

JOURNAL OF THE HOUSE

Fifty-third Legislative Assembly

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Bismarck, January 19, 1993

The House convened at 1:00 p.m., with Speaker R. Berg presiding.

The prayer was offered by Father Marvin Klemmer, Ascension Catholic Church, Bismarck.

The roll was called and all members were present except Representatives Bernstein, Kelsch, and Oban.

A quorum was declared by the Speaker.

MESSAGE TO THE HOUSE FROM THE SENATE (CAROL SIEGERT, SECRETARY)

MR. SPEAKER: The Senate has passed and your favorable consideration is requested on: SB 2007, SB 2062, SB 2082, SB 2138, SB 2153, SB 2193, SB 2202, SB 2203, SB 2220.

MESSAGE TO THE SENATE FROM THE HOUSE (ROY GILBREATH, CHIEF CLERK)

MADAM PRESIDENT: The House has passed and your favorable consideration is requested on: HB 1024, HB 1035, HB 1046, HB 1059, HB 1067, HB 1074, HB 1076, HB 1110, HB 1127, HB 1130, HB 1200, HCR 3004, HCR 3005.

HOUSE ENGROSSING REPORT

The following bills were engrossed: HB 1040, HB 1129, HB 1151, HB 1153, HB 1160, HB 1162, HB 1175, HB 1197

THE HOUSE RECOGNIZED THE PRESENCE OF:

Former Representative Harley Kingsbury.

MOTION

REP. KRETSCHMAR MOVED that HCR 3012 be returned to the House floor from the Judiciary Committee, which motion prevailed.

ANNOUNCEMENT BY THE SPEAKER

SPEAKER R. BERG ANNOUNCED that HCR 3012 was rereferred to the Joint Constitutional Revision Committee.

MOTION

REP. MARTINSON MOVED that HB 1069, which is on the Eleventh order, be laid over two legislative days, which motion prevailed.

THE HOUSE RECOGNIZED THE PRESENCE OF:

Former Representative Glen Goodman.

MOTION

REP. BELTER MOVED that the House reconsider its action whereby the committee report was accepted and HB 1185 was placed on the Sixth order of business on the calendar, which motion prevailed.

MOTION

REP. BELTER MOVED that HB 1185 be rereferred to the Transportation Committee, which motion prevailed. Pursuant to Rep. Belter's motion, HB 1185 was rereferred.

SIXTH ORDER OF BUSINESS

HB 1037: REP. TIMM (Finance and Taxation Committee) MOVED that the

amendments on HJ pages 179-180 be adopted and then be REREFERRED to the Appropriations Committee with DO PASS, which motion prevailed.

SIXTH ORDER OF BUSINESS

REP. MARTINSON MOVED that the rules be suspended and that the amendments on the Sixth order of business to HB 1097, HB 1098, HB 1109, HB 1112, HB 1182, and HB 1187 be placed on the consent calendar, which motion prevailed.

The amendments to HB 1097, HB 1098, HB 1109, HB 1112, and HB 1182 were placed on the Tenth order of business on the calendar.

MOTION

REP. FREIER MOVED that the House waive the reading of the title to HB 1040, which motion prevailed.

SECOND READING OF HOUSE BILL

HB 1040: A BILL for an Act to create and enact two new subsections to section 34-05-01.3, a new section to chapter 34-05, a new subsection to section 52-01-01, and a new subsection to section 65-01-02 of the North Dakota Century Code, relating to making job service North Dakota and the workers compensation bureau divisions of the labor department; to amend and reenact sections 19-20.2-07, 21-03-32, 21-10-01, subsection 6 of section 23-01.1-02, subdivision b of subsection 2 of section 26.1-23-08, subsection 2 of section 28-32-08, sections 28-32-14, 34-05-01.2, 37-11-02, 37-18.1-01, subsection 5 of section 43-07-01, sections 43-07-04, 43-07-25, 50-01-17.1, 51-04-08, subsections 8 and 20 of section 52-01-01, sections 52-01-02, 52-01-03, 52-02-01, 52-08-02, 52-08-03, subdivision c of subsection 6 of section 52-09-20, subsection 1 of section 52-11-01, subsection 1 of section 54-06-04, sections 54-16-10, 54-56-01, subsection 4 of section 57-38-57, section 57-39.2-23, subsections 4 and 6 of section 65-01-02, sections 65-01-13, 65-02-01, 65-02-01.1, 65-02-07, 65-04-04.2, 65-04-10, 65-04-15, 65-04-31, 65-05-29, and paragraph 1 of subdivision i of subsection 2 of section 65-05.1-06.1 of the North Dakota Century Code, relating to making job service North Dakota and the workers compensation bureau divisions of the department of labor; to repeal section 65-02-02 of the North Dakota Century Code and sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 21, 22, 27, 28, 33, and 75 of chapter 714 of the 1991 Session Laws of North Dakota and the amendments to subsections 6 and 11 of section 65-01-02 of the North Dakota Century Code as provided by section 23 of chapter 714 of the 1991 Session Laws of North Dakota, relating to the merger of the workers compensation bureau and job service North Dakota; to provide an effective date; and to declare an emergency.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 81 YEAS, 14 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Allmaras; Austin; Bateman; Belter; Berg, J.; Bodine; Boehm; Brodshaug; Brown; Byerly; Carlson, A.; Carlson, C.; Christopherson; Cleary; Coats; Dalrymple; DeWitz; Dobrinski; Dorso; Drovdal; Freier; Froseth; Gates; Gertholz; Gorder; Gorman; Grosz; Grumbo; Hagle; Hanson; Hokana; Holm; Howard; Huether; Jacobs; Johnson; Kaldor; Keiser; Kempenich; Kilichowski; Klein; Kretschmar; Kunkel; Laughlin; Mahoney; Maragos; Martin; Monson; Mutzenberger; Nelson; Ness; Nicholas; Nichols; Olsen, D.; Olson, A.; Payne; Poolman; Porter; Price; Pyle; Rennerfeldt; Ring; Rydell; Schindler; Shide; Sitz; Skarphol; Soukup; St. Aubyn; Stenehjem; Stenson; Svedjan; Sveen; Thorpe; Tollefson; Torgerson; Wanzenk; Wardner; Wentz; Speaker R. Berg,

NAYS: Boucher; Carlisle; Clayburgh; Glassheim; Goffe; Gulleeson; Hausauer; Henegar; Kerzman; Kroeber; Martinson; Timm; Wald; Wilkie

ABSENT AND NOT VOTING: Bernstein; Kelsch; Oban

Engrossed HB 1040 passed, the title was agreed to, and the emergency clause was declared carried.

SECOND READING OF HOUSE BILLS

HB 1129: A BILL for an Act to amend and reenact subsection 5 of section 38-14.1-21 of the North Dakota Century Code, relating to surface coal mine permit approval or denial standards.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 95 YEAS, 0 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Allmaras; Austin; Bateman; Belter; Berg, J.; Bodine; Boehm; Boucher; Brodshaug; Brown; Byerly; Carlisle; Carlson, A.; Carlson, C.; Christopherson; Clayburgh; Cleary; Coats; Dalrymple; DeWitz; Dobrinski; Dorso; Drovdal; Freier; Froseth; Gates; Gerntholz; Glasheim; Goffe; Gorder; Gorman; Grosz; Grumbo; Gulleston; Hagle; Hanson; Hausauer; Henegar; Hokana; Holm; Howard; Huether; Jacobs; Johnson; Kaldor; Keiser; Kempenich; Kerzman; Kilichowski; Klein; Kretschmar; Kroeber; Kunkel; Laughlin; Mahoney; Maragos; Martin; Martinson; Monson; Mutzenberger; Nelson; Ness; Nicholas; Nichols; Olsen, D.; Olson, A.; Payne; Poolman; Porter; Price; Pyle; Rennerfeldt; Ring; Rydell; Schindler; Shide; Sitz; Skarphol; Soukup; St. Aubyn; Stenehjem; Stenson; Svedjan; Sveen; Thorpe; Timm; Tollefson; Torgerson; Wald; Wanzek; Wardner; Wentz; Wilkie; Speaker R. Berg,

ABSENT AND NOT VOTING: Bernstein; Kelsch; Oban

Engrossed HB 1129 passed and the title was agreed to.

SECOND READING OF HOUSE BILL

HB 1151: A BILL for an Act to amend and reenact section 6-01-09 of the North Dakota Century Code, relating to unannounced examinations of banks and authority to examine bank holding companies and subsidiaries of banks under the commissioner's supervision.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 95 YEAS, 0 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Allmaras; Austin; Bateman; Belter; Berg, J.; Bodine; Boehm; Boucher; Brodshaug; Brown; Byerly; Carlisle; Carlson, A.; Carlson, C.; Christopherson; Clayburgh; Cleary; Coats; Dalrymple; DeWitz; Dobrinski; Dorso; Drovdal; Freier; Froseth; Gates; Gerntholz; Glasheim; Goffe; Gorder; Gorman; Grosz; Grumbo; Gulleston; Hagle; Hanson; Hausauer; Henegar; Hokana; Holm; Howard; Huether; Jacobs; Johnson; Kaldor; Keiser; Kempenich; Kerzman; Kilichowski; Klein; Kretschmar; Kroeber; Kunkel; Laughlin; Mahoney; Maragos; Martin; Martinson; Monson; Mutzenberger; Nelson; Ness; Nicholas; Nichols; Olsen, D.; Olson, A.; Payne; Poolman; Porter; Price; Pyle; Rennerfeldt; Ring; Rydell; Schindler; Shide; Sitz; Skarphol; Soukup; St. Aubyn; Stenehjem; Stenson; Svedjan; Sveen; Thorpe; Timm; Tollefson; Torgerson; Wald; Wanzek; Wardner; Wentz; Wilkie; Speaker R. Berg,

ABSENT AND NOT VOTING: Bernstein; Kelsch; Oban

Engrossed HB 1151 passed and the title was agreed to.

SECOND READING OF HOUSE BILL

HB 1153: A BILL for an Act to amend and reenact section 6-01-01 of the North Dakota Century Code, relating to department of banking and financial institutions supervision of state-chartered credit unions.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 94 YEAS, 0 NAYS, 0 EXCUSED, 4 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Allmaras; Austin; Bateman; Belter; Berg, J.; Bodine; Boehm; Boucher; Brodshaug; Brown; Byerly; Carlisle; Carlson, A.; Carlson, C.; Christopherson; Clayburgh; Cleary; Coats; Dalrymple; DeWitz; Dobrinski; Dorso; Drovdal; Freier; Froseth; Gates; Gerntholz; Glassheim; Goffe; Gorder; Gorman; Grosz; Grumbo; Gulleeson; Hagle; Hanson; Hausauer; Henegar; Hokana; Holm; Howard; Huether; Jacobs; Johnson; Kaldor; Keiser; Kempenich; Kerzman; Kilichowski; Klein; Kretschmar; Kroeber; Kunkel; Laughlin; Mahoney; Maragos; Martin; Martinson; Monson; Mutzenberger; Nelson; Ness; Nicholas; Nichols; Olsen, D.; Olson, A.; Payne; Poolman; Porter; Price; Pyle; Rennerfeldt; Ring; Rydell; Schindler; Sitz; Skarphol; Soukup; St. Aubyn; Stenehjem; Stenson; Svedjan; Sveen; Thorpe; Timm; Tollefson; Torgerson; Wald; Wanzek; Wardner; Wentz; Wilkie; Speaker R. Berg,

ABSENT AND NOT VOTING: Bernstein; Kelsch; Oban; Shide

Engrossed HB 1153 passed and the title was agreed to.

SECOND READING OF HOUSE BILL

HB 1160: A BILL for an Act to amend and reenact subsection 2 of section 37-17.1-07.1 of the North Dakota Century Code, relating to the hazardous chemicals preparedness and response program fund and facility fee system.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 56 YEAS, 39 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

YEAS: Austin; Bateman; Belter; Boehm; Brown; Byerly; Carlisle; Carlson, A.; Christopherson; Clayburgh; Dalrymple; DeWitz; Dorso; Drovdal; Freier; Gates; Gorder; Gorman; Grosz; Hausauer; Henegar; Holm; Howard; Jacobs; Johnson; Keiser; Kempenich; Klein; Kretschmar; Martin; Martinson; Nicholas; Olsen, D. Olson, A.; Payne; Poolman; Porter; Price; Rennerfeldt; Rydell; Schindler; Shide; Skarphol; Soukup; St. Aubyn; Stenehjem; Svedjan; Sveen; Timm; Tollefson; Torgerson; Wald; Wanzek; Wardner; Wentz; Speaker R. Berg,

NAYS: Aarsvold; Allmaras; Berg, J.; Bodine; Boucher; Brodshaug; Carlson, C.; Cleary; Coats; Dobrinski; Froseth; Gerntholz; Glassheim; Goffe; Grumbo; Gulleeson; Hagle; Hanson; Hokana; Huether; Kaldor; Kerzman; Kilichowski; Kroeber; Kunkel; Laughlin; Mahoney; Maragos; Monson; Mutzenberger; Nelson; Ness; Nichols; Pyle; Ring; Sitz; Stenson; Thorpe; Wilkie

ABSENT AND NOT VOTING: Bernstein; Kelsch; Oban

Engrossed HB 1160 passed and the title was agreed to.

SECOND READING OF HOUSE BILL

HB 1162: A BILL for an Act to amend and reenact section 60-07-01 of the North Dakota Century Code, relating to fees charged for licensing storage companies as public warehouses.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 71 YEAS, 22 NAYS, 0 EXCUSED, 5 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Allmaras; Austin; Berg, J.; Bodine; Boucher; Brodshaug; Carlson, A.; Carlson, C.; Christopherson; Cleary; Coats; Dalrymple; DeWitz; Dobrinski; Gerntholz; Glasheim; Goffe; Gorman; Grumbo; Gulleson; Hagle; Hanson; Hausauer; Henegar; Hokana; Holm; Howard; Huether; Jacobs; Johnson; Kaldor; Keiser; Kerzman; Kilichowski; Klein; Kretschmar; Kroeber; Kunkel; Laughlin; Mahoney; Maragos; Martin; Monson; Mutzenberger; Ness; Nicholas; Nichols; Olsen, D.; Olson, A.; Porter; Price; Pyle; Rennerfeldt; Ring; Rydell; Shide; Sitz; Skarphol; Soukup; Stenehjem; Stenson; Sveen; Thorpe; Torgerson; Wald; Wanzek; Wardner; Wentz; Wilkie; Speaker R. Berg,

NAYS: Bateman; Boehm; Brown; Byerly; Carlisle; Clayburgh; Dorso; Drovdal; Freier; Froseth; Gates; Gorder; Grosz; Kempenich; Martinson; Payne; Poolman; Schindler; St. Aubyn; Svedjan; Timm; Tollefson

ABSENT AND NOT VOTING: Belter; Bernstein; Kelsch; Nelson; Oban

Engrossed HB 1162 passed and the title was agreed to.

SECOND READING OF HOUSE BILL

HB 1175: A BILL for an Act to amend and reenact sections 6-01-02, 6-03-13.1, 6-03-17, and 6-03-19 of the North Dakota Century Code, relating to the definition of paying and receiving activity conducted at separate facilities and paying and receiving stations, and to publishing a notice to discontinue a paying and receiving station.

ROLL CALL

The question being on the passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 94 YEAS, 0 NAYS, 0 EXCUSED, 4 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Allmaras; Austin; Bateman; Belter; Berg, J.; Bodine; Boehm; Boucher; Brodshaug; Brown; Byerly; Carlisle; Carlson, A.; Carlson, C.; Christopherson; Clayburgh; Cleary; Coats; Dalrymple; DeWitz; Dobrinski; Dorso; Drovdal; Freier; Froseth; Gates; Gerntholz; Glasheim; Goffe; Gorder; Gorman; Grosz; Grumbo; Gulleson; Hagle; Hanson; Hausauer; Henegar; Hokana; Holm; Howard; Huether; Jacobs; Johnson; Kaldor; Keiser; Kempenich; Kerzman; Kilichowski; Klein; Kretschmar; Kroeber; Kunkel; Laughlin; Mahoney; Maragos; Martin; Martinson; Monson; Mutzenberger; Nelson; Ness; Nicholas; Nichols; Olsen, D.; Olson, A.; Payne; Poolman; Porter; Price; Pyle; Rennerfeldt; Ring; Rydell; Schindler; Shide; Sitz; Skarphol; Soukup; St. Aubyn; Stenehjem; Stenson; Svedjan; Sveen; Thorpe; Tollefson; Torgerson; Wald; Wanzek; Wardner; Wentz; Wilkie; Speaker R. Berg,

ABSENT AND NOT VOTING: Bernstein; Kelsch; Oban; Timm

Engrossed HB 1175 passed and the title was agreed to.

SECOND READING OF HOUSE BILL

HB 1197: A BILL for an Act to provide for a study by the division of

emergency management to determine the feasibility of combining local emergency management organizations and plans into a regional system of emergency management organizations; and to provide an expiration date.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO NOT PASS, the roll was called and there were 0 YEAS, 94 NAYS, 0 EXCUSED, 4 ABSENT AND NOT VOTING.

NAYS: Aarsvold; Allmaras; Austin; Bateman; Belter; Berg, J.; Bodine; Boehm; Boucher; Brodshaug; Brown; Byerly; Carlisle; Carlson, A.; Carlson, C.; Christopherson; Clayburgh; Cleary; Coats; Dalrymple; DeWitz; Dobrinski; Dorso; Drovdal; Freier; Froseth; Gates; Gerntholz; Glassheim; Goffe; Gorder; Gorman; Grosz; Grumbo; Gulleeson; Hagle; Hanson; Hausauer; Henegar; Hokana; Holm; Howard; Huether; Jacobs; Johnson; Kaldor; Keiser; Kempenich; Kerzman; Kilichowski; Klein; Kretschmar; Kroeber; Kunkel; Laughlin; Mahoney; Maragos; Martin; Martinson; Monson; Mutzenberger; Nelson; Ness; Nicholas; Nichols; Olsen, D.; Olson, A.; Payne; Poolman; Porter; Price; Rennerfeldt; Ring; Rydell; Schindler; Shide; Sitz; Skarphol; Soukup; St. Aubyn; Stenehjem; Stenson; Svedjan; Sveen; Thorpe; Timm; Tollefson; Torgerson; Wald; Wanzek; Wardner; Wentz; Wilkie; Speaker R. Berg,

ABSENT AND NOT VOTING: Bernstein; Kelsch; Oban; Pyle

Engrossed HB 1197 was declared lost.

SECOND READING OF HOUSE BILL

HB 1052: A BILL for an Act to create and enact a new section to chapter 16.1-08, relating to use of leftover campaign contributions; and to amend and reenact section 16.1-08-01 of the North Dakota Century Code, relating to definitions.

ROLL CALL

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO NOT PASS, the roll was called and there were 13 YEAS, 82 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Bodine; Coats; Glassheim; Grumbo; Kaldor; Kerzman; Mahoney; Mutzenberger; Ring; Sitz; Stenson; Thorpe

NAYS: Allmaras; Austin; Bateman; Belter; Berg, J.; Boehm; Boucher; Brodshaug; Brown; Byerly; Carlisle; Carlson, A.; Carlson, C.; Christopherson; Clayburgh; Cleary; Dalrymple; DeWitz; Dobrinski; Dorso; Drovdal; Freier; Froseth; Gates; Gerntholz; Goffe; Gorder; Gorman; Grosz; Gulleeson; Hagle; Hanson; Hausauer; Henegar; Hokana; Holm; Howard; Huether; Jacobs; Johnson; Keiser; Kempenich; Kilichowski; Klein; Kretschmar; Kroeber; Kunkel; Laughlin; Maragos; Martin; Martinson; Monson; Nelson; Ness; Nicholas; Nichols; Olsen, D.; Olson, A.; Payne; Poolman; Porter; Price; Pyle; Rennerfeldt; Rydell; Schindler; Shide; Skarphol; Soukup; St. Aubyn; Stenehjem; Svedjan; Sveen; Timm; Tollefson; Torgerson; Wald; Wanzek; Wardner; Wentz; Wilkie; Speaker R. Berg,

ABSENT AND NOT VOTING: Bernstein; Kelsch; Oban

HB 1052 was declared lost.

SECOND READING OF HOUSE BILL

HB 1113: A BILL for an Act to create and enact a new subsection to section 6-09.13-01 and a new subsection to section 6-09.13-02 of the North

Dakota Century Code, relating to the definition of on-farm business and adoption of rules regarding buydown of interest rates on loans to on-farm businesses.

ROLL CALL

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 94 YEAS, 1 NAY, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Allmaras; Austin; Bateman; Belter; Berg, J.; Bodine; Boehm; Boucher; Brodshaug; Brown; Byerly; Carlisle; Carlson, A.; Carlson, C.; Christopherson; Clayburgh; Cleary; Coats; Dalrymple; DeWitz; Dobrinski; Dorso; Drovdal; Freier; Froseth; Gates; Gerntholz; Glasheim; Goffe; Gorder; Gorman; Grosz; Grumbo; Gulleson; Hagle; Hanson; Hausauer; Henegar; Hokana; Holm; Howard; Huether; Jacobs; Johnson; Kaldor; Kempenich; Kerzman; Kilichowski; Klein; Kretschmar; Kroeber; Kunkel; Laughlin; Mahoney; Maragos; Martin; Martinson; Monson; Mutzenberger; Nelson; Ness; Nicholas; Nichols; Olsen, D.; Olson, A.; Payne; Poolman; Porter; Price; Pyle; Rennerfeldt; Ring; Rydell; Schindler; Shide; Sitz; Skarphol; Soukup; St. Aubyn; Stenehjem; Stenson; Svedjan; Sveen; Thorpe; Timm; Tollefson; Torgerson; Wald; Wanzek; Wardner; Wentz; Wilkie; Speaker R. Berg,

NAYS: Keiser

ABSENT AND NOT VOTING: Bernstein; Kelsch; Oban

HB 1113 passed and the title was agreed to.

SECOND READING OF HOUSE BILL

HB 1280: A BILL for an Act to amend and reenact section 16.1-15-08, 16.1-15-09, 16.1-15-11, 16.1-15-13, and 16.1-16-07 of the North Dakota Century Code, relating to the duties of clerks of district court to preserve election ballots; to provide an effective date; and to provide an expiration date.

ROLL CALL

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 95 YEAS, 0 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Allmaras; Austin; Bateman; Belter; Berg, J.; Bodine; Boehm; Boucher; Brodshaug; Brown; Byerly; Carlisle; Carlson, A.; Carlson, C.; Christopherson; Clayburgh; Cleary; Coats; Dalrymple; DeWitz; Dobrinski; Dorso; Drovdal; Freier; Froseth; Gates; Gerntholz; Glasheim; Goffe; Gorder; Gorman; Grosz; Grumbo; Gulleson; Hagle; Hanson; Hausauer; Henegar; Hokana; Holm; Howard; Huether; Jacobs; Johnson; Kaldor; Keiser; Kempenich; Kerzman; Kilichowski; Klein; Kretschmar; Kroeber; Kunkel; Laughlin; Mahoney; Maragos; Martin; Martinson; Monson; Mutzenberger; Nelson; Ness; Nicholas; Nichols; Olsen, D.; Olson, A.; Payne; Poolman; Porter; Price; Pyle; Rennerfeldt; Ring; Rydell; Schindler; Shide; Sitz; Skarphol; Soukup; St. Aubyn; Stenehjem; Stenson; Svedjan; Sveen; Thorpe; Timm; Tollefson; Torgerson; Wald; Wanzek; Wardner; Wentz; Wilkie; Speaker R. Berg,

ABSENT AND NOT VOTING: Bernstein; Kelsch; Oban

HB 1280 passed and the title was agreed to.

SECOND READING OF HOUSE BILL

HB 1307: A BILL for an Act to amend and reenact section 48-08-07 of the

North Dakota Century Code, relating to the length of time a county may enter a lease of a public building.

ROLL CALL

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 95 YEAS, 0 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Allmaras; Austin; Bateman; Belter; Berg, J.; Bodine; Boehm; Boucher; Brodshaug; Brown; Byerly; Carlisle; Carlson, A.; Carlson, C.; Christopherson; Clayburgh; Cleary; Coats; Dalrymple; DeWitz; Dobrinski; Dorso; Drowdal; Freier; Froseth; Gates; Gerntholz; Glasheim; Goffe; Gorder; Gorman; Grosz; Grumbo; Gulleson; Hagle; Hanson; Hausauer; Henegar; Hokana; Holm; Howard; Huether; Jacobs; Johnson; Kaldor; Keiser; Kempenich; Kerzman; Kilichowski; Klein; Kretschmar; Kroeber; Kunkel; Laughlin; Mahoney; Maragos; Martin; Martinson; Monson; Mutzenberger; Nelson; Ness; Nicholas; Nichols; Olsen, D.; Olson, A.; Payne; Poolman; Porter; Price; Pyle; Rennerfeldt; Ring; Rydell; Schindler; Shide; Sitz; Skarphol; Soukup; St. Aubyn; Stenehjem; Stenson; Svedjan; Sveen; Thorpe; Timm; Tollefson; Torgerson; Wald; Wanzek; Wardner; Wentz; Wilkie; Speaker R. Berg,

ABSENT AND NOT VOTING: Bernstein; Kelsch; Oban

HB 1307 passed and the title was agreed to.

SECOND READING OF HOUSE CONCURRENT RESOLUTION ON CONSENT CALENDAR

HCR 3015: A concurrent resolution directing the Legislative Council to study tax preferences under existing law, with emphasis on prevention of unfair competitive advantages to entities receiving tax preferences.

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

HCR 3015 was declared adopted on a voice vote.

CONSENT CALENDAR

The question being on the adoption of the amendments to HB 1097, HB 1098, HB 1109, HB 1112, HB 1182, and HB 1187, the amendments were declared adopted on a voice vote.

HB 1097, HB 1098, HB 1109, HB 1112, HB 1182, and HB 1187, as amended, were placed on the Eleventh order of business on the calendar for the succeeding legislative day.

MOTION

REP. FREIER MOVED that the absent members be excused, which motion prevailed.

MOTION

REP. FREIER MOVED that the House stand in recess until 3:00 p.m. to receive the Senate in Joint Session, and at the conclusion of the Joint Session the House be on the Fifth and Thirteenth orders of business and at the conclusion of those orders, the House stand adjourned until 1:00 p.m., Wednesday, January 20, 1993, which motion prevailed.

JOINT SESSION

The Joint Session of the House and Senate convened at 3:00 p.m., with Speaker R. Berg presiding.

SPEAKER R. BERG PRESENTED Lt. Governor Myrda to the Assembly and turned the gavel over to her.

MOTION

REP. PRICE MOVED that a committee of two be appointed to escort the Honorable Edward T. Schafer, Governor, to the rostrum, which motion prevailed. The Chair appointed Rep. Freier and Sen. Nelson to such committee and the Honorable Edward T. Schafer, Governor, was escorted to the rostrum.

The Governor addressed the Joint Session and gave his budget message and executive budget summary.

MESSAGE TO THE LEGISLATURE

by

Edward T. Schafer

Governor of North Dakota

Madam President, Mr. Speaker, distinguished members of the Fifty-third North Dakota Legislative Assembly, friends, and fellow North Dakotans.

Two weeks ago, I appeared before you and called for a reexamination of the way North Dakota conducts its financial affairs. Today, our budget is awash in red ink. Our resources have been severely limited by a sluggish national economy, and past administrations have paid little attention to the bottom line. The time has come for North Dakota government to take a fresh look at the way it does business. We must reassess our priorities, and we must stop spending more money than we take in.

I am here this afternoon to detail our budget recommendations for the 1993-95 biennium. It has been a difficult process, but I think you will find this revised budget reflects our best effort to specifically redirect the spending policies of state government. Our deficit obviously will consume much of our time and energy over the next three months, as well it must. But that is not our true mission. We will not have succeeded if all we have to show for our efforts is a balanced budget.

Ladies and gentlemen, it is high time we move this state forward. We MUST NOT allow a temporary budget problem to deter our efforts to create new and better paying jobs. We can improve our business climate, and we can get North Dakota growing again. But it is my belief that our task, at this point in time, must be accomplished without an abundance of tax increases.

I view this budget and the economy of our state as a patient who has been in a severe car accident. It is my intent to stabilize the patient, provide some treatment, and then in the coming months work vigorously toward a full recovery. My plan to balance this revised budget is based on three major principles.

First, we must stabilize the patient and stop the bleeding. Therefore, I am recommending general fund spending cuts in virtually every state agency, including the Governor's Office. I am adamant they not be made across the board, because that is a sign of weak-kneed leadership that does not know the priorities of this government. The cuts I am proposing shall be in accordance with the new priorities our state must set. Lest anyone run away from this Chamber and shout, "The sky is falling!" let me say these cuts are not massive; they are manageable and sensible in light of the crisis we face.

Second, my budget reflects the wishes of North Dakotans who believe elementary and secondary education is our top priority in the coming months. Despite the limited money available, I am not going to shortchange our children. Money is tight, but we simply CANNOT reduce our investment in education. Consequently, I am proposing that payments to school districts for elementary and secondary education remain the same as this biennium, \$381 million.

Third, this revised budget reflects my goal of "rightsizing" government, privatizing some state services, and providing quality efficient services to people in need. To this end, our budget recommends authorization of 11,954 full-time state employees. This is 104 full-time employees less than what

Governor Sinner proposed, and 186 full-time employees fewer than what the 1991 Legislature authorized. In addition to the full-time employee reductions, we have underfunded the pay plan an additional \$2.6 million from Governor Sinner's budget. This was done because we know agencies had vacancies and turnover.

Six weeks ago, Governor Sinner unveiled a plan that calls for \$125 million in tax increases to cover an expected revenue shortfall. To me, the executive budget presented by my predecessor is balanced with unwanted tax hikes, unwanted by the people of our state and unwanted by me. Forcing North Dakotans to dig into their pockets for an additional \$125 million will break family budgets from Beach to Bathgate. I will not stand for it! Neither will our constituents, because the ability to pay higher taxes has all but evaporated in North Dakota. Moreover, the past administration failed to understand or recognize that North Dakotans are demanding more accountability for the spending of tax dollars. Taxpayers clearly have lost confidence in the state's ability to be fiscally responsible, and the original budget does nothing to change that sentiment.

Since 1980, total state spending has increased by \$2 billion. During that same span, the economy hit rock bottom, farmers and ranchers were forced off their farms and ranches, and 50,000 people left the state. While North Dakotans were suffering hardships, state government was spending, building, and growing like there was no tomorrow. This will now stop. We cannot, and we will not, provide more services at a higher cost for fewer and fewer people. In most cases, the original budget continues the spending and building spree. This is unfair to the hard-working men and women of North Dakota. Worse, it is unjustified.

Today I have news that is unwelcome. It also makes me highly nervous about the reliability of certain numbers you have. Shortly after taking office, my staff learned that Medicaid overpayments by this government to hospitals have not been repaid. Since 1987, hospitals have been overpaid \$11.4 million. That is bad, but what is worse is that few in state government even knew about this situation. We can now estimate that the general fund share of recoveries upon settlement with all forty-eight hospitals will be \$3 million.

Ladies and gentlemen, I am convinced there is more waste to be found in the Human Services Department. It will, however, take a new director with the skill and ability to provide a thorough accounting of the agency's budget. The problems we have in Human Services need correcting. This will take time. It also will take time to find the right person to undertake this massive job, and I appreciate your patience. The sudden discovery of this Medicaid cost settlement money is unsettling.

The people of North Dakota should not be asked to pay for waste, inefficiency, or incompetence. The people of North Dakota should not be asked to pay for mismanagement. Based on what I have seen, it is time to punch a hole in our belt and pull it tight another notch.

Therefore, my revised budget does not include an income tax increase. My budget does not include a new tax on gaming. My budget does not include a new sales tax on prescription drugs. My budget does not include higher fees for the licensing of doctors and dentists. My budget does not include higher fees on motor vehicle registrations. And, we do not need an increase of three cents per gallon in our gas tax.

You see, I believe the Governor's main job is to represent the taxpayers to government, not represent the government to taxpayers. By rejecting these taxes, we are acting in the taxpayers' best interest. North Dakotans have said loud and clear that they cannot afford to pay more taxes on their hard-earned income. A sales tax on prescription drugs would hit our elderly and our poor the hardest. Taxpayers will not accept a higher gas tax.

Therefore, my revised budget uses available state money to match federal highway funds. Everyone should know that the Transportation Department's construction program has been reduced \$72 million. Fourteen point three million dollars of that reduction is in special funds, and \$58 million is federal funds. It is important to note that state transportation officials believe the federal government will not be releasing at least \$25 million, so our reductions in the construction program probably will not be as deep. We certainly will be monitoring this situation closely in the next few months.

As I said earlier, my revised budget contains many proposals to reduce spending. We have made other changes to reflect the Schafer Administration's philosophies, priorities, and goals.

For instance, we recommend repealing the Certificate of Need program. Changing economic forces, coupled with rising legal costs for the program, have reduced the need for Certificate of Need provisions. Health care growth, to a large extent, will be controlled by reimbursement mechanisms, which in turn forces facilities to make good business decisions. This plan does continue some reporting requirements to the Health Council that enable us to track construction projects. Expenditures made for a single piece of medical equipment, or for a single construction project, must be reported to the council if they exceed five percent of the facility's annual operating budget for the previous fiscal year, or \$1 million, whichever is less.

In conjunction with the Certificate of Need repeal, I am proposing a two-year moratorium on new nursing home bed construction. This initiative, in the long run, should divert the amount of resources to be spent on nursing home beds into alternative services. The goal is to ensure that the most appropriate and least restrictive type of assistance can be provided to those elderly in need of help. The goal can no longer be nursing home care; the goal must be in-home care.

In addition, we have rejected Governor Sinner's proposal to build a new office building on the Capitol grounds. We have also rejected his recommendation for new buildings requested by the Transportation Department and the Department of Corrections and Rehabilitation.

In fact, we have cut over \$15 million from Governor Sinner's capital construction budget. We have refocused funding for the Medicaid program so we can continue to provide benefits to the maximum number of recipients. We are breaking new ground and recommending a \$200 thousand appropriation for grants to non-Indian students who attend tribal colleges. Senator Dan Jerome is carrying this bill, and I urge your support.

And, we are not going to let the United States Department of Energy off the hook in the Belfield-Bowman Project. The feds caused the spill that contaminated the soil, and I hope to enlist our Congressional Delegation to join me in persuading the Department of Energy to pay for the cleanup. State health officials say the Belfield-Bowman Project does not constitute a major health risk at this time, so I have rejected Governor Sinner's recommendation that the state use \$1.12 million from the general fund for cleanup costs.

Each of these is a step in the right direction. But we cannot kid ourselves; everyone will be asked to make sacrifices and learn to do more with fewer resources. You all know that reducing spending is not easy, nor is it pleasant. Reductions require tough decisions, and they require everyone to share in the sacrifice.

Above all else, I believe you will find my budget proposals honest and well thought out. This is not a political budget; it details what money we honestly expect to take in, and what we will spend it on.

Before I get into my specific recommendations, let me address an area of concern: the original budget forecast. In my opinion, the previous administration's current revenue projections PAINT TOO ROSY A PICTURE,

especially in oil revenues. Immediately following the election, we reviewed the Wharton Econometric Forecasting Association's (WEFA's) original oil revenue forecast and concluded they were inconsistent with what was actually happening in the oil patch. For the purpose of putting this budget together, we then decided to lower oil revenue projections to reflect more realistic prices. Our hunch paid off. Last week, WEFA decided to revise its oil revenue forecast for North Dakota. The numbers WEFA chose are approximately the same prices we picked earlier.

What does all this mean to the budget process? It means the general fund will have \$3.2 million less than expected this biennium, and the general fund next biennium will be \$8.4 million less than anticipated. I have been concerned about our forecasting procedure for some time. Legislation has been introduced that forms a committee to do "consensus forecasting". This nonpartisan committee will consist of business leaders, legislative leaders, university economists, and state budget and tax analysts. Committee members will analyze WEFA's view of the state's economic outlook and determine if it jibes with their view of the state's economy. I support this bill, and encourage you to support it also.

Now, let us look at the numbers. Governor Sinner's original executive budget recommends a general fund appropriation of \$1 billion, 228 million. The total original executive budget is \$3 billion, 477 million. My proposal today is much different. The general fund recommendation of \$1 billion, 291 million is slightly higher than Governor Sinner's proposal. But my total budget recommendation at \$3 billion, 310 million is \$167 million less than the original budget. Over the last six months, I advanced an idea to bring \$100 million in special funds into the general fund budget.

Since election day, Lieutenant Governor Rosemarie Myrdal has chaired a truth-in-budgeting committee. The committee's task was to make recommendations to me. They have, and here is my decision. I have decided not to ask you to transfer \$100 million from special funds to the general fund. Instead, I am asking you to move \$154 million into the general fund, fulfilling my truth-in-budgeting pledge. Let us now look at my proposals for the major parts of the budget.

Elementary and Secondary Education

As I said earlier, in the coming biennium I have recommended that we INVEST \$381 million in education. I emphasize the word invest. We cannot allow a tight budget to deter us from implementing innovative ideas to restructure schools, classrooms, and curriculum. If we are going to prosper in the next decade, and the next century, we must invest in our greatest resource - our children. Everyone in this assembly knows we are in court over the equality of the foundation aid program. Yes, it is becoming more and more difficult to defend the present formula, but it remains our constitutional duty to maintain strong basic support for the current educational program. My foundation aid recommendation differs from Governor Sinner's in that it does not change the current mill levy, which is 22 mills.

In transportation, I am following Governor Sinner's lead and proposing the elimination of the two-tiered bus system. The transportation payment is based on a flat 35 cents per mile, plus up to 50 percent of the cost of transportation. The total is capped at 70 percent of the cost of transportation. I am endorsing Governor Sinner's plan because it helps solve the inequities that exist in transportation reimbursements.

Governor Sinner also recommended eliminating the calculated student numbers, but I have rejected that proposal. My budget recommends basing the "weighted formula" on a five-year average. After much discussion, I have decided not to provide a "per-pupil payment" amount in my budget presentation. My recommendation is for the Legislature to provide the funding, and the Department of Public Instruction should allocate the funding on a 49%-51% split for the biennium. Also, the Department should project the number of students for the upcoming year and notify school districts of the "per-pupil

payment" in March preceding the school year. This would allow school districts the flexibility to prepare budgets with more accurate enrollment forecasts. Also, I support legislation that directs the Department of Public Instruction to pay per-pupil payments based on actual Fall enrollment.

I assure you the Department of Public Instruction's administration budget was carefully scrutinized. To allow the agency the ability to reorganize where needed, and to streamline administrative functions, I have reduced the operating and salaries from the original budget recommendation by \$100 thousand. The Department's operating budget is \$14 million, of which more than \$8 million is federal funds. North Dakota's education budgets simply cannot be held hostage by matching dollar requirements or maintenance of effort.

I urge lawmakers to scrutinize every federal program within this budget. Regarding special projects, I support Governor Sinner's view that the Department of Public Instruction administrators should decide the funding for these projects. Therefore, my budget recommends a lump sum appropriation of \$7 million.

In my budget preparations, I have spent much time reviewing and discussing Governor Sinner's proposal for the School for the Blind. I have met with concerned legislators and I have talked with other interested parties. I cannot support the recommendation to move the school to Bismarck. And the school will not be closed. My proposal moves the school to the Developmental Center Building in Grafton. Services will be outreach, or short-term in-house skill training, and each child will be individually evaluated for proper placement. The Developmental Center is state-of-the-art and well-equipped to handle this vital program. Importantly, room already is available. I think it is important that the parents of blind children visit the center. So, today, I am personally inviting those parents to join me at the center next Wednesday, January 27. I will be in Grafton that afternoon, and I look forward to meeting with students, parents, administrators, and local officials.

I realize this is a very sensitive issue. So to help maintain the school's autonomy, I am recommending the budget remain independent at this time. Let me assure you: I have not, and will not, ignore the struggles of these parents to provide the best possible placement for their children. To ease the impact of the transition, and to ensure that outreach services are properly established, I am asking that a transition team be formed that includes parents of both residential and mainstream students, health care professionals, and the appropriate state agency personnel.

Let me say one more thing about education funding. A new revenue forecast will be released in March. If our economic picture improves, I recommend additional revenue be put into payments to school districts.

Human Services

Finding the mismanagement and waste in human services, cutting the budget of every department in state government, and stopping the different tax increases will not be enough to meet one very special area of concern that I have. The cost of health care has increased so dramatically that I will not sit still and watch the quality of health care deteriorate.

Our biggest concern is Medicaid. Certain uncontrollable factors, declining financial participation rates, federal mandates, rising numbers of eligible recipients, changes in utilization, and changes in price levels make the already costly Medicaid program even more expensive. In this biennium, we tapped the general fund for \$79 million to pay for Medicaid. To provide the same level of service in 1993-95, we would need \$105 million from the general fund. In my opinion, we have no choice but to meet these obligations so pregnant women, the poor, the elderly, and children are not denied medical services they often desperately need.

So I ask you, and I ask the people of North Dakota, to support a temporary, two-year tax of one percent of net operating income of hospitals, and six percent of net operating income of long-term care facilities and intermediate care facilities for the mentally retarded. This plan, which sunsets June 30, 1995, will generate \$38 million. A total of \$33 million will be used to leverage \$91 million in federal matching funds that are absolutely essential to continue providing the health care services people need. Unfortunately, even with this provider tax we still will not generate enough revenue next biennium to provide the same level of service in 1993-95.

Regrettably, my budget revision includes cutting some optional programs, such as occupational therapy, physical therapy, psychological services, private duty nursing, remedial blind services, speech and hearing disorder services, aids insurance premiums, and special education. All told, an estimated 8,690 people will be impacted by cutting these services.

I guess the bottom line is this: we really should not have to do this tax increase. I believe there are substantial savings in the department, but in order to find them today, we would have to gamble with people's health tomorrow. I am not willing to take that gamble. Given the mismanagement of the hospital payback program, I have asked the State Auditor's office to place more emphasis on investigative performance audits of the Human Services Department. This is crucial. Not only will it help us get a handle on what actually is going on within the agency, in the long run it will help us identify inefficiencies and waste.

In another human services area, our budget supports Governor Sinner's efforts to downsize the State Hospital and the Developmental Center. Also, we support the original recommendation giving regional human services centers the option to purchase services from the State Hospital the second year of the biennium.

Higher Education

I have been following with much interest the University System's Seven-Year Plan, which calls for collaboration and sharing of resources and talent among campuses. The plan sets forth an agenda to streamline and consolidate administrative tasks, increase instructional motivation, and among other things, form a strong partnership with K-12. These priorities are my priorities, too. General fund spending is reduced in every campus budget, and I applaud Chancellor Treadway and his staff for their cooperation and understanding.

My budget, like Governor Sinner's original budget, allows tuition generated on a campus to remain with that campus. I also recommend passage of the tuition increase proposed by Governor Sinner and the Board of Higher Education.

Cities and Counties

The uncertainty over revenues makes it difficult to give local government an increase in their revenue-sharing funds. The revised budget also transfers the \$73 million in the State Aid Distribution Fund from special funds to the general fund. These revenues went into the general fund until 1989, so I am returning the revenue-sharing fund to its original home.

Transportation

In a rural state like North Dakota, we all understand how important transportation is to our livelihoods. As I stated earlier, my budget does not include a gas tax increase. We would like to take full advantage of the Federal Highway Act matching funding, but right now we are not sure what North Dakota's cut of the federal revenue pie will be. My revised budget does ask for a five percent rebate from contractors on state highway jobs for four years. The revenue from this rebate program will be used to pay the state match that was borrowed from the federal government.

Workers Compensation

This budget reflects my administration's commitment to correcting the problems that have plagued the bureau in recent years. I am recommending an increase of eight claims analysts. It is my hope that by placing a higher priority on claims we can begin to develop a more positive relationship between the bureau and businesses, and more importantly, people who are injured at work. We also recommend an additional five full-time employees to be used as the executive director sees fit. The package of reforms passed in 1991 generally has had a positive impact on the bureau. Workers Compensation has taken great strides to improve its operation, and with a new management team in place, I anticipate even greater things happening in the coming biennium.

Economic Development

New Economic Development and Finance Director Chuck Stroup has made an immediate impact on the budget. Mr. Stroup shares my belief that we do not need more full-time employees in administration, so we have reduced Governor Sinner's recommendation by 12 positions.

In all, we have reduced the original budget recommendation by \$2.3 million. Perhaps more important is the shift in philosophy. My budget will reflect our belief that we utilize our staff and our legislative appropriation to facilitate, coordinate, and motivate the economic development process. The revised budget for the next biennium is about the same as this biennium but less money will be going into administration and more money will be filtered into communities.

I also would be remiss if I did not urge you to support the Lignite Council's efforts to secure two clean coal projects in our state. One project would have a huge impact on the economy, with hundreds of construction jobs and as many permanent jobs. The two projects require a combined \$34 million in state matching funds, and the funding source for these projects has many facets. The state must get behind these projects.

Employee Compensation

I know that every person in this assembly believes that state employees are talented and productive public employees. Careful management of agency resources can make state employees even more effective. I am also hopeful that they can provide good ideas on how we can cut costs, improve services, and generally make government more efficient. In the near future, I will be unveiling my plan to institute an employee suggestion awards program. This program will feature cash bonuses for employees who help us better deliver the services to our most valued customer, the taxpayers of North Dakota.

Unfortunately, this budget crisis has forced us to adjust the compensation package proposed by Governor Sinner. My recommendation is that state employees receive a two percent pay increase the first year of the biennium. I am asking legislators to authorize an additional three percent pay hike in the second year of the biennium, but stipulate that funding must come from existing agency budgets.

This bold initiative provides an incentive for administrators and employees to become more efficient. These "performance raises" can be granted only if the agency demonstrates that it can absorb the costs. Actions contemplated to achieve agency savings include not filling future vacancies and then restructuring current duties, reassigning tasks, and expanding job descriptions, just to name a few. The concept is simple for both administrators and employees: If you cut your personnel and/or operating costs, you get a raise. If you do not cut costs, you do not get a raise. I am convinced this pay package has the potential to completely change the dynamics of employees looking for savings.

It is important that every state employee understands that my budget continues to provide full support for health insurance and retirement benefits.

Ending Fund Balance

It is absolutely necessary that our general fund ending balance be \$40 million. The decision to reduce spending will require a great deal of willpower and discipline by everyone in the Legislature. It also will require the collective willpower and discipline of every North Dakotan. Some politicians will say you cannot reduce spending too much because the political fallout will be too great. I am not a politician, though; I am a businessman who has learned to keep my eye on the bottom line at all times. I say that maintaining the status quo breeds mediocrity, and business as usual got us into this crisis in the first place.

And let me say this loud and clear: I do not fear what lies ahead because I believe fiscal restraint today is more important than political popularity tomorrow. In my inaugural address, I talked about a new kind of leadership from the Governor's office. I resume that discussion now and challenge every lawmaker to stand up and be counted as a leader.

What is a leader? A leader is someone who thrives on change, is willing to take risks, and is willing to be innovative and experiment to find new and better ways of doing things. Perhaps more than anything, a leader makes the hard decisions with courage and resolve. There is a great deal of work before all of us. But I am confident in our ability to work together to accomplish the goals that we all seek.

My budget adjustments reflect a responsible level of state spending, and I ask for your cooperation in passing a budget that reflects the desires of every North Dakota taxpayer. It is my hope that this revised budget is the first step in ensuring that government makes sense to the average North Dakotan. It is also my hope that this new budget accurately reflects the world we live in.

This is the beginning of restructuring our government to unleash the power of individual endeavor. In the months to come, I will urge more streamlining of agencies and policies. I urge all North Dakotans to get involved in this process and work with your district legislators to provide the better future that our children deserve. Thank you for your time today. May God guide you in the days and months ahead.

MOTION

REP. FREIER MOVED that the remarks of the Honorable Edward T. Schafer, Governor, be printed in the Journal, which motion prevailed.

Rep. Freier and Sen. Nelson escorted the Honorable Edward T. Schafer, Governor, from the House Chambers.

LT. GOVERNOR MYRDAL DECLARED the Joint Session dissolved.

REPORT OF STANDING COMMITTEE

HB 1028: Finance and Taxation Committee (Rep. Timm, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (12 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING). HB 1028 was placed on the Sixth order on the calendar.

Page 3, line 13, after "and" insert "may"

Page 3, line 15, replace "by" with "to" and remove "information"

Page 3, line 16, replace "services" with "vocational rehabilitation" and after "division" insert "through gifts and grants received under section 6 of this Act which are hereby appropriated"

Page 4, line 23, after "the" insert "vocational rehabilitation"

Page 4, line 26, replace "telecommunications" with "department of human", after "services" insert "operating", and remove "for"

Page 4, line 27, remove "the communications impaired"

Page 5, line 7, replace "twenty-five" with "fifteen"

Page 7, line 4, replace "\$1,710,000" with "\$1,110,000"

ReNUMBER accordingly

REPORT OF STANDING COMMITTEE

HB 1079: Judiciary Committee (Rep. Kretschmar, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (12 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1079 was placed on the Sixth order on the calendar.

Page 1, line 2, after the first comma insert "subsections 1 and 2 of section 28-32-06,"

Page 3, line 25, overstrike "or is not a contested case"

Page 4, line 3, remove ", or for proceedings"

Page 4, line 4, remove "which are not contested cases" and overstrike "noncontested case"

Page 4, line 5, overstrike "proceedings or"

Page 4, after line 12, insert:

"SECTION 3. AMENDMENT. Subsections 1 and 2 of section 28-32-06 of the North Dakota Century Code are amended and reenacted as follows:

1. ~~The admissibility of evidence in any proceeding before an administrative agency shall be determined in accordance with the North Dakota Rules of Evidence. An administrative agency, or any person conducting proceedings for it, may waive application of the North Dakota Rules of Evidence if a waiver is necessary to ascertain the substantial rights of a party to the proceeding, but only relevant evidence shall be admitted. The waiver must be specifically stated, orally or in writing, either prior to or at a hearing or other proceeding. Any person conducting proceedings for an administrative agency may admit any relevant evidence, including hearsay, if it is the type of evidence on which prudent persons are accustomed to rely in the conduct of their serious affairs. An administrative agency may by rule require the application of rules of evidence in any proceeding before it. All objections offered to evidence shall be noted in the record of the proceeding. No information or evidence except that which has been offered, admitted, and made a part of the official record of the proceeding shall be considered by the administrative agency, except as otherwise provided in this chapter.~~
2. ~~Upon proper objection, evidence~~ Evidence ~~that is irrelevant, immaterial, unduly repetitious, or excludable on constitutional or statutory grounds, or on the basis of evidentiary privilege recognized in the courts of this state, may be excluded. In the absence of proper objection, the agency or any person conducting an investigation or proceeding for it may exclude objectionable evidence. The North Dakota Rules of Evidence in regard to privileges apply~~

at all stages of an administrative proceeding under this chapter."

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1086: Industry, Business and Labor Committee (Rep. Dorso, Chairman) recommends **DO NOT PASS** (13 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1086 was placed on the Eleventh order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1089: Transportation Committee (Rep. Belter, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1089 was placed on the Sixth order on the calendar.

Page 1, line 11, remove "licensed" and overstrike "physicians" and insert immediately thereafter "licensed health care professionals"

Page 1, line 12, overstrike "physician's" and insert immediately thereafter "medical"

Page 1, line 15, remove the overstrike over "and"

Page 1, line 16, remove ", and must have attended the"

Page 1, line 17, remove "required annual bus driver safety training workshop"

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1100: Education Committee (Rep. Gates, Chairman) recommends **DO NOT PASS** (14 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). HB 1100 was placed on the Eleventh order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1123: Education Committee (Rep. Gates, Chairman) recommends **DO PASS** (8 YEAS, 7 NAYS, 0 ABSENT AND NOT VOTING). HB 1123 was placed on the Eleventh order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1124: Education Committee (Rep. Gates, Chairman) recommends **DO PASS** (9 YEAS, 6 NAYS, 0 ABSENT AND NOT VOTING). HB 1124 was placed on the Eleventh order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1126: Finance and Taxation Committee (Rep. Timm, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1126 was placed on the Sixth order on the calendar.

Page 1, line 2, replace "57-38-05" with "57-38-45"

Page 1, line 5, remove "to amend and reenact section 57-38-60.1 of the"

Page 1, remove line 6

Page 1, line 7, remove "compliance with income tax laws;"

Page 1, remove the underscore under lines 12 through 18

Page 1, remove the underscore under lines 21 and 22

Page 2, remove the underscore under line 1

Page 2, line 2, remove the underscore under "the tax commissioner may assess a penalty of", after "of" insert "up to", and remove the underscore under "five hundred dollars"

Page 2, remove the underscore under line 3

Page 2, remove lines 4 through 14

Re-number accordingly

REPORT OF STANDING COMMITTEE

HB 1166: Industry, Business and Labor Committee (Rep. Dorso, Chairman) recommends **DO PASS** (14 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1166 was placed on the Eleventh order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1174: Industry, Business and Labor Committee (Rep. Dorso, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO NOT PASS** (9 YEAS, 5 NAYS, 1 ABSENT AND NOT VOTING). HB 1174 was placed on the Sixth order on the calendar.

Page 1, line 5, after "loans" insert "; and to declare an emergency"

Page 1, line 13, remove "five", overstrike "hundred", overstrike "dollars;", remove "and", and overstrike "two percent per month on that part"

Page 1, line 14, overstrike "of the unpaid balance of principal"

Page 1, line 15, overstrike "not exceeding"

Page 3, line 1, replace "computed on a three hundred sixty-five-day year simple" with "higher than the prime rate as published in the Wall Street Journal for the last business day of the quarter. The rate is to be adjusted quarterly and effective the first day of the succeeding quarter, commencing July 1, 1993"

Page 3, line 2, remove "interest rate"

Page 3, after line 2, insert:

"SECTION 4. EMERGENCY. This Act is declared to be an emergency measure."

Re-number accordingly

REPORT OF STANDING COMMITTEE

HB 1188: Transportation Committee (Rep. Belter, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1188 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact section 3 of chapter 720 of the 1987 Session Laws of North Dakota as amended by section 6 of chapter 686 of the 1991 Session Laws of North Dakota, relating to the expiration date of the emergency services communication system advisory committee."

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 3 of chapter 720 of the 1987 Session Laws of North Dakota as amended by section 6 of chapter 686 of the 1991 Session Laws of North Dakota is amended and reenacted as follows:

SECTION 3. EXPIRATION DATE. This Act is effective through June 30, 1994 1996, and after that date is ineffective."

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1219: Transportation Committee (Rep. Belter, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). HB 1219 was placed on the Sixth order on the calendar.

Page 1, line 1, remove "to create and enact a new paragraph to subdivision a of"

Page 1, remove line 2

Page 1, line 3, remove "to points assigned for failure to yield to a pedestrian; and"

Page 1, line 4, remove "and paragraphs 16 and 17 of"

Page 1, line 5, remove "subdivision a of subsection 3 of section 39-06.1-10"

Page 1, line 6, remove "and points assigned"

Page 1, remove lines 19 through 22

Page 2, remove lines 1 through 23

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1239: Judiciary Committee (Rep. Kretschmar, Chairman) recommends **DO PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1239 was placed on the Eleventh order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1247: Judiciary Committee (Rep. Kretschmar, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (12 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). HB 1247 was placed on the Sixth order on the calendar.

Page 1, line 10, after "election" insert "that occurs at least ninety days after the vacancy"

Page 1, line 12, remove the overstrike over "by" and remove "at the next statewide"

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1249: Judiciary Committee (Rep. Kretschmar, Chairman) recommends **DO PASS** (10 YEAS, 3 NAYS, 1 ABSENT AND NOT VOTING). HB 1249 was placed on the Eleventh order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1279: Industry, Business and Labor Committee (Rep. Dorso, Chairman) recommends **DO PASS** (12 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING). HB 1279 was placed on the Eleventh order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1295: Human Services Committee (Rep. Rydell, Chairman) recommends **DO PASS** (11 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING). HB 1295 was placed on the Eleventh order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1334: Industry, Business and Labor Committee (Rep. Dorso, Chairman) recommends **DO NOT PASS** (12 YEAS, 1 NAY, 2 ABSENT AND NOT VOTING). HB 1334 was placed on the Eleventh order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1343: Human Services Committee (Rep. Rydell, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (12 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1343 was placed on the Sixth order on the calendar.

Page 1, line 15, replace "1993-95" with "1995-97"

Renumber accordingly

FIRST READING OF SENATE BILLS

SB 2073: A BILL for an Act to amend and reenact subsection 8 of section 43-23-13 of the North Dakota Century Code, relating to examination fees for applicants for real estate licensure; and to declare an emergency.

Was read the first time and referred to the **Industry, Business and Labor Committee**.

SB 2074: A BILL for an Act to create and enact a new section to chapter 43-10 of the North Dakota Century Code, relating to continuing education requirements for funeral service practitioners; and to amend and reenact sections 43-10-13, 43-10-15, 43-10-21, and 43-10-22 of the North Dakota Century Code, relating to licensure fees for funeral service practitioners and funeral establishments and the definition of funeral establishments.

Was read the first time and referred to the **Industry, Business and Labor Committee**.

SB 2113: A BILL for an Act to amend and reenact sections 43-13-16, 43-13-17, 43-13-18, 43-13-19, 43-13-20, and 43-13-22 of the North Dakota Century Code, relating to licensing of optometrists.

Was read the first time and referred to the **Industry, Business and Labor Committee**.

SB 2127: A BILL for an Act to amend and reenact section 15-21-18 of the North Dakota Century Code, relating to joint meetings between the state board of higher education and the state board of public school education.

Was read the first time and referred to the **Education Committee**.

SB 2159: A BILL for an Act to amend and reenact sections 49-21-01.2, 49-21-01.3, 49-21-02.2, 49-21-07, and 49-21-22 of the North Dakota Century Code, relating to the regulation of telecommunications companies.

Was read the first time and referred to the **Industry, Business and Labor Committee**.

SB 2164: A BILL for an Act to amend and reenact section 23-16-01 of the North Dakota Century Code, relating to licensure requirements for the state hospital.

Was read the first time and referred to the **Human Services Committee**.

SB 2191: A BILL for an Act to amend and reenact section 40-57.1-04.3, subsections 20 and 26 of section 57-02-08, sections 57-09-05, 57-23-07, 57-28-09, 57-28-10, and 61-24-10 of the North Dakota Century Code, relating to the property tax exemption on speculative industrial buildings and properties owned by a local development corporation, the property tax exemptions for a disabled person, the membership of a township board of equalization, the compromise of property tax, the issuance of a tax deed, the appraisal of property acquired by a county

by tax deed, and the certified copies of the budget and tax levy of the Garrison Diversion Conservancy District.
Was read the first time and referred to the **Finance and Taxation Committee.**

The House stood adjourned pursuant to Representative Freier's motion.

ROY GILBREATH, Chief Clerk