmore; Gunsch; Hanson, L.; Hanson, O.; Howard; Kouba; Lang; Marks; Martin; Melby; Murphy; Ness; Olsen, D.; Olson, A.; O'Shea; Schatz; Schindler; Shide; Shockman; Smette; Solberg; Thompson, K.; Urlacher; Vander Vorst; Whalen; Wilkie; Williams, W.

ABSENT AND NOT VOTING: Anderson, R.; Hausauer, R.; Mertens

HB 1507 passed, the title was agreed to, and the emergency clause carried.

MESSAGE to the HOUSE from the SENATE (Patricia Conrad, Secretary)

MR. SPEAKER: The Senate has adopted the conference committee report on SB 2243 and subsequently passed the same.

REPORT OF CONFERENCE COMMITTEE

MR. SPEAKER: Your Conference Committee to which was referred Engrossed SB 2243 has had the same under consideration and recommends that the HOUSE RECEDE from the House amendments as found on pages 2071-2078 of the House Journal and that Engrossed SB 2243 be amended as follows:

Page 1, line 1, after "24-02" insert ", a new subsection to section 57-43.1-01, a new section to chapter 57-43.1, a new subsection to section 57-43.2-01, and a new section to chapter 57-43.2"

Page 1, line 3, remove the second "and"

Page 1, line 4, after "references" insert ", and cooperative agreements that may be entered into by the director of the department of transportation with other states for exchange of information and auditing of users of motor fuels and special fuels used in fleets of motor vehicles that operate interstate"

Page 4, line 21, after "all" insert "surface"

Page 4, line 23, after the period insert "Coordination must be established between the aeronautics commission planning section and the department of transportation office of planning for airport development as it pertains to surface access."

Page 12, after line 8, insert:

"SECTION 21. A new subsection to section 57-43.1-01 of the 1987 Supplement to the North Dakota Century Code is hereby created and enacted to read as follows:

"Director" means the director of the department of transportation.

SECTION 22. A new section to chapter 57-43.1 of the North Dakota Century Code is hereby created and enacted to read as follows:

Cooperative agreements between states.

1. The director may enter into cooperative agreements with other states for exchange of information and auditing of users of motor fuels used in fleets of motor vehicles operated or intended to operate interstate. An agreement or amendment to an agreement is not effective until filed in writing with the director.
2. An agreement under this section may provide for determining the base state for users, users' records requirements, audit procedures, exchange of information, persons eligible for tax licensing, defining qualified motor vehicles, determining if bonding is required, specifying reporting requirements and periods including defining the uniform penalty and interest rates for late reporting, determining methods for collecting and forwarding of motor fuel taxes and penalties to another jurisdiction, and other provisions as will facilitate the administration of the agreement.
3. The director may, as required by the terms of the agreement, forward to officers of another state any information in the director's or commissioner's possession relative to the manufacture, receipt, sale, use, transportation, or shipment of motor fuels by any person. The director may disclose to officers of another state the location of officers, motor vehicles, and other real and personal property of users of motor fuels.
4. An agreement may provide for each state to audit the records of persons based in the state, to determine if the motor fuel taxes due each state are properly reported and paid. Each state shall forward the findings of the audits performed on persons based in the state, to each state in which the person has taxable use of motor fuels. For persons not based in this state and who have taxable use of motor fuel in this state, the director or the commissioner may serve the audit findings received from another state, in the form of an assessment, on the person as though an audit was conducted by the director or the commissioner.
5. Any agreement entered under this section does not preclude the director or the commissioner from auditing the records of any person covered by the provisions of this chapter.
6. The provisions of any agreement entered into under this section prevail over any conflicting rules adopted by the director or the commissioner.

SECTION 23. A new subsection to section 57-43.2-01 of the 1987 Supplement to the North Dakota Century Code is hereby created and enacted to read as follows:

"Director" means the director of the department of transportation.

SECTION 24. A new section to chapter 57-43.2 of the North Dakota Century Code is hereby created and enacted to read as follows:

Cooperative agreements between states.

1. The director may enter into cooperative agreements with other states for exchange of information and auditing of users of special fuels used in fleets of motor vehicles operated or intended to operate interstate. An agreement or amendment to an agreement is not effective until filed in writing with the director.
2. An agreement under this section may provide for determining the base state for users, users' records requirements, audit procedures, exchange of information, persons eligible for tax licensing, defining qualified motor vehicles, determining if bonding is required, specifying reporting requirements and periods including defining the uniform penalty and interest rates for late reporting, determining methods for collecting and forwarding of special fuel taxes and penalties to another jurisdiction, and other provisions as will facilitate the administration of the agreement.
3. The director may, as required by the terms of the agreement, forward to officers of another state any information in the director's or commissioner's possession relative to the manufacture, receipt, sale, use, transportation, or shipment of special fuels by any person. The director may disclose to officers of another state the location of officers, motor vehicles, and other real and personal property of users of special fuels.
4. An agreement may provide for each state to audit the records of persons based in the state, to determine if the special fuel taxes due each state are properly reported and paid. Each state shall forward the findings of the audits performed on persons based in the state, to each state in which the person has taxable use of special fuels. For persons not based in this state and who have taxable use of special fuel in this state, the director or the commissioner may serve the audit findings received from another state, in the form of an assessment, on the person as though an audit was conducted by the director or the commissioner.
5. Any agreement entered under this section does not preclude the director or the commissioner from auditing the records of any person covered by the provisions of this chapter.
6. The provisions of any agreement entered into under this section prevail over any conflicting rules adopted by the director or the commissioner."

Renumber accordingly

For the Senate: Sens. Satrom, Hilken, Mutch

For the House: Reps. Timm, Dorso, V. Thompson

Engrossed SB 2243 was placed on the Seventh order of business on the calendar.

MOTION

REP. KLOUBEC MOVED that the rules be suspended and that Reengrossed HB 1507 be messaged to the Senate immediately, which motion prevailed.

SIGNING of BILLS and RESOLUTIONS (Roy Gilbreath, Chief Clerk)

THE CHIEF CLERK ANNOUNCED that the Speaker signed the following enrolled bills: SB 2003, SB 2004, SB 2005, SB 2006, SB 2014, SB 2270.

MESSAGE to the SENATE from the HOUSE (Roy Gilbreath, Chief Clerk)

MR. PRESIDENT: The Speaker has signed: SB 2003, SB 2004, SB 2005, SB 2006, SB 2014, SB 2270.

MESSAGE to the SENATE from the HOUSE (Roy Gilbreath, Chief Clerk)

MR. PRESIDENT: The House has adopted the conference committee report on HB 1507 and subsequently passed the same.

REPORT OF CONFERENCE COMMITTEE

REP. K. THOMPSON MOVED that the conference committee report on Engrossed HB 1637 be adopted, which motion prevailed.

Engrossed HB 1637, as amended, was placed on the Eleventh order of business on the calendar.

SECOND READING OF HOUSE BILL

HB 1637: A BILL for an Act to amend and reenact section 15-34.2-03, subsections 2 and 3 of section 15-40.1-06, sections 15-40.1-07, 15-40.1-08, 15-40.1-16, and subsection 1 of section 15-40.2-03 of the North Dakota Century Code, relating to the foundation aid weighting factors, the per-pupil payment, the equalization factor, and transportation aid to schools; and to provide for contingent additional per-pupil foundation aid payments.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 102 YEAS, 2 NAYS, 2 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Aas; Anderson, B.; Anderson, R.; Belter; Berg, G.; Bernstein; Brokaw; Carlson; Christman; Clayburgh; Dalrymple; DeMers, J.; DeMers, P.; Dorso; Enget; Flaagan; Frey; Gates; Gerhardt; Gerl; Gerntholz; Gilmore; Goetz; Gorman; Graba; Gunsch; Hanson, L.; Hanson, O.; Haugen; Haugland; Hausauer, A.; Hoffner; Hokana; Howard; Huether; Jensen; Kaldor; Kelly; Kingsbury; Kloubec; Knell; Kolbo; Kouba; Lang; Larson, D.; Larson, R.; Laughlin; Lindgren; Marks; Martin; Martinson; Melby; Murphy; Myrdal; Nelson; Ness; Nicholas; Nowatzki; Oban; Olsen, D.; Olson, A.; Olson, V.; O'Shea; Payne; Peterson; Ring; Rydell; Schatz; Scherber; Schindler; Schmidt; Schneider; Shaft; Shide; Shockman; Skjerven; Smette; Solberg; Sorensen; Soukup; Starke; Stenehjem; Stofferahn; Thompson, K.; Thompson, V.; Timm; Tokach; Tollefson; Tomac; Trautman; Ulmer; Urlacher; Vander Vorst; Wald; Watne; Wentz; Whalen; Wilkie; Williams, A.; Williams, W.; Speaker Kretschmar

NAYS: Berg, R.; Halmrast

ABSENT AND NOT VOTING: Hausauer, R.; Mertens

HB 1637 passed and the title was agreed to.

MOTION

REP. KLOUBEC MOVED that the rules be suspended and that Engrossed HB 1637 be messaged to the Senate immediately, which motion prevailed.

MESSAGE to the SENATE from the HOUSE (Roy Gilbreath, Chief Clerk)

MR. PRESIDENT: The House has adopted the conference committee report on HB 1637 and subsequently passed the same.

REPORTS OF CONFERENCE COMMITTEES

MR. SPEAKER: Your Conference Committee to which was referred Engrossed HB 1002 has had the same under consideration and recommends that the SENATE RECEDE from the Senate amendments as found on pages 2245-2254 of the House Journal and that Engrossed HB 1002 be amended as follows:

Page 1, line 5, after "15-21" insert ", a new section to chapter 15-27.4, and two new sections to chapter 15-65"

Page 1, line 7, replace the first "and" with a comma, after "education" insert ", tax credits for unobligated cash balances of dissolved school districts, and school district telecommunications grants", after "reenact" insert "section 15-21-02, the new section to chapter 15-34.1 of the North Dakota Century Code as created by section 6 of House Bill No. 1421, as approved by the fifty-first legislative assembly, and", and replace "section" with "sections"

Page 1, line 8, replace "15-40.1-08" with ", 15-60-03, 15-60-06, 15-60-07, subdivision j of subsection 1 of section 57-15-14.2, and subsection 1 of section 57-15-17.1" and replace "proportionate state" with "the salary of the superintendent of public instruction, foundation aid payments to school districts for supervising home-based instruction,"

Page 1, line 9, replace "aid payments for elementary summer school programs" with ", the transformation of the state school construction fund into an interest buydown fund, and asbestos abatement" and after the semicolon insert "to repeal sections 15-60-04, 15-60-05, and 15-60-09 of the North Dakota Century Code, relating to construction contracts with the board of public school education and the power of the board to acquire land;"

Page 1, line 11, replace "an effective date" with "for a legislative council study of education finance issues"

Page 2, line 1, replace "7,061,378" with "7,166,120"

Page 2, line 3, replace "3,844,069" with "3,709,189"

Page 2, line 4, replace "600,342" with "603,342"

Page 2, line 5, replace "376,898,570" with "374,198,588"

Page 2, line 9, replace "546,684,052" with "543,956,932"

Page 2, line 11, replace "413,425,177" with "410,698,057"

Page 2, line 14, replace "1,902,287" with "2,098,171"

Page 2, line 15, replace "2,000" with "10,000"

Page 2, line 19, replace "15,805,538" with "15,683,434"

Page 2, line 21, replace "22,828,852" with "22,910,632"

Page 2, line 22, replace "9,226,532" with "9,245,805"

Page 2, line 23, replace "13,602,320" with "13,664,827"

Page 2, line 24, replace "427,027,497" with "424,362,884"

Page 2, line 25, replace "142,485,407" with "142,504,680"

Page 2, line 26, replace "569,512,904" with "566,867,564"

Page 3, line 20, remove "for the purpose of administering and providing grants for"

Page 3, line 21, remove "electronic media instruction"

Page 3, line 22, after "transferred" insert ", \$10,492 shall be used to administer the state school construction fund, \$350,000 shall be used by the superintendent of public instruction for transitional telecommunications projects" and remove "for"

Page 3, line 23, remove "electronic media instruction"

Page 3, line 24, replace the second "and" with a comma

Page 3, line 26, after "Dakota" insert ", and \$150,000 and any amount not spent on transitional projects shall be used for administration and grants pursuant to section 14 of this Act"

Page 4, after line 8, insert:

"SECTION 7. AMENDMENT. Section 15-21-02 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-21-02. Salary and traveling expenses. The annual salary of the superintendent of public instruction is ~~forty-seven~~ fifty thousand three hundred dollars. ~~He shall be allowed in addition thereto his~~ The superintendent is also entitled to reimbursement for expenses incurred in the discharge of his official duties, such expenses to be paid monthly on a warrant prepared by the office of management and budget and signed by the state auditor, upon the filing of an itemized and verified statement of expenses."

Page 4, underscore lines 11 through 29

Page 5, underscore lines 1 through 19

Page 5, after line 19, insert:

"SECTION 9. A new section to chapter 15-27.4 of the North Dakota Century Code is hereby created and enacted to read as follows:

Unobligated cash balance of dissolved school district - Tax credits. The unobligated cash balance in excess of ten thousand dollars which is not designated for indebtedness of any school district dissolved after January 1, 1989, is a credit for the residents of the dissolved school district against taxes levied by the school district the dissolved school district is attached to in the year or years following the dissolution depending on the average local effort based on the previous five-year average as calculated by the county superintendent. If a school district is dissolved and attached to more than one school district, the credit that the residents of the attached school district receive from the receiving school district must be in the same proportion to the remaining unobligated cash balance as the taxable valuation of the property bears to the total taxable valuation of the property in the school district that existed prior to dissolution.

SECTION 10. AMENDMENT. The new section to chapter 15-34.1 of the North Dakota Century Code as created by section 6 of House Bill No. 1421, as approved by the fifty-first legislative assembly, is hereby amended and reenacted to read as follows:

State aid. For purposes of allocating foundation aid and other state assistance to local school districts, ~~students~~ a student receiving home-based instruction ~~shall be~~ is deemed enrolled in the school district in which ~~they reside~~ the student resides if the student is supervised by a certificated teacher employed by the public school district in which the parent resides. A school district is entitled to one-half of the per-pupil payment provided in section 15-40.1-06 times the appropriate factor in section 15-40.1-07 or 15-40.1-08 for each such student."

Page 5, remove lines 20 through 29

Page 6, remove lines 1 through 28

Page 7, remove lines 1 through 29

Page 8, remove lines 1 through 29

Page 9, remove lines 1 through 3

Page 9, after line 3, insert:

"SECTION 11. AMENDMENT. Section 15-60-03 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-60-03. Purposes and general powers.

1. The state school construction fund is created for the purpose of constructing and improving public school buildings; and furnishing and equipping the same for use as public schools; as a part of the public school system of the state of North Dakota under the jurisdiction of the department of public instruction. The board is hereby granted and shall have and

may exercise all the powers necessary or convenient for the carrying out of the aforesaid purposes including, but without limiting the generality of the foregoing, the following rights and powers:

- a. To sue and be sued in all courts.
- b. To acquire, purchase, hold, lease, sell, transfer, dispose of, or use any property, real, personal or mixed, tangible or intangible, or any interest therein, necessary or desirable for carrying out the purposes of the state school construction fund.
- c. To acquire by purchase, lease, or otherwise and to construct, improve, and repair projects.
- d. To make bylaws for the management and regulation of its affairs.
- e. To appoint officers, agents, employees, and servants, to prescribe their duties, and to fix their compensation.
- f. To fix, alter, charge, and collect rentals and other charges for the use of the facilities or, for the services rendered by, the board or projects thereof, at reasonable rates to be determined by it for the purpose of providing for the payment of the expenses of the board, the construction, improvement, and repair of its facilities and properties, and to fulfill the terms and provisions of any agreements made with the purchasers or holders of any such obligations.
- g. To make contracts of every name and nature and to execute all instruments necessary or convenient for the carrying on of its business.
- h. To have the power of eminent domain.
- i. To pledge, hypothecate, and otherwise encumber, all or any of the revenues or receipts of the fund as security for all, or any of, the obligations of the board.
- j. To do all acts and things necessary or convenient to carry out the powers granted to it by this chapter or any other acts.

There is established a state school construction fund to be maintained by the board at the Bank of North Dakota. The board may use the fund to buydown or reduce the interest paid by a school district on the Bank's portion of the construction loan. The interest buydown program under this section must be implemented under rules adopted by the board.

2. The board shall have no power at any time or in any manner to pledge the credit or taxing power of the state or any other school districts. No obligations or debts of the board shall be deemed to be obligations of the state or any other school districts, and the state or any other school districts shall

~~not be liable for the payment of principal or interest on such obligations-~~ The board Bank of North Dakota shall at no time enter into any contract with a school district under the provisions of this chapter, unless such school district is at that time annually levying a sufficient mill levy which the board has determined will provide for repayment of the contracted loan within twenty years after the initial payment from the state school construction fund Bank of North Dakota to the school district, but a school district shall not borrow more than thirty percent of the taxable valuation of the district or five million dollars from the fund Bank and shall not be permitted to levy less than ten mills for the maintenance of a building fund. The loan contracted for by the school district from the Bank must be repaid by the school district together with two and one-half percent interest per annum. The interest buydown fund must be used by the board to cover the difference between the Bank's current loan rate and the rate of two and one-half percent interest per annum. The levy required by this section for repayment must be maintained over the life of the contract with the board Bank, and the school district must have at the time of the loan an existing indebtedness to the maximum limit permitted by law. In determining whether a school district has an existing indebtedness to the maximum limit permitted by law for purposes of this section, the value of taxable property means twice the taxable value of all taxable property in the school district.

3. All contracts between the board Bank and school districts shall be conditioned upon the preparation of general plans for the orderly development of improved attendance areas and administrative units and for the improved housing of the public schools of the state. These plans shall be prepared cooperatively by local, county, and state school authorities, in accordance with standards and regulations prescribed by the department. The department shall have authority and its duty shall be to review all construction projects to determine:
 - a. The extent to which they conform to state plans.
 - b. The amount of improvement to be brought about in attendance areas and administrative units.
 - c. The usefulness and adequacy of the proposed building for classroom purposes with respect to design, location, safety, comfort, and convenience.
 - d. The ability of the local school district or districts to amortize the cost of construction and to defray the cost of operation and maintenance.
4. No contract shall be executed between the board Bank and school district without the specific written approval of the department.

SECTION 12. AMENDMENT. Section 15-60-06 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-60-06. Governing body. The board shall meet for the purpose of ~~making plans for the administration of the school construction fund and the~~ receiving and reviewing of applications for construction or improvements. Five members of the board shall constitute a quorum for the purpose of conducting the business thereof and for all other purposes, and all other actions shall be taken by a unanimous vote of the quorum. The board shall have full authority to manage the properties and business of the board. The board, acting through the office of the superintendent of public instruction, shall fix and determine the number of officers, agents, and employees it shall employ and their respective compensation and duties, and may delegate to one or more of their number, or to one or more of said officers, agents, or employees, such powers and duties as it may deem proper.

SECTION 13. AMENDMENT. Section 15-60-07 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-60-07. Moneys of the fund. The custodian of the building fund of any school district for which a building or an addition to an existing building has been constructed shall pay annually to the ~~state treasurer~~ Bank of North Dakota all moneys due as ~~rental or rentals~~ loan payments together with two and one-half percent interest as herein provided, ~~which money shall be credited to the state school construction fund.~~ For those contracts in force before July 1, 1989, the school district will continue to pay the rental payments, plus two and one-half percent interest to the state treasurer to be deposited into the state school construction fund. The moneys in ~~said account the fund~~ shall be paid out on the warrant or other order by the chairman and secretary of the board. The state auditor or his legally authorized representatives are hereby authorized and directed to audit the accounts and books of the board, including its receipts, disbursements, contracts, leases, sinking funds, investments, and any other matters relating to its finances, operation, and affairs annually.

SECTION 14. Two new sections to chapter 15-65 of the North Dakota Century Code are hereby created and enacted to read as follows:

Telecommunications grants - Matching by school districts. The educational telecommunications council may require a school district to provide up to twenty-five percent in matching funds to receive any funds appropriated or that may otherwise become available for telecommunications.

Plan for statewide system of interactive telecommunications - Solicitation of grants. In developing and implementing a plan for a statewide system of interactive telecommunications, the educational telecommunications council shall solicit grants to be used in conjunction with moneys appropriated by the legislative assembly for telecommunications. Any moneys appropriated by the legislative assembly for telecommunications, unless specifically provided otherwise, and any grants received in accordance with this section must be used to implement the plan developed by the educational telecommunications council pursuant to this chapter.

SECTION 15. AMENDMENT. Subdivision j of subsection 1 of section 57-15-14.2 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

- j. The removal of asbestos substances from school buildings or the abatement of asbestos substances in school buildings under any method approved by the United States environmental protection agency and any repair, replacement, or remodeling that results from such removal or abatement.

SECTION 16. AMENDMENT. Subsection 1 of section 57-15-17.1 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

1. The governing body of any public school district may by resolution adopted by a two-thirds vote of the school board dedicate a tax levy for purposes of this section of not exceeding fifteen mills on the dollar of taxable valuation of property within the district for a period not longer than fifteen years. The school board may authorize and issue general obligation bonds to be paid from the proceeds of this dedicated levy for the purpose of providing funds for the removal of asbestos substances from school buildings or the abatement of asbestos substances in school buildings under any other method approved by the United States environmental protection agency and for any repair, replacement, or remodeling that results from removal or abatement of asbestos substances.

SECTION 17. LEGISLATIVE COUNCIL STUDY OF EDUCATION FINANCE ISSUES. It is recommended that an interim legislative council committee, consisting of legislators and three professional educators including one educator from a small school district, one educator from a medium school district, and one educator from a large school district, to be selected by the legislative council, shall conduct a study during the 1989-90 interim of education finance issues, including the issues of adequate funding for school districts, inequities in the distribution of transportation aid to schools, local effort in support of schools, and other funding sources including federal programs and energy taxes revenue. The interim committee shall review the operation and effect of any laws passed during the 1989 legislative session affecting the county superintendents of schools, ending balances of school districts, reorganization of school districts, educational telecommunications, testing, and nonaccreditation of schools."

Page 9, remove lines 9 through 14

Page 9, after line 14, insert:

"SECTION 19. REPEAL. Sections 15-60-04, 15-60-05, and 15-60-09 of the North Dakota Century Code are hereby repealed."

Page 9, remove lines 28 and 29

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 201 - DEPARTMENT OF PUBLIC INSTRUCTION

The amendment reduces the general fund appropriation for Public Instruction from the engrossed bill by \$2,727,120 and by \$2,562,321 from the Senate version.

A schedule of the changes made to the engrossed bill is as follows:

	SALARIES AND WAGES	OPERATING EXPENSES	EQUIPMENT	FOUNDATION AID	GENERAL FUND TOTAL
Engrossed House Bill No. 1002	<u>\$7,061,378</u>	<u>\$3,844,069</u>	<u>\$600,342</u>	<u>\$376,898,570</u>	<u>\$413,425,177</u>
Superintendent's salary increase	\$ 7,478				\$ 7,478
Add .5 secretary	16,405				16,405
Add 1 FTE for teacher education programs	53,631	\$ 6,320	\$ 3,000		62,951
Net reduction in statewide testing and assessment program; provides funding for 1.5 FTE	27,228	(177,000)			(149,772)
Add funding for revising accreditation standards passed in HB 1472 and for increased reimbursement for county reorganization members passed in SB 2208		35,800			35,800
Foundation aid program (see following schedules)				\$(2,699,982)	(2,699,982)
Total changes	<u>\$ 104,742</u>	<u>\$ (134,880)</u>	<u>\$ 3,000</u>	<u>\$(2,699,982)</u>	<u>\$(2,727,120)</u>
Amended line item in bill	\$7,166,120	\$3,709,189	\$603,342	\$374,198,588	\$410,698,057

The following schedule compares the House version's, Senate version's, and conference committee foundation aid line item:

	HOUSE	SENATE	CONFERENCE COMMITTEE
<u>Foundation Program</u>			
Per-pupil payments	\$388,571,034*	\$377,181,800*	\$378,769,140
Less: School district mill levy deduction **	(47,920,893)	(38,720,082)	(41,207,625)
Total per-pupil payments	<u>\$340,650,141</u>	<u>\$338,461,718</u>	<u>\$337,561,515</u>
Transportation payments	<u>36,248,429</u>	<u>37,979,739</u>	<u>36,637,073</u>
Total general fund - foundation program	\$376,898,570	\$376,441,457	\$374,198,588
<u>Tuition Apportionment</u>			
	<u>\$ 48,200,000</u>	<u>\$ 48,200,000</u>	<u>\$ 48,200,000</u>
Total foundation aid and tuition apportionment	\$425,098,570	\$424,641,457	\$422,398,588

* The House version's per-pupil payments amount included \$440,000 for bonus payments provided to high schools for cooperative education programs compared to the Senate version that includes \$200,000 for cooperative program transportation programs. The per-pupil payments amount also includes \$500,000 for both the Senate and House versions for elementary summer school programs during 1991 contained in House Bill No. 1002. The conference committee amendments do not include funding for the cooperative programs or elementary summer school programs.

** The different versions of the school district mill levy deduction are as follows:

Current law - 20 mills
 Executive budget - 40 mills
 House - 25 mills
 Senate - 20 mills
 Conference - 21 mills first year - 22 mills second year

The following is a schedule of the per-pupil and tuition fund payments and weighted units used in the House version and Senate version:

	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE
<u>First-year payments</u>			
Per-pupil base	\$ 1,550	\$ 1,500*	\$ 1,525
Tuition fund	200	200	200
Total first-year payments	<u>\$ 1,750</u>	<u>\$ 1,700</u>	<u>\$ 1,725</u>
<u>Second-year payments</u>			
Per-pupil base	\$ 1,604	\$ 1,550*	\$ 1,545
Tuition fund	200	200	200
Total second-year payments	<u>\$ 1,804</u>	<u>\$ 1,750</u>	<u>\$ 1,745</u>

Weighted units

First year	\$	122,907	\$	123,557	\$	123,557
Second year	\$	122,896	\$	123,546	\$	123,427

The per-pupil payments during the 1987-89 biennium were \$1,400 for the first year and an estimated \$1,364 for the second year after the allotment and \$1,412 prior to the allotment.

The weighted units under the different versions were based on the following:

Executive budget - Most recent five-year average of actual costs.

House - One-half the difference between the present weighted unit factors and the most recent five-year average.

Senate - One-fourth the difference between the present weighted unit factors and the most recent five-year average.

Conference - Senate version the first year; House version the second year except schools under 150 students at one-half the difference between the House and Senate versions.

* The Senate version if computed under the current weighted unit factors would be approximately \$8 less per year, or \$1,492 for the first year and \$1,542 for the second year.

Transportation payments

	HOUSE	SENATE	CONFERENCE
Small bus	.345	.355	.25
Large bus	.70	.72	.68
Pupil per day	.19	.19 to .665	.25

The salaries and wages line item is increased by \$7,478 from the general fund to provide for a \$50,300 annual salary for the Superintendent of Public Instruction. In addition, Section 15-21-02 is amended to provide for the \$50,300 salary.

The section which provides for a transfer from the state school construction fund to the Superintendent of Public Instruction is amended to reflect that of the \$1,160,492 transferred, \$10,492 is transferred to cover the costs to administer the state school construction fund; \$400,000 is to be used at matching funds to purchase a public television transmitter to serve South Central North Dakota; \$250,000 is to be used to contract for public and educational broadcasting services, \$350,000 is to be used for transitional projects, and the remaining \$150,000 is to be used for administering and providing grants for electronic media instruction.

The amendment provides that the educational telecommunications council may require school districts to match up to 25 percent of the telecommunication grants they receive and that the Educational Telecommunications Council shall solicit grants for telecommunications to be used with appropriated funds.

The amendment provides that payments for home school students are at one-half the per-pupil payment.

The amendment authorizes school districts to levy taxes to pay for the abatement of asbestos for methods approved by the Environmental Protection Agency.

The amendment provides that the state school construction fund becomes an interest buydown fund and the school construction loans will be obtained from the Bank of North Dakota.

The amendment also provides a recommendation that the Legislative Council have an interim education finance study.

DEPARTMENT 270 - BOARD FOR VOCATIONAL EDUCATION

The following is a schedule of changes made to the Vocational Education appropriation:

	GENERAL FUND	OTHER FUNDS	TOTAL
Add funds to restore 3 FTE deleted in Governor's budget (the House restored 4 of the 8 cut by the Governor)	\$ 62,507	\$ 133,377	\$ 195,884
Add funds to data processing for the new accounting system		8,000	8,000
Reduce other grants line item for federal funds transferred to fund a portion of the above changes		(122,104)	(122,104)
Total	\$ 62,507	\$ 19,273	\$ 81,780

The following is a schedule of the differences in the conference committee amendments and the Senate version:

	INCREASE (DECREASE) TO SENATE VERSION
Provide funding for 1.5 FTE rather than 4 FTE	\$ (169,680)
Reduce funding for statewide testing and assessment (from \$552,000 to \$402,228)	(149,772)
Reduce foundation aid (\$1,342,666 from transportation included)	(2,242,869)
Provide funding from the general fund for 2 FTE rather than 4 FTE in vocational education (1 funding source change)	(58,493)
Total	\$ (2,620,814)

For the Senate: Sens. Tallackson, Ewen, Lips
For the House: Reps. K. Thompson, Gates, Hoffner

Engrossed HB 1002 was placed on the Seventh order of business on the calendar.

REP. K. THOMPSON MOVED that the conference committee report on Engrossed HB 1002 be adopted, which motion prevailed.

Engrossed HB 1002, as amended, was placed on the Eleventh order of business on the calendar.

SECOND READING OF HOUSE BILL

HB 1002: A BILL for an Act to provide an appropriation for defraying the expenses of the superintendent of public instruction and the state board of vocational education of the state of North Dakota; to provide for a transfer of funds from the displaced homemaker fund and state school construction fund; to create and enact two new sections to chapter 15-21, a new section to chapter 15-27.4, and two new sections to chapter 15-65 of the North Dakota Century Code, relating to a revolving school district equipment and software fund, adult basic and secondary education, tax credits for unobligated cash balances of dissolved school districts, and school district telecommunications grants; to amend and reenact section 15-21-02, the new section to chapter 15-34.1 of the North Dakota Century Code as created by section 6 of House Bill No. 1421, as approved by the fifty-first legislative assembly, and sections 15-60-03, 15-60-06, 15-60-07, subdivision j of subsection 1 of section 57-15-14.2, and subsection 1 of section 57-15-17.1 of the North Dakota Century Code, relating to the salary of the superintendent of public instruction, foundation aid payments to school districts for supervising home-based instruction, the transformation of the state school construction fund into an interest buydown fund, and asbestos abatement; to repeal sections 15-60-04, 15-60-05, and 15-60-09 of the North Dakota Century Code, relating to construction contracts with the board of public school education and the power of the board to acquire land; to provide two sections of legislative intent regarding special education and vocational education postsecondary grants; and to provide for a legislative council study of education finance issues.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 101 YEAS, 3 NAYS, 2 ABSENT AND NOT VOTING.

YEAS: Aas; Anderson, B.; Anderson, R.; Belter; Berg, G.; Berg, R.; Bernstein; Brokaw; Carlson; Christman; Clayburgh; Dalrymple; DeMers, J.; DeMers, P.; Dorso; Enget; Flaagan; Frey; Gates; Gerhardt; Gerl; Gertholz; Gilmore; Goetz; Gorman; Graba; Gunsch; Halmrast; Hanson, L.; Hanson, O.; Haugen; Haugland; Hausauer, A.; Hoffner; Hokana; Howard; Huether; Jensen; Kaldor; Kelly; Kingsbury; Kloubec; Knell; Kolbo; Kouba; Lang; Larson, D.; Larson, R.; Laughlin; Lindgren; Marks; Martin; Martinson; Myrdal; Nelson; Ness; Nicholas; Nowatzki; Oban; Olsen, D.; Olson, A.; Olson, V.; O'Shea; Payne; Peterson; Ring; Rydell; Schatz; Scherber; Schindler; Schmidt; Schneider; Shaft; Shide; Shockman; Skjerven; Smette; Solberg; Sorensen; Soukup; Starke; Stenehjem; Stofferahn; Thompson, K.; Thompson, V.; Timm; Tokach; Tollefson; Tomac; Trautman; Ulmer; Urlacher; Vander Vorst; Wald; Watne; Wentz; Whalen; Wilkie; Williams, A.; Williams, W.; Speaker Kretschmar

NAYS: Aarsvold; Melby; Murphy

ABSENT AND NOT VOTING: Hausauer, R.; Mertens

HB 1002 passed and the title was agreed to.

MOTION

REP. KLOUBEC MOVED that the rules be suspended and that Engrossed HB 1002 be messaged to the Senate immediately, which motion prevailed.

MESSAGE to the SENATE from the HOUSE (Roy Gilbreath, Chief Clerk)

MR. PRESIDENT: The House has adopted the conference committee report on HB 1002 and subsequently passed the same.

REPORT OF CONFERENCE COMMITTEE

REP. TIMM MOVED that the conference committee report on Engrossed SB 2243 be adopted, which motion prevailed.

Engrossed SB 2243, as amended, was placed on the Fourteenth order of business on the calendar.

SECOND READING OF SENATE BILL

SB 2243: A BILL for an Act to create and enact six new sections to chapter 24-02, a new subsection to section 57-43.1-01, a new section to chapter 57-43.1, a new subsection to section 57-43.2-01, and a new section to chapter 57-43.2 of the North Dakota Century Code, relating to a department of transportation, its director, its assumption of functions and structure, administrative rules and references, and cooperative agreements that may be entered into by the director of the department of transportation with other states for exchange of information and auditing of users of motor fuels and special fuels used in fleets of motor vehicles that operate interstate; to amend and reenact section 2-05-03, subsections 7 and 11 of section 24-01-01.1, sections 24-02-13, 24-03-03, 24-16-02, 24-17-02, subsections 8, 12, and 13 of section 39-01-01, subsection 1 of section 39-16-01, subsection 7 of section 39-24-01, subsection 2 of section 49-17.1-01, section 49-18-41.1, subsection 1 of section 54-06-04, subsection 1 of section 54-27-19, and subsection 6 of section 57-40.3-01 of the North Dakota Century Code, relating to reporting by the director of aeronautics to the director of the department of transportation, substituting the department of transportation or its director for the state highway department or department of motor vehicles in definitions under titles 24 and 39, highway contracts, junkyard and billboard regulation, financial responsibility, snowmobile regulation, railroad service contracts, interstate motor carrier registration stamps, reports to the governor, tax revenue distribution and motor vehicle excise tax; to repeal sections 24-02-01, 24-02-02, 24-02-03, 24-02-04, 24-02-05, 24-02-06, and 24-02-38, subsection 14 of section 39-01-01, and sections 39-02-01, 39-02-02, and 39-02-04, relating to the state highway department, highway commissioner and commissioner's duties, highway chief engineer, additional highway appropriations, the motor vehicle registrar, and the registrar's salary, powers, and duties; to provide an appropriation; 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 104 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Aas; Anderson, B.; Anderson, R.; Belter; Berg, G.; Berg, R.; Bernstein; Brokaw; Carlson; Christman; Clayburgh; Dalrymple; DeMers, J.; DeMers, P.; Dorso; Enget; Flaagan; Frey; Gates; Gerhardt; Gerl; Gerntholz; Gilmore; Goetz; Gorman; Graba; Gunsch; Halmrast;

Hanson, L.; Hanson, O.; Haugen; Haugland; Hausauer, A.; Hoffner; Hokana; Howard; Huether; Jensen; Kaldor; Kelly; Kingsbury; Kloubec; Knell; Kolbo; Kouba; Lang; Larson, D.; Larson, R.; Laughlin; Lindgren; Marks; Martin; Martinson; Melby; Murphy; Myrdal; Nelson; Ness; Nicholas; Nowatzki; Oban; Olsen, D.; Olson, A.; Olson, V.; O'Shea; Payne; Peterson; Ring; Rydell; Schatz; Scherber; Schindler; Schmidt; Schneider; Shaft; Shide; Shockman; Skjerven; Smette; Solberg; Sorensen; Soukup; Starke; Stenehjem; Stofferahn; Thompson, K.; Thompson, V.; Timm; Tokach; Tollefson; Tomac; Trautman; Ulmer; Urlacher; Vander Vorst; Wald; Watne; Wentz; Whalen; Wilkie; Williams, A.; Williams, W.; Speaker Kretschmar

NAYS: None

ABSENT AND NOT VOTING: Hausauer, R.; Mertens

SB 2243 passed and the title was agreed to.

REPORT OF CONFERENCE COMMITTEE

MR. SPEAKER: Your Conference Committee to which was referred Engrossed HB 1004 has had the same under consideration and recommends that the SENATE RECEDE from the Senate amendments as found on pages 2314-2319 of the House Journal and that Engrossed HB 1004 be amended as follows:

- Page 1, line 3, after "reenact" insert "subsection 3 of section 19-02.1-14.1 as amended in section 1 of House Bill No. 1298, approved by the fifty-first legislative assembly, and"
- Page 1, line 4, after "to" insert "print size requirements for legends on drug prescription forms and"
- Page 1, line 5, remove "and" and "a"
- Page 1, line 6, replace "transfer" with "transfers" and after "and" insert "the state aid distribution fund; to provide"
- Page 1, line 7, after "54-44.1-11" insert "; to provide for an appropriation to various state agencies and institutions for payment of health insurance for part-time employees; to provide for a transfer to the pay equity implementation fund; to provide for a loan from the Bank of North Dakota to match federal disaster funds; to provide a contingent appropriation to the water commission, the department of health and consolidated laboratories, and the highway department for engineers' salaries; to provide for appropriation reduction authority; and to declare an emergency"
- Page 1, line 19, replace "4,977,321" with "5,214,608"
- Page 1, line 20, replace "2,145,745" with "2,155,745"
- Page 1, line 21, replace "2,985,861" with "3,000,785"
- Page 1, line 22, replace "64,785" with "76,785"
- Page 2, line 3, replace "193,035" with "193,035"

Page 2, remove line 4

Page 2, line 5, replace "36,650,890" with "36,425,101"

Page 2, line 7, replace "7,319,905" with "7,094,116"

Page 2, line 10, replace "7,332,113" with "7,653,568"

Page 2, line 11, replace "19,646,574" with "20,746,574"

Page 2, line 12, replace "5,522,000" with "5,532,000"

Page 2, line 13, replace "32,500,687" with "33,932,142"

Page 2, line 21, replace "7,319,905" with "8,876,972"

Page 2, line 22, replace "64,164,040" with "68,758,943"

Page 2, line 23, replace "71,483,945" with "77,635,915"

Page 3, after line 15, insert:

"SECTION 6. TRANSFER. Notwithstanding the provisions of section 57-39.2-26.1, there is hereby transferred the sum of \$1,600,000 from the state aid distribution fund to the general fund for the biennium beginning July 1, 1989, and ending June 30, 1991. Such transfer shall not reduce the amount of moneys that would otherwise be available for handicap accessibility projects pursuant to section 3 of House Bill No. 1018 as passed by the fifty-first legislative assembly. If a reduction is required pursuant to section 13 of this Act, the office of management and budget may also transfer the amount related to payments to political subdivisions not to exceed \$2,150,000 from the state aid distribution fund to the general fund. The money shall be transferred upon the direction of the office of management and budget. The amount transferred by this section shall not be considered an amount deposited in the state aid distribution fund for purposes of section 4 of House Bill No. 1018 as approved by the fifty-first legislative assembly.

SECTION 7. APPROPRIATION. The sums hereinafter listed, or so much thereof as may be necessary, are hereby appropriated out of any moneys in the general fund and from special funds in the state treasury, not otherwise appropriated, to the agencies and institutions of state government listed below for the purpose of paying health insurance premiums for part-time employees, previously excluded in the executive budget due to Senate Bill No. 2254 which has since been defeated, for the period beginning July 1, 1989, and ending June 30, 1991:

AGENCY	GENERAL FUND	SPECIAL FUNDS	TOTAL
Attorney General	\$ 3,365	\$	\$ 3,365
Director of Institutions	1,198		1,198
Department of Public Instruction	2,483	3,278	5,761
State Library	7,927		7,927
School for the Deaf	19,725		19,725
School for the Blind	29,841		29,841

Veterans' Home	958		958
Department of Human Services	176,519	240,778	417,297
Governor's Office - Protection and Advocacy Project	13,458		13,458
Bank of North Dakota		27,146	27,146
Job Service North Dakota		40,833	40,833
Department of Corrections and Rehabilitation	19,514		19,514
Seed Department		3,365	3,365
Wheat Commission		1,682	1,682
Soil Conservation Committee	1,198		1,198
Industrial Commission		3,365	3,365
Game and Fish Department		3,365	3,365
Parks and Recreation Department	2,395		2,395
Water Commission	3,365		3,365
Highway Department		10,094	10,094
Total	\$281,946	\$333,906	\$615,852

SECTION 8. AMENDMENT. Subsection 3 of section 19-02.1-14.1 of the 1987 Supplement to the North Dakota Century Code as amended in section 1 of House Bill No. 1298, as approved by the fifty-first legislative assembly, is hereby amended and reenacted to read as follows:

3. If a practitioner prescribes a drug by its brand name, the pharmacist may exercise professional judgment in the economic interest of the patient by selecting a drug product with the same generic name and demonstrated therapeutical equivalency as the one prescribed for dispensing and sale to the patient unless the practitioner specifically indicates in the practitioner's own handwriting "brand necessary" on a written prescription or expressly indicates that an oral prescription is to be dispensed as communicated. The pharmacist shall note the instructions on the file copy of the prescription. A reminder legend must be placed on all prescription forms. The legend must state: "In order to require that a brand name product be dispensed, the practitioner must handwrite the words 'brand necessary'." The legend printed on the prescription form must be in at least ~~sixteen point~~ six-point uppercase print. The pharmacist shall not substitute a generic name drug product unless its price to the purchaser is less than the price of the prescribed drug product. In addition, a pharmacist shall not substitute drug products in the following dosage forms: enteric coated tablets, controlled release products, injectable suspensions other than antibiotics, suppositories containing active ingredients for which systemic absorption is necessary for therapeutic activity, and different delivery systems for aerosol and nebulizer drugs. In the event that any drug listed above is, subsequent to January 1, 1982, determined to be therapeutically equivalent, then the previously mentioned substitution ban shall be automatically removed for that drug. The pharmacist shall inform the person receiving the drug when a prescription for a brand name drug product does not require that the prescribed drug be dispensed and of the

person's right to refuse a generic name drug product selected by the pharmacist. The pharmacy file copy of every prescription shall include the brand name, if any, or the name of the manufacturer, packer, or distributor of the generic name drug dispensed. A pharmacist who selects and dispenses a therapeutically equivalent generic name drug product shall assume no greater liability for selecting the dispensed drug product than would be incurred in filling a prescription for a drug product prescribed by its generic name. The practitioner is not liable for the substitution made by a pharmacist."

Page 3, after line 28, insert:

"SECTION 10. APPROPRIATION - GENERAL FUND TRANSFER TO PAY EQUITY IMPLEMENTATION FUND. There is hereby appropriated and authorized the transfer to the pay equity implementation fund in the state treasury, the sum of \$1,157,000, or so much thereof as may be necessary, from the general fund in the state treasury for the biennium beginning July 1, 1989, and ending June 30, 1991.

SECTION 11. CONTINGENT APPROPRIATION - LOAN AUTHORIZATION - BANK OF NORTH DAKOTA PROFITS - EMERGENCY COMMISSION. There is hereby appropriated and authorized the transfer of \$1,500,000, or so much thereof as may be necessary, from the undivided profits of the Bank of North Dakota to the emergency commission to provide a loan to match federal funds, which are also hereby appropriated to the emergency commission, under the Robert T. Stafford Disaster Emergency Assistance Act [Pub. L. 93-288, as amended] for the period beginning with the effective date of this Act and ending June 30, 1991. The \$1,500,000 appropriation is contingent upon the ability to match federal funds. The emergency commission shall transfer the appropriation authority to state agencies and institutions to provide disaster relief in accordance with federal law. Costs recovered by the state agencies and institutions for which a transfer of funds was made must be deposited in the Bank of North Dakota for the purpose of repaying the loan authorized under this section. The emergency commission may use moneys in the state contingency fund to repay the Bank of North Dakota if those funds are not otherwise needed. In addition to principal repayment, the Bank of North Dakota shall receive interest at the same rate earned by the general fund. If it is estimated that at the end of the 1989-91 biennium a balance will exist on the loan, the emergency commission shall request the 1991 legislative assembly for a deficiency appropriation to repay the loan.

SECTION 12. CONTINGENT APPROPRIATION - ENGINEER SALARIES. The sums hereinafter listed, or so much thereof as may be necessary, are hereby appropriated, subject to central personnel division review and approval, out of any moneys in the general fund in the state treasury and from the special funds of the agencies listed, not otherwise appropriated, to the agencies and institutions of state government listed below for the purpose of providing salary increases to engineers for the period beginning July 1, 1989, and ending June 30, 1991:

	GENERAL FUND	SPECIAL FUNDS	TOTAL
Water commission	\$ 180,000		\$ 180,000
Department of health and	163,910	\$ 163,910	327,820

consolidated laboratories			
Highway department		<u>1,165,632</u>	<u>1,165,632</u>
Total	\$ 343,910	\$ 1,329,542	\$ 1,673,452

SECTION 13. APPROPRIATION AUTHORITY REDUCTIONS. If the most recent forecast of the state general fund ending balance for the 1989-91 biennium is a negative balance, the director of the budget shall certify that fact to the governor and the budget section of the legislative council. After certification and upon the approval of the budget section, the appropriation authority enacted by the fifty-first legislative assembly is, prior to the application of section 54-44.1-12 or 54-44.1-13.1, proportionately reduced for each entity for which an appropriation from the state general fund or the state aid distribution fund was made by the fifty-first legislative assembly, as provided in this section. The total reductions must be in an amount to provide for an estimated ending balance that is not a negative balance at the end of the 1989-91 biennium, provided that in no event may the reduction in appropriation authority under this section exceed \$20,000,000. The amount of each reduction in appropriation authority must be proportional to the amounts provided in this section and the maximum reduction for each entity may not exceed the following amounts:

Superintendent of public instruction, not including the schools for blind and deaf or division of independent study	\$ 4,660,000
Board of higher education, including the institutions and offices under its control, except for the agricultural experiment station and the extension service	6,680,000
Department of human services	3,110,000
Payments to political subdivisions from the state aid distribution fund	2,150,000
Judicial branch	490,000
Legislative branch	170,000
Other	<u>2,740,000</u>
Total	\$20,000,000

The amount of \$2,740,000 included as other must be reduced proportionately by the office of management and budget from other general fund appropriations not otherwise reduced by this Act. The chief justice of the supreme court shall determine the line items from which reductions are to be made for the judicial branch and the chairman of the legislative council shall determine the line items from which reductions are to be made for the legislative branch.

SECTION 14. CONTINGENT SUSPENSION. The provisions of this Act supersede sections 54-44.1-12 and 54-44.1-13.1 if it is determined reductions are needed as provided in section 13 for appropriations from the state general fund or the state aid distribution fund for the period July 1, 1989, through June 30, 1991, unless for any reason the provisions of section 13 of this Act are not effective. If the reductions in appropriation authority provided in section 13 are not

sufficient to meet the shortfall in an affected fund, the provisions of sections 54-44.1-12 and 54-44.1-13.1 are applicable for additional reductions in appropriation authority.

SECTION 15. EMERGENCY. Section 11 of this Act is declared to be an emergency measure."

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 110 - OFFICE OF MANAGEMENT AND BUDGET

GENERAL FUND

Salaries and wages*

Adds 4 personnel analyst positions related to the pay equity implementation and salary administration (2 personnel analyst II positions - \$145,244 and 2 personnel analyst I positions - \$117,043 - there will be a delay in filling these positions because the amount appropriated is \$25,000 less than is needed)	\$ 237,287
---	------------

Data processing

Adds data processing moneys related to the 4 personnel analyst positions	\$ 10,000
--	-----------

Operating expenses

Adds operating expenses related to the 4 personnel analyst positions	\$ 14,924
--	-----------

Equipment

Adds equipment related to the 4 personnel analyst positions	\$ 12,000
---	-----------

Pay equity adjustments

Removes the pay equity adjustments funds from the agency's appropriation - these moneys are to be provided in a separate section of the bill	\$ (500,000)
--	--------------

Total increase (decrease)	\$ (225,789)
---------------------------	--------------

*Salaries and wages reflect legislative compensation policy contained in House Bill No. 1005.

DEPARTMENT 112 - CENTRAL DATA PROCESSING

OTHER FUNDS

Salaries and wages*

Restores 5 programmer/analyst positions deleted by the House	\$ 321,455
--	------------

Operating expenses

Restores funds deleted by the House for the downpayment of the upgrade of the central processor	\$ 1,100,000
---	--------------

Equipment

Restores funds deleted by the House for equipment related to the 5 positions above	\$ 10,000
--	-----------

Total increase	\$ 1,431,455
----------------	--------------

*Salaries and wages reflect legislative compensation policy contained in House Bill No. 1005.

Section 6 is added transferring \$1.6 million from the state aid distribution fund to the general fund. This amount includes funds which would have been paid to the political subdivisions because of the broadening of the sales tax base by the 51st Legislative Assembly.

Section 7 is added appropriating \$615,852 (\$281,946 from the general fund) for paying health insurance premiums for part-time employees because Senate Bill No. 2254 which required part-time employees to pay a portion of their health insurance premium was defeated.

Section 8 is added requiring pharmacists to use 6-point instead of 16-point legends on prescription forms.

This amendment also adds Section 10 to the bill providing for a \$1,157,000 general fund appropriation and transfer to the pay equity implementation fund for pay equity adjustments.

Section 11 is added with an emergency clause, authorizing a \$1.5 million loan to the Emergency Commission from the undivided profits of the Bank of North Dakota to be used to match federal disaster emergency funds for use by state agencies and institutions.

Section 12 is added appropriating \$1,673,452 (\$343,910 from the general fund) for increasing the engineer salaries, upon approval by the Central Personnel Division, in the Water Commission, Department of Health and Consolidated Laboratories, and the Highway Department to address the problems in recruiting and retaining those employees.

Sections 13 and 14 are added authorizing up to \$20 million in appropriation reductions for various agencies and institutions as recommended by the Office of Management and Budget and approved by the Budget Section.

For the Senate: Sens. Mushik, Wogsland, Lips

For the House: Reps. Kingsbury, Gunsch (refused to sign), Solberg

Engrossed HB 1004 was placed on the Seventh order of business on the calendar.

MOTION

REP. KLOUBEC MOVED that the rules be suspended and that SB 2243 be messaged to the Senate immediately, which motion prevailed.

RECONSIDERATION OF A VETOED MEASURE

HB 1071: A BILL for an Act to create and enact a new section to chapter 57-01 of the North Dakota Century Code, relating to the tax commissioner's authority to enter into cooperative compacts or agreements with other states to collect motor vehicle and special fuels taxes.

ROLL CALL

The question being on the passage of the bill, as enrolled, over the Governor's veto, which has been read, the roll was called and there were 0 YEAS, 103 NAYS, 3 ABSENT AND NOT VOTING.

YEAS: None

NAYS: Aarsvold; Aas; Anderson, R.; Belter; Berg, G.; Berg, R.; Bernstein; Brokaw; Carlson; Christman; Clayburgh; Dalrymple; DeMers, J.; DeMers, P.; Dorso; Enget; Flaagan; Frey; Gates; Gerhardt; Gerl; Gerntholz; Gilmore; Goetz; Gorman; Graba; Gunsch; Halmrast; Hanson, L.; Hanson, O.; Haugen; Haugland; Hausauer, A.; Hoffner; Hokana; Howard; Huether; Jensen; Kaldor; Kelly; Kingsbury; Kloubec; Knell; Kolbo; Kouba; Lang; Larson, D.; Larson, R.; Laughlin; Lindgren; Marks; Martin; Martinson; Melby; Murphy; Myrdal; Nelson; Ness; Nicholas; Nowatzki; Oban; Olsen, D.; Olson, A.; Olson, V.; O'Shea; Payne; Peterson; Ring; Rydell; Schatz; Scherber; Schindler; Schmidt; Schneider; Shaft; Shide; Shockman; Skjerven; Smette; Solberg; Sorensen; Soukup; Starke; Stenehjem; Stofferahn; Thompson, K.; Thompson, V.; Timm; Tokach; Tollefson; Tomac; Trautman; Ulmer; Urlacher; Vander Vorst; Wald; Watne; Wentz; Whalen; Wilkie; Williams, A.; Williams, W.; Speaker Kretschmar

ABSENT AND NOT VOTING: Anderson, B.; Hausauer, R.; Mertens

The House sustained the Governor's veto on HB 1071.

MESSAGE to the SENATE from the HOUSE (Roy Gilbreath, Chief Clerk)

MR. PRESIDENT: The House has adopted the conference committee report on SB 2243 and subsequently passed the same.

VETO CERTIFICATION

The following bill was delivered to the Legislative Council for veto certification: HB 1320.

MESSAGE to the HOUSE from the SENATE (Patricia Conrad, Secretary)

MR. SPEAKER: The Senate has adopted the conference committee report on HB 1007, HB 1049, and HB 1626 and subsequently passed the same.

MESSAGE to the HOUSE from the SENATE (Patricia Conrad, Secretary)

MR. SPEAKER: The Senate has adopted the conference committee report on HB 1507 and subsequently passed the same.

REPORT OF CONFERENCE COMMITTEE

MR. SPEAKER: Your Conference Committee to which was referred Engrossed SB 2021 has had the same under consideration and recommends that the HOUSE RECEDE from the House amendments as found on pages 1867-1868 of the House Journal and that Engrossed SB 2021 be amended as follows:

Page 1, line 2, after "Dakota" insert "; and to provide for a transfer from the capitol building fund"

Page 1, line 16, replace "142,959" with "134,124"

Page 1, line 17, replace "215,825" with "115,825"

Page 1, line 19, replace "4,888,776" with "4,779,941"

Page 1, line 20, replace "1,200,590" with "1,270,590"

Page 1, line 21, replace "3,688,186" with "3,509,351"

Page 2, remove line 2

Page 2, line 3, replace "351,204" with "397,204"

Page 2, line 4, replace "489,562" with "397,204"

Page 2, line 5, replace "4,177,748" with "3,906,555"

Page 2, line 6, replace "1,200,590" with "1,270,590"

Page 2, line 7, replace "5,378,338" with "5,177,145"

Page 2, after line 15, insert:

"SECTION 3. TRANSFER - CAPITOL BUILDING FUND. The amount of \$70,000, or so much thereof as may be necessary, included in the estimated income line item in section 1 of this Act, is hereby appropriated and shall be transferred by the office of management and budget at the request of the superintendent of the state historical board from the capitol building fund to the state historical board for the purpose of defraying the cost of the heritage center security system for the biennium beginning July 1, 1989, and ending June 30, 1991."

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 701 - HISTORICAL SOCIETY

This amendment provides the following changes to the executive budget recommendation for the State Historical Society:

	SENATE VERSION	HOUSE VERSION	CONFERENCE COMMITTEE	CONFERENCE COMMITTEE INCREASE (DECREASE) TO SENATE VERSION
Data processing	\$ 6,691	\$ 0	\$ 6,691	\$ 0
<u>Operating expenses</u>				
Motor pool costs	\$ 9,000	\$ 0	\$ 9,000	\$ 0
Exhibition and program activities	128,096	0	128,096	0
Total operating costs	\$ 137,096	\$ 0	\$ 137,096	\$ 0
<u>Equipment</u>				
Heritage Center security system	\$ 70,000	\$ 0	\$ 70,000	\$ 0
Education and	3,800	0	3,800	0

interpretive division equipment	18,835	0	10,000	(8,835)
State archives and historical research				
Other equipment	<u>14,359</u>	<u>0</u>	<u>14,359</u>	<u>0</u>
Total equipment	<u>\$ 106,994</u>	<u>\$ 0</u>	<u>\$ 98,159</u>	<u>\$ (8,835)</u>
Capital improvements	<u>\$ 100,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (100,000)</u>
Total additions to executive budget	\$ 350,781	\$ 0	\$ 241,946	\$ (108,835)
Estimated income	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 70,000*</u>	<u>\$ 70,000</u>
General fund	\$ 350,781	\$ 0	\$ 171,946	\$ (178,835)

* A section is added providing that \$70,000 be transferred from the capitol building fund to provide funding for the Heritage Center security system.

DEPARTMENT 704 - INTERNATIONAL PEACE GARDEN

The capital improvements line item of \$138,358 relating to bond payments for Peace Garden construction projects is deleted because an appropriation for the bond payments is included in House Bill No. 1037.

The grants line item is increased by \$46,000 from the general fund, from \$351,204 to \$397,204, to provide additional funds to the International Peace Garden to purchase a computer and for replacement equipment which the House had added. The Senate had provided no additional funding for the equipment.

For the Senate: Sens. Mushik, Wogsland, Thane
For the House: Reps. Gunsch, Gerntholz, Laughlin

Engrossed SB 2021 was placed on the Seventh order of business on the calendar.

MESSAGE to the HOUSE from the SENATE (Patricia Conrad, Secretary)

MR. SPEAKER: The Senate has adopted the conference committee report on SB 2021 and subsequently passed the same.

REPORT OF CONFERENCE COMMITTEE

REP. KINGSBURY MOVED that the conference committee report on Engrossed HB 1004 be adopted, which motion prevailed.

Engrossed HB 1004, as amended, was placed on the Eleventh order of business on the calendar.

MESSAGE to the HOUSE from the SENATE (Patricia Conrad, Secretary)

MR. SPEAKER: The Senate has not adopted the conference committee report on HB 1637 and the President has appointed as a new conference committee to act with a like committee from the House on:

HB 1637: Sens. O'Connell, Kelsh, Peterson

APPOINTMENT OF CONFERENCE COMMITTEE

THE SPEAKER ANNOUNCED that the Senate had not adopted the conference committee report on HB 1637 and appointed the following to a new Conference Committee on HB 1637: Reps. K. Thompson, Gates, L. Hanson.

SECOND READING OF HOUSE BILL

HB 1004: A BILL for an Act to make an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget of the state of North Dakota; to amend and reenact subsection 3 of section 19-02.1-14.1 as amended in section 1 of House Bill No. 1298, approved by the fifty-first legislative assembly, and section 54-14-08 of the North Dakota Century Code, relating to print size requirements for legends on drug prescription forms and the withholding of amounts of state employees' compensation; to provide for transfers from the preplanning revolving fund and the state aid distribution fund; to provide an exemption to the provisions of section 54-44.1-11; to provide for an appropriation to various state agencies and institutions for payment of health insurance for part-time employees; to provide for a transfer to the pay equity implementation fund; to provide for a loan from the Bank of North Dakota to match federal disaster funds; to provide a contingent appropriation to the water commission, the department of health and consolidated laboratories, and the highway department for engineers' salaries; to provide for appropriation reduction authority; 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 83 YEAS, 17 NAYS, 6 ABSENT AND NOT VOTING.

YEAS: Aas; Anderson, B.; Belter; Berg, G.; Berg, R.; Bernstein; Carlson; Christman; Clayburgh; Dalrymple; DeMers, J.; DeMers, P.; Dorso; Enget; Flaagan; Frey; Gerl; Gerntholz; Gilmore; Goetz; Gorman; Graba; Halmrast; Haugland; Hausauer, A.; Hoffner; Hokana; Howard; Huether; Jensen; Kaldor; Kelly; Kingsbury; Kloubec; Kolbo; Kouba; Lang; Larson, D.; Larson, R.; Laughlin; Lindgren; Marks; Martin; Martinson; Myrdal; Nelson; Ness; Nicholas; Nowatzki; Oban; Olson, V.; O'Shea; Payne; Peterson; Ring; Rydell; Schatz; Scherber; Schindler; Schmidt; Schneider; Shaft; Skjervren; Smette; Solberg; Soukup; Starke; Stenehjem; Stofferahn; Thompson, V.; Timm; Tollefson; Trautman; Ulmer; Urlacher; Vander Vorst; Wald; Watne; Wentz; Wilkie; Williams, A.; Williams, W.; Speaker Kretschmar

NAYS: Aarsvold; Anderson, R.; Gerhardt; Gunsch; Hanson, O.; Haugen; Knell; Melby; Murphy; Olsen, D.; Olson, A.; Shide; Shockman; Sorensen; Tokach; Tomac; Whalen

ABSENT AND NOT VOTING: Brokaw; Gates; Hanson, L.; Hausauer, R.; Mertens; Thompson, K.

HB 1004 passed, the title was agreed to, and the emergency clause carried.

MOTION

REP. KLOUBEC MOVED that the rules be suspended and that Engrossed HB 1004 be messaged to the Senate immediately, which motion prevailed.

MESSAGE to the SENATE from the HOUSE (Roy Gilbreath, Chief Clerk)

MR. PRESIDENT: The House has adopted the conference committee report on HB 1004 and subsequently passed the same.

MESSAGE to the SENATE from the HOUSE (Roy Gilbreath, Chief Clerk)

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

HB 1637: Reprs. K. Thompson, Gates, L. Hanson

REPORT OF CONFERENCE COMMITTEE

REP. GUNSCH MOVED that the conference committee report on Engrossed SB 2021 be adopted, which motion prevailed.

Engrossed SB 2021, as amended, was placed on the Fourteenth order of business on the calendar.

SECOND READING OF SENATE BILL

SB 2021: A BILL for an Act making an appropriation for defraying the expenses of the state historical board of the state of North Dakota; and to provide for a transfer from the capitol building fund.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 94 YEAS, 3 NAYS, 9 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Aas; Anderson, B.; Anderson, R.; Belter; Berg, G.; Berg, R.; Bernstein; Carlson; Christman; Clayburgh; Dalrymple; DeMers, J.; DeMers, P.; Dorso; Enget; Flaagan; Frey; Gerhardt; Gerl; Gerntholz; Gilmore; Goetz; Gorman; Graba; Gunsch; Halmrast; Hanson, O.; Haugen; Haugland; Hausauer, A.; Hoffner; Hokana; Howard; Huether; Jensen; Kaldor; Kelly; Kingsbury; Kloubec; Knell; Kolbo; Kouba; Lang; Larson, D.; Larson, R.; Laughlin; Lindgren; Marks; Martinson; Myrdal; Nelson; Ness; Nicholas; Nowatzki; Oban; Olsen, D.; Olson, A.; Olson, V.; O'Shea; Payne; Ring; Rydell; Schatz; Scherber; Schindler; Schmidt; Schneider; Shaft; Shide; Shockman; Smette; Solberg; Sorensen; Soukup; Starke; Stenehjem; Stofferahn; Thompson, V.; Timm; Tokach; Tollefson; Tomac; Trautman; Ulmer; Urlacher; Vander Vorst; Wald; Watne; Wentz; Wilkie; Williams, A.; Williams, W.; Speaker Kretschmar

NAYS: Melby; Murphy; Skjerven

ABSENT AND NOT VOTING: Brokaw; Gates; Hanson, L.; Hausauer, R.; Martin; Mertens; Peterson; Thompson, K.; Whalen

SB 2021 passed and the title was agreed to.

MESSAGE to the HOUSE from the SENATE (Patricia Conrad, Secretary)

MR. SPEAKER: The Senate has adopted the conference committee report on SB 2016 and SB 2114 and subsequently passed the same.

REQUEST

REP. KLOUBEC REQUESTED that the record show that the conference committee members on HB 1637 (Reprs. K. Thompson, Gates, and L. Hanson) were excused, which request was granted.

REPORTS OF CONFERENCE COMMITTEES

MR. SPEAKER: Your Conference Committee to which was referred Engrossed HB 1025 has had the same under consideration and recommends that the SENATE RECEDE from the Senate amendments as found on pages 2216-2221 of the House Journal and that Engrossed HB 1025 be amended as follows:

Page 1, line 1, replace "making" with "to make"

Page 1, line 2, replace "providing" with "to provide"

Page 1, line 3, replace "and providing" with "to provide"

Page 1, line 4, replace "and small business development centers" with "; and to amend and reenact sections 54-34-01, 54-34-03, and subsection 2 of section 54-34-06 of the North Dakota Century Code, relating to the purpose and membership of the economic development commission"

Page 1, line 13, replace "1,713,429" with "2,258,489"

Page 1, line 15, replace "2,647,344" with "3,755,761"

Page 1, line 16, replace "27,668" with "39,668"

Page 1, remove lines 17 through 19

Page 1, line 20, replace "287,896" with "2,105,425"

Page 1, line 21, replace "6,498,574" with "8,161,843"

Page 2, line 1, replace "2,578,487" with "2,651,628"

Page 2, line 2, replace "3,920,087" with "5,510,215"

Page 2, replace lines 8 through 29 with:

"SECTION 3. AMENDMENT. Section 54-34-01 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

54-34-01. Purpose of chapter. The economic development commission and director of the economic development commission appointed under this chapter are intended to carry out a program of promotion and economic development to enhance the general welfare of the state through the establishment of new business and industry, the expansion of existing business and industry, the development of new markets for agricultural, and other products, the encouragement of international trade, the development of tourism, and the attraction of new residents, business, and industry. The primary mission and focus of the program is the establishment and expansion of primary sector business and industry.

SECTION 4. AMENDMENT. Section 54-34-03 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

54-34-03. Economic development commission - Membership - Appointment and removal - Expenses. The economic development commission consists of the governor as chairman and ~~nine~~ ten members appointed by the governor, with one member appointed from each of the

eight planning districts ~~and~~, ~~one member to be appointed at large to represent minorities, and one member appointed to represent the state's system of higher education.~~ The members must be appointed for a term of five years staggered so that the term of at least one member expires each year. The governor shall fill vacancies in the same manner as the original appointment, except that vacancies occurring for other than the expiration of a term must be filled by appointment for only the remainder of the term of the member causing the vacancy. The governor shall appoint members to the commission on the basis of the special knowledge, experience, and interest of each member in the economic development of the state. The governor may receive nominations of candidates for appointment to the commission from the private sector and from public and private economic development agencies and organizations in the state in such form as may be required by the governor, including nominations from the state board of higher education for appointment of the member to represent the state's system of higher education. Any member of the commission may be removed by the governor for neglect of duty or malfeasance in office. Members of the commission may not receive a salary for their services, but are entitled to reimbursement for expenses incurred in attending meetings and otherwise performing official duties at the same rate as allowed other state officers.

SECTION 5. AMENDMENT. Subsection 2 of section 54-34-06 of the 1987 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

2. Plan, execute, and direct a program of publicity, research, and agricultural and industrial promotion, the primary mission and focus of which is the establishment and expansion of primary sector business and industry, which will:
 - a. Attract investors, investment capital, and new residents.
 - b. Foster and promote tourism and international trade.
 - c. Assist in improving the business and agricultural climate of North Dakota to encourage the growth and development of business and industry.

SECTION 6. LEGISLATIVE INTENT - COLLOCATION OF ECONOMIC DEVELOPMENT FUNCTIONS. It is the intent of the legislative assembly that if the North Dakota state university extension division develops area resource centers, the economic development commission, where practical and feasible, collocate the small business development centers and regional economic development council offices, or their equivalent, with the extension division's area resource centers.

SECTION 7. LEGISLATIVE INTENT - GRANTS, BENEFITS, AND CLAIMS. It is the intent of the legislative assembly that \$1,709,737 of the grants, benefits, and claims line item be made available to the North Dakota equity development corporation established by Senate Bill No. 2234 to be allocated as follows:

GRANT RECIPIENT	AMOUNT
1. University of North Dakota aerospace center	\$ 600,000

74th DAY	WEDNESDAY, APRIL 19, 1989	2473
2.	Center for innovation and business development at the university of North Dakota	169,737
3.	University of North Dakota energy and mineral research center for energy research including mild gasification and other research in Bismarck, Mandan, and western North Dakota, conducted with the approval of the lignite research council, established by the governor's executive order dated February 9, 1989	200,000
4.	Economic development management committee for university functions necessary to bring technological innovations and product discoveries to commercialization	200,000
5.	Small business innovation research	100,000
6.	Equity development corporation in accordance with the provisions of Senate Bill No. 2234	<u>440,000</u>
	Total	\$ 1,709,737"

Page 3, remove lines 1 through 13

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 601 - ECONOMIC DEVELOPMENT COMMISSION

Conference committee amendments:

Description	Salaries and Wages	Data Processing	Operating Expenses	Equipment	Grants, Benefits, and Claims	Other Line Item	Total All Funds	General Fund	Other Funds
Engrossed House Bill No. 1025	\$1,713,429	\$2,500	\$2,647,344	\$27,648	\$287,896	\$1,819,737	\$6,498,574	\$3,920,087	\$2,578,487
Changes:									
1. Restore 6 FTE deleted by House	\$ 451,861						\$ 451,861	\$ 398,700	\$ 53,161
2. Add funds to grants and benefits line to be allocated by the Equity Development Corporation as follows:									
Equity Development Corporation					440,000		440,000	440,000	
Aerospace Center					600,000		600,000	600,000	
Center for Innovation Management Committee					169,737		169,737	169,737	
Energy Research Center					200,000		200,000	200,000	
Small business innovation research					200,000		200,000	200,000	
Small business innovation research					100,000		100,000	100,000	
3. Add 1 FTE clerk and tourism advertising	36,014		760,986	3,000			800,000	800,000	
4. Add funds for industrial recruitment			216,146	3,000			219,146	219,146	
5. Add 1 FTE for new center in Milliaton	66,146		60,854	3,000			130,000	110,000	20,000
6. Add 1 FTE community training	66,146		80,000	3,000			149,146	149,146	

Description	Salaries and Wages	Data Processing	Operating Expenses	Equipment	Grants, Benefits, and Claims	Other Line Item	Total All Funds	General Fund	Other Funds
7. Increase regional councils funding to provide a total of \$335,680, \$20,960/region/year by transferring \$107,792 from operating expenses			\$ (107,792)		\$ 107,792		\$ 0	\$ 0	
8. Add salary and operating expenses - government procurement	10,000		90,223				100,223	100,223	
9. Delete funds for industrial and small business development program (Pacific rim) and Washington, D.C., office added by House						\$ (1,369,737) (250,000) (200,000)	(1,369,737) (250,000) (200,000)	(1,369,737) (250,000) (200,000)	
10. Reduce salaries and wages to remove salary and health insurance increases for new positions requested but not funded	(85,087)						(85,087)	(85,087)	
Total conference committee changes	\$ 545,060		\$ 1,108,617	\$ 12,000	\$ 1,817,529	\$ (1,819,737)	\$ 1,663,269	\$ 1,590,128	\$ 73,141
House Bill No. 1025 as amended	\$ 2,250,489	\$ 2,500	\$ 3,755,761	\$ 39,668	\$ 2,105,425		\$ 8,161,863	\$ 5,510,215	\$ 2,651,628
Senate version - House Bill No. 1025	\$ 2,575,890	\$ 2,500	\$ 4,295,606	\$ 51,668	\$ 2,685,529		\$ 9,611,193	\$ 6,979,565	\$ 2,631,628

In addition, these amendments replace the legislative intent in Sections 3, 4, and 5 with Sections 6 and 7 which provide legislative intent regarding the collocation of economic development functions and the allocation of grant funds added.

In addition, Sections 54-34-01, 54-34-03, and 54-34-06, relating to the Economic Development Commission, are amended to include a member representing the Board of Higher Education on the commission and to clarify that the primary mission of the commission is the establishment and expansion of primary sector business and industry.

For the Senate: Sens. Waldera, Yockim, Nelson (refused to sign)
 For the House: Reps. Dalrymple, Payne, Stofferahn

Engrossed HB 1025 was placed on the Seventh order of business on the calendar.

MR. SPEAKER: Your Conference Committee to which was referred Engrossed SB 2016 has had the same under consideration and recommends that the HOUSE RECEDE from the House amendments as found on pages 1906-1907 and 2172 of the House Journal and that Engrossed SB 2016 be amended as follows:

Page 1, line 11, replace "65,470,373" with "63,903,086"

Page 1, line 12, replace "2,484,083" with "2,552,083"

Page 1, line 13, replace "40,147,124" with "40,162,124"

Page 1, line 14, replace "15,731,528" with "15,746,528"

Page 1, line 15, replace "242,788,420" with "243,226,507"

Page 1, line 17, replace "376,248,950" with "375,217,750"

Page 1, line 18, replace "376,220,236" with "375,189,036"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 801 - HIGHWAY DEPARTMENT

This amendment provides for the following changes:

Salaries and wages	\$(1,603,719)
Capital improvements	<u>438,087</u>
Total reduction	\$(1,165,632)

This reduces the salaries and wages line item by \$1,603,719 for engineer and engineer technician increases because an increase for engineers of \$1,165,632 will be provided in House Bill No. 1004. The balance, \$438,087, is restored to capital improvements.

The amendment also increases the appropriation by \$134,432 for the international fuel tax agreement as follows:

Salaries - adds 2 FTE	\$ 36,432
Data processing	68,000
Operating expenses	15,000
Equipment	<u>15,000</u>
Total increase for international fuel agreement	\$134,432

For the Senate: Sens. Tallackson, Redlin, Naaden
 For the House: Reps. Kingsbury, Gunsch, Solberg

Engrossed SB 2016 was placed on the Seventh order of business on the calendar.

MR. SPEAKER: Your Conference Committee to which was referred SB 2114 has had the same under consideration and recommends that the HOUSE RECEDE from the House amendments as found on page 1976 of the House Journal and that SB 2114 be amended as follows:

Page 1, line 3, after "program" insert "and to authorize the state forest service to borrow funds for the centennial tree program"

Page 1, line 17, replace "20,800" with "289,057"

Page 1, line 18, replace "568,257" with "300,000"

Page 1, after line 18, insert:

"SECTION 2. STATE FOREST SERVICE - AUTHORIZATION TO BORROW FUNDS FOR CENTENNIAL TREE PROGRAM. The state forest service may borrow up to \$289,057 from the Bank of North Dakota for the purpose of defraying the expenses of the centennial tree program."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

The proposed amendments reduce the general fund appropriation by \$268,257, from \$568,257 to \$300,000, and increased estimated income by \$268,257. The House had reduced the general fund appropriation by \$568,257 and provided that the entire appropriation be from estimated income.

The amendment provides that the Forest Service may borrow up to \$289,057 from the Bank of North Dakota for the Centennial tree program.

For the Senate: Sens. Tallackson, Wogsland, Naaden

For the House: Reps. Payne, O. Hanson (refused to sign), Nowatzki

SB 2114 was placed on the Seventh order of business on the calendar.

REP. DALRYMPLE MOVED that the conference committee report on Engrossed HB 1025 be adopted, which motion prevailed.

Engrossed HB 1025, as amended, was placed on the Eleventh order of business on the calendar.

SECOND READING OF HOUSE BILL

HB 1025: A BILL for an Act to make an appropriation for defraying the expenses of the economic development commission of the state of North Dakota; to provide for a transfer from the state highway fund; to provide legislative intent regarding economic development; and to amend and reenact sections 54-34-01, 54-34-03, and subsection 2 of section 54-34-06 of the North Dakota Century Code, relating to the purpose and membership of the economic development commission.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 80 YEAS, 18 NAYS, 8 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Aas; Anderson, B.; Anderson, R.; Belter; Berg, R.; Bernstein; Brokaw; Carlson; Christman; Clayburgh; Dalrymple;

DeMers, J.; DeMers, P.; Enget; Frey; Gerhardt; Gerntholz; Gilmore; Goetz; Gorman; Graba; Halmrast; Haugen; Haugland; Hausauer, A.; Hoffner; Hokana; Huether; Jensen; Kaldor; Kelly; Kloubec; Knell; Kolbo; Larson, R.; Laughlin; Lindgren; Marks; Martin; Martinson; Myrdal; Nelson; Ness; Nicholas; Nowatzki; Oban; Olsen, D.; Olson, A.; Olson, V.; O'Shea; Payne; Peterson; Ring; Rydell; Scherber; Schmidt; Schneider; Shaft; Shockman; Solberg; Sorensen; Soukup; Starke; Stenehjem; Stofferahn; Timm; Tollefson; Tomac; Trautman; Ulmer; Urlacher; Vander Vorst; Wald; Watne; Wentz; Wilkie; Williams, A.; Williams, W.; Speaker Kretschmar

NAYS: Dorso; Gerl; Gunsch; Hanson, O.; Howard; Kingsbury; Kouba; Lang; Larson, D.; Melby; Murphy; Schatz; Schindler; Shide; Skjerven; Smette; Tokach; Whalen

ABSENT AND NOT VOTING: Berg, G.; Flaagan; Gates; Hanson, L.; Hausauer, R.; Mertens; Thompson, K.; Thompson, V.

(Conference committee members Reps. K. Thompson, Gates, and L. Hanson were excused.)

HB 1025 passed and the title was agreed to.

MOTION

REP. KLOUBEC MOVED that the rules be suspended and that Engrossed HB 1025 be messaged to the Senate immediately, which motion prevailed.

MESSAGE to the SENATE from the HOUSE (Roy Gilbreath, Chief Clerk)

MR. PRESIDENT: The House has adopted the conference committee report on HB 1025 and subsequently passed the same.

MOTION

REP. KLOUBEC MOVED that SB 2016 be placed at the foot of the Seventh order on the calendar, which motion prevailed.

REPORT OF CONFERENCE COMMITTEE

REP. PAYNE MOVED that the conference committee report on SB 2114 be adopted, which motion prevailed.

SB 2114, as amended, was placed on the Fourteenth order of business on the calendar.

SECOND READING OF SENATE BILL

SB 2114: A BILL for an Act providing an appropriation for the North Dakota forest service to increase tree seedling production and promote tree planting for the North Dakota centennial tree program and to authorize the state forest service to borrow funds for the centennial tree program.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 85 YEAS, 10 NAYS, 11 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Aas; Anderson, B.; Anderson, R.; Belter; Berg, R.; Bernstein; Brokaw; Carlson; Christman; Clayburgh; Dalrymple;

DeMers, J.; DeMers, P.; Enget; Frey; Gerhardt; Gerl; Gerntholz; Gilmore; Goetz; Gorman; Graba; Halmrast; Haugen; Haugland; Hausauer, A.; Hoffner; Hokana; Howard; Huether; Jensen; Kaldor; Kelly; Kingsbury; Kloubec; Kolbo; Kouba; Larson, D.; Larson, R.; Laughlin; Lindgren; Marks; Martin; Martinson; Myrdal; Ness; Nicholas; Nowatzki; Oban; Olsen, D.; Olson, A.; Olson, V.; O'Shea; Payne; Ring; Rydell; Schatz; Scherber; Schmidt; Schneider; Shaft; Shide; Shockman; Skjerven; Smette; Solberg; Sorensen; Soukup; Starke; Stenehjelm; Stofferahn; Timm; Tokach; Tollefson; Tomac; Trautman; Ulmer; Urlacher; Vander Vorst; Watne; Wilkie; Williams, A.; Williams, W.; Speaker Kretschmar

NAYS: Dorso; Gunsch; Hanson, O.; Knell; Lang; Melby; Murphy; Nelson; Schindler; Wald

ABSENT AND NOT VOTING: Berg, G.; Flaagan; Gates; Hanson, L.; Hausauer, R.; Mertens; Peterson; Thompson, K.; Thompson, V.; Wentz; Whalen

(Conference committee members Reps. K. Thompson, Gates, and L. Hanson were excused.)

SB 2114 passed and the title was agreed to.

POINT OF PERSONAL PRIVILEGE

REP. OBAN: Mr. Speaker: I rise on a point of personal privilege and request that my remarks be printed in the Journal.

"Prairie Rose"
by Dean Meyer

North Dakota has a state flower,
The beautiful Prairie Rose.
And much like Brynhild Haugland
Its beauty just grows and grows.

Brynhild has a special beauty
That glows from in her heart.
A beauty born of love and caring
That's been with her from the start.

Now Brynhild won't take credit
Even when credit is due.
But in caring for needy and old
Her work is never through.

When she became a legislator
Some said ladies didn't belong,
So they put her on social welfare
And she fit it like a song.

She will not tolerate inadequacy
And the coffee's always on time.
If she tells you to prepare amendments,
You'd better just say fine.

She can be as sharp as thorns
Or as tender as the rose's petal,

And for what she's done for us
Brynhild deserves a medal.

In a Nation filled with heroes,
North Dakota has one of the best.
We are honored with a great lady
Who stands above all the rest.

As we celebrate our Centennial,
And acknowledge the passage of time,
We have to express thanks to Brynhild
She's led us since thirty-nine.

REPORT OF CONFERENCE COMMITTEE

REP. KINGSBURY MOVED that the conference committee report on SB 2016 be adopted, which motion prevailed.

Engrossed SB 2016, as amended, was placed on the Fourteenth order of business on the calendar.

SECOND READING OF SENATE BILL

SB 2016: A BILL for an Act making an appropriation for defraying the expenses of the highway department of the state of North Dakota.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 91 YEAS, 4 NAYS, 11 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Anderson, B.; Anderson, R.; Belter; Berg, R.; Bernstein; Brokaw; Carlson; Christman; Clayburgh; Dalrymple; DeMers, J.; DeMers, P.; Dorso; Enget; Frey; Gerhardt; Gerntholz; Gilmore; Goetz; Gorman; Graba; Gunsch; Halmrast; Hanson, L.; Hanson, O.; Haugen; Haugland; Hausauer, A.; Hoffner; Hokana; Howard; Huether; Jensen; Kaldor; Kelly; Kingsbury; Knell; Kolbo; Kouba; Lang; Larson, D.; Larson, R.; Laughlin; Lindgren; Marks; Martin; Martinson; Myrdal; Nelson; Ness; Nicholas; Nowatzki; Oban; Olsen, D.; Olson, V.; O'Shea; Payne; Ring; Rydell; Schatz; Scherber; Schindler; Schmidt; Schneider; Shaft; Shide; Shockman; Skjerven; Smette; Solberg; Sorensen; Soukup; Starke; Stenehjem; Stofferahn; Thompson, V.; Timm; Tokach; Tollefson; Tomac; Trautman; Ulmer; Urlacher; Vander Vorst; Wald; Whalen; Wilkie; Williams, A.; Williams, W.; Speaker Kretschmar

NAYS: Melby; Murphy; Olson, A.; Watne

ABSENT AND NOT VOTING: Aas; Berg, G.; Flaagan; Gates; Gerl; Hausauer, R.; Kloubec; Mertens; Peterson; Thompson, K.; Wentz

(Conference committee members Reps. K. Thompson, Gates, L. Hanson were excused.)

SB 2016 passed and the title was agreed to.

MOTION

REP. R. ANDERSON MOVED that the rules be suspended and that SB 2016, Engrossed SB 2021, and SB 2114 be messaged to the Senate immediately, which motion prevailed.

MESSAGE to the SENATE from the HOUSE (Roy Gilbreath, Chief Clerk)

MR. PRESIDENT: The House has adopted the conference committee report on SB 2016, SB 2021, and SB 2114 and subsequently passed the same.

MOTION

REP. R. ANDERSON MOVED that the House stand at ease to await a Call of the Chair, which motion prevailed.

HOUSE ENGROSSING REPORT

The following bill was reengrossed: HB 1669.

MESSAGE to the HOUSE from the SENATE (Patricia Conrad, Secretary)

MR. SPEAKER: The Senate has passed and your favorable consideration is requested on: SCR 4075.

MESSAGE to the HOUSE from the SENATE (Patricia Conrad, Secretary)

MR. SPEAKER: The Senate has adopted the conference committee report on HB 1004 and HB 1025 and subsequently passed the same.

MESSAGE to the HOUSE from the SENATE (Patricia Conrad, Secretary)

MR. SPEAKER: The Senate has adopted the conference committee report on HB 1002 and subsequently passed the same.

MESSAGE to the HOUSE from the SENATE (Patricia Conrad, Secretary)

MR. SPEAKER: The Senate has amended and subsequently passed: HB 1037.

Page 4, after line 13, insert:

"SECTION 7. APPROPRIATION. There is hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$2,400,000, or so much thereof as may be necessary, to the state board of higher education for the purpose of student financial assistance grants for the biennium beginning July 1, 1989, and ending June 30, 1991."

Renumber accordingly

MOTIONS

REP. KLOUBEC MOVED that the absent members be excused, which motion prevailed.

REP. KLOUBEC MOVED that the House stand adjourned until 10:00 a.m., Thursday, April 20, 1989, which motion prevailed.

The House stood adjourned pursuant to Representative Kloubec's motion.

ROY GILBREATH, Chief Clerk