

JOURNAL OF THE SENATE

Fifty-third Legislative Assembly

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Bismarck, April 24, 1993

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

The prayer was offered by Senator O'Connell.

The roll was called and all members were present.

A quorum was declared by the President.

MOTION

SEN. MATHERN MOVED that the Senate stand in recess until 9:30 a.m., which motion prevailed.

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

SIGNING OF BILLS AND RESOLUTIONS

The President signed the following enrolled resolution: HCR 3074.

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

MR. SPEAKER: The President has signed: HCR 3074.

SIGNING OF BILLS AND RESOLUTIONS

The President signed the following enrolled bills: SB 2001, SB 2009, SB 2012, SB 2014, SB 2017, SB 2018, SB 2020, SB 2174.

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

MR. SPEAKER: The President has signed and your signature is respectfully requested on: SB 2001, SB 2009, SB 2012, SB 2014, SB 2017, SB 2018, SB 2020, SB 2174.

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: HB 1001.

MOTION

SEN. MATHERN MOVED that the Senate stand in recess until 11:30 a.m., which motion prevailed.

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

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

MADAM PRESIDENT: The House has adopted the conference committee report and subsequently passed: HB 1007, HB 1416.

REPORT OF CONFERENCE COMMITTEE

HB 1007, as engrossed: Your conference committee (Sens. Robinson, Redlin, Lips and Reps. Gerntholz, Carlisle, Laughlin) recommends that the SENATE RECEDE from the Senate amendments on SJ pages 1250-1251, adopt amendments as follows, and place HB 1007 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1469-1470 of the House Journal and pages 1250-1251 of the Senate Journal and that Engrossed House Bill No. 1007 be amended as follows:

Page 1, line 12, replace "2,057,920" with "2,104,453"

Page 1, line 13, replace "18,810" with "20,389"

Page 1, line 14, replace "2,167,701" with "2,114,275"

Page 1, line 19, replace "6,719,172" with "6,884,523"

Page 1, line 21, replace "5,140,849" with "5,293,384"

Page 2, line 1, replace "17,777,416" with "18,089,988"

Page 2, line 2, replace "11,308,863" with "11,590,028"

Page 2, line 3, replace "6,468,553" with "6,499,960"

Page 2, line 4, replace "\$500,000" with "\$570,000"

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 540 - ADJUTANT GENERAL

CONFERENCE COMMITTEE - This amendment makes the following changes:

- The salaries and wages line item is increased by \$46,533, of which \$45,753 is from the general fund and \$780 is from other funds. An amount of \$30,000 from the general fund is for the addition of one FTE for the Veterans Cemetery and \$16,533, of which \$15,753 is from the general fund and \$780 is from other funds, is to reflect the \$60 per month salary increase in accordance with the provisions of House Bill No. 1018.
- The information services line item is increased by \$1,579 from the general fund in accordance with the provisions of House Bill No. 1018.
- The operating expenses line item is decreased by \$53,426, of which \$20,374 is from the general fund and \$33,052 is from other funds, to remove the indirect cost allocation payments to the Office of Management and Budget.
- The Army Guard contract line item is increased by \$165,351, of which \$36,404 is from the general fund and \$128,947 is from other funds. An amount of \$25,351, of which \$1,404 is from the general fund and \$23,947 is from other funds, is to reflect the \$60 per month salary increase in accordance with the provisions of House Bill No. 1018 and \$140,000, of which \$35,000 is from the general fund and \$105,000 from other funds.
- The tuition fees line item reflects a funding source change of \$70,000. The general fund portion of the tuition fees is reduced by \$70,000, from \$400,000 to \$330,000, and the other funds are increased by \$70,000, from \$500,000 to \$570,000.
- The Air Guard contract line item is increased by \$152,535, of which \$38,045 is from the general fund and \$114,490 is from other funds. An amount of \$12,535, of which \$3,045 is from the general fund and \$9,490 is from other funds, is to reflect the \$60 per month salary increase in accordance with the provisions of House Bill No. 1018 and \$140,000, of which \$35,000 is from the general fund and \$105,000 from other funds.

In total, this amendment increases the appropriation to the Adjutant General by \$312,572, of which \$31,407 is from the general fund and \$281,165 is from other funds.

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

REPORT OF CONFERENCE COMMITTEE

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

Engrossed HB 1007, as amended, was placed on the Fourteenth order.

SECOND READING OF HOUSE BILL

HB 1007: A BILL for an Act to provide an appropriation for defraying the expenses of the adjutant general; and to provide an appropriation for the North Dakota veterans' cemetery.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 48 YEAS, 0 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Andrist; Bowman; DeMers; Dotzenrod; Evanson; Freborg; Goetz; Graba; Grindberg; Heinrich; Holmberg; Jerome; Keller; Kelly; Kelsch; Kinnoin; Krauter; Krebsbach; Langley; Lindaas; Lindgren; Lips; Marks; Mathern; Maxson; Mushik; Mutch; Naaden; Nalewaja; Nelson; Nething; O'Connell; Redlin; Robinson; Scherber; Schoenwald; Solberg; Stenehjem, B.; Stenehjem, W.; Streibel; Tallackson; Tennefos; Thane; Tomac; Traynor; Urlacher; Wogsland; Yockim

ABSENT AND NOT VOTING: Sand

HB 1007 passed and the title was agreed to.

MOTION

SEN. MATHERN MOVED that the Senate stand in recess until 1:30 p.m., which motion prevailed.

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

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

MR. SPEAKER: The Senate has not adopted the conference committee report on SB 2200. The committee is discharged and new conference committee members are Sens. Maxson, Mathern, Lindgren on SB 2200.

REPORT OF CONFERENCE COMMITTEE

HB 1416, as engrossed: Your conference committee (Sens. Marks, W. Stenehjem, Andrist and Reps. Kelsch, Drovdal, Allmaras) recommends that the **SENATE RECEDE** from the Senate amendments on SJ pages 1296-1319 and 1328, adopt amendments as follows, and place HB 1416 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1493-1516 of the House Journal and pages 1296-1319 and page 1328 of the Senate Journal and that Engrossed House Bill No. 1416 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 53-06.1-01, subsection 1 of section 53-06.1-01.1, sections 53-06.1-01.2, 53-06.1-02, 53-06.1-02.1, 53-06.1-03, 53-06.1-03.3, 53-06.1-05, 53-06.1-05.1, 53-06.1-06, 53-06.1-07, 53-06.1-07.1, 53-06.1-07.2, 53-06.1-07.3, 53-06.1-07.4, 53-06.1-08, 53-06.1-08.1, 53-06.1-09, 53-06.1-10, 53-06.1-10.1, 53-06.1-11, 53-06.1-12, 53-06.1-12.2, 53-06.1-13, 53-06.1-13.1, 53-06.1-14, 53-06.1-15, 53-06.1-15.1, 53-06.1-15.4, 53-06.1-16, 53-06.1-16.1, 53-06.1-16.2, 53-06.1-17, and subsection 5 of section

53-06.2-11 of the North Dakota Century Code, relating to games of chance and the gaming commission.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 53-06.1-01 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

53-06.1-01. Definitions. As used in this chapter:

1. "Adjusted gross proceeds" means, ~~except in the case of the~~ for games of draw poker and stud poker authorized under section 53-06.1-07.2, gross proceeds less cash prizes or and the price of merchandise prizes and, less the charitable gaming tickets pull tab excise tax imposed by section 53-06.1-12.2, and less the amount of federal excise tax and interest imposed under section 4401 of the Internal Revenue Code [26 U.S.C. 4401]. In the games of draw poker and stud poker, "adjusted gross proceeds" means the time buy-ins or tournament fees collected by the eligible licensed organization.
2. "~~Bona fide guest~~" means ~~a person who is not a member of an eligible organization, but who is allowed to use the facilities of the organization when invited by a member or the organization in accordance with the eligible organization's bylaws, articles of incorporation, charter, rules, or other written statement.~~
- 3- "~~Charitable gaming ticket~~" means ~~the game piece used in pull tab games or jar ticket games.~~
- 4- "Charitable organization" means ~~any nonprofit an organization operated incorporated as a nonprofit corporation whose primary purpose is for the relief of poverty, distress poor, distressed, underprivileged, diseased, elderly, or abused persons, prevention of cruelty to children or animals, or other condition of public concern within this state, which has been so engaged actively fulfilling its primary purpose within this state for the two immediately preceding years.~~
- 5- 3. "Civic and service club organization" means any branch, lodge, or chapter of a nonprofit national or state organization which is authorized by its written constitution, charter, articles of incorporation, or bylaws to engage in a civic or service purpose within this state, and which shall have existed in has been actively fulfilling its primary purpose within this state for the two immediately preceding years. "~~Civic and service club~~" The term also means a similar local nonprofit organization, not affiliated with a state or national organization, which is recognized by resolution adopted by the governing body of the city in which the organization conducts its principal activities, or by the governing body of a county if ~~such~~ the organization conducts its principal activities outside the limits of a city ~~but within a county.~~ Such club shall organization must have existed in been actively fulfilling its primary purpose within this state for the two immediately preceding years.
- 6- 4. "Commission" means the state gaming commission.
- 7- 5. "Distributor" means a person, ~~firm, corporation, association, or organization which that~~ sells, markets, or otherwise distributes raffle tickets, bingo gaming

equipment, or any other implements of gambling usable in the lawful conduct of games of chance under this chapter. ~~"Distributor"~~ The term does not include a resident printer who prints raffle tickets at the request of a licensed or authorized organization or an organization that has been issued a local permit, and who sells or otherwise distributes such raffle tickets to ~~such~~ the organization.

~~8-~~ 6. "Educational, charitable, patriotic, fraternal, religious, or other public-spirited uses" are:

- a. ~~To the extent used for purposes enumerated in subdivisions c through l, uses benefiting those organizations that are exempt from federal taxation under section 501(c)(3) of the Internal Revenue Code. Uses for stimulating and promoting state and community-based economic development programs within the state which improve the quality of life of community residents.~~
- b. ~~To the extent used for purposes enumerated in subdivisions c through l, uses benefiting an organization registered with the North Dakota secretary of state under chapter 50-22. Uses for developing, promoting, and supporting tourism within a city or the state.~~
- c. Uses benefiting an indefinite number of persons by bringing them under the influence of education, cultural programs, or religion which include disbursements to provide:
 - (1) Scholarships for students, if the disbursement is deposited in a scholarship fund for defraying the cost of education to students and the scholarships are awarded through an open and fair selection process.
 - (2) Supplementary assistance to a public or private nonprofit educational institution registered with or accredited by any state.
 - (3) Assistance to libraries and museums.
 - (4) Assistance for the performing arts and humanities.
 - (5) Preservation of cultural heritage.
 - (6) Youth community and athletic activities.
 - (7) Adult amateur athletic activities within the state, such as softball, including uniforms and equipment.
 - (8) Maintenance of places of public worship or support of a body of communicants, gathered in common membership for mutual support and edification in piety, worship, or religious observances.
 - (9) Scientific research.
- d. Uses benefiting an indefinite number of persons by relieving them of disease, suffering, or constraint which include disbursements to provide:
 - (1) Relief to an individual or family suffering from poverty or homelessness.

- (2) Encouragement and enhancement of the active participation of the elderly in our society.
 - (3) Services to the abused.
 - (4) Services to persons with an addicted behavior toward alcohol, gambling, or drugs.
 - (5) Funds to combat juvenile delinquency and rehabilitate ex-offenders.
 - (6) Relief for the sick, diseased, and terminally ill and their physical well-being.
 - (7) Funds for emergency relief and volunteer services.
 - (8) Funds to nonprofit nursing homes and other nonprofit medical facilities.
 - (9) Social services and education programs aimed at aiding ~~the~~ emotionally and physically distressed, handicapped, elderly, and underprivileged persons.
 - (10) Funds for crime prevention, fire protection and prevention, and public safety.
- e. (1) Fraternal uses, consistent with uses ~~and priorities~~ enumerated in subdivisions e a through ~~l~~ and ~~section 53-06.1-02 m~~, specified by an organization's constitution, charter, articles of incorporation, or bylaws and not of direct benefit to the eligible organization.
- (2) Fraternal uses or disbursements to perpetuate the memory and history of the dead.
- f. Uses increasing comprehension of and devotion to the principles upon which the nation was founded, not of direct benefit to the eligible organization or any member thereof which include disbursements to aid in teaching the principles of liberty, truth, justice, and equality. However, beauty pageants are excluded from receiving ~~charitable gaming funds net proceeds~~ under this subdivision or any other provision of this chapter.
- g. The erection or maintenance of public buildings or works, public utilities, or public waterworks.
- h. Uses otherwise lessening the burden of government which include disbursements to any entity that is normally funded by the city, county, state, or United States government and disbursements directly to a city, county, state, or the United States government, or any agency, political subdivision, or instrumentality thereof.
- i. Uses benefiting a definite number of persons who are the victims of loss of home or household possessions through explosion, fire, flood, or storm and the losses uncompensated by insurance.
- j. Uses benefiting a definite number of persons suffering from a seriously disabling disease or injury causing severe loss of income or incurring extraordinary medical expense which is uncompensated by insurance.

- k. Uses, for community service projects, by chambers of commerce exempt from federal income tax under section 501(c)(6) of the Internal Revenue Code. A project qualifies as a community service project if it promotes the common good, enhances the social welfare of the community, and benefits an indefinite number of persons. The specific goals of a community service project may be to develop or promote public services in areas such as education, housing, transportation, recreation, crime prevention, fire protection and prevention, safety, and health. Uses that directly benefit a chamber of commerce do not qualify.
- l. Uses for or of benefit to efforts in support of the health, comfort, or well-being of the community which include disbursements to provide:
- (1) Funds for adult bands, including drum and bugle corps.
 - (2) Funds for trade shows and conventions conducted in this state.
 - (3) Funds for nonprofit organizations that operate a humane society, zoo, or fish or wildlife propagation and habitat enhancement program.
 - (4) Funds for public transportation and recreation.
- m. To the extent the net proceeds are used toward the primary purpose of a charitable, educational, religious, or public-spirited organization, that has obtained a final determination from the internal revenue service as qualifying for exemption from federal income tax under section 501(c)(3) of the Internal Revenue Code, the organization may establish a special trust fund as a contingency for funding or maintaining the organization's future program services should the organization discontinue conducting games of chance or dissolve. The commission may adopt rules for the establishment of special trust funds.

Such uses do not include the erection, acquisition, improvement, maintenance, or repair of real, personal, or mixed property owned or leased by an organization unless it is used exclusively for one or more of the stated eligible uses. Eligible Except for uses related to an eligible organization's primary purpose, eligible uses do not include any activities consisting of attempts to influence legislation, or promote or oppose referendums or initiatives, or. Eligible uses do not include participation in any political campaign on behalf of any active official or person who is or has been a candidate for public office. In addition, the ~~licensing authority~~ commission may adopt rules to limit or restrict eligible use disbursements to ensure that funds net proceeds are best utilized for educational, charitable, fraternal, religious, patriotic, or other public-spirited purposes.

- ~~9- 7.~~ "Educational organization" means any nonprofit public or private elementary or secondary school, two-year or four-year college, or university in this state which has been ~~in~~ existence active for the two immediately preceding years.

- ~~10-~~ 8. "Eligible organization" means bona fide nonprofit veterans, charitable, educational, religious, ~~and fraternal organizations~~, civic and service clubs, public safety, and other public-spirited organizations as defined by this chapter section, which may be licensed by the attorney general or ~~authorized~~ issued a local permit by the governing body of a city or county to conduct games of chance under this chapter.
- ~~11.~~ "Entire net proceeds" or "net proceeds" means the adjusted gross proceeds less such expenses and taxes as are specifically authorized under this chapter.
- ~~12-~~ 9. "Fraternal organization" means ~~a nonprofit an~~ organization within this state, except college and high school fraternities, which is incorporated as a nonprofit corporation and which is a branch, lodge, or chapter of a national or state organization and exists for the common business, brotherhood, or other interests of its members. ~~Such The organization shall~~ must have existed been actively fulfilling its primary purpose within this state for the two immediately preceding years, and must have obtained an advance ruling or final determination from the internal revenue service as qualifying for exemption from federal income tax under section 501(c)(8) or 501(c)(10) of the Internal Revenue Code. However, if the organization's gross receipts in each tax year are normally not more than twenty-five thousand dollars, the organization is not required to have obtained an advance ruling or final determination from the internal revenue service.
- ~~13-~~ 10. "Gross proceeds" means all moneys collected or received from conducting games of chance and from games of chance admissions thereto.
- ~~14-~~ 11. "Licensee" "Licensed organization" means an eligible organization licensed under this chapter by the attorney general to conduct bingo, raffles, calcuttas, pull tabs, punchboards, twenty-one, poker, and sports pools.
- ~~15-~~ 12. "Licensing authority" ~~means the attorney general.~~ "Local permit" means a permit issued to a nonprofit organization recognized as a public-spirited organization by a governing body of a city or county that authorizes the organization to conduct only bingo, raffles, and sports pools in that city or county.
- ~~16-~~ 13. "Manufacturer" means a person who designs, assembles, fabricates, produces, constructs, or who otherwise prepares a product or a component part of a product of any implement of gambling usable in the lawful conduct of games of chance under this chapter. ~~"Manufacturer"~~ The term does not include a resident printer who prints raffle tickets at the request of a licensed ~~or authorized~~ organization or an organization that has been issued a local permit, and who sells or otherwise distributes such raffle tickets to ~~such an~~ the organization.
14. "Manufacturer's distributor" means a wholesaler of a manufacturer of electronic-mechanical pull tab dispensing devices and associated equipment who maintains a parts inventory, who sells at wholesale dispensing devices and associated equipment directly to a licensed distributor, and who does not sell or otherwise provide these items to a licensed organization.

- ~~17-~~ 15. "Member" means a person who has qualified for and been admitted to membership in an eligible organization pursuant to its bylaws, articles of incorporation, charter, rules, or other written statement, and who pays regular monthly, annual, or other periodic dues or is a fully paid life member of the eligible organization. "Member" includes auxiliary members, but excludes social and honorary members.
- ~~18-~~ ~~"Other public spirited organization" means a nonprofit organization which has been in existence within this state for two years and is recognized by the governing body of a city or county by resolution as public spirited and eligible to conduct games of chance under this chapter.~~
16. "Net proceeds" means the adjusted gross proceeds less such expenses and taxes as are specifically authorized under this chapter.
- ~~19-~~ 17. "Person" means any person, firm, partnership, corporation, association, or organization.
18. "Public safety organization" means an organization incorporated as a nonprofit corporation whose primary purpose is to actively engage in firefighting, ambulance service, or similar disaster assistance, which has been actively fulfilling its primary purpose within this state for the two immediately preceding years.
19. "Public-spirited organization" means an organization incorporated as a nonprofit corporation whose primary purpose is for scientific research, amateur sports competition, safety, arts, agriculture, preservation of cultural heritage, educational activities, educational public service, youth, or similar organization, and which does not meet the definition of veterans, fraternal, charitable, educational, religious, civic and service, or public safety organization, which has been actively fulfilling its primary purpose within this state for the two immediately preceding years and is recognized by the governing body of a city or county by resolution as public spirited. However, a nonprofit organization recognized as a public-spirited organization by a governing body of a city or county for obtaining a local permit does not need to meet this definition.
20. "Pull tab" means the game piece used in deals of pull tabs.
- ~~20-~~ 21. "Religious organization" means any nonprofit organization, church, body of communicants, or group gathered in common membership incorporated as a nonprofit corporation whose primary purpose is for advancement of religion, mutual support and edification in piety, worship, and religious observances which has been actively so gathered or united in this state for the two immediately preceding years.
- ~~21-~~ 22. "Veterans organization" means any congressionally chartered organization within this state, or any branch or lodge or chapter of a nonprofit national or state organization within this state, the membership of which consists of individuals who were members of the armed services or forces of the United States. ~~Such organizations shall~~ The organization must have been in existence actively fulfilling its primary purpose in this state for the two immediately preceding years and must have obtained an advance ruling or final determination from the internal revenue service as qualifying

for exemption from federal income tax under section 501(c)(19) of the Internal Revenue Code. However, if the organization's gross receipts in each tax year are normally not more than twenty-five thousand dollars, the organization is not required to have obtained an advance ruling or final determination from the internal revenue service.

SECTION 2. AMENDMENT. Subsection 1 of section 53-06.1-01.1 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

1. The state gaming commission consists of the chairman and four other members appointed by the governor, with the consent of the senate. The members serve three-year terms and until a successor is appointed and qualified. If the senate is not in session when the term of a member expires, the governor may make an interim appointment, and the interim appointee holds office until the senate confirms or rejects the appointment. A member appointed to fill a vacancy arising from other than the natural expiration of a term serves only for the unexpired portion of the term. The terms of the commissioners must be staggered so that one term expires each July first.

SECTION 3. AMENDMENT. Section 53-06.1-01.2 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

53-06.1-01.2. Duty of attorney general to participate in certain hearings - Employment of private counsel by commission. The attorney general shall represent the state in all hearings before the commission and shall prosecute all criminal proceedings arising from violations of ~~chapters 53-06.1 and 53-06.2~~ this chapter. The commission may employ private counsel ~~for adoption of rules and to ensure that its hearings are conducted fairly.~~

SECTION 4. AMENDMENT. Section 53-06.1-02 of the North Dakota Century Code is amended and reenacted as follows:

53-06.1-02. Organizations eligible under chapter - Use of net proceeds. Nonprofit veterans, charitable, educational, religious, and fraternal organizations, civic and service clubs, public safety, and public-spirited organizations, as ~~those terms are defined by this chapter, are eligible to conduct games of chance under the conditions of this chapter.~~ The ~~entire~~ net proceeds of such games of chance are ~~to~~ must be devoted to educational, charitable, patriotic, fraternal, religious, or other public-spirited uses as defined by this chapter. Notwithstanding any other provision of this chapter, an eligible organization, ~~which is not required to be licensed by the attorney general, that has been issued a local permit may use the net proceeds of such games of chance to directly benefit the eligible organization.~~

SECTION 5. AMENDMENT. Section 53-06.1-02.1 of the North Dakota Century Code is amended and reenacted as follows:

53-06.1-02.1. Waiver of two-year existence active requirement - Local permit. An organization that has not been in ~~existence~~ actively fulfilling its primary purpose within this state for the two immediately preceding years ~~becomes an eligible~~ may be recognized as a public-spirited organization for purposes of this section upon approval by the governing body of the city, if the organization will conduct games of chance ~~only~~ within that city, or upon approval by the board of county commissioners, if the organization will conduct games of chance within the county. An organization that ~~becomes an eligible~~ is recognized as a public-spirited organization under this section is not

eligible for licensure by the attorney general until it has been in existence actively fulfilled its primary purpose within this state for the two immediately preceding years and may only conduct games of chance under a local authorization permit as provided in subsection 1 of section 53-06.1-03 until it becomes an eligible organization as otherwise provided in this chapter.

SECTION 6. AMENDMENT. Section 53-06.1-03 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

53-06.1-03. Licensure—Exceptions for raffles, sports pools, and bingo - City and county authorization local permits and site authorizations - Licensure by attorney general - Fees - Suspension and revocation.

1. ~~Except as otherwise provided in this section, eligible organizations desiring to conduct games of chance shall apply annually for a license from the attorney general before July first on forms provided by the attorney general and shall include with the application a one hundred fifty dollar license fee, except for those organizations whose average annual gross proceeds do not exceed twenty five thousand dollars, for which the fee is one hundred dollars.~~
- 2- A nonprofit organization shall obtain a local permit as follows:
 - a. ~~Any~~ A nonprofit organization recognized as public spirited a public-spirited organization by the governing body of a city or county may obtain a local authorization permit to conduct only raffles or bingo in which the primary prize does not exceed one thousand dollars, and the aggregate ~~does~~ prizes do not exceed six thousand dollars annually, ~~or~~ and to conduct sports pools, for professional sports only, in which the total wagers do not exceed five hundred dollars for each pool.
 - b. A nonprofit organization that conducts a city or county festival or celebration may be recognized as a public-spirited organization by the governing body of a city or county and may obtain a local authorization permit to conduct raffles in which the primary prize does not exceed one thousand dollars and the aggregate ~~does~~ prizes do not exceed two thousand dollars. For purposes of this subdivision, a "city or county festival or celebration" means an event:
 - (1) In celebration of local heritage, anniversary of establishment of the political subdivision, or other significant local event recognized as public spirited by the governing body of the city or county; and
 - (2) Supported by significant community participation.
 - c. To obtain a local authorization permit, the nonprofit organization shall apply directly to the governing body of the city in which ~~it conducts its principal activities~~ the site is located where the raffle, sports pool, or bingo activity will be conducted or, if its principal activities are conducted the raffle, sports pool, or bingo activity is conducted at a site located in a county but outside the limits of a city, it the organization shall apply to the board of county commissioners. ~~Applications~~ Application for the ~~conduct~~

~~of games of chance subject to authorization by a city or county a local permit must be made on forms provided by the attorney general. The governing body may by ordinance or resolution establish authorization fees a local permit fee not to exceed twenty-five dollars for each authorization local permit.~~

- d. For purposes of ~~this subsection~~ issuing a local permit, the determination of what is a ~~"public-spirited" organization~~ "public-spirited organization" is within the sole discretion of the governing body of the city or county.
2. Except as otherwise provided in this section, an eligible organization desiring to be licensed to conduct lawful games of chance shall apply annually for a license from the attorney general before July first on forms provided by the attorney general and shall include with the application a one hundred fifty dollar license fee, except the fee is one hundred dollars for an organization whose average annual gross proceeds do not exceed twenty-five thousand dollars. An organization shall provide clear and convincing evidence that the organization qualifies as an eligible organization. If a licensed organization amends its primary purpose as stated in its articles of incorporation or changes its basic character in a material manner, the organization shall reapply for licensure with the attorney general.
3. The attorney general shall license eligible organizations that conform to the requirements of this chapter by issuing licenses as follows:
- a. ~~A class A license to an eligible organization that is prohibited because of its nature or purpose for existence from expending charitable gaming net proceeds for the organization's own purposes or benefit and is, therefore, required to disburse its net proceeds to beneficiaries for educational, charitable, patriotic, fraternal, religious, or other public-spirited uses a fraternal, veterans, or civic and service organization.~~
- b. ~~A class B license to an eligible organization that is permitted because of its nature or purpose for existence to expend charitable gaming proceeds for its own educational, charitable, patriotic, fraternal, religious, or other public-spirited uses a charitable, religious, educational, public-spirited, or public safety organization. The attorney general may deny a class B license to an otherwise eligible organization if the organization is connected, directly or indirectly, to the holder of a North Dakota retail alcoholic beverage license. An eligible organization that qualifies for a class A license may not also be issued a class B license.~~
- c. ~~A class C license to an eligible organization that conducts games of chance on not more than two occasions per year.~~
- d- ~~The attorney general shall~~ commission may establish by rule no more than two additional classes of licenses based on the frequency of gaming, the types of games of chance conducted by the eligible licensed organization, and the adjusted gross proceeds collected or expected to be collected by the eligible licensed organization.

4. ~~Games~~ A licensed organization may conduct games of chance ~~may be operated or conducted only on premises or sites~~ an authorized site set forth in the application as follows:
- a. ~~License applicants~~ A licensed organization shall first secure approval of the proposed site or sites on at which it intends to conduct lawful games of chance under this chapter from the governing body of the city, if within city limits, or the county, if outside city limits, where the site or sites are is located. This approval or permit, which may be granted at the discretion of the governing body, must be recorded on a site authorization form which is to accompany the license application to the attorney general for final approval. The governing body may charge a one hundred dollar fee for this permit the site authorization.
 - b. Rented premises are subject to rules adopted by the attorney general commission.
 - c. Only one eligible licensed organization or organization that has been issued a local permit at a time may be authorized to conduct games of chance at a specific location authorized site, except that a raffle drawing may be conducted for special occasions when one of the following conditions are met:
 - (1) When the area for the raffle drawing is physically separated from the area where gaming is conducted by the regular licensee.
 - (2) Upon request of the regular licensee, the licensee's license is suspended for that specific day by the attorney general or commission.
 - d. Licenses, rules of conduct and play, state gaming stamps, and state identification devices registration stamps must be displayed on forms and in the manner specified in rules adopted by the attorney general commission.
 - e. No licensed organization or closely connected licensed organizations as a unit may have more than thirty authorized sites unless granted a waiver by the attorney general. However, after June 30, 1995, no licensed organization or closely connected licensed organizations as a unit may have more than twenty-five authorized sites unless granted a waiver by the attorney general. If the attorney general finds that there is no other licensed organization willing to conduct gaming at a site for which a waiver is being sought, the attorney general may approve the waiver. The attorney general may not grant a licensed organization a waiver for more than five sites. Closely connected licensed organizations are two or more organizations which have unitary characteristics that may include common primary purposes, members on boards of directors, officers, management, employees, bookkeepers, program services, integrations of gaming activities, and shared facilities.
5. ~~The attorney general may, by motion based on reasonable ground or upon written complaint, suspend, deny, or revoke under chapter 28-32, any license granted under this chapter for violations by the licensee, or any officer, director, agent, member, or employee of the licensee, of this chapter~~

or any rule adopted under this chapter. Notwithstanding section 5-02-02, an eligible organization that possesses a license issued under chapter 5-02 may not have that license suspended, revoked, or denied in consequence of action taken under this subsection unless that organization conducts gaming determined to be in violation of chapter 12.1-28 or subsection 1 of section 53-06.1-07.

6. The attorney general ~~or the commission~~ may impose monetary fines on licensed organizations, distributors, ~~manufacturers' distributors,~~ and manufacturers for failure to comply with ~~any provision of~~ this chapter or any rule adopted under this chapter. The monetary fine for each violation by an organization is a minimum of twenty-five dollars and may not exceed two percent of the organization's average quarterly gross proceeds, or five thousand dollars, whichever is greater. The monetary fine for each violation by a distributor or ~~manufacturer~~ manufacturer's distributor is a minimum of one hundred dollars and may not exceed five thousand dollars. The monetary fine for each violation by a manufacturer is a minimum of five hundred dollars and may not exceed two hundred fifty thousand dollars. This fine may be in addition to or in lieu of a license ~~suspensions~~ suspension or ~~revocations~~ revocation.

SECTION 7. AMENDMENT. Section 53-06.1-03.3 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

53-06.1-03.3. Charitable gaming ticket Pull tab sites - Limit on rent. For all purposes associated with the privilege of conducting games of chance at a site other than a site where bingo is the primary game of chance conducted, the monthly rent may not exceed:

1. If the game of twenty-one is conducted on the site, in addition to the rent allowable for the game of twenty-one, one hundred twenty-five dollars.
2. If the game of twenty-one is not conducted on the site, two hundred twenty-five dollars.

SECTION 8. AMENDMENT. Section 53-06.1-05 of the North Dakota Century Code is amended and reenacted as follows:

53-06.1-05. Local approval permit for educational organizations, college fraternities, and sororities for raffles, sports pools, and bingo. An educational organization, college fraternity, or sorority shall apply in writing to the governing body of the city in which it is located, or to the board of county commissioners if the educational organization or the college is located outside the ~~geographical limits of a city~~ limits, for ~~permission a local permit~~ to conduct raffles, sports pools, or bingo at least thirty days ~~prior to~~ before each occasion. The application must state the time, place, and educational, charitable, patriotic, fraternal, religious, or other public-spirited uses to which the net proceeds will be devoted. An applicant fraternity or sorority shall include a signed acknowledgment by the administration of the college or university that the applicant is a recognized fraternity or sorority. The governing body ~~may~~ at its ~~own~~ discretion by ordinance or resolution, and upon application, ~~grant permission may issue a local permit~~ for raffles, sports pools, and bingo to be held at specifically designated times and places for specific uses covering a one-year period. The governing body ~~may~~ by ordinance or resolution may establish ~~authorization fees a local permit fee~~ not to exceed twenty-five dollars for each ~~authorization.~~ authorization. ~~If the governing body, at its own discretion, chooses to authorize~~

~~raffles, sports pools, or bingo pursuant to this chapter, the governing body may do so by resolution local permit.~~

SECTION 9. AMENDMENT. Section 53-06.1-05.1 of the North Dakota Century Code is amended and reenacted as follows:

53-06.1-05.1. Regulation by city or county of number of twenty-one tables per site and number of sites per eligible licensed organization. Cities, for sites ~~or locations~~ within city limits, or counties, for sites ~~or locations~~ outside city limits, may establish by ordinance or resolution a maximum number of tables for twenty-one per site and a maximum number of sites upon which ~~an eligible a licensed organization~~ an eligible licensed organization may conduct games of chance within the city or county.

SECTION 10. AMENDMENT. Section 53-06.1-06 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

53-06.1-06. Persons permitted to conduct games of chance - Premises Gaming site - Equipment - Compensation.

1. No person, except a member or employee of ~~an eligible a licensed organization or an organization that has been issued a local permit or a member of an organization auxiliary to an eligible a licensed organization or an organization that has been issued a local permit,~~ an eligible licensed organization or an organization that has been issued a local permit, may assist in the holding, operating, or conducting of any game of chance under this chapter. In the conduct of pull tabs ~~through an electronic-mechanical dispensing device,~~ through an electronic-mechanical dispensing device, the attorney general may allow employees of licensed alcoholic beverage establishments to provide limited assistance to ~~an authorized a class B license holding eligible licensed organization the whose adjusted gross proceeds of which do does not exceed sixty eighty thousand dollars per quarterly reporting period of operation or to any class A license holding eligible licensed organization.~~ an authorized a class B license holding eligible licensed organization the whose adjusted gross proceeds of which do does not exceed sixty eighty thousand dollars per quarterly reporting period of operation or to any class A license holding eligible licensed organization. However, a volunteer of an eligible organization may sell raffle tickets.
2. Except when authorized by the attorney general, no games of chance may be conducted with any gaming equipment other than gaming equipment owned by an eligible organization or rented at a reasonable rate by an eligible organization from a licensed distributor.
3. The governing board of an eligible organization is primarily responsible and may be held accountable for the proper determination and distribution of the ~~entire net proceeds of any game games~~ entire net proceeds of any game games of chance held ~~in accordance with this chapter.~~
4. The ~~premises gaming site~~ premises gaming site where any game of chance is being held, operated, or conducted, or where it is intended that the game will be held, must be open to inspection by the attorney general, ~~the attorney general's agents and employees, by representatives of the governing body authorizing games of chance, and by peace officers of any political subdivision law enforcement officials~~ the attorney general, the attorney general's agents and employees, by representatives of the governing body authorizing games of chance, and by peace officers of any political subdivision law enforcement officials of this state.
5. When any merchandise prize is awarded in a game of chance, its value is its current retail price.

6. Equipment, prizes, and supplies for games of chance may not be purchased or sold at prices in excess of the usual price thereof.
7. ~~The A class A organization must devote the entire net proceeds derived from the holding of conducting games of chance must be devoted within three months from the date end of the quarter in which such proceeds were earned to the eligible uses permitted by this chapter. Any A class A organization desiring to hold the net proceeds of games of chance for a period longer than three months from the date such proceeds were earned must shall apply to the licensing authority or governing body, as the case may be, attorney general for special permission, and upon good cause shown, the licensing authority or governing body attorney general may grant the request.~~
8. No person who has pled guilty to or been found guilty of a felony may sell or distribute equipment, or conduct or assist in games of chance under this chapter for five years from the date of the conviction or release from incarceration, parole, or probation, whichever is the latter. No person determined by the attorney general to have participated in organized crime or unlawful gambling, may be permitted to sell or distribute equipment, or conduct or assist in games of chance under this chapter for a period determined by the attorney general.
9. Any person involved with the conduct of games of chance must be:
 - a. A person of good character, honesty, and integrity.
 - b. A person whose prior activities, criminal record, reputation, habits, and associations do not pose a threat to the public interest of this state or to the effective regulation and control of gaming, or create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of gaming or the carrying on of the business and financial arrangements incidental to the conduct of gaming.
10. The attorney general or commission may prohibit a person from playing games of chance if the person violates ~~any provision of~~ this chapter or any rule adopted under this chapter.
11. The attorney general or commission may require a licensed organization to pay a bingo or raffle prize to a player based on a factual determination, after opportunity for the parties to be heard, by the attorney general or commission.
12. If bingo is the primary game of chance conducted at an authorized site, no licensed organization may pay bingo prizes in which the aggregate of the bingo prizes for a quarter exceeds the total bingo gross proceeds for the quarter at that site. However, a bingo prize that equals or exceeds ten thousand dollars is excluded from the computation of the aggregate of the bingo prizes.

SECTION 11. AMENDMENT. Section 53-06.1-07 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

53-06.1-07. Games of chance allowed.

1. Eligible Only eligible organizations licensed by the attorney general shall be permitted to may conduct bingo, raffles, calcuttas, charitable gaming tickets pull tabs, punchboards, twenty-one, paddlewheels, poker, and sports pools for professional sports only. These games may only be conducted and played at gaming sites authorized by a local governing body and approved by the attorney general.
2. ~~College fraternities or sororities may conduct raffles, sports pools, and bingo.~~
3. ~~Eligible organizations shall be permitted to conduct draw poker in accordance with section 53-06.1-07.2.~~
4. ~~In electronic video gaming device play of any game of chance permitted by this section, the maximum prize per play is five hundred dollars.~~
5. ~~Any The game using charitable gaming tickets of pull tabs may be conducted only through use of commingled games after June 30, 1991.~~

SECTION 12. AMENDMENT. Section 53-06.1-07.1 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

53-06.1-07.1. Limitations on hours and participation in games of chance. A person under twenty-one years of age may not ~~participate in placing a wager in the~~ directly or indirectly play games of ~~charitable gaming tickets pull tabs, punchboards, twenty-one, calcuttas, sports pools, paddlewheels, or poker.~~ A person under eighteen years of age ~~not accompanied by an adult may not participate in~~ directly or indirectly play the game of bingo unless the person is accompanied by an adult, the bingo game is locally authorized under section 53-06.1-03 conducted by an organization that has been issued a local permit, or the game's prize structure does not exceed those that allowed under subsection 1 of section 53-06.1-03 for locally authorized games local permits. The games of ~~charitable gaming tickets pull tabs, punchboards, twenty-one, paddlewheels, or and~~ sports pools may be conducted only during the hours when alcoholic beverages may be dispensed in accordance with applicable regulations of the state or the ~~political subdivision~~ county or city.

SECTION 13. AMENDMENT. Section 53-06.1-07.2 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

53-06.1-07.2. Draw poker and stud poker - Limited authorization. ~~An eligible~~ A licensed organization may conduct the game of draw poker on not more than two occasions per year as follows:

1. The ~~eligible~~ organization may supply the dealer.
2. The maximum single bet is one dollar.
3. Not more than three raises, of not more than one dollar each, may be made among all the players in each round of bets. Otherwise the normal rules of draw poker and stud poker apply.
4. The ~~eligible~~ organization shall assess each player a fee not to exceed two dollars per half hour of playing time by that person, collected in advance. A fee may be charged each player for entry into a tournament for prizes which fee may

be in lieu of or in addition to the fee assessable at one-half hour intervals.

SECTION 14. AMENDMENT. Section 53-06.1-07.3 of the North Dakota Century Code is amended and reenacted as follows:

53-06.1-07.3. Calcuttas. An eligible A licensed organization may allow the playing of conduct a calcutta ~~on the authorized site.~~ ~~Calcuttas are allowed for professional or amateur sporting events held in this state, but not for elementary, secondary, or postsecondary education sports events. The eligible organization shall post at the gaming site all rules affecting the conduct and play of calcuttas or requirements of participants. An eligible The organization may not have an interest in the outcome of the calcutta. A participant who places player must place~~ a wager in the calcutta auction pool ~~must be at the authorized site. No more than one wager per competitor may be allowed in any calcutta pool. The amounts paid to calcutta pool participants players~~ in prizes may not exceed ninety percent of the gross proceeds. No competitor in a calcutta pool may be under eighteen years of age.

SECTION 15. AMENDMENT. Section 53-06.1-07.4 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

53-06.1-07.4. Paddlewheels. An eligible A licensed organization may ~~conduct the game of paddlewheels on the authorized site.~~ ~~The eligible organization shall post at the site all rules affecting the conduct of paddlewheels and requirements of players. A paddlewheel is a mechanical vertical wheel marked off into equally spaced sections that contain numbers or symbols, and which after being spun, uses a pointer or marker to indicate the winning number or symbol. The maximum price per paddlewheel ticket may not exceed two dollars. No money may be allowed on the playing table. A table must be used to register a player's wagered paddlewheel ticket when a cash prize is a variable multiple of the price of the paddlewheel ticket. No player may place more than ten paddlewheel tickets valued at more than twenty dollars~~ on each spin of the paddlewheel. Cash, chips, or merchandise prizes may be awarded. No single cash prize, value of chips, or the current retail price of the merchandise prize to be awarded for a winning paddlewheel ticket may exceed one hundred dollars. The monthly rent for each paddlewheel playing table may not exceed the amount authorized by law for a twenty-one table.

SECTION 16. AMENDMENT. Section 53-06.1-08 of the North Dakota Century Code is amended and reenacted as follows:

53-06.1-08. Punchboards and charitable gaming tickets pull tabs - Sale of chances - Maximum price per ticket pull tab. Unless all of the highest denomination of winners top tier winning pull tabs or punchboard punches have been sold redeemed, or unless otherwise permitted by the attorney general, a no person or organization engaged in the selling of chances from conducting games of charitable gaming tickets pull tabs or punchboards under this chapter may not discard the chances from any close the game of charitable gaming ticket or punchboard once the contents of that game of charitable gaming ticket or punchboard are have been offered for sale to eligible participants players. The maximum sales price per charitable gaming ticket pull tab and punchboard punch may not exceed two dollars.

SECTION 17. AMENDMENT. Section 53-06.1-08.1 of the North Dakota Century Code is amended and reenacted as follows:

53-06.1-08.1. Limitation on charitable gaming ticket pull tab prizes. An eligible A licensed organization may not conduct a game of

~~charitable gaming tickets pull tabs~~ in which the highest denomination winner prize value of the top tier winning pull tab exceeds five hundred dollars.

SECTION 18. AMENDMENT. Section 53-06.1-09 of the North Dakota Century Code is amended and reenacted as follows:

53-06.1-09. Sports pools - Control by licensee - Rules posted - Limitation on prizes. ~~An eligible A licensed organization or organization that has been issued a local permit may allow the playing of conduct sports pools on the premises or authorized site. Sports pools are allowed for professional sports only. If sports pools are allowed, they must be conducted and controlled by the eligible organization. The eligible licensed organization or organization that has been issued a local permit shall clearly post any rules affecting the conduct of sports pools or requirements of participants players. The maximum wager on any sports pool is five dollars. The amounts paid to sports pool participants players in prizes may not exceed ninety percent of the gross proceeds.~~

SECTION 19. AMENDMENT. Section 53-06.1-10 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

53-06.1-10. Twenty-one - Sale of chips - Redemption - Wager - Limit - Rules of play - Tips. ~~Any licensee A licensed organization may conduct and shall control the playing of the card game twenty-one on the its authorized site of the licensee, but at no other location. No money may be allowed on the table. The licensee organization shall provide playing chips of various denominations to the participants players. Chips must be redeemed by the licensee for their full value. The maximum limit per wager may be set by the licensee or eligible organization at not more than five dollars and wagers in increments of one dollar must be accepted up to the maximum limit. A player may not play more than two hands at the same time. Only the player actually playing a hand may place a wager on any hand. Twenty-one is a card game played by a maximum of seven players and one dealer. The dealer must be a representative of the eligible organization sponsoring the game of chance. Each player plays the player's hand against the dealer's hand. In order to remain in the hand being dealt, neither the player nor the dealer may play a hand with a count greater than twenty-one. A count of twenty-one obtained with two cards is termed a natural twenty-one and is an automatic payout except in case of a tie count with the dealer. Players may double down on a natural twenty-one. In the case of matching or tie count between the player and the dealer, no winner is declared and the player keeps the player's wager. A licensee may allow the pooling of tips received by dealers at an authorized site. Any requirement to pool tips is within the sole discretion of each licensee and may not be imposed or encouraged by the licensing authority attorney general or commission. Each licensee conducting twenty-one shall post rules relating to the conduct of the game in a conspicuous location near where the game is played. After December 31, 1993, except for an organization's authorized site that has twenty-one gross proceeds averaging less than ten thousand dollars per quarter, no organization may conduct twenty-one at an authorized site with wagers exceeding two dollars unless the organization has first installed video surveillance equipment as required by rules adopted by the commission and the equipment is approved by the attorney general. The commission may delay the requirements for surveillance required by this section for good cause shown if the commission specifically finds that the delay would allow the installation of video surveillance equipment of superior technological capability and enhanced enforcement value. In no event may the delay extend beyond July 1, 1994.~~

SECTION 20. AMENDMENT. Section 53-06.1-10.1 of the North Dakota Century Code is amended and reenacted as follows:

53-06.1-10.1. Raffles - Limitation - Prizes. Prizes for raffles may include any property which may be legally owned and possessed, but may not include real estate. Cash prizes may be awarded in raffles ~~conducted under this chapter~~ provided the value of no single cash prize exceeds one thousand dollars, and provided ~~further that no eligible organization may award total~~ total cash prizes ~~totaling more than~~ do not exceed three thousand dollars in the aggregate during any one day.

SECTION 21. AMENDMENT. Section 53-06.1-11 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

53-06.1-11. Statement of receipts - Expenses.

1. All moneys collected or received from games of chance and admissions thereto, except cash prizes of one hundred dollars or less paid immediately, must be deposited in a special account of the eligible licensed organization which contains only that money. Cash prizes of an amount to be determined by the attorney general, ~~the~~ and purchase prices of merchandise prizes, ~~and all expenses for such games of chance~~ must be withdrawn from such account by consecutively numbered checks duly signed by a specified officer or officers of the eligible organization and payable to a specific person or organization. There must also be written on the check the nature of the expense ~~or~~ prize for which the check is drawn. No check may be drawn to "cash" or a fictitious payee. In the case of a cash prize of more than one hundred dollars, the prize may also be issued by an accountable receipt or nonnegotiable instrument approved by the attorney general.
2. No part of the net proceeds after they have been ~~given over~~ devoted to another ~~organization~~ an eligible use recipient may be used by the donee ~~organization~~ to pay any person for services rendered or materials purchased in connection with the ~~conducting~~ conduct of games of chance by the donor organization.
3. Subject to the limitations of this subsection, expenses incurred for games of chance may be deducted from adjusted gross proceeds, to the extent that total expenses for games of chance do not exceed fifty percent of the first two hundred thousand dollars of adjusted gross proceeds per quarter and forty-five percent of the adjusted gross proceeds in excess of two hundred thousand dollars per quarter. However, for an authorized site at which the game pull tabs is the only game of chance conducted and the conduct of pull tabs is through an electronic-mechanical dispensing device, expenses incurred for this game of chance may be deducted from adjusted gross proceeds, based on the average adjusted gross proceeds of all of an organization's authorized sites at which the game of pull tabs is conducted through electronic-mechanical dispensing devices, according to the following:
 - a. On average adjusted gross proceeds not exceeding eight thousand dollars per quarter, an expense limitation of fifty percent.

- b. On average adjusted gross proceeds exceeding eight thousand dollars per quarter, but not exceeding twelve thousand dollars per quarter, an expense limitation of forty-five percent.
- c. On average adjusted gross proceeds exceeding twelve thousand dollars per quarter, but not exceeding sixteen thousand dollars per quarter, an expense limitation of forty percent.
- d. On average adjusted gross proceeds exceeding sixteen thousand dollars per quarter, an expense limitation of thirty-five percent.

~~After December 31, 1989, cash~~ Cash shorts incurred in games of chance are classified as expenses toward the expense limitation. Notwithstanding the limitations of this subsection, in addition to the expenses allowed to be deducted from adjusted gross proceeds, ~~an eligible a~~ licensed organization may deduct as an expense ~~federal excise taxes and interest imposed under section 4401 of the Internal Revenue Code [26 U.S.C. 4401] and incurred or paid by the organization for the period beginning January 1, 1986, and ending as of July 1, 1991~~ capital expenditures for security or video surveillance equipment used for controlling games of chance if the equipment is required by section 53-06.1-10 or rules adopted by the commission and the equipment is approved by the attorney general. The figure used for adjusted gross proceeds is as determined in subsection 1 of section 53-06.1-01 before any reduction for taxes. This subsection does not authorize violations of the rent limitations contained in this chapter.

SECTION 22. AMENDMENT. Section 53-06.1-12 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

53-06.1-12. Tax based on adjusted gross proceeds. A tax as provided in this section upon the total adjusted gross proceeds received by a licensed ~~eligible~~ organization must be paid to the attorney general on a quarterly basis ~~in the manner and upon the tax return forms as prescribed by the attorney general by rule.~~ The figure used for adjusted gross proceeds is as determined in subsection 1 of section 53-06.1-01 before any reduction for expenses. The amount of this tax must be paid from adjusted gross proceeds and may not be charged against the percentage limitation of expenses. The tax is hereby imposed upon every ~~eligible~~ licensed organization, to be levied, collected, and paid quarterly with respect to the adjusted gross proceeds of the ~~eligible~~ organization as provided in this section, computed at the following rates:

1. On adjusted gross proceeds not in excess of two hundred thousand dollars per quarter, a tax of five percent.
2. On adjusted gross proceeds in excess of two hundred thousand dollars per quarter but not in excess of four hundred thousand dollars per quarter, a tax of ten percent.
3. On adjusted gross proceeds in excess of four hundred thousand dollars per quarter but not in excess of six hundred thousand dollars per quarter, a tax of fifteen percent.
4. On adjusted gross proceeds in excess of six hundred thousand dollars per quarter, a tax of twenty percent.

SECTION 23. AMENDMENT. Section 53-06.1-12.2 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

53-06.1-12.2. Charitable gaming tickets ~~Pull tabs~~ excise tax in lieu of sales and use taxes. In addition to any other tax provided by law and in lieu of sales or use taxes, there is imposed a tax of two percent on the gross receipts proceeds from the sale at retail of ~~charitable gaming tickets pull tabs~~ to a final user. A Gross proceeds and a sale at retail for purposes of this section includes charitable gaming tickets include pull tabs sold and ~~charitable gaming tickets given pull tabs provided a player in return exchange for another charitable gaming ticket as authorized under this chapter.~~ Gross receipts for purposes of this section includes the face value of all charitable gaming tickets sold or given in return for another charitable gaming ticket redeemed winning pull tabs. The tax imposed by this section must be paid to the attorney general at the time tax returns are made filed and taxes are paid by the eligible licensed organization under section 53-06.1-12.

SECTION 24. AMENDMENT. Section 53-06.1-13 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

53-06.1-13. Examination of books and records. ~~The attorney general and the attorney general's agents, and representatives of the governing body of a city or county with respect to eligible organizations authorized~~ a licensed organization or organization that has been issued a local permit by that governing body, may examine or cause to be examined the books and records of any eligible licensed organization ~~licensed or authorized~~ organization that has been issued a local permit to conduct games of chance under this chapter to the extent that such books and records may directly or indirectly relate to any transaction connected with holding, operating, or conducting any game of chance.

SECTION 25. AMENDMENT. Section 53-06.1-13.1 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

53-06.1-13.1. Financial statements. ~~Every eligible~~ A licensed organization receiving gaming gross proceeds of two hundred thousand dollars or more in the organization's annual accounting period shall file with the attorney general on or before the fifteenth day of the fifth month following the end of the accounting period a financial statement, including accompanying notes and footnotes, and a copy of the internal revenue service's form 990 titled return of organization exempt from income tax required to be filed under section 501(c) of the Internal Revenue Code. The financial statement must at least include a schedule of the sources of total revenue, total expenses, listing of the names of nongaming and gaming employees who received any form of compensation amounting to thirty thousand dollars or more during the accounting period, including specific sources of the compensation paid to each employee, and any information as required by the attorney general.

SECTION 26. AMENDMENT. Section 53-06.1-14 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

53-06.1-14. Distributors and manufacturers - Licensure.

1. ~~Every~~ A manufacturer of ~~charitable gaming tickets pull tabs,~~ every manufacturer of paper bingo cards, manufacturer of electronic-mechanical pull tab dispensing devices,

manufacturer's distributor of electronic-mechanical pull tab dispensing devices, and every distributor shall apply annually for a license upon a form prescribed by the attorney general before the first day of April in each year and shall submit the appropriate license fee. Each applicant shall provide such necessary and reasonable information as the attorney general may require. The license fee for a distributor is one thousand five hundred dollars, and the. The license fee for a manufacturer's distributor is five hundred dollars. The license fee for a manufacturer of electronic-mechanical pull tab dispensing devices, manufacturer of charitable gaming tickets pull tabs, paper bingo cards, or both a manufacturer of pull tabs and paper bingo cards, is two thousand dollars.

2. No distributor may sell, market, or otherwise distribute raffle tickets or equipment for games of chance except to other licensed distributors, licensed manufacturers' distributors, licensed organizations, organizations that have been issued a local permit, gaming schools, or other persons authorized by the attorney general. A manufacturer of charitable gaming tickets pull tabs or paper bingo cards may not sell, market, or otherwise distribute charitable gaming tickets pull tabs or paper bingo cards, other than to a licensed distributor. A distributor of charitable gaming tickets pull tabs or paper bingo cards must purchase or otherwise receive charitable gaming tickets pull tabs or paper bingo cards only from a licensed manufacturer or licensed distributor. A manufacturer of electronic-mechanical pull tab dispensing devices may not sell, market, or otherwise distribute pull tab dispensing devices other than to a licensed distributor or a licensed manufacturer's distributor. A licensed distributor and licensed manufacturer's distributor of electronic-mechanical pull tab dispensing devices may purchase or otherwise receive pull tab dispensing devices only from a licensed manufacturer, licensed manufacturer's distributor, or licensed distributor.
3. Every eligible organization shall acquire all raffle tickets or equipment for games of chance from a distributor licensed under this chapter, unless the raffle tickets or equipment for games of chance are printed, manufactured, or constructed by the eligible organization or unless the raffle tickets are obtained from a resident printer who has printed the raffle tickets at the request of the organization. No game of charitable gaming tickets pull tabs, punchboards, sports pool boards, calcutta boards, or a series of paddlewheel ticket cards may be sold without a North Dakota gaming stamp being affixed to them. North Dakota licensed distributors shall purchase the North Dakota gaming stamps from the attorney general's office and the cost for each stamp may not exceed twenty-five cents.
4. No licensed or authorized eligible organization or organization that has been issued a local permit may be a distributor. No North Dakota wholesaler of liquor or alcoholic beverages may be a North Dakota distributor. No North Dakota licensed manufacturer may be a North Dakota distributor or have any financial interest in a North Dakota distributor. No North Dakota distributor may have any financial interest in a North Dakota licensed manufacturer.
5. The attorney general or commission may, by motion based on reasonable grounds or on written complaint, suspend or

revoke ~~a~~ an organization's local permit or an organization's, distributor's, or manufacturer's license for violation, by the licensee organization, distributor, or manufacturer or any officer, director, agent, member, or employee of the licensee organization, distributor, or manufacturer, of this chapter or any rule adopted under this chapter.

6. In addition to the basic license fee, the attorney general may require payment of any additional fee necessary to defray the actual costs of a background investigation of applicants. The attorney general may require payment of the estimated additional fee in advance as a condition precedent to beginning the investigation. The attorney general shall notify the applicant as soon as possible after a determination is made that the additional fee is necessary and shall also notify the applicant of the attorney general's best estimate of the amount of the additional license fee. Any applicant may then withdraw the application in lieu of paying the additional cost. The estimated cost must be placed into the attorney general's refund fund for use to defray the actual expenses of the background investigation. The remainder of ~~such~~ the funds must be returned to the applicant within thirty days of the conclusion of the investigation.

SECTION 27. AMENDMENT. Section 53-06.1-15 of the North Dakota Century Code is amended and reenacted as follows:

53-06.1-15. Form and display of license and local permit. Each ~~license or authorization required under this chapter and local permit~~ must contain ~~a statement of the name and address of the licensee or authorized eligible licensed organization or organization that has been issued a local permit~~ and such other information as the ~~licensing attorney general or authorizing authority~~ local governing body may designate require.

Each ~~license or resolution issued for the conduct of any game or games of chance and local permit~~ must be conspicuously displayed at the ~~place where the same is to be conducted at all times during gaming site when~~ any game of chance is conducted and for at least thirty minutes thereafter. The sale of a raffle ticket does not require the display of the ~~license or authorizing resolution~~ local permit.

SECTION 28. AMENDMENT. Section 53-06.1-15.1 of the North Dakota Century Code is amended and reenacted as follows:

53-06.1-15.1. Powers and duties of the attorney general. The attorney general ~~or the agents of the attorney general~~ may:

1. Inspect and examine all premises in which gaming is conducted or gaming devices or equipment are manufactured, sold, or distributed.
2. Inspect all equipment and supplies in, upon, or about such premises.
3. Seize and remove from such premises and impound any gaming related equipment, supplies, games of chance, or books and records for the purpose of examination and inspection. When books or records are seized, the attorney general shall provide copies of those records or books within twenty-four hours of a specific request by the organization for a copy of the books or records seized.

4. Demand access to and inspect, examine, photocopy, and audit all books and records of applicants, licensees, lessors, manufacturers, and distributors, including any affiliated companies on their premises and in the presence of the applicants, licensees, lessors, manufacturers, distributors, or agents concerning any income or expense resulting from any gaming business, and require verification of income or expense, and all other matters affecting the enforcement of the policy and provisions of this chapter.
5. Audit and inspect any other books and records of eligible organizations conducting games of chance for the purpose of determining compliance with applicable statutes, rules, and constitutional provisions regarding ~~distribution~~ devotion of net proceeds from games of chance.
6. Enter into a reciprocal agreement with the commissioner of the internal revenue service of the United States for exchange of information for state tax administration purposes.

SECTION 29. AMENDMENT. Section 53-06.1-15.4 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

53-06.1-15.4. Conditional license - Issuance. The attorney general, upon application and at the attorney general's discretion, may issue a conditional license to conduct games of chance to an eligible organization whose regularly issued license has been suspended or revoked for a violation of this chapter or rules adopted under this chapter. The attorney general shall designate the time period for which the conditional license is valid and may impose any conditions for issuance of the license as the attorney general determines necessary. Section 53-06.1-16.2 does not apply to an eligible organization to whom a conditional license is issued pursuant to this section.

SECTION 30. AMENDMENT. Section 53-06.1-16 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

53-06.1-16. Violation of chapter or rule - Misdemeanor - Forfeiture of licensure - Ineligibility. Any person who knowingly makes a false statement in any application for a local permit, license, or authorizing resolution or in any statement annexed thereto, or who fails to keep sufficient books and records to substantiate the ~~receipts, gross proceeds, prizes, expenses, or uses~~ devotion of net proceeds resulting from games of chance conducted under this chapter, or who falsifies any books or records so far as they relate to any transaction connected with the holding, operating, and conducting of any game of chance, or who violates ~~any of the provisions of~~ this chapter, any rule adopted under this chapter, or of any term of a local permit or license is guilty of a class A misdemeanor. If convicted, the person forfeits any license or ~~authorizing resolution~~ local permit issued to it pursuant to this chapter and is ineligible to reapply for a license or ~~authorization~~ local permit for a period of time ~~to be determined by the attorney general or commission~~. Notwithstanding section 5-02-02, an eligible organization that possesses a license issued under chapter 5-02 may not have that license suspended, revoked, or denied in consequence of action taken under this section.

SECTION 31. AMENDMENT. Section 53-06.1-16.1 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

53-06.1-16.1. Bogus chips, marked cards, cheating devices, or fraudulent schemes unlawful - Penalty. It is unlawful for any person playing or conducting any authorized game of chance conducted by a licensed organization:

1. To use bogus or counterfeit chips or ~~charitable gaming tickets pull tabs~~, or to substitute or use any game, cards, or ~~charitable gaming tickets pull tabs, or game piece~~ that have been marked or tampered with.
2. To employ or have on one's person any cheating device to facilitate cheating in any game of chance.
3. To willfully use any fraudulent scheme or technique, including when an operator or player of games of ~~charitable gaming tickets pull tabs~~ directly or indirectly solicits, provides, or receives inside information of the status of a game for the benefit of either person.
4. To alter or counterfeit a site authorization, gaming license, or North Dakota gaming stamp.
5. To knowingly cause, aid, abet, or conspire with another person or to cause any person to violate ~~any provision of~~ this chapter or any rule adopted under this chapter.

A person violating this section is guilty of a class A misdemeanor unless the amount gained through the use of these items, schemes, or techniques resulted in a person obtaining over five hundred dollars, then the offense is a class C felony. However, if a person uses a fraudulent scheme regarding soliciting, providing, or receiving inside information involving the game of pull tabs or uses a fraudulent scheme or technique to cheat or skim involving the games of twenty-one or bingo, regardless of the amount gained, then the offense is a class C felony.

SECTION 32. AMENDMENT. Section 53-06.1-16.2 of the North Dakota Century Code is amended and reenacted as follows:

53-06.1-16.2. License suspension or revocation by attorney general or commission - Ineligibility for local authorization permit. Any person whose class A or class B A licensed organization that has its license is suspended or revoked by the attorney general or commission or a licensed organization that has not devoted its nets proceeds is ineligible for a local authorization permit to conduct raffles, sports pools, or bingo during the period of suspension or revocation.

SECTION 33. AMENDMENT. Section 53-06.1-17 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

53-06.1-17. Rules. The commission shall adopt rules in accordance with chapter 28-32, relating to, but not limited to, methods of play, conduct, and promotion of games of chance; methods, procedures, and minimum standards for accounting and recordkeeping; requiring reports by ~~licensees and authorized licensed~~ organizations; methods of competition and doing business by distributors, manufacturers, and manufacturers' distributors; marking or identification of raffle tickets, ~~charitable gaming tickets pull tabs~~, bingo equipment, ~~ticket pull tab~~ receptacles, punchboards, or any other implements of gambling used or distributed in this state to implement or effectuate the provisions and purpose of this chapter; quality standards for the manufacture of ~~charitable gaming tickets~~

pull tabs, pull tab dispensing devices, and paper bingo cards; to ensure that the entire net proceeds of games of chance are devoted to educational, charitable, patriotic, fraternal, religious, or other public-spirited uses as defined by this chapter; to protect and promote the public interest; to ensure fair and honest games of chance; to ensure that fees and taxes are paid; to impose monetary fines and establish appeal procedures; and to seek to prevent or detect unlawful gambling activity.

SECTION 34. AMENDMENT. Subsection 5 of section 53-06.2-11 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

5. A licensee may not use any of the portion deducted for expenses under subsections 1 and 2 for expenses not directly incurred by the licensee in conducting parimutuel racing under the certificate system. After paying qualifying expenses, the licensee shall use the remainder of the amount so withheld only for eligible uses allowed to charitable gambling organizations under subsection 7 6 of section 53-06.1-01."

Renumber accordingly

Engrossed HB 1416 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SEN. MARKS MOVED that the conference committee report on Engrossed HB 1416 be adopted, which motion prevailed.

Engrossed HB 1416, as amended, was placed on the Fourteenth order.

SECOND READING OF HOUSE BILL

HB 1416: A BILL for an Act to amend and reenact section 53-06.1-01, subsection 1 of section 53-06.1-01.1, sections 53-06.1-01.2, 53-06.1-02, 53-06.1-02.1, 53-06.1-03, 53-06.1-03.3, 53-06.1-05, 53-06.1-05.1, 53-06.1-06, 53-06.1-07, 53-06.1-07.1, 53-06.1-07.2, 53-06.1-07.3, 53-06.1-07.4, 53-06.1-08, 53-06.1-08.1, 53-06.1-09, 53-06.1-10, 53-06.1-10.1, 53-06.1-11, 53-06.1-12, 53-06.1-12.2, 53-06.1-13, 53-06.1-13.1, 53-06.1-14, 53-06.1-15, 53-06.1-15.1, 53-06.1-15.4, 53-06.1-16, 53-06.1-16.1, 53-06.1-16.2, 53-06.1-17, and subsection 5 of section 53-06.2-11 of the North Dakota Century Code, relating to games of chance and the gaming 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 49 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Andrist; Bowman; DeMers; Dotzenrod; Evanson; Freborg; Goetz; Graba; Grindberg; Heinrich; Holmberg; Jerome; Keller; Kelly; Kelsh; Kinnoin; Krauter; Krebsbach; Langley; Lindaas; Lindgren; Lips; Marks; Mathern; Maxson; Mushik; Mutch; Naaden; Nalewaja; Nelson; Nething; O'Connell; Redlin; Robinson; Sand; Scherber; Schoenwald; Solberg; Stenehjem, B.; Stenehjem, W.; Streibel; Tallackson; Tennefos; Thane; Tomac; Traynor; Urlacher; Wogsland; Yockim

HB 1416 passed and the title was agreed to.

MOTION

SEN. MATHERN MOVED that the Senate stand in recess until 3:30 p.m., which motion prevailed.

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

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

MADAM PRESIDENT: The House has adopted the conference committee report and subsequently passed: HB 1016, HB 1020.

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

MADAM PRESIDENT: The House has adopted the conference committee report and subsequently passed: SB 2024.

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: HB 1007, HB 1416.

REPORT OF CONFERENCE COMMITTEE

HB 1016, as engrossed: Your conference committee (Sens. Yockim, Krauter, Thane and Reps. Dalrymple, Kunkel, Huether) recommends that the SENATE RECEDE from the Senate amendments on SJ pages 1357-1359, adopt amendments as follows, and place HB 1016 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1558-1559 of the House Journal and pages 1357-1359 of the Senate Journal and that Engrossed House Bill No. 1016 be amended as follows:

Page 1, line 3, after the semicolon insert "to create and enact a new section to chapter 4-14.1 of the North Dakota Century Code, relating to administrative costs of the agricultural products utilization commission;", replace "section" with "sections", and after "4-14.1-02" insert "and 4-14.1-03.1"

Page 1, line 4, after "fund" insert "and grant programs of the agricultural products utilization commission"

Page 1, line 13, replace "82,486" with "95,212"

Page 1, line 14, replace "2,000" with "3,906"

Page 1, line 15, replace "76,164" with "116,164"

Page 1, line 17, replace "1,691,395" with "2,812,395"

Page 1, line 19, replace "5,505,395" with "6,681,027"

Page 2, line 6, replace "\$1,348,395" with "\$1,349,537"

Page 3, after line 22, insert:

"SECTION 6. A new section to chapter 4-14.1 of the North Dakota Century Code is created and enacted as follows:

Agricultural products utilization commission - Administrative expenses. Administrative expenses of the agricultural products utilization commission, including expenses of members of the commission, employment of needed personnel, hiring of consultants, and contracting with public or private entities for services may not exceed ten percent of the funds provided to the commission for grants each biennium excluding federal funds."

Page 4, remove lines 28 and 29

Page 5, replace lines 1 through 3 with:

"SECTION 8. AMENDMENT. Section 4-14.1-03.1 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

4-14.1-03.1. Agricultural products utilization commission - Authority —Duties.

- 1- The North Dakota agricultural products utilization commission may apply for, accept, and expend any appropriation, grant, gift, or service made available from public or private sources consistent with the purpose of this chapter.
- 2- ~~The commission shall may administer a cooperative marketing grant program designed to encourage groups of agricultural producers to develop innovative marketing strategies. The commission shall adopt rules to implement this grant program.~~
- 3- ~~The commission shall administer a farm diversification grant program designed to stimulate and foster diversification and innovation and to encourage value added processing. The commission shall adopt rules to implement this grant program including a basic and applied research grant program, utilization and marketing grant program, cooperative marketing grant program, farm diversification grant program, and a North American marketing grant program."~~

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 612 - AGRICULTURAL PRODUCTS UTILIZATION COMMISSION

CONFERENCE COMMITTEE - The salaries and wages line item is increased by \$726 of special funds to reflect the state employee salary increase provisions of House Bill No. 1018.

The information services line item is reduced by \$94 from special funds in accordance with the provisions of House Bill No. 1018.

The research, utilization, and marketing grants line item is reduced by \$54,000 from special funds to provide additional administrative funding as follows (the same as provided in the Senate version):

Salaries and wages	\$12,000
Information services	2,000
Operating expenses	<u>40,000</u>
Total special funds	\$54,000

The research, utilization, and marketing grants line item is also increased by \$1,175,000 of other funds available through the Department of Economic Development and Finance as provided for in Senate Bill No. 2021. Of the \$1,175,000, up to \$400,000 should be dedicated to a North American marketing initiative. Funds should be directed to new marketing efforts of North Dakota processed products in Mexico and Canada.

A new section is added to Chapter 4-14.1 providing that the administrative expenses of the commission may not exceed 10 percent of the funds provided to the commission for grants excluding federal funds. The administrative costs limitation is removed from Section 4-14.1-02.

Section 4-14.1-03.1 is amended to allow the commission to offer various grant programs to develop and promote uses for agricultural products.

In total, this amendment increases funding for the commission by \$1,175,632 of special funds.

Engrossed HB 1016 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SEN. YOCKIM MOVED that the conference committee report on Engrossed HB 1016 be adopted, which motion prevailed.

Engrossed HB 1016, as amended, was placed on the Fourteenth order.

SECOND READING OF HOUSE BILL

HB 1016: A BILL for an Act to provide an appropriation for defraying the expenses of the agricultural products utilization commission and for ethanol production incentives; to create and enact a new section to chapter 4-14.1 of the North Dakota Century Code, relating to administrative costs of the agricultural products utilization commission; to amend and reenact sections 4-14.1-02 and 4-14.1-03.1 of the North Dakota Century Code, relating to uses of the agricultural fuel tax fund and grant programs of the agricultural products utilization commission; 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 38 YEAS, 11 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Andrist; Bowman; DeMers; Dotzenrod; Evanson; Goetz; Graba; Heinrich; Holmberg; Jerome; Keller; Kelly; Kelsh; Kinnoin; Krauter; Krebsbach; Langley; Lindaas; Lindgren; Lips; Marks; Mathern; Maxson; Mushik; Nething; O'Connell; Redlin; Robinson; Sand; Scherber; Schoenwald; Tallackson; Thane; Tomac; Traynor; Urlacher; Wogsland; Yockim

NAYS: Freborg; Grindberg; Mutch; Naaden; Nalewaja; Nelson; Solberg; Stenehjem, B.; Stenehjem, W.; Streibel; Tennefos

HB 1016 passed and the title was agreed to.

MOTION

SEN. KRAUTER MOVED that the Senate stand in recess until 5:00 p.m., which motion prevailed.

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

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: HB 1016.

SIGNING OF BILLS AND RESOLUTIONS

The President signed the following enrolled bills: SB 2002, SB 2005, SB 2040.

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

MR. SPEAKER: The President has signed and your signature is respectfully requested on: SB 2002, SB 2005, SB 2040.

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

MADAM PRESIDENT: The House has reconsidered its action whereby it requested the return of SB 2022 and subsequently withdraws its motion.

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

MADAM PRESIDENT: The House has adopted the conference committee report and subsequently passed: HB 1003.

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

MADAM PRESIDENT: The Speaker has signed: SB 2002, SB 2005, SB 2040.

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

MADAM PRESIDENT: The House has adopted the conference committee report and subsequently passed: HB 1413.

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

MADAM PRESIDENT: The House has not adopted the conference committee report on HB 1008. The House has dissolved the conference committee and appointed as a new conference committee to act with a like committee from the Senate on HB 1008: Reps. Gerntholz, Clayburgh, Kroeber.

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

MADAM PRESIDENT: The House has reconsidered its action whereby it did not concur with the Senate amendments to HB 1498 and wishes to inform you that the House does now concur with the Senate amendments to HB 1498. Also the House has dissolved the House conference committee and subsequently HB 1498 was laid on the table.

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

MADAM PRESIDENT: The Speaker has signed and your signature is respectfully requested on: HB 1001, HB 1011, HB 1012, HB 1013, HB 1015, HB 1018, HB 1065, HB 1219, HB 1504, HB 1511.

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

MR. SPEAKER: The Senate has dissolved the conference committee and appointed as a new conference committee to act with a like committee from the House on HB 1008: Sens. Lindaas, Tallackson, Lips.

MOTION

SEN. MATHERN MOVED that the Senate stand in recess until 7:00 p.m., which motion prevailed.

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

REPORT OF CONFERENCE COMMITTEE

HB 1003, as engrossed: Your conference committee (Sens. O'Connell, Kelsh, Holmberg and Reps. Kunkel, R. Berg, Kaldor) recommends that the **SENATE RECEDE** from the Senate amendments on SJ pages 1509-1547, adopt amendments as follows, and place HB 1003 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1675-1694 of the House Journal and pages 1509-1547 of the Senate Journal and that Engrossed House Bill No. 1003 be amended as follows:

Page 1, line 3, replace "an exemption" with "exemptions"

Page 1, line 4, remove "and"

Page 1, line 5, after "fund" insert "; to provide an appropriation for a legislative council study; to provide for the contingent distribution of a separate and additional per student payment; to create and enact a new section to chapter 15-40.1 of the North Dakota Century Code, relating to cooperating school districts; to amend and reenact section 2 of chapter 701 of the 1989 Session Laws of North Dakota, as amended by section 1 of chapter 656 of the 1991 Session Laws of North Dakota, sections 15-27.3-19, 15-27.6-10, and 15-38-17 as amended by section 11 of Senate Bill No. 2418, as approved by the fifty-third legislative assembly, sections 15-40.1-06, 15-40.1-07, 15-40.1-08,

15-40.1-09, 15-40.1-16, 15-40.1-18, and 15-40.2-04 of the North Dakota Century Code, relating to the foundation aid program, appointments to the education standards and practices board and the administrator's professional practices board, the expiration date concerning withdrawals from special reserve funds, school district reorganization, per student payments, and transportation aid"

Page 1, line 17, replace "8,255,919" with "8,904,389"

Page 1, line 18, replace "632,172" with "688,946"

Page 1, line 19, replace "5,480,382" with "5,170,554"

Page 1, line 20, replace "281,471" with "345,505"

Page 2, after line 1, insert:

"Grants - foundation aid and transportation	396,519,892"
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Page 2, line 3, replace "44,077,495" with "46,577,495"

Page 2, after line 3, insert:

"Grants - governor's school	125,000"
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Page 2, after line 4, insert:

"Grants - vocational and technical education	240,000"
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Page 2, line 6, replace "2,550,000" with "3,266,375"

Page 2, line 9, replace "140,000" with "184,000"

Page 2, line 11, replace "203,984,601" with "604,589,318"

Page 2, line 12, replace "159,621,158" with "159,843,094"

Page 2, line 13, replace "44,363,443" with "444,746,224"

Page 2, line 16, replace "1,664,885" with "1,614,325"

Page 2, line 17, replace "72,098" with "78,289"

Page 2, line 18, replace "1,207,506" with "889,098"

Page 2, after line 20, insert:

"Talking book program	235,271"
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Page 2, line 22, replace "843,000" with "893,000"

Page 2, line 23, replace "3,927,989" with "3,850,483"

Page 2, line 24, replace "1,183,595" with "1,138,873"

Page 2, line 25, replace "2,744,394" with "2,711,610"

Page 2, line 28, replace "3,374,443" with "3,470,870"

Page 2, line 29, replace "42,862" with "47,025"

Page 3, line 1, replace "811,598" with "802,536"

Page 3, line 4, replace "4,315,476" with "4,407,004"

Page 3, line 5, replace "480,525" with "469,688"

Page 3, line 6, replace "3,834,951" with "3,937,316"

Page 3, line 9, replace "2,251,531" with "2,271,017"

Page 3, line 10, replace "5,000" with "4,950"

Page 3, line 11, replace "495,018" with "465,000"

Page 3, line 14, replace "2,791,549" with "2,780,967"

Page 3, line 15, replace "471,855" with "292,471"

Page 3, line 16, replace "2,319,694" with "2,488,496"

Page 3, line 17, replace "53,262,482" with "454,058,646"

Page 3, line 18, replace "161,757,133" with "161,804,126"

Page 3, line 19, replace "215,019,615" with "615,862,772"

Page 4, line 6, replace "843,000" with "893,000"

Page 4, remove lines 14 through 28

Page 5, remove lines 1 and 2

Page 5, after line 8, insert:

"SECTION 7. LEGISLATIVE INTENT - BLIND SCHOOL RENTAL. It is the intent of the legislative assembly that the school for the blind pursue renting any of its available facilities to the university of North Dakota and that any proceeds from the rental charges be deposited in the state general fund.

SECTION 8. INTENT - SCHOOL CONSORTIUMS - CONTINGENT APPROPRIATION. Of the \$3,266,375 included in the school district restructuring line item in subdivision 1, \$400,000 is for grants to be distributed on a competitive basis for consortiums that received planning grants during 1992-93. Up to another \$125,000 may be used for grants during the 1993-95 biennium on a competitive basis if funding is available from unspent amounts for student payments resulting from fewer than estimated consortiums. It is the intent of the legislative assembly that any unspent student payment amounts over \$125,000 be transferred to the foundation aid line item and be distributed as part of the contingent separate and additional May 1, 1995, foundation aid payments. It is the intent of the fifty-third legislative assembly that the fifty-fourth legislative assembly review the school consortium issue to evaluate possible funding alternatives for those school consortiums if more than fifty percent of the consortiums vote to reorganize.

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 \$100,000 and up to \$60,000 from other funds that may be available from the office of intergovernmental assistance, or so much of the sum as may be necessary, to the department of public instruction for the purpose of undertaking a study during the beginning biennium beginning July 1, 1993, and ending June 30, 1995, of school transportation services and developing by December 1, 1994, a school transportation system data base that includes the network of usable roads, school district boundaries, and the location of all schools and related facilities. The department of public instruction is to

negotiate with North Dakota state university in order to utilize any available information the university has regarding the study.

SECTION 10. LEGISLATIVE INTENT. It is the intent of the legislative assembly that the \$240,000 included in the grants - vocational and technical education line item in subdivision 1 of section 1 be used by the state board of vocational and technical education for the purchase and sharing of high technology equipment. It is the intent of the legislative assembly that the board of vocational education prior to spending any of the appropriation obtain a letter from the United States department of education stating that the \$240,000 for the above purpose does not increase the state's funding level requirements for meeting federal maintenance of effort requirements.

SECTION 11. LEGISLATIVE COUNCIL STUDY OF EDUCATION FINANCE. The legislative council shall appoint a committee consisting of fourteen members. The house and senate majority leaders shall each recommend four members, and the house and senate minority leaders shall each recommend three members. The legislative council shall ensure that the committee contains a balanced representation. During the 1993-95 interim, the committee shall study the use of nonproperty factors in financing education, quality of education, legal action in this state regarding education finance issues, and the effect of any legislation passed by the fifty-third legislative assembly that relates to education financing, and may consider any other matters related to education. The legislative council shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to a special session of the fifty-third legislative assembly or to the fifty-fourth legislative assembly.

SECTION 12. APPROPRIATION. There is hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$75,000, or so much of the sum as may be necessary, to the legislative council for the purpose of conducting the study required by section 11 of this Act, and paying associated expenses, including necessary travel and the professional services of one or more consultants to assist with the study, during the biennium beginning July 1, 1993, and ending June 30, 1995.

SECTION 13. CONTINGENT SEPARATE AND ADDITIONAL PER STUDENT PAYMENTS. The superintendent of public instruction shall distribute a separate and additional per student payment from any unspent amount appropriated to the grants - foundation aid program for the biennium beginning July 1, 1993, and ending June 30, 1995, in the May 1, 1995, foundation aid payment to school districts. Any payment made under this section must be on a weighted basis, as determined under chapter 15-40.1.

SECTION 14. EXEMPTIONS. The educational technology grants authorized for the 1991-93 biennium in the grants - other grants line item of Senate Bill No. 2003, as approved by the fifty-second legislative assembly, are not subject to the provisions of section 54-44.1-11 and any unexpended funds from that appropriation are available for educational technology grants during the biennium beginning July 1, 1993, and ending June 30, 1995.

SECTION 15. AMENDMENT. Section 15-27.3-19 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

15-27.3-19. Changes in reorganization proposal. At any time after the reorganization proposal has become effective, any provision of the reorganization proposal ~~theretofore or thereafter adopted~~, including provisions affecting the adjustment of assets and liabilities

but excepting provisions defining the boundaries of the district, may be changed by a majority vote of the qualified electors without approval of the state board or the county committee. The school board in the reorganized district may, upon its own motion, or shall, upon the filing with it of a petition signed by a number of qualified electors equal in number to twenty percent of the number of persons enumerated in the most recent school district census for that district for the most recent year the census was taken, unless the census is greater than four thousand, in which case only fifteen percent of the number of persons enumerated in the school census is required, submit the question of authorizing a change in the school district's adopted reorganization proposal at the next regular or special election. However, not fewer than twenty-five signatures of qualified electors is required unless the district has fewer than twenty-five qualified electors; in which case the petition must be signed by not less than twenty-five percent of the qualified electors of the district. In those districts with fewer than twenty-five qualified electors, the county superintendent for the county in which the school is located shall determine the number of qualified electors in the qualified district. If a majority of all votes cast by the electors residing in each of the geographic areas is in favor of the proposed change, then the proposed change is effected. However, a If a reorganization plan has been in effect for at least ten years, any proposed change to geographic voting areas is effective upon a majority vote in an election at large by the qualified electors of the district. A school board in a reorganized school district may change, by resolution, to at large voting for school board candidates if there is a variance of more than ten percent in the population between any of the district's established geographic areas with resident candidates.

SECTION 16. AMENDMENT. Section 15-27.6-10 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

15-27.6-10. Approved proposal received by county superintendent - Special election called - Formation of new district.

1. Upon receipt from the state board of an approved proposal for the reorganization of school districts, the county superintendent, after consulting with the interim district board, shall call a special election as provided in section 15-27.3-08.
2. If a majority of electors residing within each school district vote in favor of the formation of the new district, the county superintendent shall make the proper adjustments and perform all necessary duties as provided in subsection 6 of section 15-27.3-08.
3. If fewer than all of the districts vote in favor of a new district, any contiguous districts voting in favor of the proposal shall form a new district ~~if the new district would qualify to receive the payments provided for in section 15-27.6-11 and if approved by the state board approves and:~~
 - a. There are three districts, at least one of which offers grades one through twelve, they have a minimum combined enrollment of six hundred students, and they cover a minimum combined area of seven hundred square miles [181299.168 hectares]; or
 - b. There are four or more districts, at least one of which offers grades one through twelve, and they have a minimum combined enrollment of six hundred students or they cover

a minimum combined area of seven hundred square miles [181299.168 hectares].

Any contiguous districts ~~voting that vote~~ in favor of forming a new district, but that ~~would not qualify for payments under section 15-27.6-11~~ do not meet the requirements of either subdivision a or b of this subsection, may form a new district. To form a new district, the board members of the interim district board who represent the contiguous districts involved shall make a determination and adjustment of property, assets, debts, and liabilities of the districts as provided in section 15-27.3-04 and make a determination of tax levy as provided in section 15-27.3-06, hold a hearing similar to the one described in section 15-27.6-07, and submit a new proposal to the state board for approval. No additional vote is required on the revised proposal, including a proposal that becomes effective on July 1, 1993. However, the newly proposed mill levy may not exceed the general fund mill levy limitations provided in section 57-15-14 plus the additional levy authorized by Senate Bill No. 2024, as approved by the fifty-third legislative assembly. For purposes of determining the amount that can be levied under Senate Bill No. 2024, the amount levied in dollars in the base year is the amount proposed to be levied in dollars by the new district in its first year of operation. If the state board approves the plan, the county superintendent shall make the proper adjustment of the property, assets, debts, and liabilities as provided in the proposal and organize and establish the districts and, in doing so, shall perform all other necessary duties as provided in subsection 6 of section 15-27.3-08.

4. a. If fewer than all of the districts vote in favor of a new district and the contiguous districts voting in favor do not meet the requirements of subdivision a or b of subsection 3, all or some of the districts may choose to vote again on the same or on a revised reorganization proposal, provided the districts meet the requirements of subdivision a or b of subsection 3.
- b. If the reorganization proposal is revised, the interim district board members representing the districts choosing to vote again shall hold another hearing and make findings as outlined in section 15-27.6-07. The interim district board members shall keep a record of the hearing and shall submit the record and the revised proposal, along with any other relevant information, to the state board for approval. If the state board approves the revised reorganization proposal, the county superintendent shall proceed pursuant to subsection 1 of this section.
- c. The second special election must be held within one year after the initial special election.
5. If a school district does not vote in favor of forming a new school district, any part of that school district excluded from the reorganization proposal pursuant to section 15-27.6-07 may either proceed with annexation or remain a part of that school district.

SECTION 17. AMENDMENT. Section 15-38-17 of the North Dakota Century Code as amended by section 11 of Senate Bill No. 2418, as approved by the fifty-third legislative assembly, is amended and reenacted as follows:

15-38-17. Education standards and practices board and administrator's professional practices board. The education standards and practices board consists of nine members. The governor shall appoint four classroom teachers from public schools, one classroom teacher from a private school, one school board member, two school administrators, and one dean of a college of education. The superintendent of public instruction or the superintendent's designee shall serve as a nonvoting ex officio member. The administrator's professional practices board consists of five members from the education standards and practices board. The administrator's professional practices board includes the two school administrators who are members of the education standards and practices board, the one school board member who is a member of the education standards and practices board, and two teacher members who are members of and are selected by the education standards and practices board. The term of office of members of the education standards and practices board and the administrator's professional practices board shall be three years commencing on January first of the year of the appointment. Vacancies shall be filled for an unexpired term in the same manner as original appointments. No person may serve for more than two consecutive terms as a member of either board. ~~For each classroom teacher vacancy on the education standards and practices board, the governor shall appoint the member from a list of three names provided by the North Dakota education association. For each administrator vacancy on either board, the governor shall appoint the member from a list of three names provided by the North Dakota council of school administrators. For each school board vacancy on the board, the governor shall appoint the member from a list of three names provided by the North Dakota school board association. For each college dean vacancy on the board, the governor shall appoint a member from a list of three names provided by the deans of colleges of education.~~ Members of the current teachers' professional practices commission may serve out their remaining terms.

The education standards and practices board and the administrator's professional practices board shall each annually select a chairman and vice chairman, and the executive director of the education standards and practices board or the executive director's designee shall serve as secretary. Meetings of either board must be held after ten days' notice to all members at the call of the chairman or upon request in writing of a majority of either board. A majority shall constitute a quorum and a majority of the quorum shall have authority to act upon any matter properly before either board. Each board shall adopt its own rules of order and procedure not inconsistent with sections 15-38-16 through 15-38-19 and shall hold meetings pursuant to the provisions of sections 15-38-16 through 15-38-19.

The members of each board shall receive twenty-five dollars for each day actually engaged in the service of the appropriate board and shall be paid actual and necessary traveling and other expenses at the same rate as for employees of the state. No member of either board shall lose the member's regular salary or the above compensation while serving on official business of the appropriate board. The office of management and budget shall approve proper vouchers for expenses.

SECTION 18. A new section to chapter 15-40.1 of the North Dakota Century Code is created and enacted as follows:

High school per student payments - Cooperating districts. If any school district receiving payments under section 15-40.1-07 cooperates with another school district for the joint provision of education services under a plan approved by the superintendent of public instruction, each cooperating district is entitled to receive, for a period of four years, at least the same per student payment for

each high school student as the district received prior to initiation of the cooperative plan.

SECTION 19. AMENDMENT. Section 15-40.1-06 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

15-40.1-06. Declaration of legislative intent - Educational support per ~~pupil~~ student - School district equalization factor - Limitations.

1. It is the intent of the legislative assembly, not considering any separate and supplemental payments as may be provided by law, to support elementary and secondary education in this state from state funds based on the educational cost per ~~pupil~~ student. In determining the educational cost per ~~pupil~~ student, the following criteria may not be used:
 - a. Expenditures for capital outlay for buildings and sites, or debt service.
 - b. Expenditures from school activities and school lunch programs.
 - c. Expenditures for the cost of transportation, including the cost of schoolbuses.
2.
 - a. The educational support per ~~pupil~~ student during the first year of the ~~1991-93~~ 1993-95 biennium must be one thousand five hundred ~~fifty-two~~ seventy dollars and for the second year of the biennium the educational support per ~~pupil~~ student must be one thousand six hundred ~~eight~~ thirty-six dollars and is the basis for calculating grants-in-aid on a ~~per-pupil~~ per student 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 must be supported in the amount of two hundred twenty dollars, which is the basis for calculating grants-in-aid on a ~~per-pupil~~ per student basis as provided in section 15-40.1-07.
 - c. School districts operating high schools that are not accredited pursuant to the accreditation standards adopted by the superintendent of public instruction on July 1, 1991, or that become unaccredited in any succeeding school year must be supported for the 1991-92 school year or for the first year that they become unaccredited in the amount of the educational support per ~~pupil~~ student established in subdivision a, which is the basis for calculating grants-in-aid on a ~~per-pupil~~ per student basis as provided in section 15-40.1-07, but those school districts are not entitled to the amounts resulting from applying the factors in that section. The amount of aid a school district is entitled to under this subsection for each high school that is not accredited must be reduced by two hundred dollars times the number of ~~pupils~~ students in the school for the second school year that the high school is unaccredited, and an additional two hundred dollars per ~~pupil~~ student in the unaccredited school for each additional year the school remains unaccredited. Any high school that becomes accredited is entitled to the ~~per-pupil~~ per student

payments provided for in section 15-40.1-07 for the entire school year in which the school becomes accredited.

- d. School districts operating elementary schools that are not accredited pursuant to the accreditation standards adopted by the superintendent of public instruction on July 1, 1992, or that become unaccredited in any succeeding school year must be supported for the 1992-93 school year or for the first year that they become unaccredited in the amount of the educational support per ~~pupil~~ student established in subdivision a, which is the basis for calculating grants-in-aid on a ~~per-pupil~~ per student basis as provided in section 15-40.1-08, except that the amount of aid that a school district is entitled to under this subsection for each elementary school that is unaccredited must be reduced by two hundred dollars times the number of ~~pupils~~ students in the school each year that the elementary school is unaccredited. Any elementary school that becomes accredited is entitled to the ~~per-pupil~~ per student payments provided for in section 15-40.1-08 for the entire school year in which the school becomes accredited.
3. In determining the amount of ~~payment~~ payments due school districts for ~~per-pupil~~ per student and transportation aid under this section, the amount of per student aid and transportation aid for which a school district is eligible must be added together, and from that total, the following amounts must be subtracted from the amount of such aid:
 - a. The product of ~~twenty-one~~ twenty-three mills for the ~~1989-90~~ 1993-94 school year and ~~twenty-two~~ twenty-four mills for each year thereafter times the latest available net assessed and equalized valuation of property of the school district.
 - b. The amount that the unobligated general fund balance of a school ~~district's interim fund~~ district on the preceding June thirtieth is in excess of ~~the amount authorized by section 57-15-27~~ three-fourths of the actual expenditures, plus an additional twenty thousand dollars.
 4. No school district may receive foundation payments beyond the October payment unless the following reports have been filed with the superintendent of public instruction:
 - a. Annual average daily membership report.
 - b. Annual school district financial report.
 - c. The September tenth fall enrollment report.
 - d. The personnel report forms for certified and noncertified employees.
 5. No school district may receive the January foundation payment unless the taxable valuation and mill levy certifications are on file with the department of public instruction by December fifteenth.

SECTION 20. AMENDMENT. Section 15-40.1-07 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

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

1. For each high school district having under seventy-five ~~pupils~~ students in average daily membership in grades nine through twelve, the amount of money resulting from multiplying the factor ~~1.635 for the 1989-90 school year~~ and, beginning July 1, 1990, the factor 1.625 adjusted by twenty-five percent of the difference between 1.625 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, times the number of high school ~~pupils~~ students in grades nine through twelve registered in that school district, times the educational support per ~~pupil~~ student as provided in section 15-40.1-06. Beginning July 1, 1994, the factor is 1.625 adjusted by fifty percent of the difference between 1.625 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction.
2. For each high school district having seventy-five or more, but less than one hundred fifty ~~pupils~~ students in average daily membership in grades nine through twelve, the amount of money resulting from multiplying the factor ~~1.35 for the 1989-90 school year~~ and, beginning July 1, 1990, the factor 1.335 adjusted by twenty-five percent of the difference between 1.335 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, times the number of high school ~~pupils~~ students in grades nine through twelve registered in that school district, times the educational support per ~~pupil~~ student provided in section 15-40.1-06. Beginning July 1, 1994, the factor is 1.335 adjusted by fifty percent of the difference between 1.335 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction.
3. For each high school district having one hundred fifty or more, but less than five hundred fifty ~~pupils~~ students in average daily membership in grades nine through twelve, the amount of money resulting from multiplying the factor ~~1.28 for the 1989-90 school year~~ and, beginning July 1, 1990, the factor 1.24 adjusted by twenty-five percent of the difference between 1.24 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, times the number of high school ~~pupils~~ students in grades nine through twelve registered in that school district, times the educational support per ~~pupil~~ student provided in section 15-40.1-06. Beginning July 1, 1994, the factor is 1.24 adjusted by fifty percent of the difference between 1.24 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction.

4. For each high school district having a total high school enrollment of five hundred fifty or more ~~pupils~~ students in average daily membership in grades nine through twelve, the amount of money resulting from multiplying the factor ~~1.17~~ for the 1989-90 school year and, beginning July 1, 1990, the factor 1.14 adjusted by twenty-five percent of the difference between 1.14 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, times the number of high school ~~pupils~~ students in grades nine through twelve registered in that school district, times the educational support per ~~pupil~~ as student provided in section 15-40.1-06. Beginning July 1, 1994, the factor is 1.14 adjusted by fifty percent of the difference between 1.14 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction.
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~~ students registered in the alternative education program, times the educational support per ~~pupil~~ as student provided in section 15-40.1-06, if the alternative education program has less than seventy-five ~~pupils~~ students in average daily membership.
 - b. Subsection 2 times the number of ~~pupils~~ students registered in the alternative education program, times the educational support per ~~pupil~~ as student provided in section 15-40.1-06, if the alternative education program has seventy-five or more, but less than one hundred fifty ~~pupils~~ students in average daily membership.
 - c. Subsection 3 times the number of ~~pupils~~ students registered in the alternative education program, times the educational support per ~~pupil~~ as student 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~~ students in average daily membership.
 - d. Subsection 4 times the number of ~~pupils~~ students registered in the alternative education program times the educational support per ~~pupil~~ student as provided in section 15-40.1-06 if the alternative education program has five hundred fifty or more ~~pupils~~ students in average daily membership.

Every high school district must receive at least as much in total payments as it would have received if it had the highest number of ~~pupils~~ students in the next lower category. ~~Such payments~~ Payments 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 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 must 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 must be made to the public school district in which ~~such~~ the student is enrolled for specific courses. School districts offering high school summer school programs 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 are not 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 must be made after subtracting the amounts provided for in subsection 3 of section 15-40.1-06 in the sending school district divided by the total number of resident pupils students enrolled in the school district plus the number of resident pupils students from the district attending school in another state.~~

SECTION 21. AMENDMENT. Section 15-40.1-08 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

15-40.1-08. Elementary ~~per-pupil~~ per student payments - Amount. Payments must be made from state funds to each school district operating an elementary school and to each school district contracting to educate elementary ~~pupils~~ students in a federal school, employing teachers holding valid certificates or permits in accordance with section 15-47-46 and chapter 15-36, adjusted as provided in section 15-40.1-09, as follows:

1. For each one-room rural school, the amount of money resulting from multiplying the factor ~~1.29 for the 1989-90 school year and, beginning July 1, 1990, the factor 1.28 adjusted by twenty-five percent of the difference between 1.28 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction,~~ times the number of ~~pupils~~ students in that school in grades one through eight in average daily membership, up to a maximum of sixteen ~~pupils~~ students, times the educational support per ~~pupil~~ as student provided in section 15-40.1-06. There must be paid .9 times each additional ~~pupil~~ student in its school in grades one through eight in average daily membership times the educational support per ~~pupil~~ as student provided in section 15-40.1-06, except that no payment may be made for more than twenty ~~pupils~~ students 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~~ students 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~~ students in grade seven or eight, the weighting factor for the ~~pupils~~ students in grades grade seven ~~and or~~ eight must be the same as that provided for in subsection 5. Beginning July 1, 1994, the factor is 1.28 adjusted by fifty percent of the

difference between 1.28 and the five-year average cost of education per student for this category, as determined by the superintendent of public instruction.

2. For each elementary school in school districts having under one hundred ~~pupils~~ students in average daily membership in grades one through six, the amount of money resulting from multiplying the factor ~~1.045 for the 1989-90 school year and, beginning July 1, 1990, the factor 1.09~~ adjusted by twenty-five percent of the difference between 1.09 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, times the number of ~~pupils~~ students 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~~ students per classroom or per teacher, times the educational support per ~~pupil~~ as student provided in section 15-40.1-06. There must be paid .9 times each additional ~~pupil~~ student 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 student provided in section 15-40.1-06, except that no payment may be made for more than twenty-five ~~pupils~~ students in average daily membership in each classroom or for each teacher. Beginning July 1, 1994, the factor is 1.09 adjusted by fifty percent of the difference between 1.09 and the five-year average cost of education per student for this category, as determined by the superintendent of public instruction.
3. For each elementary school in school districts having one hundred or more ~~pupils~~ students 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~~ students in grades one through six, the amount of money resulting from multiplying the factor ~~.9025 for the 1989-90 school year and, beginning July 1, 1990, the factor .905~~ adjusted by twenty-five percent of the difference between .905 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, times the number of ~~pupils~~ students 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 student provided in section 15-40.1-06, except that no payment may be made for more than thirty ~~pupils~~ students in average daily membership in each classroom or for each teacher. Beginning July 1, 1994, the factor is .905 adjusted by fifty percent of the difference between .905 and the five-year average cost of education per student for this category, as determined by the superintendent of public instruction.
4. For each elementary school in school districts having an average daily membership of one thousand or more elementary ~~pupils~~ students in grades one through six, the amount of money resulting from multiplying the factor .95 adjusted by twenty-five percent of the difference between .95 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, times the number of ~~pupils~~ students 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 student

provided in section 15-40.1-06, except that no payment may be made for more than thirty ~~pupils~~ students in average daily membership in each classroom or for each teacher. Beginning July 1, 1994, the factor is .95 adjusted by fifty percent of the difference between .95 and the five-year average cost of education per student for this category, as determined by the superintendent of public instruction. Beginning July 1, 1995, the factor is .95 adjusted by seventy-five percent of the difference between .95 and the five-year average cost of education per student for this category, as determined by the superintendent of public instruction. Beginning July 1, 1996, the superintendent of public instruction shall establish the factor that reflects the five-year average cost of education per student for this category.

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~~ having students in grade seven or eight, there must be paid to each school the amount of money resulting from multiplying the factor ~~1.005 for the 1989-90 school year and, beginning July 1, 1990, the factor 1.01 adjusted by twenty-five percent of the difference between 1.01 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction,~~ times the number of ~~pupils~~ students 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 student provided in section 15-40.1-06, except that no payment may be made for more than thirty ~~pupils~~ students in average daily membership in each classroom or for each teacher. Beginning July 1, 1994, the factor is 1.01 adjusted by fifty percent of the difference between 1.01 and the five-year average cost of education per student for this category, as determined by the superintendent of public instruction.
6. For each elementary school having ~~pupils~~ students 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, the amount of money resulting from multiplying the factor ~~.75 for the 1989-90 school year and, beginning July 1, 1990, the factor 1.01 adjusted by twenty-five percent of the difference between 1.01 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction,~~ times the number of special education ~~pupils~~ students 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 student provided in section 15-40.1-06. Beginning July 1, 1994, the factor is 1.01 adjusted by fifty percent of the difference between 1.01 and the five-year average cost of education per student for this category, as determined by the superintendent of public instruction.
7. For each elementary school providing a kindergarten that is established according to provisions of section 15-45-01, and for each out-of-state kindergarten program, approved by the state superintendent and utilized by North Dakota school districts bordering other states, the amount of money resulting from multiplying the factor ~~.50 adjusted by twenty-five percent of the difference between .50 and the factor representing the five-year average cost of education~~

per student for this category, as determined by the superintendent of public instruction, times the number of pupils students in that school in average daily membership in each classroom or for each teacher times the educational support per-pupil-payment per student for that elementary school, as determined under this section, except that no payment may be made for more than twenty-five pupils students in average daily membership in each classroom or for each teacher. The full per-pupil per student 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 per student payment. Beginning July 1, 1994, the factor is .50 adjusted by fifty percent of the difference between .50 and the five-year average cost of education per student for this category, as determined by the superintendent of public instruction.

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

SECTION 22. AMENDMENT. Section 15-40.1-09 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

15-40.1-09. Application for payments - Verification and determination of payments for high school students - Report of county superintendent of schools - Appeal. Immediately upon the completion of the registration of students at the beginning of each school term and in no event later than September tenth of each year, the business manager of each school district within or without this state which is claiming payments from state funds under the provisions of this chapter shall file with the county superintendent of schools a claim on a form prescribed by the superintendent of public instruction stating the number of students registered in high school and elementary grades for which payments are claimed, and such other information as may be reasonably requested by the superintendent of public instruction. Not later than December first, the superintendent of public instruction shall certify to the office of management and budget a list of the school districts and schools not operated by school districts entitled to payments from state funds, together with the amounts to which the several districts and schools are entitled. ~~Per-pupil~~ Per student aid as provided under sections 15-40.1-06, 15-40.1-07, and 15-40.1-08 must be computed on the basis of the previous year's average daily membership less the number of students attending school during the current school year in another district under the provisions of open enrollment or the current year's fall enrollment, whichever is greater, for all current grade levels. Adjustments must be made in the subsequent year according to a comparison between the average daily membership for the year for which the adjusted payment is being made and the year preceding the year for which the adjusted payment is being made, whichever is greater, for grade levels that existed in both years. The greater of the two preceding years' average daily membership must be used in computing any adjustment in a district's foundation aid payments. For purposes of this chapter, "average daily membership" shall mean the total days all students in a given school

are in attendance, including days set aside for the North Dakota education association convention, plus any three holidays selected from those listed in subsections 2 through 10 of section 15-38-04.1 which have been decided upon after consultation with the teachers, the total days all students are absent, and the two parent-teacher conference days authorized in section 15-47-33, divided by one hundred eighty days. School districts educating children of agricultural migratory workers or offering high school summer school programs during the months of June, July, and August shall not be restricted to payments for a one hundred eighty-day school term.

Immediately upon the termination of the school term and in no event later than July fifteenth of each year, the business manager of each school district within or without this state which has received payments from state funds under the provisions of this chapter shall file with the county superintendent of schools a verified statement of the name, residence, and membership of elementary and high school students as provided for in this section, and number of units of high school work taken by each high school student enrolled during the previous school year. ~~Such~~ The statement shall be attested to by the county superintendent of schools. The county superintendent shall investigate the validity of the statement and shall determine the residence and other qualifications of each student named in the statement ~~filed with him. He.~~ The county superintendent shall certify to the superintendent of public instruction on or before September first of each year the number of enrolled students in each district in ~~his~~ the county for the previous school year upon which any adjustment may be based as provided in this section. If any statement is disallowed in whole or in part, notice ~~thereof~~ of the disallowance and the names of students who are disallowed shall be reported to the superintendent of public instruction and to the district filing the statement. Any district may appeal to the superintendent of public instruction from the determination of the county superintendent of schools on or before September fifteenth in the year in which the determination is made. The superintendent of public instruction may change or modify the determination of the county superintendent if the evidence submitted by the district warrants a modification. The judgment of the superintendent of public instruction shall be final.

SECTION 23. AMENDMENT. Section 15-40.1-16 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted 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~~ students who live outside the incorporated limits of the city in which school the ~~pupil~~ student is enrolled is located, a sum equal to twenty-five cents per mile [1.61 kilometers] ~~during each year of the 1991-93 biennium~~ for vehicles having a capacity of nine or fewer ~~pupils~~ students and sixty-seven cents per mile [1.61 kilometers] ~~for each year of the 1991-93 biennium~~ for schoolbuses having a capacity of ten or more ~~pupils~~. ~~In addition, those school students.~~ School districts qualifying for payments for buses having a capacity of ten or more ~~pupils~~ students are entitled to an amount equal to twenty-eight cents per day for each public school ~~pupil~~ student living outside the city limits who is transported in such buses.

2. For ~~pupils~~ students who ride schoolbuses or commercial buses to or from school and who live within the incorporated limits of the city ~~in within~~ which the school ~~that the pupil is~~ enrolled ~~students attend~~ is located, a sum equal to seventeen and one-half cents per ~~pupil~~ student per one-way trip. However, no payment ~~shall~~ may 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~~ students to and from school. ~~Such payments~~ 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.

SECTION 24. AMENDMENT. Section 15-40.1-18 of the North Dakota Century Code is amended and reenacted as follows:

15-40.1-18. State transportation payments to school districts.

The superintendent of public instruction shall determine the total amount of payments to be made to the school districts for transportation aid. The office of management and budget shall pay the sum certified by the superintendent of public instruction to each school district. ~~Such payments~~ Payments shall be made in the same manner and at the same time as other payments from the state to school districts are made, as provided in section 15-40.1-05. During the 1993-94 school year, no school district may receive more than one hundred percent of the actual costs it incurs in the provision of transportation services. During the 1994-95 school year, no school district may receive more than ninety percent of the actual costs it incurs in the provision of transportation services. The superintendent of public instruction shall calculate the difference between the actual costs incurred by all districts in the provision of transportation services during the 1994-95 school year and ninety percent of the actual costs incurred by all school districts in the provision of transportation services during the previous school year. The superintendent shall use the difference to increase the per student payments provided for in subsections 1 and 2 of section 15-40.1-16 by the same amount under each subsection. For purposes of this section, actual costs include the transportation operating expenditures reported to the superintendent of public instruction for the most recent year plus the eight-year average cost of transportation equipment determined by the superintendent of public instruction.

SECTION 25. AMENDMENT. Section 15-40.2-04 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

15-40.2-04. Nonresident tuition payments mandatory - Payments are exclusive. Any

1. a. Except as provided in this subsection, any school district that admits nonresident ~~pupils~~ students to its schools, as provided by this chapter, shall charge tuition for such ~~pupils~~ except that school those students. School districts have the option of charging tuition for nonresident ~~pupils~~ students enrolled in an approved alternative education program. The whole amount of the tuition must be paid by the district from which the ~~pupil~~ student is admitted, in accordance with

section 15-40.2-03, or by the ~~pupil's~~ student's parent or guardian, in accordance with section 15-40.2-06.

- b. Except as otherwise provided, any school district that fails to ~~sign a tuition agreement and fails to~~ charge and collect tuition for nonresident students as provided for in section 15-40.2-03 and this section shall forfeit foundation payments for those nonresident students for whom tuition is not paid. A school district may accept a nonresident student from another school district in this state which offers the same grade level as that in which the student is enrolled, without a charge and collection of tuition if a written agreement is made between the sending and receiving districts. No written agreement is necessary if the nonresident student is enrolled in an approved alternative education program for which no tuition is charged.
- c. No school district may charge or collect from any nonresident ~~pupil~~ student, parent or guardian of a nonresident ~~pupil~~ student, or the district of the ~~pupil's~~ student's residence, any registration, textbook, or laboratory fee, or any other fee or charge which is not charged to or for all resident ~~pupils~~ students.
2. For purposes of subsection 1 and all statutory provisions relating to open enrollment, the member districts of a consortium must be treated as a single school district.

SECTION 26. AMENDMENT. Section 2 of chapter 701 of the 1989 Session Laws of North Dakota, as amended by section 1 of chapter 656 of the 1991 Session Laws of North Dakota, is amended and reenacted as follows:

SECTION 2. EXPIRATION DATE. This Act is effective through June 30, ~~1993~~ 1997, and after that date is ineffective."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 201 - PUBLIC INSTRUCTION

CONFERENCE COMMITTEE - These amendments make the following changes:

ANALYSIS OF CONFERENCE COMMITTEE CHANGES TO THE 1993-95 DEPARTMENT OF PUBLIC INSTRUCTION APPROPRIATION FROM ENGROSSED BILL

LINE ITEM	ENGROSSED HB 1803	\$60 PER MONTH INCREASE	RESTORE HOUSE REDUCTIONS ¹	REMOVE INDIRECT COST AND RESTORE 1SD PORTION	RESTORE FILM LIBRARY ²	ADD 2 FTEs ³	ADD FUNDING FOR SPECIAL PROJECTS	INCREASE FUNDING FOR GRANTS	TOTAL (DECREASES) INCREASES	CONFERENCE COMMITTEE VERSION OF DPI
Salaries and wages	\$ 8,255,919	\$65,283	\$315,000		\$ 93,786	\$174,481			\$ 648,478	\$ 8,984,389
Information services	632,172			\$ 54,324	500		\$ 1,950		56,774	688,946
Operating expenses	5,480,382		40,000	(588,498)	95,945	112,725	30,000		(309,828)	5,170,554
Equipment	281,471				62,934		1,100		64,034	345,505
Foundation aid	0							\$396,519,892	396,519,892	396,519,892
Special education	44,877,495							2,500,000	2,500,000	46,577,495
Governor's school	0							125,000*	125,000	125,000
Vocational education	0							240,000	240,000	240,000
Restructuring LEAD	2,550,000							716,375	716,375	3,266,375
All other line items	142,567,162							44,000	44,000	184,000
								0	0	142,567,162
Total	\$283,984,681	\$65,283	\$355,000	\$(534,174)	\$253,165	\$287,126	\$33,050	\$480,145,267	\$400,604,717	\$684,589,318
Other funds	\$159,621,158	\$26,113	\$ 76,000	\$(138,064)	\$185,052	\$119,785	\$33,050		\$221,936	\$159,843,094
General fund	\$ 44,363,443	\$39,170	\$279,000	\$(396,110)	\$140,113	\$167,341	0	\$480,145,267	\$480,382,781	\$444,746,224
FTEs	124.45		4.0	0	2.0	2.0	0	0	8.0	132.45

¹ This restores the four FTEs deleted by the House, three from the general fund and one from other funds (\$305,000 in salaries and wages); restores \$10,000 of the \$60,000 reduction made by the House for underfunding the pay plan; and restores \$40,000 of \$65,000 House reduction in operating expenses.

² The amount provided is \$38,000 less than the Senate version in salaries and wages and \$24,648 in equipment. Six FTEs are still authorized. The Department of Public Instruction is to provide the next Legislative Assembly alternatives for the film library.

³ This restores a state testing position and related operating expenses (total \$185,546, \$167,341 from general fund) and a secondary education position of \$101,580 from other funds.

⁴ This provides \$125,000 from the general fund for the Governor's School with the intent that the Department of Public Instruction negotiate with all possible site officials in order to determine the best location for holding the Governor's School.

A COMPARISON OF THE VARIOUS DEPARTMENT OF PUBLIC INSTRUCTION VERSIONS IS AS FOLLOWS:

	HOUSE ¹	SENATE	CONFERENCE COMMITTEE	CONFERENCE COMPARED TO HOUSE	CONFERENCE COMPARED TO SENATE
General fund	\$ 44,363,443	\$445,666,780	\$444,846,224	\$400,482,781	\$(820,556)
Other funds	<u>159,621,158</u>	<u>159,546,989</u>	<u>159,903,094</u>	<u>281,936</u>	<u>356,105</u>
Total	\$203,984,601	\$605,213,769	\$604,749,318	\$400,764,717	\$(464,451)
FTEs	124.45	133.45	132.45	8.0	(1.0)

¹ Does not include an amount for per-pupil and transportation.

A section is added to appropriate \$160,000, \$100,000 from the general fund and \$60,000 from other funds to be received through pursuing funds from the Office of Intergovernmental Assistance for a school transportation study and the development of a transportation system data base. The Department of Public Instruction is to work with North Dakota State University to utilize the university's information on its data base.

A section is added providing \$75,000 from the general fund for a Legislative Council education finance study.

Foundation Aid:

The following schedule compares foundation aid and state tuition fund payments for 1991-93, Sinner 1993-95, Schafer 1993-95, and Senate 1993-95:

	1991-93 APPROPRIATION	1993-95 GOVERNOR SINNER	1993-95 GOVERNOR SCHAFFER	1993-95 SENATE	1993-95 CONFERENCE COMMITTEE
Per-pupil payments	\$386,784,025	\$ 472,112,798	\$390,801,486	\$397,433,283	\$404,839,927
Less: Mills deducted	<u>(42,076,240)</u>	<u>(103,271,462)</u>	<u>(41,308,584)</u>	<u>(43,920,035)</u>	<u>(43,920,035)</u>
Total per-pupil payments	\$344,707,785	\$ 368,841,336	\$349,492,902	\$353,513,248	\$360,919,892
Transportation payments	<u>36,306,549</u>	<u>31,521,432</u>	<u>31,521,432</u>	<u>34,986,752</u>	<u>35,600,000</u>
Total general fund - foundation program	\$381,014,334	\$ 400,362,768	\$381,014,334	\$388,500,000	\$396,519,892
Tuition apportionment	\$ 47,225,456	\$ 46,017,000	\$ 46,017,000	\$ 46,017,000	\$ 46,017,000
<u>Per-pupil payments</u>					
1st year	\$ 1,552	Not specified	Not specified	\$ 1,589	\$ 1,570
2nd year	\$ 1,541	Not specified	Not specified	\$ 1,647	\$ 1,636
<u>Mill deducts</u>					
1st year	22 mills	50 mills	22 mills	23 mills	23 mills
2nd year	22 mills	60 mills	22 mills	24 mills	24 mills

Weighted units in the Senate version are changed to reflect 25 percent of the difference between current weighted factors and the five-year average and in the conference committee to reflect 25 percent of the difference between current weighted factors in the first year and another 25 percent in the second year.

NOTE: The per-pupil payments under the Senate version are more than the conference committee version due to 25 percent of tuition apportionment being placed in the funding formula in the Senate version.

The "special projects" were changed as follows:

ANALYSIS OF "SPECIAL PROJECTS"

	1991-93 APPROPRIATION	1993-95 AGENCY REQUEST	1993-95 EXECUTIVE RECOMMENDATIONS	HB 1003 1993-95 HOUSE RECOMMENDATION	HB 1003 1993-95 SENATE RECOMMENDATION	HB 1003 1993-95 CONFERENCE COMMITTEE
Electronic media	\$ 360,000	\$ 412,354	\$ 0	\$ 360,000	\$ 360,000	\$ 360,000
Uniform accounting	150,000	75,000	0	0	0	0
Uniform student records	0	250,000	0	0	0	0
School district restructuring	5,900,000	10,235,661	0	2,550,000 ¹	7,660,750 ²	3,266,375 ³
Telecommunications	5,050,295	6,752,000	0	3,000,000	3,000,000	3,000,000
Teacher centers	199,400	240,000	0	200,000	200,000	200,000
LEAD	140,000	228,000	0	140,000	228,000	184,000
Education reform	0	479,000	0	0	0	0
Governor's school	0	200,000	0	0	200,000	125,000
Special projects and grants	0	0	7,000,000	0	0	0
Total	\$11,799,695	\$18,072,015	\$7,000,000	\$6,250,000	\$11,648,750	\$7,135,375

¹ The \$2,550,000 provides \$2,050,000 for \$165 per student payments for one more year for consortiums organized in 1991; \$200,000 for annexation and reorganization funding; \$250,000 reorganization grants for school districts that received planning grants during 1991-93; and \$50,000 miscellaneous grants.

² The \$7,660,750, \$6,670,750 is to provide per student payments of \$105 for years 1 through 3, \$205 for year 4, and \$105 for year 5, \$80,000 is provided for four planning grants; \$160,000 for technical assistance to consortiums; and \$750,000 for educational service agreements. Funding is provided to consortiums that received planning grants prior to January 1, 1993.

³ The \$3,266,375 provides \$2,706,375 for \$105 per student payments for the consortiums implemented in 1990 and 1991; \$400,000 for grants on a competitive basis for consortiums that received planning grants in 1992-93; and \$160,000 for technical assistance to consortiums. In addition, up to another \$125,000 may be spent for the competitive grants from the unspent student payment amounts due to those consortiums not having a successful vote to reorganize.

DEPARTMENT 250 - STATE LIBRARY

CONFERENCE COMMITTEE - The salaries and wages line item is increased by \$17,711 from the general fund to reflect the \$60 per month salary increase plan in accordance with the provisions of House Bill No. 1018.

Talking Book Program: The salaries and wages line item is reduced by \$68,271 and operating expenses by \$167,000, and these amounts totaling \$235,271 from federal funds are provided as a talking book program line item. The funding is to reinstate three FTE positions deleted by the House and to operate the talking book program at the State Library rather than contracting with South Dakota for the service. It is the intent of the Legislative Assembly that the State Library begin operating the program during the first year of the 1993-95 biennium and that the Office of Management and Budget waive the rent charges for the 1993-95 biennium.

The information services line item is increased by \$6,191, of which \$5,341 is from the general fund and \$850 from other funds in accordance with the provisions of House Bill No. 1018.

Operating expenses are reduced by \$151,408, \$105,836 of which is from the general fund, to remove the amount added by the House for indirect cost allocation payments.

The multitype library authority program line item remains at \$50,000 from the general fund for continuing the pilot project begun during 1991-93. The Senate had added \$55,836 from the general fund.

The grants to public libraries line item is increased by \$50,000, from \$843,000 to \$893,000 from the general fund to ensure meeting maintenance of effort requirements. The House had reduced this line item by \$50,000 and provided the \$50,000 for the multitype library authority.

In total, the amendments decrease the general fund by \$32,784, other funds by \$44,722, and the total by \$77,506.

DEPARTMENT 252 - SCHOOL FOR THE DEAF

CONFERENCE COMMITTEE - The salaries and wages line item is increased by \$26,427 from the general fund to reflect the \$60 per month salary increase plan in accordance with the provisions of House Bill No. 1018.

Salaries and wages are increased by \$70,000 from the general fund for the school to use in employing as it determines a .75 FTE dormitory counselor, .76 FTE librarian I, and a .79 FTE speech clinician. The Senate had provided \$123,049 from the general fund.

The information services line item is increased by \$4,163, of which \$4,058 is from the general fund and \$105 is from other funds in accordance with the provisions of House Bill No. 1018.

The operating expenses line item is increased by \$30,000 from the general fund to restore \$30,000 of the \$50,000 reduced by the House, and decreased by \$39,062, of which \$28,120 is from the general fund and \$10,942 is from other funds to remove the indirect cost allocation payments to the Office of Management and Budget.

This amendment provides for a total authorized FTE level of 52.27, 1.54 FTEs more than the House level of 50.73 FTEs.

In total, from the House version this amendment increases the school's general fund appropriation by \$102,365 and decreases the other funds by \$10,837, for a net increase of \$91,528.

DEPARTMENT 253 - SCHOOL FOR THE BLIND

CONFERENCE COMMITTEE - The salaries and wages line item is increased by \$19,486 from the general fund to reflect the \$60 per month salary increase plan in accordance with the provisions of House Bill No. 1018.

The information services lines item is decreased by \$50 from the general fund in accordance with the provisions of House Bill No. 1018.

This amendment decreases the operating expenses line item by \$30,018, of which \$20,634 is from the general fund and \$9,384 is from other funds to remove the indirect cost allocation payments to the Office of Management and Budget.

This amendment also increases the general fund appropriation by \$170,000 and decreases the other funds appropriation by \$170,000 to more accurately reflect the anticipated income the school will receive during the biennium.

A section of intent is added stating that the school should pursue renting available facilities to the University of North Dakota.

In total, this amendment increases the school's general fund appropriation by \$168,802 and decreases the other funds by \$179,384, for a net decrease of \$10,582.

Engrossed HB 1003 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SEN. O'CONNELL MOVED that the conference committee report on Engrossed HB 1003 be adopted, which motion prevailed.

Engrossed HB 1003, as amended, was placed on the Fourteenth order.

SECOND READING OF HOUSE BILL

HB 1003: A BILL for an Act to provide an appropriation for defraying the expenses of the department of public instruction, the school for the deaf, the school for the blind, and the state library; to provide exemptions from the provisions of section 54-44.1-11; to provide for an

appropriation of funds from the displaced homemaker fund; to provide an appropriation for a legislative council study; to provide for the contingent distribution of a separate and additional per student payment; to create and enact a new section to chapter 15-40.1 of the North Dakota Century Code, relating to cooperating school districts; and to amend and reenact section 2 of chapter 701 of the 1989 Session Laws of North Dakota, as amended by section 1 of chapter 656 of the 1991 Session Laws of North Dakota, sections 15-27.3-19, 15-27.6-10, and 15-38-17 as amended by section 11 of Senate Bill No. 2418, as approved by the fifty-third legislative assembly, sections 15-40.1-06, 15-40.1-07, 15-40.1-08, 15-40.1-09, 15-40.1-16, 15-40.1-18, and 15-40.2-04 of the North Dakota Century Code, relating to the foundation aid program, appointments to the education standards and practices board and the administrator's professional practices board, the expiration date concerning withdrawals from special reserve funds, school district reorganization, per student payments, and transportation aid.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 44 YEAS, 5 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Andrist; Bowman; DeMers; Dotzenrod; Freborg; Goetz; Graba; Grindberg; Heinrich; Holmberg; Jerome; Kelly; Kelsh; Kinnoin; Krauter; Krebsbach; Langley; Lindaas; Lindgren; Lips; Mathern; Mushik; Mutch; Naaden; Nalewaja; Nelson; Nething; Redlin; Robinson; Sand; Scherber; Schoenwald; Solberg; Stenehjem, B.; Stenehjem, W.; Streibel; Tallackson; Tennefos; Thane; Tomac; Traynor; Urlacher; Wogsland; Yockim

NAYS: Evanson; Keller; Marks; Maxson; O'Connell

HB 1003 passed and the title was agreed to.

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

MADAM PRESIDENT: The House has adopted the conference committee report and subsequently passed: HB 1008, HB 1399.

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: SB 2108.

REPORT OF CONFERENCE COMMITTEE

HB 1413, as engrossed: Your conference committee (Sens. Heinrich (refused to sign), O'Connell, Evanson and Reps. Gates, Torgerson, Aarsvold) recommends that the **SENATE RECEDE** from the Senate amendments on SJ pages 1127-1128, adopt amendments as follows, and place HB 1413 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1728-1730 of the House Journal and pages 1127-1128 of the Senate Journal and that Engrossed House Bill No. 1413 be amended as follows:

Page 1, line 1, replace "section" with "sections" and after "15-27.6-05" insert ", 15-27.6-10, and 15-27.6-11"

Page 1, line 3, replace "; to repeal section 15-27.6-11 and chapter 15-27.6" with a period

Page 1, remove lines 4 through 6

Page 1, line 13, remove "that received first"

Page 1, remove lines 14 and 15

Page 1, line 16, replace "this section" with "implemented", replace "1992-93" with "1990 or 1991", and overstrike "for a"

Page 1, line 17, overstrike "period" and remove "of one year"

Page 1, line 18, overstrike "sixty-five" and insert immediately thereafter "five" and after "dollars" insert "during each year of the 1993-95 biennium"

Page 2, replace lines 12 through 17 with:

"SECTION 2. AMENDMENT. Section 15-27.6-10 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

15-27.6-10. Approved proposal received by county superintendent - Special election called - Formation of new district.

1. Upon receipt from the state board of an approved proposal for the reorganization of school districts, the county superintendent, after consulting with the interim district board, shall call a special election as provided in section 15-27.3-08.
2. If a majority of electors residing within each school district vote in favor of the formation of the new district, the county superintendent shall make the proper adjustments and perform all necessary duties as provided in subsection 6 of section 15-27.3-08.
3. If fewer than all of the districts vote in favor of a new district, any contiguous districts voting in favor of the proposal shall form a new district ~~if the new district would qualify to receive the payments provided for in section 15-27.6-11 and if approved by the state board~~ approves and:
 - a. There are three districts, at least one of which offers grades one through twelve, they have a minimum combined enrollment of six hundred students, and they cover a minimum combined area of seven hundred square miles [181299.168 hectares]; or
 - b. There are four or more districts, at least one of which offers grades one through twelve, and they have a minimum combined enrollment of six hundred students or they cover a minimum combined area of seven hundred square miles [181299.168 hectares].

Any contiguous districts ~~voting that vote~~ in favor of forming a new district, but that ~~would not qualify for payments under section 15-27.6-11~~ do not meet the requirements of either subdivision a or b of this subsection, may form a new district. To form a new district, the board members of the interim district board who represent the contiguous districts involved shall make a determination and adjustment of property, assets, debts, and liabilities of the districts as provided in section 15-27.3-04 and make a determination of tax levy as provided in section 15-27.3-06, hold a hearing similar to the one described in section 15-27.6-07, and submit a new proposal to the state board for approval. No additional vote is required on the revised proposal, including a proposal that becomes effective on July 1, 1993. However, the newly proposed mill levy may not

exceed the general fund mill levy limitations provided in section 57-15-14 plus the additional levy authorized by Senate Bill No. 2024; as approved by the fifty-third legislative assembly. For purposes of determining the amount that can be levied under Senate Bill No. 2024, the amount levied in dollars in the base year is the amount proposed to be levied in dollars by the new district in its first year of operation. If the state board approves the plan, the county superintendent shall make the proper adjustment of the property, assets, debts, and liabilities as provided in the proposal and organize and establish the districts and, in doing so, shall perform all other necessary duties as provided in subsection 6 of section 15-27.3-08.

4. a. If fewer than all of the districts vote in favor of a new district and the contiguous districts voting in favor do not meet the requirements of subdivision a or b of subsection 3, all or some of the districts may choose to vote again on the same or on a revised reorganization proposal, provided the districts meet the requirements of subdivision a or b of subsection 3.
 - b. If the reorganization proposal is revised, the interim district board members representing the districts choosing to vote again shall hold another hearing and make findings as outlined in section 15-27.6-07. The interim district board members shall keep a record of the hearing and shall submit the record and the revised proposal, along with any other relevant information, to the state board for approval. If the state board approves the revised reorganization proposal, the county superintendent shall proceed pursuant to subsection 1 of this section.
 - c. The second special election must be held within one year after the initial special election.
5. If a school district does not vote in favor of forming a new school district, any part of that school district excluded from the reorganization proposal pursuant to section 15-27.6-07 may either proceed with annexation or remain a part of that school district.

SECTION 3. AMENDMENT. Section 15-27.6-11 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

15-27.6-11. Supplemental ~~pupil~~ student payments.

1. A newly formed district is eligible to receive the supplemental ~~pupil~~ student payment of one hundred five dollars provided for in section 15-27.6-05 for an ~~additional period of two years~~ one year 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 ~~if the newly formed district:~~
 - a- ~~Encompasses at least seven hundred square miles [181299.168 hectares], enrolls at least six hundred students, and, prior to the reorganization, consisted of three contiguous school districts, each of which operated grades kindergarten through twelve programs or grades one through twelve programs;~~

- ~~b. Prior to the reorganization, consisted of at least six contiguous school districts, four of which operated grades kindergarten through twelve programs or grades one through twelve programs; or~~
 - ~~c. Either enrolls a minimum of six hundred students or encompasses at least seven hundred square miles [181299.168 hectares], and, prior to the reorganization, consisted of four or five school districts, each of which operated grades kindergarten through twelve programs or grades one through twelve programs.~~
2. Sections 15-27.3-12 through 15-27.3-15 and 15-27.3-17 through 15-27.3-21 apply to school district reorganizations under this chapter.
 - 3- ~~A newly formed school district that was approved to receive a planning grant prior to July 17, 1991, is eligible to receive the additional supplemental pupil payments."~~

Renumber accordingly

Engrossed HB 1413 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SEN. O'CONNELL MOVED that the conference committee report on Engrossed HB 1413 be adopted, which motion prevailed.

Engrossed HB 1413, as amended, was placed on the Fourteenth order.

SECOND READING OF HOUSE BILL

HB 1413: A BILL for an Act to amend and reenact sections 15-27.6-05, 15-27.6-10, and 15-27.6-11 of the North Dakota Century Code, relating to planning grants and supplemental payments for school district consortia.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 41 YEAS, 7 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Andrist; Bowman; DeMers; Dotzenrod; Freborg; Goetz; Graba; Grindberg; Holmberg; Jerome; Keller; Kelly; Kelsh; Kinnoin; Krauter; Krebsbach; Langley; Lindaas; Lindgren; Lips; Mathern; Mushik; Mutch; Naaden; Malewaja; Nelson; Nething; Robinson; Sand; Scherber; Schoenwald; Solberg; Stenehjem, B.; Stenehjem, W.; Tallackson; Thane; Tomac; Traynor; Urlacher; Wogsland; Yockim

NAYS: Evanson; Heinrich; Marks; Maxson; O'Connell; Streibel; Tennefos

ABSENT AND NOT VOTING: Redlin

HB 1413 passed and the title was agreed to.

REPORT OF CONFERENCE COMMITTEE

SB 2021, as engrossed: Your conference committee (Sens. Yockim, Krauter, Nething and Reps. St. Aubyn, Dalrymple, Kaldor) recommends that the HOUSE RECEDE from the House amendments on SJ pages 1220-1227, adopt amendments as follows, and place SB 2021 on the Seventh order:

That the House recede from its amendments as printed on pages 1220-1227 of the Senate Journal and pages 1381-1389 of the House Journal and that Engrossed Senate Bill No. 2021 be amended as follows:

Page 1, line 3, after the semicolon insert "to create and enact a new section to chapter 6-09.10, a new subsection to section 11-11.1-03, and a new subsection to section 40-57.4-03 of the North Dakota Century Code, relating to the credit review board, county job development authorities, and city job development authorities; to amend and reenact section 4-14.1-03, 6-09.10-02, subsections 2, 3, and 6 of section 10-30.3-01, sections 10-30.3-03, 10-30.3-10, 10-30.3-11, subsection 2 of section 10-30.4-01, sections 10-30.4-02, 10-30.4-03, 15-12-25, 54-34.3-03, 54-34.3-05, 54-34.3-06, 54-34.3-07, and 54-34.3-08 of the North Dakota Century Code, relating to the agricultural products utilization commission, credit review board, North Dakota future fund, incorporated, technology transfer, incorporated, and the department of economic development and finance; to provide for a study of the income level requirements by the department of economic development and finance; to provide for a legislative council study;"

Page 1, line 8, remove "federal funds and"

Page 1, line 10, replace "of its various divisions" with "thereof"

Page 1, line 12, replace "2,579,816" with "2,303,419"

Page 1, line 13, replace "96,510" with "93,728"

Page 1, line 14, replace "1,522,752" with "1,447,932"

Page 1, line 21, replace "996,000" with "400,000"

Page 2, after line 1, insert:

"Agricultural products utilization commission grant 1,175,000"

Page 2, line 3, replace "17,546,629" with "17,771,630"

Page 2, line 4, replace "116,058" with "18,000"

Page 2, line 5, replace "17,430,571" with "17,753,630"

Page 2, replace lines 6 through 25 with:

"SECTION 2. TRANSFERS - ECONOMIC DEVELOPMENT FUNDS. The following amounts appropriated in section 1 of this Act must be transferred to the following funds or programs for expenditure purposes for the biennium beginning July 1, 1993, and ending June 30, 1995, as follows:

Future fund	\$ 5,005,000
Technology transfer, incorporated	2,125,000
Partnership in assisting community expansion fund	2,700,000
Agriculture partnership in assisting community expansion fund	400,000
Agricultural products utilization commission	1,175,000
Beginning farmer revolving loan fund	<u>1,000,000</u>
Total	\$12,405,000

SECTION 3. AMENDMENT. Section 4-14.1-03 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

4-14.1-03. Agricultural products utilization commission - Composition - Appointment. The agricultural fuel tax fund must be administered by the agricultural products utilization commission which

is hereby established. The commission consists of nine members, ~~six~~ five of whom must be appointed by the governor for terms of two years each, arranged so that ~~at least three~~ two terms expire every year in odd-numbered years and three terms expire in even-numbered years. ~~Four~~ Three members appointed by the governor must be actively engaged in farming in this state and two members appointed by the governor must be actively engaged in business in this state. The commissioner of agriculture shall appoint one member for a term of two years which expires in odd-numbered years. The member appointed by the commissioner must be actively engaged in farming in this state. Commission members may be reappointed to the commission. Terms of commissioners shall run from the first day of July ~~of odd-numbered years.~~ The director of the department of economic development and finance, the president of North Dakota state university, and the commissioner of agriculture, or their designees, are members of the commission. The commission shall elect one of its members as chairman.

SECTION 4. AMENDMENT. Section 6-09.10-02 of the North Dakota Century Code is amended and reenacted as follows:

6-09.10-02. Credit review board. The board consists of six members. The governor shall appoint one member of the credit review board, the commissioner of agriculture shall appoint one member of the credit review board, and the attorney general shall appoint one member of the credit review board. One member of the board must have experience serving as a director or officer of a financial institution. Two members of the board must have experience in the operation of a farm, the attorney general, and the commissioner of agriculture shall each appoint two members to the board. The governor and attorney general shall each appoint one member with experience as a director or officer of a financial institution and one member actively engaged in farming in the state. The commissioner of agriculture shall appoint two members who are actively engaged in farming in the state. No member of the board may hold state office or serve in state office or serve in state government in any capacity at any time of appointment or during service on the board. The credit review board members shall serve terms of two years.

SECTION 5. A new section to chapter 6-09.10 of the North Dakota Century Code is created and enacted as follows:

Additional duties of board. In addition to other powers and duties enumerated in this chapter, the board shall:

1. Establish policy for the North Dakota agricultural mediation service.
2. Recommend policies and procedures to the industrial commission regarding farm loan programs of the Bank of North Dakota.
3. Recommend policies and procedures regarding the adult farm management program to the state board of vocational education.
4. Develop and administer a grant program to provide farmers with access to the farm diversification analytic system. The program shall coordinate a farm management delivery system among the adult farm management program, agricultural mediation service, and the North Dakota state university extension service.

SECTION 6. AMENDMENT. Subsections 2, 3, and 6 of section 10-30.3-01 of the 1991 Supplement to the North Dakota Century Code are amended and reenacted as follows:

2. "Corporation" means the North Dakota ~~economic development finance corporation~~ future fund, incorporated established under this chapter.
3. "North Dakota American Indian" means an enrolled member of a federally recognized North Dakota tribe ~~with at least one-fourth degree blood quantum.~~
6. "Primary sector business" means an individual, corporation, partnership, or association which through the employment of knowledge or labor, adds value to a product, process, or service that results in the creation of new wealth. The term includes tourism, but does not include production agriculture.

SECTION 7. AMENDMENT. Section 10-30.3-03 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

10-30.3-03. Organization. The corporation must be managed by a board of directors. The board of directors shall adopt and amend articles of incorporation and bylaws consistent with the purposes detailed in section 10-30.3-02. The board of directors consists of ~~seven~~ eight members who shall serve three-year terms. The terms must be staggered so that no more than three positions require reappointment in any one year. ~~Members must be appointed by the~~ The governor who shall appoint the members and shall only consider representatives who serve in executive capacities from the following areas in making the selections: private sector manufacturing, finance, exported services, including tourism, and industrial technology and research. There must be at least one member who is enrolled in a federally recognized North Dakota tribe ~~with at least one-fourth degree American Indian blood quantum~~ who need not serve in an executive capacity, the director of economic development and finance, and one member from a rural area, on the board of directors. Members may be reappointed for additional terms.

SECTION 8. AMENDMENT. Section 10-30.3-10 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

10-30.3-10. ~~Primary sector development fund~~ North Dakota future fund - Continuing appropriation. ~~A primary sector development fund~~ The North Dakota future fund is established from moneys appropriated from the general fund. This is a revolving fund, and all moneys transferred into the fund, interest upon fund moneys, and payments to the fund are hereby appropriated for the purposes of this chapter. This fund is not subject to section 54-44.1-11.

SECTION 9. AMENDMENT. Section 10-30.3-11 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

10-30.3-11. ~~Primary sector development~~ North Dakota future fund uses - Distribution - Limitations.

1. The fund moneys may be used for the purposes of this chapter as provided in section 10-30.3-02. Moneys may be used to provide working capital or for financing the purchase of fixed assets, but not to refinance existing debt. Moneys may also be used to make matching grants to county-authorized or city-authorized development corporations for the acquisition, leasing, or remodeling of real estate facilities for locating a prospective new primary sector business. A grant must be made as part of a package of financing in which the state is a participant.

2. The director of the department of economic development and finance shall adopt rules, subject to the approval of the board of directors, necessary to implement the administration of the fund. The rules to implement the grant program must be developed to encourage local fundraising initiatives for developing locations for businesses financed by the corporation. The rules must include a requirement that every:
 - a. Eighty-five percent of the full-time employee employees of a rural North Dakota business or North Dakota American Indian business receiving moneys or other assistance from the primary sector development North Dakota future fund must be paid an income at least equal to one hundred percent of the federal poverty level for a family of four for the life of the loan, equity position, or other financial relationship and ;
 - b. Every full-time employee of an urban North Dakota business receiving moneys or other assistance from the North Dakota future fund must be paid an income at least equal to one hundred percent of the federal poverty level for a family of four for the first year following the receipt of moneys from the fund; and
 - c. After the first year following the receipt of moneys from the fund, ninety percent of the full-time employees of an urban North Dakota business receiving moneys or other assistance from the North Dakota future fund must be paid an income at least equal to one hundred percent of the federal poverty level for a family of four for the remaining period of the loan, equity position, or other financial relationship.

For purposes of this subsection, "full-time employee" means a person employed to work thirty-two hours or more per week. The rules must establish procedures for determining compliance with this requirement subdivisions a, b, and c and sanctions for failure to comply with it. The department may renegotiate, at any time, any contract entered into with a business under this section to reflect changes by the legislative assembly in the percentage of employees subject to the income requirement of this section. The rules must include requirements for and methods of distribution of the funds generally targeted for a distribution of forty percent businesses in rural areas, twenty percent businesses in urban areas, twenty percent North Dakota American Indian businesses, and twenty percent to be undesignated. Any unused funds in any category may be transferred to the undesignated portion during the second year of the biennium under rules adopted by the director of the department of economic development and finance. Moneys in the undesignated portion of the funds may be utilized in any of the three targeted areas.

SECTION 10. AMENDMENT. Subsection 2 of section 10-30.4-01 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

2. "Corporation" means the science and technology corporation transfer, incorporated established under this chapter.

SECTION 11. AMENDMENT. Section 10-30.4-02 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

10-30.4-02. Purpose. It is the purpose of this chapter to create a ~~science and technology~~ corporation that will provide a program and budgetary interface between the department of economic development and finance and the North Dakota university system. The primary objective of the interface is to focus the intellectual and technical resources of the university system on the discovery, development, and application of scientific and technological principles and concepts on North Dakota's primary sector business.

SECTION 12. AMENDMENT. Section 10-30.4-03 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

10-30.4-03. Organization.

1. A board of directors shall manage the corporation. The board of directors shall adopt articles of incorporation and bylaws consistent with the requirements of section 10-30.4-02. The board of directors consists of:
 - a. ~~The~~ Until July 1, 1995, the president of the North Dakota state university of agriculture and applied science, or the president's designee and the president of the state university of North Dakota, or the president's designee.
 - b. ~~The president of the state university of North Dakota, or the president's designee.~~ After June 30, 1995, two members appointed by the commissioner of higher education, one of which may be the commissioner.
 - c. ~~A representative from the board of directors of the North Dakota economic development finance corporation appointed under section 10-30.3-03.~~ The director of the department of economic development and finance.
 - d. A representative of the North Dakota industrial development association, as appointed by that association.
 - e. Three members appointed by the governor, representing the primary sector industries of agriculture, energy, manufacturing, and export services.
2. The members appointed under subdivisions ~~e through e~~ b, d, and e of subsection 1 must be appointed in a manner that results in subsequent terms of three years staggered so that the term of at least one member expires each year. Members may be reappointed for additional terms.

SECTION 13. A new subsection to section 11-11.1-03 of the 1991 Supplement to the North Dakota Century Code is created and enacted as follows:

To use existing, uncommitted funds held by the authority to guarantee loans or make other financial commitments to enhance economic development.

SECTION 14. AMENDMENT. Section 15-12-25 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

15-12-25. Grants and contributions - Continuing appropriation. The economic feasibility institute may contract for, accept, and receive grants, gifts, and contributions of money, property, services,

or other things of value from individuals, the federal government, private and public corporations, political subdivisions of the state, and other sources. All revenue received from gifts, grants, and contributions is hereby appropriated for use by the economic feasibility institute in carrying out the provisions of sections 15-12-22 through 15-12-26. Any state funding for the institute may be provided through legislative appropriation to ~~the science and technology cooperation transfer, incorporated~~ for that purpose.

SECTION 15. A new subsection to section 40-57.4-03 of the 1991 Supplement to the North Dakota Century Code is created and enacted as follows:

To use existing, uncommitted funds held by the authority to guarantee loans or make other financial commitments to enhance economic development.

SECTION 16. AMENDMENT. Section 54-34.3-03 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

54-34.3-03. Department structure. The department consists of:

1. A division of finance;
2. ~~A division of marketing and technical assistance;~~
- 3- A division of science and technology; and
- 4- 3. Other divisions that the director ~~upon the approval of the budget section of the legislative council determines organizes and establishes as necessary~~ to carry out most efficiently and effectively the mission and duties of the department.

SECTION 17. AMENDMENT. Section 54-34.3-05 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

54-34.3-05. Division of finance - Deputy director. The director shall appoint a deputy director who shall administer the division of finance. The deputy director shall serve at the will of the director and receive a salary set by the director within the limits of legislative appropriations. The purpose of the division of finance is to identify and coordinate sources of capital and financial assistance, including lending programs of the Bank of North Dakota, and administer programs of financial assistance placed under the administration of the division, to business and industry, local governments, and other entities and individuals in the state consistent with the mission of the department. The division of finance shall:

1. ~~Implement the review and decisionmaking functions of the economic development component of the state's community development block grant program established pursuant to the Housing and Community Development Act of 1974 [Pub. L. 93-383, 88 Stat. 633, 42 U.S.C. 5301 et seq.].~~
- 2- Administer other programs of financial assistance assigned to it by law or otherwise.
- 3- 2. Perform such other duties as assigned to it by the director.

SECTION 18. AMENDMENT. Section 54-34.3-06 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

~~54-34.3-06. Division of marketing and technical assistance—Deputy director—Duties. The director shall appoint a deputy director who shall administer the division of marketing and technical assistance. The deputy director shall serve at the will of the director and receive a salary set by the director within the limits of legislative appropriations. The duties of the division of marketing and technical assistance are, as consistent with the mission of the department, to:~~ Divisions. The director shall organize and establish other divisions as necessary to carry out most efficiently and effectively the mission and duties of the department, except that the department must contain:

- ~~1. Coordinate, develop, and make available technical services on the state, regional, and local levels in order to aid business and industry in their startup or expansion in the state.~~
- ~~2. Foster and promote international trade.~~
- ~~3. Collaborate in partnership with local communities in the state to provide technical assistance and to coordinate state, regional, and local programs that stimulate and support economic development activity.~~
- ~~4. Promote and encourage the growth and diversification of the economy, innovation, and retention of business and industry in the state.~~
- ~~5. Attract new business and industry from outside the state, in a manner that creates quality jobs, attracts new capital investment, and expands and diversifies the state's economic tax base.~~
- ~~6. Maintain and keep current available information regarding the industrial opportunities and possibilities of the state, including raw materials and byproducts, power and water resources, transportation facilities, available markets and the marketing limitations of the state, labor supply, banking and financing facilities, available industrial sites, and the advantages the state and its particular regions have as industrial locations. This information must be used for the encouragement of new industries in the state and the expansion of existing industries within the state, as well as made available to local development corporations, cities, and the various political subdivisions of the state in their efforts to encourage the location of business and industry within the state.~~
- ~~7. Establish an An office of North Dakota American Indian business development to assist North Dakota tribal and individual economic development representatives and North Dakota American Indian entrepreneurs with access to state and federal programs designed to assist them.~~
- ~~8. Provide appropriate resources to ensure increased business opportunities for women.~~
- ~~9. Provide administrative services to the department.~~
- ~~10. Utilize existing marketing entities from private and other sources such as the microbusiness marketing alliance.~~
- ~~11. Perform such other duties as assigned to the division by the director.~~

2. An office of North Dakota women's business development to develop and administer the North Dakota women's business program, to establish and fund the women's business leadership council, certify women-owned businesses for federal or state contracting and to recruit, train, and assist women entrepreneurs to develop and diversify their businesses. The office must have an administrator and staff sufficient to implement its programs.

SECTION 19. AMENDMENT. Section 54-34.3-07 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

54-34.3-07. Division of science and technology - Deputy director - Duties. A deputy director, hired, or contracted for, by the board of directors of the ~~science and technology corporation transfer, incorporated~~ and reporting administratively to the director, shall administer the division of science and technology. The deputy director shall serve at the will of the board of directors and receive a salary set by the board within the limits of legislative appropriations. The purpose of the division of science and technology is to support the development and implementation of policies and programs that respond to the scientific and technological needs and opportunities of business and industry in the state through basic and applied research and technology transfer, product commercialization, agricultural and industrial extension, and private sector research and development. The division shall perform such duties as assigned to it by the director.

SECTION 20. AMENDMENT. Section 54-34.3-08 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

54-34.3-08. Patents. The department of economic development and finance, the ~~science and technology corporation transfer, incorporated~~, the North Dakota ~~economic development finance corporation future fund, incorporated~~, and the North Dakota agricultural products utilization commission may hold or assign for remuneration all or a portion of their interest in patents or royalty rights acquired in the course of their operation and performance of duties as provided by law.

SECTION 21. INCOME LEVEL STUDY. The department of economic development and finance shall monitor the impact of the income level requirement in section 10-30.3-11 and benefit packages on businesses that receive funds from the primary sector development fund for the 1993-95 biennium. The department shall study those results and report any recommendations for change to the income level requirements considered necessary to the legislative council or an interim committee designated by the legislative council.

SECTION 22. LEGISLATIVE COUNCIL STUDY - ECONOMIC DEVELOPMENT. The legislative council shall consider forming a jobs development commission composed of legislators, officials from the executive branch of government, officials from higher education, and representatives of private industry to study methods and coordinate efforts to initiate and sustain new economic development in this state. The legislative council, if a study is conducted, shall report its findings and recommendations, together with any legislation requested to implement the recommendations, to the fifty-fourth legislative assembly."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 601 - ECONOMIC DEVELOPMENT AND FINANCE

CONFERENCE COMMITTEE - This amendment makes the following changes:

<u>Salaries and Wages</u>	<u>Total Change</u>
Reduced to reflect the legislative salary increase recommendation as provided for in House Bill No. 1018 - general fund	\$ (98,642)
Reduced to delete 1 FTE economic development specialist related to the community development loan fund, to be funded in the Office of Intergovernmental Assistance - federal funds	(77,755)
Reduced to reflect savings from vacant positions - general fund	<u>(100,000)</u>
Subtotal	<u>\$ (276,397)</u>

Information Services Division

Reduced in accordance with the provisions of House Bill No. 1018 - general fund	\$ (1,782)
Reduced for FTE removed above - all federal funds	<u>(1,000)</u>
Subtotal	<u>\$ (2,782)</u>

Operating Expenses

Reduced for FTE removed - \$1,517 from the general fund and \$19,303 of federal funds	\$ (20,820)
Reduced for other operating expense reductions - general fund	<u>(54,000)</u>
Subtotal	<u>\$ (74,820)</u>

Grants and Transfers

Reduced Ag PACE funding - general fund	\$ (596,000)
Adds funds for Agricultural Products Utilization Commission Grants - general fund	1,175,000
Of the \$1,175,000 included as undesignated funding for the Agricultural Products Utilization Commission, up to \$400,000 should be dedicated to a North American marketing initiative. Funds should be directed to new marketing efforts of North Dakota processed products in Mexico and Canada.	

Of the \$2,125,000 appropriation, Technology Transfer, Inc., shall dedicate \$600,000 to an agreement with the North Dakota University System to provide technology transfer services to North Dakota firms and entrepreneurs in developing new products and/or incorporating new technologies into commercial ventures. The North Dakota University System and Technology Transfer, Inc., will contract with the University of North Dakota for \$275,000, North Dakota State University for \$275,000, and Minot State University for \$50,000, respectively, for the provision of statewide technology transfer services. These services shall be provided by University system entities. It is the intent of the Fifty-third Legislative Assembly that specific funding designations to the higher education institutions not be provided beyond the 1993-95 biennium.

The funding provided in Section 1 of this Act for the Future Fund includes \$185,000 which must be provided to Job Service North Dakota for the Work Force 2000 program.	
Subtotal	<u>\$ 579,000</u>

Total change	<u>\$ 225,001</u>
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In total, the general fund appropriation is increased by \$323,059 and other funds are reduced by \$98,058 for a total net increase of \$225,001.

The following is a summary of the proposed general fund appropriations for the Department of Economic Development and Finance:

GENERAL FUND CHANGES TO SENATE BILL NO. 2021

	1993-95 SINNER EXECUTIVE BUDGET	INCREASES (DECREASES)	SENATE RECOMMENDATION	CONFERENCE COMMITTEE INCREASES (DECREASES)	CONFERENCE COMMITTEE RECOMMENDATION	1993-95 SCHAFFER EXECUTIVE BUDGET
Department operations	<u>\$ 5,210,213</u>	<u>\$(1,098,365)</u>	<u>\$ 4,111,848</u>	<u>\$ (255,941)</u>	<u>\$ 3,855,907</u>	<u>\$ 4,016,079</u>
Grants	<u>\$ 746,723</u>	<u>\$ 746,000</u>	<u>\$ 1,492,723</u>	<u>\$ 0</u>	<u>\$ 1,492,723</u>	<u>\$ 1,492,723</u>
Future Fund Technology Transfer, Inc.	\$ 6,630,000 2,500,000	\$(1,625,000) (375,000)	\$ 5,005,000 ¹ 2,125,000 ¹	\$ 0	\$ 5,005,000 ¹ 2,125,000 ¹	\$ 6,630,000 2,500,000
PACE fund	5,000,000	(2,300,000)	2,700,000	0	2,700,000	2,700,000
Ag PACE fund	650,000	346,000	996,000	(596,000)	400,000	996,000
Agricultural Products Utilization Commission	0	0	0	1,175,000	1,175,000	0
Beginning farmer revolving loan fund	<u>1,000,000</u>	<u>0</u>	<u>1,000,000</u>	<u>0</u>	<u>1,000,000</u>	<u>1,000,000</u>
Subtotal	<u>\$15,780,000</u>	<u>\$(3,954,000)</u>	<u>\$11,826,000</u>	<u>\$ 579,000</u>	<u>\$12,405,000</u>	<u>\$13,826,000</u>
Total Senate Bill No. 2021	\$21,736,936	\$(4,306,365)	\$17,430,571 ¹	\$ 323,059	\$17,753,630 ¹	\$19,334,802

¹ In addition, \$2,000,000 is recommended in Senate Bill No. 2053, \$1,625,000 for the Future Fund and \$375,000 for Technology Transfer, Inc.

Engrossed SB 2021 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SEN. YOCKIM MOVED that the conference committee report on Engrossed SB 2021 be adopted, which motion prevailed.

Engrossed SB 2021, as amended, was placed on the Eleventh order.

SECOND READING OF SENATE BILL

SB 2021: A BILL for an Act making an appropriation for defraying the expenses of the various divisions of the department of economic development and finance; providing for transfers of funds; to create and enact a new section to chapter 6-09.10, a new subsection to section 11-11.1-03, and a new subsection to section 40-57.4-03 of the North Dakota Century Code, relating to the credit review board, county job development authorities, and city job development authorities; to amend and reenact section 4-14.1-03, 6-09.10-02, subsections 2, 3, and 6 of section 10-30.3-01, sections 10-30.3-03, 10-30.3-10, 10-30.3-11, subsection 2 of section 10-30.4-01, sections 10-30.4-02, 10-30.4-03, 15-12-25, 54-34.3-03, 54-34.3-05, 54-34.3-06, 54-34.3-07, and 54-34.3-08 of the North Dakota Century Code, relating to the agricultural products utilization commission, credit review board, North Dakota future fund, incorporated, technology transfer, incorporated, and the department of economic development and finance; to provide for a study of the income level requirements by the department of economic development and finance; 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 43 YEAS, 5 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Andrist; Bowman; Dotzenrod; Evanson; Freborg; Goetz; Graba; Grindberg; Holmberg; Jerome; Keller; Kelly; Kelsh; Krauter; Krebsbach; Langley; Lindaas; Lindgren; Lips; Marks; Mathern; Maxson; Mushik; Naaden; Nalewaja; Nelson; Nething; O'Connell; Robinson; Sand; Scherber; Schoenwald; Solberg; Stenehjsem, B.; Stenehjsem, W.; Tallackson; Tennefos; Thane; Tomac; Traynor; Urlacher; Wogsland; Yockim

NAYS: DeMers; Heinrich; Kinnoin; Mutch; Streibel

ABSENT AND NOT VOTING: Redlin

SB 2021 passed, the title was agreed to, and the emergency clause was declared carried.

REPORT OF CONFERENCE COMMITTEE

HB 1008, as engrossed: Your conference committee (Sens. Lindaas, Tallackson, Lips and Reps. Gerntholz, Clayburgh, Kroeber) recommends that the SENATE RECEDE from the Senate amendments on SJ pages 1338-1339, adopt amendments as follows, and place HB 1008 on the Seventh order:

That the Senate recede from its amendments as printed on page 1534 of the House Journal and pages 1338-1339 of the Senate Journal and that Engrossed House Bill No. 1008 be amended as follows:

Page 1, line 2, after "health" insert "; and to amend and reenact section 36-01-08 of the North Dakota Century Code, relating to fees charged by the state board of animal health"

Page 1, line 7, remove "and from special funds derived from other income,"

Page 1, line 10, replace "348,378" with "358,771"

Page 1, line 11, replace "7,603" with "7,440"

Page 1, remove lines 14 and 15

Page 1, line 16, replace "431,347" with "496,499"

Page 1, after line 16, insert:

"SECTION 2. AMENDMENT. Section 36-01-08 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

36-01-08. Duties of board - Rules - Fees. The state board of animal health shall protect the health of the domestic animals and captive wildlife of this state and shall determine and employ the most efficient and practical means for the prevention, suppression, control, and eradication of dangerous, contagious, and infectious diseases among the domestic animals and captive wildlife of this state. The board may make rules for the conduct of its business and to carry into effect the purposes of this chapter and other duties prescribed in this title. The rules of the state board of animal health must be adopted in accordance with chapter 28-32. The board shall collect six cents for each brucellosis tag and each identification tag, and eight dollars for each health book it distributes. The fees collected by the board must be deposited in the state general fund."

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 617 - BOARD OF ANIMAL HEALTH

CONFERENCE COMMITTEE - This amendment makes the following changes:

The salaries and wages line item is increased by \$1,758 from the general fund to reflect the state employee salary increase provisions of House bill No. 1018.

The information services line item is reduced by \$163 from the general fund in accordance with provisions of House Bill No. 1018.

Funding of \$8,635 from the general fund is added for pay equity increases for the two veterinarians (director and deputy) on staff. This change provides a total of \$37,942 from the general fund for pay equity increases.

Funding of \$25,000 from the general fund included in the engrossed bill for contract veterinarian services remains under provisions of this amendment since the third veterinarian position is not included.

A section is added authorizing the board to charge fees for health books and tags. Estimated revenue generated from these fees of \$28,400 for the 1993-95 biennium will be deposited in the general fund. The estimated income line item of \$54,922 included in the House version is removed and funding of \$54,922 from the general fund is added as a result of these fees being deposited in the general fund.

Compared to the House version, this amendment increases funding for the Board of Animal Health by \$10,230. General fund support is increased by \$65,152 and other funds are reduced by \$54,922. If the estimated additional general fund revenue of \$28,400 generated by the fees charged is considered for comparison purposes, this amendment reduces the state general fund by \$36,752 compared to the House version.

Compared to the Senate version, this amendment decreases funding for the Board of Animal Health by \$17,921 from the general fund. If the estimated additional general fund revenue of \$28,400 generated by the fees charged is considered for comparison purposes, this amendment increases the state general fund by \$46,321 compared to the Senate version.

Engrossed HB 1008 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SEN. LINDAAS MOVED that the conference committee report on Engrossed HB 1008 be adopted, which motion prevailed.

Engrossed HB 1008, as amended, was placed on the Fourteenth order.

SECOND READING OF HOUSE BILL

HB 1008: A BILL for an Act making an appropriation for defraying the expenses of the state board of animal health; and to amend and reenact section 36-01-08 of the North Dakota Century Code, relating to fees charged by the state board of animal health.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 46 YEAS, 0 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

YEAS: Andrist; Bowman; DeMers; Dotzenrod; Evanson; Freborg; Goetz; Graba; Grindberg; Heinrich; Holmberg; Jerome; Keller; Kelsh; Kinnoin; Krauter; Krebsbach; Langley; Lindaas; Lindgren; Lips; Marks; Mathern; Maxson; Mushik; Mutch; Naaden; Nalewaja; Nelson; Nething; O'Connell; Robinson; Sand; Scherber; Schoenwald; Solberg; Stenehjem, B.; Stenehjem, W.; Streibel; Tallackson; Tennefos; Thane; Tomac; Traynor; Urlacher; Yockim

ABSENT AND NOT VOTING: Kelly; Redlin; Wogsland

HB 1008 passed and the title was agreed to.

MOTION

SEN. MATHERN MOVED that the Senate stand in recess until 8:30 p.m., which motion prevailed.

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

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

MADAM PRESIDENT: The House has dissolved the Conference Committee on SB 2011.

REPORT OF CONFERENCE COMMITTEE

HB 1020, as engrossed: Your conference committee (Sens. Redlin, DeMers, Goetz and Reps. DeWitz, Dalrymple, Wilkie) recommends that the SENATE RECEDE from the Senate amendments on SJ pages 1457-1459, adopt amendments as follows, and place HB 1020 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1627-1629 of the House Journal and pages 1457-1459 of the Senate Journal and that Engrossed House Bill No. 1020 be amended as follows:

Page 1, line 2, remove the second "and"

Page 1, line 4, after "projects" insert "; and to authorize the industrial commission to issue and sell evidences of indebtedness for capital projects"

Page 1, remove line 21

Page 2, remove lines 1 through 7

Page 2, line 8, replace "4" with "3"

Page 2, remove lines 12 through 15

Page 2, line 16, replace "6" with "4"

Page 3, line 2, replace "BISMARCK STATE COLLEGE" with "NORTH DAKOTA STATE UNIVERSITY"

Page 3, line 3, replace "400,000" with "250,000"

Page 3, line 4, replace "400,000" with "250,000"

Page 4, line 5, replace "4,376,308" with "366,000"

Page 4, line 6, replace "10,967,035" with "27,422,943"

Page 4, line 7, replace "15,343,343" with "27,788,943"

Page 4, line 11, replace "\$6,465,035" with "\$6,315,035"

Page 4, line 13, replace "\$400,000 for a parking lot at Bismarck" with "\$250,000 for an addition to the varsity mart at North Dakota state university"

Page 4, line 14, remove "state college"

Page 4, remove lines 18 through 20

Page 4, line 29, replace "project" with "projects"

Page 5, line 1, replace "loan notes" with "evidences of indebtedness"

Page 5, line 3, remove "The industrial commission may offer loan notes issued"

Page 5, remove lines 4 and 5

Page 5, line 6, remove "comparable loan notes purchased by the Bank of North Dakota."

Page 5, line 7, replace "loan notes" with "evidences of indebtedness"

Page 5, line 9, replace "project" with "projects"

Page 5, after line 14, insert:

Minot state university	Memorial library	2,550,000
North Dakota university system	Capital construction projects, including handicapped accessibility projects and special assessments	8,630,908
Industrial school	Building demolition and asbestos removal from tunnel system	250,000
Adjutant general	Grand Forks armory and other projects	<u>375,000</u>

Total

\$13,540,908"

Page 5, line 15, replace "loan notes" with "evidences of indebtedness"

Page 5, line 17, replace "loan" with "evidences of indebtedness"

Page 5, line 18, remove "notes"

Page 5, line 21, replace "bonds" with "evidences of indebtedness"

Page 5, line 22, replace "bonds" with "evidences of indebtedness"

Page 5, after line 22, insert:

"The state board of higher education may obtain and utilize federal funds to assist in remodeling and expanding the former library at Minot state university. There is hereby appropriated to the state board of higher education the sum of \$4,800,000, or so much of the sum as may be necessary, from any federal or other funds that may become available for this project for the biennium beginning July 1, 1993, and ending June 30, 1995."

Page 5, line 23, replace "loan" with "evidences of indebtedness"

Page 5, line 24, remove "notes"

Page 5, line 25, replace "\$1,735,000 from Job Service North Dakota," with "\$1,990,000"

Page 5, line 26, replace "loan notes" with "evidences of indebtedness"

Page 5, line 27, replace the second "project" with "projects"

Page 5, after line 28, insert:

"Minot state university	Memorial library	255,000
Job service North Dakota	Office building	<u>1,735,000</u>
Total		\$1,990,000

Minot state university shall pay fifty percent of its local matching share to the industrial commission by June 30, 1996, and the remaining fifty percent of the local matching amount in six equal annual installments beginning after fiscal year 1996, and may prepay any or all of its matching share. Job service North Dakota shall pay its matching share to the industrial commission in equal annual installments over the life of the issue. Such payments of local matching amounts must be deposited in a special industrial commission account from which the industrial commission shall use the funds in making principal and interest payments.

SECTION 7. INTENT. It is the intent of the fifty-third legislative assembly that no institution in the North Dakota university system, which sells computers and provides warranty services for computers shall enter the business in competition with the private sector of providing computer repair services to students for nonwarranty computer repairs.

SECTION 8. INTENT. It is the intent of the fifty-third legislative assembly that the state board of higher education present to the fifty-fourth legislative assembly its proposal for major capital projects at the university of North Dakota - Lake Region, the university of North Dakota - Williston center, North Dakota state university - Bottineau, Dickinson state university, Bismarck state college, University of North Dakota and Valley City state university."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 215 - NORTH DAKOTA UNIVERSITY SYSTEM

CONFERENCE COMMITTEE - This amendment removes the general fund appropriation of \$3,385,308 of funding to be used for handicapped accessibility projects and systemwide capital projects, and replaces it with \$7,600,000 of other funds derived from the issuance of evidences of indebtedness. This amendment also adds \$1,030,908 of bonding for special assessments at the institutions of higher education. The following schedules show the breakdown of the \$1,030,908 and the \$7,600,000 of bonding:

INSTITUTION OR AGENCY	CONSTRUCTION/ ACQUISITION FUNDS	ADA PROJECTS	SYSTEMWIDE PROJECTS
Board office		\$2,000,000	\$1,100,000
Bismarck State College	\$ 81,344		
UND-Lake Region	76,561		
University of North Dakota	1,550,165		
North Dakota State University	1,360,330		
State College of Science	486,589		
Dickinson State University	184,183		
Mayville State University	249,808		
Minot State University	227,259		
Valley City State University	169,261		
NDSU-Bottineau	<u>114,500</u>		
Total	\$4,500,000	\$2,000,000	\$1,100,000

INSTITUTION	SPECIAL ASSESSMENTS
Bismarck State College	\$ 98,468
UND-Williston	6,669
University of North Dakota	288,312
North Dakota State University	495,803
North Dakota State College of Science	14,850
Dickinson State University	34,366
Valley City State University	<u>92,440</u>
Total	\$1,030,908

This amendment adds a section of intent requiring the Board of Higher Education to present its capital improvement proposals at the University of North Dakota - Lake Region, University of North Dakota - Williston, North Dakota State University - Bottineau, Dickinson State University, Bismarck State College, University of North Dakota and Valley City State University to the Fifty-fourth Legislative Assembly.

DEPARTMENT 227 - BISMARCK STATE COLLEGE

CONFERENCE COMMITTEE - This amendment removes the \$400,000 of other funds for the parking lot since the science and mathematics center it relates to is not included in the bill.

DEPARTMENT 235 - NORTH DAKOTA STATE UNIVERSITY

CONFERENCE COMMITTEE - This amendment adds \$250,000 of other funds for an addition to the Varsity Mart bookstore. This amendment also adds a section

of legislative intent stating that the computer repair services to be provided at the Varsity Mart are not to be nonwarranty computer repair services to students in competition with the private sector.

DEPARTMENT 241 - MINOT STATE UNIVERSITY

CONFERENCE COMMITTEE - This amendment adds the Memorial Library renovation and addition to the bill. The cost of the project is \$7,350,000, of which \$2,550,000 is to be derived through the issuance of evidences of indebtedness by the industrial commission and \$4,800,000 is federal funds.

DEPARTMENT 405 - INDUSTRIAL COMMISSION

CONFERENCE COMMITTEE - This amendment adds the following capital project with bonding and local matching amounts to the bill as follows:

Bonding:	
Minot State University	\$ 2,550,000
Matching:	
Minot State University	\$ 255,000
Other appropriated funds:	
Minot State University (federal funds)	\$ 4,800,000

This amendment increases the amount to be bonded by \$11,805,908, from \$1,735,000 to \$13,540,908, for the following items:

Minot State University	\$ 2,550,000
North Dakota University System	\$ 8,630,908
Industrial School	250,000
Adjutant General	<u>375,000</u>
Total	\$11,805,908

DEPARTMENT 533 - INDUSTRIAL SCHOOL

CONFERENCE COMMITTEE - This amendment changes the funding source for the \$250,000 from the general fund to other funds derived from the issuance of evidences of indebtedness.

DEPARTMENT 540 - ADJUTANT GENERAL

CONFERENCE COMMITTEE - This amendment changes the funding source for the \$375,000 from the general fund to other funds derived from the issuance of evidences of indebtedness.

In total, this amendment decreases the general fund appropriation by \$4,010,308, from \$4,376,308 to \$366,000 and increases the other funds appropriation by \$16,455,908, from \$10,967,035 to \$27,422,943 for a total appropriation of \$27,788,943.

Engrossed HB 1020 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SEN. REDLIN MOVED that the conference committee report on Engrossed HB 1020 be adopted, which motion prevailed.

Engrossed HB 1020, as amended, was placed on the Fourteenth order.

SECOND READING OF HOUSE BILL

HB 1020: A BILL for an Act providing an appropriation for capital projects of various state departments and institutions; to authorize the state board of higher education to issue and sell self-liquidating tax-exempt

bonds for capital projects; and to authorize the industrial commission to issue and sell evidences of indebtedness for capital projects.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 36 YEAS, 13 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: DeMers; Dotzenrod; Evanson; Goetz; Graba; Heinrich; Holmberg; Jerome; Keller; Kelly; Kelsh; Kinnoin; Krebsbach; Langley; Lindaas; Lindgren; Lips; Marks; Mathern; Maxson; Mushik; Nalewaja; Nething; Redlin; Robinson; Sand; Scherber; Schoenwald; Stenehjem, W.; Tallackson; Thane; Tomac; Traynor; Urlacher; Wogsland; Yockim

NAYS: Andrist; Bowman; Freborg; Grindberg; Krauter; Mutch; Naaden; Nelson; O'Connell; Solberg; Stenehjem, B.; Streibel; Tennefos

HB 1020 passed and the title was agreed to.

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

MADAM PRESIDENT: The House has adopted the conference committee report on SB 2108.

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

MADAM PRESIDENT: The House has amended and failed to pass: SB 2539.

REPORT OF CONFERENCE COMMITTEE

SB 2200, as engrossed: Your conference committee (Sens. Maxson, Mathern, Lindgren and Reps. Dorso, Froseth, Mahoney) recommends that the HOUSE RECEDE from the House amendments on SJ pages 1176-1188, adopt amendments as follows, and place SB 2200 on the Seventh order:

That the House recede from its amendments as printed on pages 1176-1188 of the Senate Journal and pages 1330-1342 of the House Journal and that Engrossed Senate Bill No. 2200 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 subsection to section 65-01-02 of the North Dakota Century Code, relating to workers' compensation definitions; to amend and reenact paragraph 2 of subdivision b of subsection 8 of section 65-01-02, subsection 30 of section 65-01-02, sections 65-01-11, 65-02-15, 65-02-17, 65-02-18, 65-04-04, subdivision a of subsection 2 of section 65-05-08.1, section 65-05-09.2, and subsection 2 of section 65-05-25 of the North Dakota Century Code, relating to workers' compensation benefits and procedures; to provide for a legislative council study; and to repeal section 65-02-16 of the North Dakota Century Code, relating to removal of a workers' compensation binding arbitration panel member.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Paragraph 2 of subdivision b of subsection 8 of section 65-01-02 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

- (2) Any injury caused by the use of ~~narcotics~~ intoxicants or the illegal use of controlled substances.

SECTION 2. A new subsection to section 65-01-02 of the 1991 Supplement to the North Dakota Century Code is created and enacted as follows:

"Seasonal employment" includes an occupation that has periods of forty-five consecutive days of not receiving wages.

SECTION 3. AMENDMENT. Subsection 30 of section 65-01-02 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

30. "~~Gross~~ Average weekly wage" means the weekly wages the employee was receiving from all employments at the time of injury. The average weekly wage as determined under this section must be rounded to the nearest dollar. In cases where the employee's wages are not fixed by the week, they must be determined ~~in the following manner~~ by using the first applicable formula from the schedule below:
- a. The "average weekly wage" of a self-employed employee is determined by the following formula: net profits based on preceding tax year or preceding fifty-two weeks whichever is higher, plus depreciation, meal and travel expenses, and any expenses chargeable to use of personal residence as allowed under the federal tax laws.
 - b. Hourly or daily rate multiplied by number of hours or days worked per seven day week;
 - ~~b-~~ c. Monthly rate multiplied by twelve months and divided by fifty-two weeks;
 - ~~c-~~ d. Biweekly rate divided by two;
 - ~~d-~~ e. If the average weekly earnings wage of an employee cannot be ascertained, the wage for the purposes of calculating compensation must be taken to be the usual wage paid other employees engaged in like or similar occupations where the wages are fixed; or
 - ~~e-~~ f. If there are special circumstances under which the average weekly wages cannot be reasonably and fairly determined by applying subdivisions a through ~~d~~ e, an average weekly wage may be computed by dividing the aggregate wages during the twelve months prior to the injury by fifty-two weeks, or the number of weeks actually worked, whichever is less.

SECTION 4. AMENDMENT. Section 65-01-11 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

65-01-11. Burden of proof in compensation matters - Death certificate. If the bureau or an employer claims that an employee is not entitled to the benefits of the North Dakota Workers' Compensation Law by reason of the fact that the employee's injury was caused by the employee's willful intention to injure himself, or to injure another, or by reason of the voluntary ~~intoxication or impairment caused by use of alcohol or illegal use of a controlled substance~~ by use of alcohol or illegal use of a controlled substance by the employee, the burden of proving such exemption or forfeiture is upon the bureau or upon the person alleging the same; however, a blood alcohol concentration level at or above the legal intoxication limit as defined in subsection 3 of section 39-20-07 set by the United States secretary of transportation in 49 CFR 383.52 or a level of an illegally used controlled substance sufficient to cause impairment found by a test required by a physician, qualified technician, chemist, or registered nurse and performed as required by the United States secretary of transportation under 49 CFR part 40, at or above the cutoff level in part 40, creates a rebuttable presumption that the

injury was due to intoxication impairment caused by the use of alcohol or the illegal use of a controlled substance. An employer or a doctor who has reasonable grounds to suspect an employee's alleged work injury was caused by the employee's voluntary impairment caused by use of alcohol or illegal use of a controlled substance may request that the employee undergo testing to determine if the employee had alcohol or the controlled substance in the employee's system at levels greater than the limit set by the United States department of transportation at the time of the injury. If an employee refuses to submit to a reasonable request to undergo a test to determine if the employee was impaired, the employee forfeits all entitlement to workers' compensation benefits arising out of that injury. Any claimant against the fund, however, has the burden of proving by a preponderance of the evidence that the claimant is entitled to participate in the same. In the event of a claim for death benefits the official death certificate must be considered as evidence of death and may not be used to establish the cause of death. If the employee can prove by a preponderance of the evidence, within one year of a denial based upon impairment caused by the use of alcohol or the illegal use of a controlled substance, that the employee has successfully completed treatment with a licensed addiction facility, the employee's benefits must be reinstated. Costs for treatment under this section may not be paid by the bureau.

SECTION 5. AMENDMENT. Section 65-02-15 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

65-02-15. Workers' compensation binding arbitration panel—
Membership - Qualified arbitrator - Regions. ~~The bureau shall establish four regional listings of persons who may serve as arbitrators for workers' compensation proceedings. Each regional listing must contain an equal number of names submitted to the director by an organization, statewide in scope, which, through its affiliates, embraces a cross section and a majority of the organized labor of the state; an equal number of names submitted to the director by a recognized statewide organization of employers, representing a majority of employers; and a similarly equal number of names selected by the bureau from applications by interested persons throughout the state who demonstrate the unique ability, experience, and qualifications to serve as arbitrators. Each list must be revised every three years. The people whose names appear on a regional listing must reside in that region. When a disputed claim is submitted for binding arbitration, the employee shall select a name from the appropriate regional list that was submitted by the labor organization; the employer shall select a name from the appropriate regional list that was submitted by the statewide organization of employers or shall designate the bureau to do so; and the selected employee and employer representatives shall select a name from the appropriate regional list of those individuals who have been selected to serve as arbitrators based upon their experience and ability. The bureau shall divide the state into four regions for the purpose of holding arbitration proceedings. The appropriate region is the region in which the employee resides. If the employee resides out of state, the appropriate region is the region of the situs of employment. As an alternative selection procedure, by mutual agreement, the employee and the employer may designate themselves as the employee and employer representatives on the panel and together shall select the third panel member from the appropriate regional list of those individuals who have been selected to serve as arbitrators based upon their experience and ability. Panel members are entitled to remuneration for their services at a rate set by the bureau and to travel expenses at the rate in effect for state employees. The bureau shall provide staff services to the panel members. The salaries and expenses of the panel must be paid from money appropriated to the bureau for that purpose. The process for choosing arbitrators and qualifications for arbitrators must be outlined by rule. The employee~~

can request and the bureau may allow a change of arbitrator upon a showing of just cause.

SECTION 6. AMENDMENT. Section 65-02-17 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

65-02-17. Binding arbitration panel ~~Attorneys' fees.~~ Following ~~constructive denial of a claim or~~ issuance of an administrative order under chapter 28-32 reducing or denying benefits, an aggrieved employee or employer may request that the action be submitted to binding arbitration ~~before the workers' compensation binding arbitration panel~~ in lieu of a formal administrative hearing or judicial remedy. ~~The bureau shall pay, at an hourly rate established by the bureau, a claimant's attorneys' fees on claims submitted for binding arbitration. If the aggrieved employee elects not to submit the action to binding arbitration, attorneys' fees may only be paid if the employee prevails.~~ Binding arbitration is permitted only with the consent of the nonrequesting party.

SECTION 7. AMENDMENT. Section 65-02-18 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

65-02-18. Administrative orders - ~~Decisions of binding arbitration panel~~ Binding arbitration decisions - Appeals. An appeal of an administrative order is subject to section 28-32-14. A decision ~~of the workers' compensation~~ resulting from binding arbitration panel is final and nonreviewable by a district any court, except as provided in section 65-05-04.

SECTION 8. AMENDMENT. Section 65-04-04 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

65-04-04. Employers obligated to pay premiums - Premium receipts and certificates to be mailed. Each employer subject to this title shall pay into the fund annually the amount of premiums determined and fixed by the bureau for the employment or occupation of the employer. The amount must be determined by the classifications, rules, and rates made and published by the bureau and must be based on a proportion of the annual expenditure of money by the employer for the service of persons subject to the provisions of this title. A Immediately after payment is made, the bureau shall mail to the employer a receipt or certificate specifying that the payment has been made must be mailed to the employer by the bureau immediately after the payment is made, and the. The receipt or certificate, attested by the seal of the bureau, is prima facie evidence of the payment of the premium. The bureau shall provide that premiums to be paid by school districts, townships, and all public corporations or agencies, except municipal corporations, fall due at the end of the fiscal year of that entity, and that premiums to be paid by all municipal corporations fall due at the end of the calendar year, and may make provisions so that premiums of other employers fall due on different or specified dates. For the purpose of effectuating different or specified due dates the bureau may carry new or current risks for a period of less than one year and not to exceed fifteen months, either by request of the employer or action of the bureau. An employer subject to this chapter shall display in a conspicuous manner at the workplace and in a sufficient number of places to reasonably inform employees of the fact, a certificate of premium payment showing compliance with this chapter and the toll-free telephone number used to report unsafe working conditions and actual or suspected workers' compensation fraud. Any employer subject to this chapter is liable to pay a civil penalty of two hundred fifty dollars for failure to display the notice of compliance and the toll-free telephone number as required by this section.

SECTION 9. AMENDMENT. Subdivision a of subsection 2 of section 65-05-08.1 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

- a. The medical basis established by medical evidence supported by objective medical findings for the certification of disability;

SECTION 10. AMENDMENT. Section 65-05-09.2 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

65-05-09.2. Retirement offset. If ~~a claimant~~ an employee is entitled to permanent total disability benefits and social security retirement benefits under 42 U.S.C. sections 402 and 405, the aggregate wage-loss benefits payable under this title must be determined in accordance with this section. The employee's social security retirement offset must equal forty percent of the calculated ratio of the employee's average weekly wages, as calculated on the commencement of the first, or recurrent, disability under section 65-05-09, to the current state's average weekly wage. Any offset calculated cannot exceed forty percent of the employee's weekly social security retirement benefit. If a claim has been accepted on an aggravation basis and the ~~worker~~ employee is eligible for social security benefits, the bureau's offset must be proportionally calculated. An overpayment must be recouped in the same manner as set forth in section 65-05-09.1. ~~The provisions of this section are effective for workers who retire on or after July 1, 1989. This section applies to an employee who becomes entitled to and receives social security retirement benefits after June 30, 1989, or who receives social security retirement benefits that have been converted from social security disability benefits by the social security administration after June 30, 1989. A conversion by the bureau from offsetting an employee's social security disability benefits to offsetting an employee's social security retirement benefits under this section may not result in a decrease in the aggregate amount of benefits the employee receives from both sources.~~

SECTION 11. AMENDMENT. Subsection 2 of section 65-05-25 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

2. The bureau and an employee may compromise to resolve a disputed claim. The contract of settlement made is enforceable by the parties. The contract may provide that the employee shall utilize the funds to engage in certain rehabilitation programs. If the employee breaches the contract, the bureau may require the employee to repay the benefits received under the agreement. In cases in which the extent of disability is disputed and resolved by agreement, the concept of reopening a disability claim due to significant change in medical condition is inapplicable.

SECTION 12. LEGISLATIVE COUNCIL STUDY. During the 1993-94 interim, the legislative council shall study the feasibility and desirability of replacing the workers' compensation permanent partial impairment benefit system with a permanent partial disability system and of requiring that the medical basis for certifying disability be established by medical evidence supported by objective medical findings and shall study the impact of consortium awards on third-party subrogation settlements and cases. The workers compensation bureau shall develop rules and procedures to implement a permanent partial disability system and present those rules and procedures to the

legislative council or a designated committee for review as part of the interim study.

SECTION 13. REPEAL. Section 65-02-16 of the 1991 Supplement to the North Dakota Century Code is repealed."

Renumber accordingly

Engrossed SB 2200 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SEN. MAXSON MOVED that the conference committee report on Engrossed SB 2200 be adopted, which motion prevailed.

Engrossed SB 2200, as amended, was placed on the Eleventh order.

SECOND READING OF SENATE BILL

SB 2200: A BILL for an Act to create and enact a new subsection to section 65-01-02 of the North Dakota Century Code, relating to workers' compensation definitions; to amend and reenact paragraph 2 of subdivision b of subsection 8 of section 65-01-02, subsection 30 of section 65-01-02, sections 65-01-11, 65-02-15, 65-02-17, 65-02-18, 65-04-04, subdivision a of subsection 2 of section 65-05-08.1, section 65-05-09.2, and subsection 2 of section 65-05-25 of the North Dakota Century Code, relating to workers' compensation benefits and procedures; to provide for a legislative council study; and to repeal section 65-02-16 of the North Dakota Century Code, relating to removal of a workers' compensation binding arbitration panel member.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 34 YEAS, 15 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Andrist; Bowman; Dotzenrod; Evanson; Freborg; Goetz; Graba; Grindberg; Holmberg; Kinnoin; Krauter; Krebsbach; Langley; Lindgren; Lips; Marks; Mutch; Naaden; Nalewaja; Nelson; Nething; Robinson; Sand; Solberg; Stenehjem, B.; Stenehjem, W.; Streibel; Tallackson; Tennefos; Thane; Tomac; Traynor; Urlacher; Yockim

NAYS: DeMers; Heinrich; Jerome; Keller; Kelly; Kelsh; Lindaas; Mathern; Maxson; Mushik; O'Connell; Redlin; Scherber; Schoenwald; Wogsland

SB 2200 passed and the title was agreed to.

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: HB 1003, HB 1008, HB 1020, HB 1413.

MOTION

SEN. MATHERN MOVED that the Senate stand in recess until 10:15 p.m., which motion prevailed.

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

REPORT OF CONFERENCE COMMITTEE

HB 1399, as engrossed: Your conference committee (Sens. Dotzenrod, Tomac, Tennefos and Reps. Belter, Dorso, Dobrinski) recommends that the SENATE RECEDE from the Senate amendments on SJ pages 1331-1332, adopt amendments as follows, and place HB 1399 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1534-1535 of the House Journal and pages 1331-1332 of the Senate Journal and that Reengrossed House Bill No. 1399 be amended as follows:

Page 1, line 1, replace "two" with "a"

Page 1, line 2, replace "sections" with "section"

Page 1, line 5, remove "and marking of diesel fuel claimed as exempt"

Page 1, line 6, remove "from per-gallon special fuel taxes" and after the first semicolon insert "to amend and reenact subsection 1 of section 57-43.2-14 and section 57-43.2-15 of the North Dakota Century Code, relating to special fuel users;"

Page 1, underscore lines 11 through 21

Page 2, underscore lines 1 through 25

Page 2, underscore lines 28 and 29

Page 3, underscore lines 1 through 29

Page 4, underscore lines 1 through 6

Page 4, replace lines 7 through 12 with:

"SECTION 3. AMENDMENT. Subsection 1 of section 57-43.2-14 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

1. Except as otherwise provided in this section, the commissioner may proceed to audit the returns of special fuel dealers and purchase records of special fuel users and, not later than three years after the due date of the return, or three years after the return was filed, whichever period expires later, or three years after purchase by a special fuel user, assess the tax and, if any additional tax is found due, the commissioner shall notify the taxpayer in detail of the reason for the increase.

SECTION 4. AMENDMENT. Section 57-43.2-15 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

57-43.2-15. Refusal or failure to file return or pay tax when due - Deficiencies - Penalties. If any special fuel dealer refuses or fails to file a return required by this chapter or fails to pay the tax due within the time prescribed by section 57-43.2-12, there is imposed a penalty of five dollars or a sum equal to five percent of the tax due, whichever is greater, together with interest at the rate of one percent per month on the tax due, for each calendar month or fraction of a month during which ~~such~~ the refusal or failure continues, excepting the month within which the tax became due. If any special fuel user fails to pay any tax due under this chapter, the commissioner shall impose a penalty of five dollars or a sum equal to five percent of the tax due, whichever is greater, together with interest at the rate of one percent per month on the tax due, for each calendar month or fraction of a month during which the refusal or failure continues, not including the month within which the tax became due. The commissioner, for good cause shown, may waive the penalty or the interest provided by this section. No licensed special fuel dealer may be held liable for taxes due from a special fuel user."

Page 4, underscore lines 16 and 17

Page 4, line 29, replace "June 30" with "December 31"

Renumber accordingly

Engrossed HB 1399 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SEN. DOTZENROD MOVED that the conference committee report on Engrossed HB 1399 be adopted, which motion prevailed.

Engrossed HB 1399, as amended, was placed on the Fourteenth order.

SECOND READING OF HOUSE BILL

HB 1399: A BILL for an Act to create and enact a new section to chapter 57-43.1, a new section to chapter 57-43.2, and a new subsection to section 57-43.2-23 of the North Dakota Century Code, relating to additional motor vehicle fuels taxes and special fuels taxes to be imposed if additional federal highway matching funds become available; to amend and reenact subsection 1 of section 57-43.2-14 and section 57-43.2-15 of the North Dakota Century Code, relating to special fuel users; to provide a penalty; 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 46 YEAS, 3 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Andrist; Bowman; DeMers; Dotzenrod; Evanson; Freborg; Goetz; Graba; Grindberg; Heinrich; Holmberg; Jerome; Keller; Kelly; Kelsh; Kinnoin; Krebsbach; Langley; Lindaas; Lindgren; Lips; Mathern; Maxson; Mushik; Mutch; Naaden; Nalewaja; Nelson; Nething; Redlin; Robinson; Sand; Scherber; Schoenwald; Solberg; Stenehjem, B.; Stenehjem, W.; Streibel; Tallackson; Tennefos; Thane; Tomac; Traynor; Urlacher; Wogsland; Yockim

NAYS: Krauter; Marks; O'Connell

HB 1399 passed and the title was agreed to.

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

MADAM PRESIDENT: The House has adopted the conference committee report on HB 1005, subsequently passed, and the emergency clause carried.

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: SB 2200.

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

MADAM PRESIDENT: The House has adopted the conference committee report, subsequently passed, and the emergency clause carried on HB 1002.

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: HB 1399.

REPORT OF CONFERENCE COMMITTEE

HB 1005, as engrossed: Your conference committee (Sens. Redlin, Kelly, Lips and Reps. Dorso, Howard, Huether) recommends that the SENATE RECEDE from the Senate amendments on SJ pages 1549-1562, adopt amendments as follows, and place HB 1005 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1694-1701 of the House Journal and pages 1549-1562 of the Senate Journal and that Engrossed House Bill No. 1005 be amended as follows:

Page 1, line 3, after the semicolon insert "to provide for the merger of a nonprofit corporation doing business as a hospital with a corporation organized for profit;" and replace "6-09.10-03" with "23-29-07"

Page 1, remove line 4

Page 1, line 5, remove "and" and after "41-09-42.1" insert ", and subsections 2 and 5 of section 54-06-04"

Page 1, line 6, after "Code" insert "and section 4 of House Bill No. 1027, as approved by the fifty-third legislative assembly" and replace the second "the" with "solid waste management facility permits,"

Page 1, remove line 7

Page 1, line 8, remove "insurance tax distribution fund, and"

Page 1, line 9, after "fund" insert ", preparation of agency biennial reports, and accessibility standards for buildings and facilities subject to the federal Americans with Disabilities Act of 1990"

Page 1, line 11, remove "to provide a"

Page 1, remove line 12

Page 1, line 13, remove "adjustments;"

Page 1, line 15, after "authorize" insert "the"

Page 1, line 16, remove "sections 18-04-04.1,"

Page 1, remove line 17

Page 1, line 18, remove "and"

Page 1, line 19, remove "insurance tax distribution fund, the insurance regulatory"

Page 1, line 20, remove "trust fund, and the"

Page 1, line 21, after the semicolon insert "to provide an effective date;"

Page 2, line 11, replace "4,754,875" with "4,773,576"

Page 2, line 13, replace "1,534,986" with "1,634,539"

Page 2, remove line 25

Page 2, line 26, replace "200,000" with "100,000"

Page 2, line 27, replace "48,892,886" with "47,911,140"

Page 2, line 28, replace "40,904,725" with "40,414,648"

Page 2, line 29, replace "7,988,161" with "7,496,492"

Page 3, line 3, replace "2,979,741" with "3,110,931"

Page 3, line 7, replace "1,926,000" with "1,626,000"

Page 3, line 8, replace "7,617,541" with "7,448,731"

Page 3, line 9, replace "300,000" with "500,000"

Page 3, line 10, replace "7,317,541" with "6,948,731"

Page 3, line 13, replace "10,212,604" with "10,262,330"

Page 3, line 14, replace "18,123,904" with "18,963,344"

Page 3, line 16, replace "33,516,508" with "34,405,674"

Page 3, line 19, replace "1,284,074" with "1,305,546"

Page 3, line 20, replace "51,174" with "56,133"

Page 3, line 21, replace "2,444,878" with "2,356,982"

Page 3, line 23, replace "3,820,126" with "3,758,661"

Page 3, line 26, replace "1,922,882" with "1,940,868"

Page 3, line 27, replace "1,221,836" with "1,208,260"

Page 3, line 28, replace "434,402" with "411,208"

Page 4, line 1, replace "3,702,120" with "3,683,336"

Page 4, line 2, replace "332,006" with "330,000"

Page 4, line 3, replace "3,370,114" with "3,353,336"

Page 4, line 4, replace "18,675,816" with "17,798,559"

Page 4, line 5, replace "78,873,365" with "79,408,983"

Page 4, line 6, replace "97,549,181" with "97,207,542"

Page 4, remove lines 28 and 29

Page 5, remove lines 1 through 3

Page 5, line 4, replace "\$300,000" with "\$500,000" and after the second "of" insert "the"

Page 5, remove lines 17 through 27

Page 6, line 13, after the period insert "Notwithstanding North Dakota Century Code section 54-44.1-15, the department of public instruction and the state department of health and consolidated laboratories may deposit indirect cost recoveries in their operating accounts."

Page 6, line 17, replace "7,500,000" with "12,000,000"

Page 6, line 18, replace "2,000,000" with "2,500,000"

Page 6, line 19, replace "2,000,000" with "2,500,000"

Page 6, line 21, replace "Housing finance agency reserves" with "State aid distribution fund" and replace "1,500,000" with "18,894,000"

Page 6, after line 22, insert:

"The state treasurer shall transfer to the general fund, upon request of the director of the office of management and budget, prior to June 30, 1995, any funds remaining in the state aid distribution

fund, after it has been determined that sufficient funds have been deposited in the state aid distribution fund to make payments pursuant to all appropriations and other transfers from the state aid distribution fund for the biennium ending June 30, 1995.

The authorized transfers from the state bonding fund are up to \$2,000,000 after December 22, 1994, and up to \$500,000 after June 1, 1995. The authorized transfers from the fire and tornado fund are up to \$4,000,000 after December 29, 1993, up to \$4,000,000 after June 29, 1994, and up to \$4,000,000 after December 30, 1994.

SECTION 12. Merger of nonprofit corporation doing business as a hospital with a corporation organized for profit - Retention of property tax status. Notwithstanding any provision of chapters 10-19.1 and 10-25, a nonprofit corporation doing business as a hospital may merge with a corporation organized for profit and form a nonprofit corporation. Notwithstanding any provision of chapter 57-02 or any other provision of law, any interest in property of corporations merging under this section retains the same property tax status after the merger as it had in the taxable year before the merger. Notwithstanding any provision of chapters 57-39.2 or 57-40.2 or any other provision of law, the sale, purchase, or use of any property by a corporation merging under this section retains the same status under the sales and use tax laws after the merger as it would have had before the merger."

Page 6, line 25, remove "or any"

Page 6, line 26, remove "other marketing program" and remove "and the"

Page 6, remove line 27

Page 6, line 28, remove "of agriculture as a result of the agricultural mediation service"

Page 7, line 9, replace "any" with "the pride of Dakota program"

Page 7, line 10, remove "marketing program within the department"

Page 7, replace lines 12 through 29 with:

"SECTION 15. AMENDMENT. Section 23-29-07 of the North Dakota Century Code is amended and reenacted as follows:

23-29-07. Permits.

1. The department ~~is hereby authorized to~~ may issue permits for solid waste management facilities and solid waste transporters. It is unlawful for any person to own, operate, or use a facility for solid waste disposal or transport solid wastes without a valid permit. All ~~such~~ permits are nontransferable and are for a term of not more than five years from the date of issuance. All ~~such~~ permits ~~so~~ issued are conditioned upon the observance of the laws of the state and the rules ~~and regulations~~ authorized ~~herein~~ under this chapter.
2. For any permit application completed after July 1, 1994, the department shall notify the board of county commissioners of a county in which a new solid waste management facility will be located of the department's intention to issue a permit for the facility. The board of county commissioners may call a special election to be held within sixty days after receiving notice from the department to allow the qualified electors of the county to vote to approve or disapprove of

the facility based on public interest and impact on the environment. If a majority of the qualified electors voting in the election vote to disapprove of the facility, the department may not issue the permit and the facility may not be located in that county.

3. Notwithstanding subsection 2, if the new solid waste management facility for which the permit application was completed after July 1, 1994, will be owned or operated by a solid waste management district board established under section 23-29-06, a special election to approve or disapprove of a facility may be called only if the boards of county commissioners from a majority of the counties in the solid waste management district call for a special election. However, a special election must be conducted in each county within the district. If a majority of the qualified electors voting in the election vote to disapprove of the facility, the department may not issue the permit.
4. Subsections 2 and 3 do not apply to a solid waste management facility operated as part of an energy conversion facility or part of a surface coal mining and reclamation operation, if the solid waste management facility disposes of only waste generated by the energy conversion facility or surface coal mining and reclamation operation"

Page 8, remove lines 1 through 29

Page 9, remove lines 1 through 27

Page 10, remove lines 1 through 28

Page 11, remove lines 1 through 29

Page 12, remove lines 1 through 28

Page 13, remove lines 1 through 26

Page 15, after line 13, insert:

"SECTION 19. AMENDMENT. Subsections 2 and 5 of section 54-06-04 of the 1991 Supplement to the North Dakota Century Code are amended and reenacted as follows:

2. A committee composed of ~~the governor~~, the superintendent of the state historical board, the state librarian, and the director of the office of management and budget, or such other persons as may be designated by such persons to represent them, shall meet at the call of the director of the office of management and budget to set minimum the requirements and establish guidelines which must be prescribed by the office of management and budget for form, style, materials, and content ~~to assist state departments, institutions, and agencies of the executive branch of government in preparation~~ of biennial reports required by law.
5. All officers, departments, boards, commissions, and state institutions required to submit reports covering their operations for the two preceding fiscal years to the governor and the office of management and budget shall submit ~~typewritten or mimeographed~~ copies of their reports in the form and style, using the materials, and having the content prescribed under the provisions of subsection 2 on or before the first day of December in each year after the regular

session of the legislative assembly. One copy of each report must be submitted to the governor and two copies to the office of management and budget. The office of management and budget shall cause to be prepared twenty-five copies of each report submitted under the provisions of this subsection and shall bind these reports into volumes or sets to be known as "governmental biennial reports" which must be distributed to the following agencies:

- a. Governor's office.
- b. Attorney general's office.
- c. Legislative council.
- d. State law library.
- e. The state institutions of higher education.
- f. State library.
- g. Two volumes copies of each report must be placed in the office of the secretary of state for official and public use.

~~The style of binding to be used for the biennial reports must be determined by the office of management and budget.~~ The reports included in this subsection may not be further printed or reproduced except as provided for in this subsection and section 54-06-05.

SECTION 20. AMENDMENT. Section 4 of House Bill No. 1027, as approved by the fifty-third legislative assembly, is amended and reenacted as follows:

SECTION 4. Accessibility standards. Notwithstanding section 54-21.3-04, every building or facility subject to the federal Americans with Disabilities Act of 1990 [Pub. L. 101-336; 104 Stat. 327] must conform to the accessibility standards of the Americans with Disabilities Act Accessibility Guidelines for Buildings and Facilities as contained in the appendix to title 28, Code of Federal Regulations, part 36 [28 CFR 36]. State and political subdivision entities may not claim the exceptions to the requirement that elevators be installed in certain buildings as those exceptions are stated in exception 1 to section 4.1.3(5) and in section 4.1.6(1)(k)(i) in the Americans with Disabilities Act Accessibility Guidelines for Buildings and Facilities found in the appendix to 28 CFR 36. A structural change to an existing state or political subdivision building or facility is not required if another method is effective in achieving compliance with regulations adopted under Public Law 101-336. For public accommodations, an alternative to a structural change in existing buildings or facilities is permitted only after it has been documented, in accordance with regulations adopted under Public Law 101-336, that a particular structural change is not readily achievable. A state agency or the governing body of a political subdivision shall require from any person preparing plans and specifications for a building or facility subject to the Americans with Disabilities Act of 1990 [Pub. L. 101-336; 104 Stat. 327], a statement that the plans and specifications are, in the professional judgment of that person, in conformance with the Americans with Disabilities Act Accessibility Guidelines for Buildings and Facilities found in the appendix to 28 CFR 36, subject to the exception stated in this section. A statement of conformance must be submitted to the office of intergovernmental assistance for recording."

Page 15, line 14, replace "Sections 18-04-04.1, 26.1-01-07.1, 26.1-01-07.2," with "Section"

Page 15, line 15, remove "and 26.1-01-07.3 of the North Dakota Century Code and section"

Page 15, line 16, replace "are" with "is"

Page 15, after line 16, insert:

"SECTION 22. UNCONSTITUTIONALITY - SEVERABILITY. If a court determines subsection 3 of North Dakota Century Code section 23-29-07 to be invalid, North Dakota Century Code section 1-02-20 applies and the remainder of section 23-29-07 remains valid.

SECTION 23. EFFECTIVE DATE. Section 20 of this Act becomes effective August 1, 1993."

Page 15, line 17, replace "The" with "Section 12 of this Act and the" and replace "24" with "21"

Page 15, line 18, replace "is" with "are"

Page 15, line 19, remove "an" and replace "measure" with "measures"

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 111 - FACILITY MANAGEMENT

CONFERENCE COMMITTEE - This amendment makes the following changes:

-- The salaries and wages line item is increased by \$131,190 from the general fund, of which \$52,442 is to reflect the \$60 per month salary increase in accordance with the provisions of House Bill No. 1018 and \$78,748 is for the addition of two FTE custodians, for a total authorized FTE level of 60.6.

-- The capital improvements line item is decreased by \$300,000 from the general fund to reflect the elimination of the following projects:

Public Service Commission Hearing Room	\$175,000
Other unspecified projects	<u>125,000</u>
Total	\$300,000

-- The estimated income line item is increased by \$200,000 from the Capitol building fund and the general fund appropriation is decreased by \$200,000.

In total, this amendment decreases the general fund appropriation to the Facility Management Division by \$368,810, and increases the other funds appropriation by \$200,000, for a net decrease of \$168,810.

DEPARTMENT 112 - INFORMATION SERVICES DIVISION

CONFERENCE COMMITTEE - This amendment makes the following changes:

-- The salaries and wages line item is increased by \$49,726 from other funds to reflect the \$60 per month salary increase in accordance with the provisions of House Bill No. 1018.

-- The operating expenses line item is increased by \$936,903 of other funds in accordance with the provisions of House Bill No. 1018 and

decreased by \$97,463 of other funds to reduce the amount included for indirect cost allocation payments, for a net increase of \$839,440. The indirect cost allocation payment was reduced from \$102,024 to \$4,561.

In total, this amendment increases the appropriation to the Information Services Division by \$889,166 of other funds.

DEPARTMENT 113 - OFFICE OF MANAGEMENT AND BUDGET CENTRAL OPERATIONS

CONFERENCE COMMITTEE - This amendment makes the following changes:

-- The salaries and wages line item is increased by \$18,701, of which \$16,643 is from the general fund and \$2,058 is from other funds to reflect the \$60 per month salary increase in accordance with the provisions of House Bill No. 1018.

-- The operating expenses line item is increased as follows:

	GENERAL FUND	OTHER FUNDS	TOTAL
Indirect cost allocation payments ¹	\$(1,268)	\$ (46)	\$(1,314)
Merit System payments	(260)		(260)
Community development block grant program funding previously in Economic Development and Finance	<u> </u>	<u>101,127</u>	<u>101,127</u>
Total	\$(1,528)	\$101,081	\$ 99,553

¹ The indirect cost allocation payment was reduced from \$44,614 to \$43,300. The general fund portion of \$1,268 was eliminated and the other funds portion was reduced by \$46.

-- The leave allowance line item of \$1,000,000 from the general fund is eliminated.

-- The estimated income line item and general fund appropriation are changed as follows for funding source changes:

	GENERAL FUND	OTHER FUNDS	TOTAL
Capital planning line item from Capitol building fund to the general fund	\$200,000	\$(200,000)	\$0
Merit System	<u>393,216</u>	<u>(393,216)</u>	<u>0</u>
Total	\$593,216	\$(593,216)	\$0

-- The capital planning line item is decreased by \$100,000 from the general fund.

In total, this amendment decreases the general fund appropriation to the Office of Management and Budget Central Operations by \$491,669 and decreases the other funds appropriation by \$490,077, for a total decrease of \$981,746.

This amendment removes the intent section relating to state employee compensation adjustment guidelines because House Bill No. 1018 contains an intent section based upon the \$60 per month salary increase plan.

This amendment changes the special fund transfers to be made during the biennium as follows:

	BILL AS INTRODUCED	ENGROSSED BILL	CONFERENCE COMMITTEE VERSION	DIFFERENCE BETWEEN ENGROSSED BILL AND CONFERENCE COMMITTEE VERSION
Fire and tornado fund	\$ 7,000,000	\$ 7,500,000	\$12,000,000	\$ 4,500,000
State bonding fund	2,500,000	2,000,000	2,500,000	500,000
Lands and minerals trust fund	2,000,000	2,000,000	2,500,000	500,000
State aid distribution fund	18,894,000	0	18,894,000	18,894,000
Capitol building fund	500,000	0	0	0
Pay equity implementation fund	229,000	229,000	229,000	0
Human Services receivables	0	3,000,000	3,000,000	0
Housing Finance Agency reserves ¹	0	1,500,000	0	(1,500,000)
Total	\$31,123,000	\$16,229,000	\$39,123,000	\$22,894,000

¹ The transfer of \$1,500,000 from Housing Finance Agency reserves to the general fund is removed because the transfer was made in House Bill No. 1009.

This amendment also adds language prescribing the dates and amounts for the transfers from the fire and tornado fund and the state bonding fund.

This amendment also provides for a transfer to the general fund, in addition to the \$18,894,000 transfer contained in this bill, of any remaining funds in the state aid distribution fund after sufficient deposits have been made into the fund to make payments pursuant to all appropriations. The additional transfer is provided in a manner to avoid fund cash flow problems, and is estimated to be \$3,086,000.

This amendment adds a section which allows for the merger of a nonprofit corporation doing business as a hospital with a corporation organized for profit.

This amendment removes the following special fund transfers and funding source changes contained in the engrossed bill:

- Any moneys generated by the Agricultural Mediation Service.
- Insurance tax distribution fund and the insurance regulatory trust fund.

The changes restore these funds to a special fund status and continue to fund the respective programs and agencies from the special funds.

This amendment adds a section relating to solid waste management facility permits.

This amendment removes the requirement that agency biennial reports be bound in volumes.

This amendment adds a section relating to accessibility standards for buildings and facilities subject to the federal Americans with Disabilities Act of 1990.

DEPARTMENT 118 - CENTRAL DUPLICATING SERVICES

CONFERENCE COMMITTEE - This amendment makes the following changes:

- The salaries and wages line item is increased by \$21,472 of other funds to reflect the \$60 per month salary increase in accordance with the provisions of House Bill No. 1018.
- The information services line item is increased by \$4,959 of other funds in accordance with the provisions of House Bill No. 1018.

- The operating expenses line item is decreased by \$87,896 from other funds to remove the indirect cost allocation payments to the Office of Management and Budget.

In total, this amendment decreases the appropriation to Central Duplicating Services by \$61,465 of other funds.

DEPARTMENT 506 - STATE RADIO COMMUNICATIONS

CONFERENCE COMMITTEE - This amendment makes the following changes:

- The salaries and wages line item is increased by \$17,986 from the general fund to reflect the \$60 per month salary increase in accordance with the provisions of House Bill No. 1018.
- The information services line item is decreased by \$13,576 from the general fund in accordance with the provisions of House Bill No. 1018.
- The operating expenses line item is decreased by \$23,194, of which \$21,188 is from the general fund and \$2,006 is from other funds, to remove the indirect cost allocation payments to the Office of Management and Budget.

In total, this amendment decreases the appropriation to State Radio Communications by \$18,784, of which \$16,778 is from the general fund and \$2,006 is from other funds.

In total, this amendment decreases the general fund appropriations contained in this bill by \$877,257, and increases the other funds appropriation by \$535,618, for a net decrease of \$341,639.

Engrossed HB 1005 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SEN. REDLIN MOVED that the conference committee report on Engrossed HB 1005 be adopted, which motion prevailed.

Engrossed HB 1005, as amended, was placed on the Fourteenth order.

SECOND READING OF HOUSE BILL

HB 1005: A BILL for an Act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; to provide for the merger of a nonprofit corporation doing business as a hospital with a corporation organized for profit; to amend and reenact sections 4-01-19, 23-29-07, subsections 5, 9, and 10 of section 41-09-42, section 41-09-42.1, and subsections 2 and 5 of section 54-06-04 of the North Dakota Century Code and section 4 of House Bill No. 1027, as approved by the fifty-third legislative assembly, relating to the pride of Dakota program, solid waste management facility permits, the computerized Uniform Commercial Code central filing system fund, preparation of agency biennial reports, and accessibility standards for buildings and facilities subject to the federal Americans with Disabilities Act of 1990; to provide an exemption from the provisions of section 54-44.1-11 of the North Dakota Century Code; to provide a statement of legislative intent relating to the homeless grant program; to provide a statement of legislative intent relating to total quality management in state government; to authorize appropriation grant line item transfers at the approval of the budget section; to authorize the transfer of various special funds to the general fund; to repeal section 3 of chapter 32 of the 1991 Session Laws of North Dakota, relating to the transfer of funds from the game and fish fund to the state radio communications operating account; to provide an effective date; and to declare an emergency.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 40 YEAS, 9 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Bowman; DeMers; Dotzenrod; Evanson; Freborg; Goetz; Graba; Grindberg; Heinrich; Holmberg; Jerome; Keller; Kelly; Kelsh; Krauter; Krebsbach; Langley; Lindaas; Lindgren; Lips; Marks; Mathern; Maxson; Mushik; Mutch; Naaden; Nalewaja; Nelson; Nething; Redlin; Robinson; Scherber; Schoenwald; Stenehjem, W.; Tallackson; Thane; Tomac; Traynor; Wogsland; Yockim

WAYS: Andrist; Kinnoin; O'Connell; Sand; Solberg; Stenehjem, B.; Streibel; Tennefos; Urlacher

HB 1005 passed, the title was agreed to, and the emergency clause was declared carried.

REPORT OF CONFERENCE COMMITTEE

HB 1002, as engrossed: Your conference committee (Sens. Mushik, Yockim, Thane and Reps. Payne, Byerly, Pyle) recommends that the SENATE RECEDE from the Senate amendments on SJ pages 1562-1599, adopt amendments as follows, and place HB 1002 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1657-1675 of the House Journal and pages 1562-1599 of the Senate Journal and that Engrossed House Bill No. 1002 be amended as follows:

Page 1, line 4, after the comma insert "and an appropriation from the state aid distribution fund;"

Page 1, line 5, after "institutions" insert "and to require budget section approval of alternative programs at the state hospital"

Page 1, line 6, after "enact" insert "a new subsection to section 23-01-03, a new subsection to section 23-17.2-02, a new subsection to section 50-06-05.1," and after "50-06.2" insert a comma

Page 1, line 7, after "to" insert "the duties of the North Dakota health council, to the definition of long-term care facility, to the certificate of need program, to the lease of developmental center facilities or properties, to"

Page 1, line 8, after "funds" insert a comma and replace "a basic care assistance program" with "aid to aged, blind, and disabled persons" and after the semicolon insert "to create and enact section 2 to House Bill No. 1274 as approved by the fifty-third legislative assembly, relating to residential care and services for the developmentally disabled and to provide an expiration date for that Act;"

Page 1, line 9, replace the first "section" with "subsection 4 of section 14-09-08.4, section 14-09-08.8, subsection 7 of section 23-17.2-02, sections 23-17.2-03, and" and remove "and subsection 5 of section 57-15-56"

Page 1, line 10, after "Code" insert "and section 4 of chapter 561 of the 1991 Session Laws of North Dakota" and after "to" insert "amendment of support orders to meet the medical needs of children, to the definition of health care facility, to the scope of the certificate of need program, to"

Page 1, line 11, replace "and" with a comma and after "services" insert " and to extending an appropriation for the developmental center"

Page 1, replace line 15 with "provide legislative intent regarding developmentally disabled provider salary increases, senior citizens mill levy match funding, a legislative council study of human service center funding formula, and establishment of a management information system for service payments for elderly and disabled by the department"

Page 1, line 16, remove "hospital"

Page 1, line 17, replace "and" with "to provide legislative intent regarding state hospital income;" and after "date" insert "; and to declare an emergency"

Page 2, line 7, replace "248,253" with "248,400"

Page 2, line 9, replace "287,349" with "287,496"

Page 2, line 10, replace "80,243" with "80,258"

Page 2, line 11, replace "207,106" with "207,238"

Page 2, line 14, replace "5,753,241" with "5,795,088"

Page 2, line 15, replace "1,049,627" with "1,097,356"

Page 2, line 16, replace "5,837,971" with "4,361,696"

Page 2, line 19, replace "14,526,541" with "13,139,842"

Page 2, line 20, replace "8,778,363" with "7,830,810"

Page 2, line 21, replace "5,748,178" with "5,309,032"

Page 2, line 24, replace "3,883,824" with "3,905,071"

Page 2, line 25, replace "5,680,732" with "5,819,080"

Page 2, line 26, replace "10,671,501" with "11,315,445"

Page 2, line 28, replace "135,451,189" with "137,148,559"

Page 2, line 29, replace "155,735,981" with "158,236,890"

Page 3, line 1, replace "136,218,731" with "138,334,844"

Page 3, line 2, replace "19,517,250" with "19,902,046"

Page 3, line 5, replace "2,487,891" with "2,513,389"

Page 3, line 6, replace "1,621,756" with "1,668,932"

Page 3, line 9, replace "497,360,828" with "496,439,056"

Page 3, line 10, replace "503,747,484" with "502,898,386"

Page 3, line 11, replace "367,582,266" with "366,602,003"

Page 3, line 12, replace "136,165,218" with "136,296,383"

Page 3, line 15, replace "3,062,029" with "3,085,227"

Page 3, line 16, replace "352,714" with "362,174"

Page 3, line 20, replace "16,090,560" with "16,123,218"

Page 3, line 21, replace "14,218,072" with "14,237,576"

Page 3, line 22, replace "1,872,488" with "1,885,642"

Page 3, line 25, replace "4,707,028" with "4,978,530"

Page 3, line 26, replace "912,247" with "949,647"

Page 3, line 27, replace "7,831,897" with "9,046,217"

Page 3, after line 27, insert:

"State hospital downsizing funding pool 2,000,000"

Page 3, line 29, replace "53,912,186" with "56,343,369"

Page 4, line 1, replace "67,521,254" with "73,475,659"

Page 4, line 2, replace "44,253,471" with "45,747,985"

Page 4, line 3, replace "23,267,783" with "27,727,674"

Page 4, line 6, replace "49,425,282" with "54,247,424"

Page 4, line 7, replace "523,122" with "558,224"

Page 4, line 8, replace "9,653,243" with "10,756,601"

Page 4, line 11, replace "23,841,692" with "8,941,540"

Page 4, line 12, replace "84,200,915" with "75,261,365"

Page 4, line 13, replace "34,032,943" with "35,054,002"

Page 4, line 14, replace "50,167,972" with "40,207,363"

Page 4, line 17, replace "41,207,571" with "41,947,820"

Page 4, line 18, replace "789,723" with "832,878"

Page 4, line 19, replace "7,060,840" with "7,018,682"

Page 4, line 21, replace "412,557" with "501,352"

Page 4, line 22, replace "49,758,312" with "50,588,353"

Page 4, line 23, replace "29,722,065" with "17,675,954"

Page 4, line 24, replace "20,036,247" with "32,912,399"

Page 4, line 27, replace "31,116,026" with "31,927,887"

Page 4, line 28, replace "369,725" with "381,574"

Page 4, line 29, replace "8,290,360" with "8,215,554"

Page 5, line 3, replace "39,924,198" with "40,673,102"

Page 5, line 4, replace "27,916,631" with "28,470,313"

Page 5, line 5, replace "12,007,567" with "12,202,789"

Page 5, line 8, replace "221,459" with "223,579"

Page 5, line 9, replace "4,680" with "4,910"

Page 5, line 13, replace "1,177,678" with "1,180,028"

Page 5, line 14, replace "1,138,683" with "1,140,817"

Page 5, line 15, replace "38,995" with "39,211"

Page 5, line 16, replace "269,028,804" with "276,689,777"

Page 5, line 17, replace "663,941,468" with "655,374,562"

Page 5, line 18, replace "932,970,272" with "932,064,339"

Page 6, line 4, after "TRANSFER" insert "- HUMAN SERVICE CENTER FUNDING"

Page 6, line 7, after the period insert "Funding for human services center programs must be used for programs in the manner they were prioritized in documents filed with the fifty-third legislative assembly on April 24, 1993, except as otherwise provided in this section. Upon approval from the budget section, the department of human services may fund the programs in a different manner. Each member of the budget section must be provided information and justification for any proposed changes at least one week before a budget section meeting."

Page 6, line 16, after "CLIENTS" insert "- STATE HOSPITAL ALTERNATIVE USES - BUDGET SECTION APPROVAL"

Page 6, line 17, replace "Notwithstanding section 4 of this Act, the" with "The"

Page 6, line 18, after "transfer" insert ", subject to budget section approval,"

Page 6, line 22, after the period insert "The department of human services, during the 1993-95 biennium, shall review the financial and other impacts of alternative programs at the state hospital, including the development of a psychiatric skilled nursing facility and, subject to budget section approval, shall begin such optional uses the department determines appropriate."

SECTION 7. AMENDMENT. Subsection 4 of section 14-09-08.4 of the North Dakota Century Code is amended and reenacted as follows:

4. A determination that a child who is the subject of a child support order is eligible for benefits furnished under subsection 18 or 20 of section 50-06-05.1, chapter 50-09, or chapter 50-24.1, or any substantially similar program operated by any state or tribal government, constitutes a material change of circumstances. The availability of health insurance at reasonable cost to a child who is the subject of a child support order constitutes a material change of circumstances. The need to provide for a child's health care needs, through health insurance or other means, constitutes a material change of circumstances.

SECTION 8. AMENDMENT. Section 14-09-08.8 of the North Dakota Century Code is amended and reenacted as follows:

14-09-08.8. Motion for amendment of amount for child support order - How made. Upon a determination by a child support agency, made under section 16 of chapter 148 of the 1989 Session Laws or section 14-09-08.4, that it may or must seek amendment of a child support order, the child support agency may file and serve a motion and supporting documents.

SECTION 9. A new subsection to section 23-01-03 of the North Dakota Century Code is created and enacted as follows:

Regulate the expansion of long-term care facilities and services through the certificate of need process under chapter 23-17.2.

SECTION 10. AMENDMENT. Subsection 7 of section 23-17.2-02 of the North Dakota Century Code is amended and reenacted as follows:

7. "Health care facility" means ~~those a health care facilities~~ facility licensed by the department or certified by the department under the federal Social Security Act as amended including, but not limited to, hospitals, skilled nursing facilities, kidney disease treatment centers (including freestanding hemodialysis units), intermediate care facilities, rehabilitation facilities, and ambulatory surgical facilities, but not including clinical laboratories ~~which that~~ under title XVIII of the federal Social Security Act meet the requirements of paragraphs (10) and (11) of section 1861(s) of that Act. The term includes a long-term care facility.

SECTION 11. A new subsection to section 23-17.2-02 of the North Dakota Century Code is created and enacted as follows:

"Long-term care facility" means any nursing facility as defined in 42 U.S.C. 1396r(a), or basic care facility as defined in section 23-09.3-01. The term does not include a facility, as defined by subsection 2 of section 25-01.2-02, which provides services to developmentally disabled persons.

SECTION 12. AMENDMENT. Section 23-17.2-03 of the North Dakota Century Code is amended and reenacted as follows:

23-17.2-03. Scope of coverage of certificate of need program. The certificate of need program required under this chapter provides for the following:

1. The department, pursuant to this chapter and rules of the health council, shall review proposals subject to this chapter and shall approve, disapprove, or revoke the certificate of need, as appropriate. The certificate of need program applies to:
 - a. The obligation by or on behalf of a health care facility of any capital expenditure of seven hundred fifty thousand dollars or more (other than to acquire an existing facility). The capital expenditure must include the costs of designs, plans, working drawings, specifications, and other activities essential to the acquisition, improvement, expansion, or replacement of any plant or equipment.
 - b. The addition or expansion of a health service by or on behalf of a health care facility beyond that which was offered within the previous twelve-month period before the month in which the health service would be offered which is associated with a capital expenditure and entails an annual operating cost of at least three hundred thousand dollars; or the termination of a health service effected by a capital expenditure of seven hundred fifty thousand dollars or more.

- c. The acquisition by any person of major medical equipment that will be owned by or located in a health care facility the capital expenditure for which is five hundred thousand dollars or more or the annual operating cost for which is three hundred thousand dollars or more. In determining whether major medical equipment costs more than five hundred thousand dollars, the cost of designs, plans, working drawings, specifications, and other activities essential to placement, to acquiring the equipment and making it operational must be included. If the equipment is acquired at less than fair market value, the term "cost" includes the fair market value.
 - d. The acquisition by any person of major medical equipment not owned by or located in a health care facility the capital expenditure for which is five hundred thousand dollars or more or the annual operating cost for which is three hundred thousand dollars or more, if the department finds that the equipment will be used primarily to provide services to persons who are admitted patients in a health care facility. This does not include use of equipment on a temporary basis as in the case of a natural disaster, a major accident, or equipment failure.
 - e. The obligation of a capital expenditure of seven hundred fifty thousand dollars or more by any person to acquire an existing health care facility if a notice of intent is not received at least thirty days prior to entering into a contract for the obligation or the department finds that the services or bed capacity of the facility will be changed.
 - f. An acquisition by donation, lease, transfer, or comparable arrangement must be reviewed if such acquisition would have been subject to review if purchased. An acquisition for less than fair market value must be reviewed if the acquisition at fair market value would have been subject to review.
 - g. Any expansion of services by or of the physical plant of a long-term care facility or any conversion of beds from any other licensure category to any category of long term care.
2. Upon a decision by the health council to issue a certificate of need, the certificate shall ~~shall~~ must specify the maximum amount of capital expenditures which may be obligated under ~~such~~ the certificate.
 3. The health council shall prescribe by rule the extent to which a project authorized by a certificate of need ~~shall be~~ is subject to further review if the amount of capital expenditures obligated or expected to be obligated for the project exceed the maximum specified in the certificate of need.
 4. ~~Any state agency construction project subject to the provisions of this chapter, the determination of need established through legislative procedure, finalized by appropriation, must be accepted by the health council without any formal reviews.~~

SECTION 13. Section 2 to House Bill No. 1274, as approved by the fifty-third legislative assembly, is created and enacted to read as follows:

SECTION 2. EXPIRATION DATE. This Act expires on June 30, 1995."

Page 8, after line 5, insert:

"SECTION 15. A new subsection to section 50-06-05.1 of the North Dakota Century Code is created and enacted as follows:

With the approval of the governor, to lease or transfer use of any part of the developmental center facilities or properties, located in section thirteen, township one hundred fifty-seven north, range fifty-three west, located in Walsh County, North Dakota, to the federal government, or any public or private agency, organization, or business enterprise, or any worthy undertaking, under the following provisions:

- a. The department determines that the facility or property is not needed to serve any present or reasonably foreseeable need of the developmental center.
- b. The transaction is exempt from the provisions of section 50-06-06.6.
- c. The term of any lease may not exceed ninety-nine years.
- d. All required legal documents, papers, and instruments in any transaction must be reviewed and approved as to form and legality by the attorney general.
- e. Any funds realized by any transaction must be deposited in the state's general fund."

Page 8, line 11, replace "ten" with "five"

Page 8, after line 16, insert:

"2. "Assisted living" means an environment where a person lives in an apartment-like unit and receives services on a twenty-four-hour basis to accommodate that person's needs and abilities to maintain as much independence as possible."

Page 8, line 17, replace "2." with "3."

Page 8, line 19, replace "3." with "4."

Page 8, after line 22, insert:

"5. "Congregate housing" means housing shared by two or more persons not related to each other which is not provided in an institution."

Page 8, line 23, replace "4." with "6."

Page 8, line 24, replace "5." with "7."

Page 8, line 25, replace "6." with "8."

Page 8, line 29, replace "7." with "9."

Page 9, line 4, replace "Is" with "Has applied for and is", remove "cash", and replace "XVI" with "XIX"

Page 9, line 5, replace "1381" with "1396" and replace "or would be" with " provided that a person who was eligible to receive benefits under title

XVI of the Social Security Act [42 U.S.C. 1381 et seq.] and who was receiving benefits under title XVI before the effective date of this section is not ineligible because that person is not eligible to receive benefits under title XIX:"

Page 9, remove line 6

Page 9, line 19, replace "8." with "10."

Page 9, after line 21, insert:

"11. "Living independently" includes living in congregate housing. The term does not include living in an institution.

12. "Qualified service provider" means a county agency or independent contractor who agrees to meet standards for services and operations established by the department."

Page 9, line 22, replace "9." with "13."

Page 9, line 26, replace "10." with "14."

Page 10, line 5, replace "a basic care assistance program" with "aid to vulnerable aged, blind, and disabled persons"

Page 10, line 6, replace "the basic care assistance" with "aid to vulnerable aged, blind, and disabled persons."

Page 10, remove line 7

Page 10, after line 17, insert:

"4. Pay qualified service providers at rates determined by the department, within the limits of legislative appropriation, for the provision of the following services provided to an eligible beneficiary to the extent that the eligible beneficiary lacks income sufficient to meet the cost of these services:

a. Homemaker services;

b. Chore services;

c. Respite care;

d. Home health aide services;

e. Case management;

f. Family home care;

g. Personal attendant care;

h. Adult family foster care;

i. Adaptive assessment; and

j. Other services the department determines to be essential and appropriate to sustain an individual in the individual's home and community and to delay or prevent institutional care.

5. Establish, maintain, and ensure the enforcement of standards for congregate housing as may be appropriate to the needs of the residents of congregate housing who are receiving

services under this chapter. The standards must govern matters such as admission policy, safety, sanitation, and protection of civil rights."

Page 10, line 18, replace "4." with "6."

Page 10, line 19, after "services" insert "or assisted living services"

Page 10, line 20, replace "5." with "7."

Page 10, line 22, replace "6." with "8."

Page 10, line 25, replace "a basic care assistance program" with "aid to aged, blind, and disabled persons"

Page 10, after line 27, insert:

"2. Provide the services described in this chapter. The county agency may contract with a qualified service provider in its provision of its services."

Page 11, line 1, replace "2." with "3."

Page 11, after line 3, insert:

"4. Review the circumstances of congregate housing for residents receiving services under this chapter which may exist or may be established in the county and certify to the department that each congregate housing facility conforms to standards contained in rules adopted by the department."

5. Provide case management services to eligible beneficiaries."

6. Provide assessments to eligible beneficiaries and to applicants, where necessary."

Page 11, line 4, replace "3." with "7."

Page 11, line 6, replace "4." with "8."

Page 11, after line 8, insert:

"9. Cooperate with any other county agency to assure the conduct of initial and ongoing functional assessments and determinations of eligibility with respect to any applicant or eligible beneficiary who is physically present in a county other than the county in which the applicant or eligible beneficiary is a resident for purposes of chapter 50-02."

Page 11, line 22, after "department" insert "- Reimbursement by county agency"

Page 11, line 24, replace "local" with "county's share of the cost of supplements provided and"

Page 11, line 27, after the underscored period insert "Upon claim being made by the department, the county agency shall reimburse the department for fifty percent the first year of the 1993-95 biennium and thirty percent thereafter of the cost of supplementing the income of any eligible beneficiary who is a resident of the county for purposes of chapter 50-02."

Page 12, line 27, replace "living" with "a resident for purposes of chapter 50-02"

Page 13, replace lines 1 through 22 with:

"SECTION 18. AMENDMENT. Section 4 of chapter 561 of the 1991 Session Laws of North Dakota is amended and reenacted as follows:

SECTION 4. PROCEEDS - APPROPRIATION. The proceeds from the sale of land at the ~~state~~ developmental center at Grafton must be deposited in the lands and minerals trust fund. There is hereby appropriated \$200,000, or so much thereof as may be necessary, from the lands and minerals trust fund, to the department of human services for capital improvements or demolition of existing buildings at the ~~state~~ developmental center at Grafton for the ~~biennium~~ period beginning July 1, 1991, and ending June 30, ~~1993~~ 1995."

Page 14, line 9, replace "2" with "19"

Page 14, replace lines 20 through 25 with:

"SECTION 22. LEGISLATIVE INTENT - DEVELOPMENTAL DISABILITIES PROVIDER SALARY INCREASES. It is the intent of the legislative assembly that community developmental disabilities provider agencies provide, to the extent possible, employee salary increases each year of the 1993-95 biennium similar to state employee salary increases.

SECTION 23. SENIOR CITIZENS MILL LEVY MATCH PROGRAM FUNDING. The amount of \$288,000, or so much of the sum as is necessary, included in the estimated income line item in subdivision 6 of section 1 of this Act, is to be spent by the department of human services from the state aid distribution fund during the biennium beginning July 1, 1993, and ending June 30, 1995.

SECTION 24. HUMAN SERVICE CENTER FUNDING FORMULA - REPORT TO LEGISLATIVE COUNCIL. The department of human services shall, during the 1993-95 biennium, study and develop alternatives for a formula to allocate funding to human service centers. It shall periodically report to the Legislative Council or its designated committee on its findings and recommendations.

SECTION 25. MANAGEMENT INFORMATION SYSTEM - SERVICE PAYMENTS FOR THE ELDERLY AND DISABLED. The department of human services shall, during the 1993-95 biennium, develop a management information system to accumulate information for presentation to the members of the fifty-fourth legislative assembly regarding the costs and utilization of the service payments to the elderly and disabled program. The information developed must include client utilization, length of stay on the program, cost of services provided, and reasons for cases closed.

SECTION 26. LEGISLATIVE INTENT - STATE HOSPITAL INCOME - MEDICAID GRANTS. It is the intent of the legislative assembly that in the event the department of human services projects a deficiency appropriation relating to state hospital income or medicaid grant funding it report any anticipated deficiencies to the budget section and seek its approval before it continues to spend at a level which would require a request for a general fund deficiency appropriation from the next legislative assembly."

Page 15, line 1, replace "8" with "16"

Page 15, line 2, after the first period insert "Sections 17 and 27 of this Act become effective January-1, 1995." and replace "16" with "28"

Page 15, after line 2, insert:

"SECTION 30. EMERGENCY. Sections 9, 10, 11, and 12 of this Act are declared to be an emergency measure."

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 326 - EXECUTIVE OFFICE

CONFERENCE COMMITTEE - SUBDIVISION 1 - This amendment makes the following changes to the House version:

The salaries and wages line item is adjusted as follows:

	GENERAL FUND	OTHER FUNDS	TOTAL
Salaries and wages are adjusted to provide the legislative salary increase recommendation as contained in House Bill No. 1018	<u>\$132</u>	<u>\$15</u>	<u>\$147</u>
Total changes Subdivision 1	\$132	\$15	\$147

DEPARTMENT 327 - MANAGERIAL SUPPORT

CONFERENCE COMMITTEE - SUBDIVISION 2 - This amendment makes the following changes to the House version:

	GENERAL FUND	OTHER FUNDS	TOTAL
Salaries and wages are adjusted to provide the legislative salary increase recommendation as contained in House Bill No. 1018	<u>\$ 27,201</u>	<u>\$ 14,646</u>	<u>\$ 41,847</u>

The information services line item is adjusted:

To restore a portion of the House reduction in accordance with the provisions of House Bill No. 1018 (House cut \$116,625, \$85,904 from the general fund)	<u>\$ 42,250</u>	<u>\$ 5,479</u>	<u>\$ 47,729</u>
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The operating expense line item is adjusted as follows:

Reduce funds for the payment of indirect cost allocation to the Office of Management and Budget (\$225,000 of other funds remains)	\$(383,714)	\$(737,670)	\$(1,121,384)
Reduce funds for Merit System fees to be paid to the Office of Management and Budget (\$72,443 of other funds remains)	<u>(124,883)</u>	<u>(230,008)</u>	<u>(354,891)</u>
Subtotal	<u>\$(508,597)</u>	<u>\$(967,678)</u>	<u>\$(1,476,275)</u>
Total changes Subdivision 2	\$(439,146)	\$(947,553)	\$(1,386,699)

DEPARTMENT 328 - ECONOMIC ASSISTANCE

CONFERENCE COMMITTEE - SUBDIVISION 3 - This amendment makes the following changes to the House version:

	GENERAL FUND	OTHER FUNDS	TOTAL
Salaries and wages are adjusted to provide the legislative salary increase recommendation as contained in House Bill No. 1018	\$ <u>15,935</u>	\$ <u>5,312</u>	\$ <u>21,247</u>

The information services line item is adjusted:

To restore a portion of the House reduction in accordance with the provisions of House Bill No. 1018 (House cut \$628,693, \$83,623 from the general fund)	\$ <u>41,131</u>	\$ <u>97,217</u>	\$ <u>138,348</u>
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The operating expenses line item is adjusted as follows:

Fund Indian reservations child support project	\$ 0	\$ 309,000	\$ 309,000
Fund EBT program for food stamps and AFDC to be effective January 1, 1995, rather than April 1, 1995, and July 1, 1995, respectively	\$ <u>72,360</u>	\$ <u>262,584</u>	\$ <u>334,944</u>
Subtotal	\$ <u>72,360</u>	\$ <u>571,584</u>	\$ <u>643,944</u>

The grants line is adjusted as follows:

Fund basic care program at 50% state funds and at 70th percentile until January 1, 1995, and then fund at 70% state funds and 90th percentile	\$(927,248)	\$ 0	\$ (927,248)
Continue state matching of general assistance costs through January 1, 1995 (repeal matching law January 1, 1995)	324,000	0	324,000
Fund coverage for family support program	395,618	0	395,618
Provide a 2% annual increase in AFDC payments	<u>463,000</u>	<u>1,442,000</u>	<u>1,905,000</u>
Total grants changes	\$ <u>255,370</u>	\$ <u>1,442,000</u>	\$ <u>1,697,370</u>
Total changes Subdivision 3	\$ 384,796	\$ 2,116,113	\$ 2,500,909

DEPARTMENT 329 - MEDICAL ASSISTANCE

CONFERENCE COMMITTEE - SUBDIVISION 4 - This amendment makes the following changes to the House version:

The salaries and wages line item is adjusted as follows:

	GENERAL FUND	OTHER FUNDS	TOTAL
To provide the legislative salary increase recommendation as contained in House Bill No. 1018	\$ <u>8,924</u>	\$ <u>16,574</u>	\$ <u>25,498</u>

The information services line item is adjusted:

To restore a portion of the House reduction in accordance with the provisions of House Bill No. 1018 (House cut \$180,195, \$47,969 from the general fund)	<u>\$ 23,592</u>	<u>\$ 23,584</u>	<u>\$ 47,176</u>
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The grants line item is adjusted as follows:

(Even though these adjustments are specific they are not intended to preclude the department from allocating funds among Medicaid services)

Adjust optional Medicaid services			
- Special education (correction)	\$ 0	\$ (946,920)	\$ (946,920)
- Other areas fully restored	749,558	2,128,673	2,878,231
Provide 1% inflation for Medicaid, except hospital and long-term care	(625,824)	(2,162,800)	(2,788,624)
Provide 0% hospital inflation	(1,219,471)	(3,531,413)	(4,750,884)
Add funds related to a 90% occupancy limit at nursing homes rather than 95% occupancy as contained in original HB 1096 and funded in HB 1002	1,033,600	1,870,100	2,903,700
Add funds for developmentally disabled grants inflation to provide funds for a 2%/2% increase	(580,614)	(1,483,409)	(2,064,023)
Adjust funds for long-term care inflation (2%/2%)	921,000	2,676,000	3,597,000
Add funds for increase in Medicaid eligibles from 100 to 175 per month	188,000	546,000	734,000
Delay managed care waiver from 7/1/93 to 1/1/94	(1,582,200)	(3,691,802)	(5,274,002)
Remove cost of implementation of provider tax			
Eliminate copayments			
- Drugs	159,500	467,400	626,900
Change personal needs allowance from \$30 (House) to \$40/month - nursing home patients	221,100	651,600	872,700
Eliminate limit on home health services (restore one-half of total funds)	226,000	662,150	888,150
Allow 7% increase in income levels retained for medically needy	<u>491,000</u>	<u>1,448,000</u>	<u>1,939,000</u>
Total grants changes	<u>\$ 98,649</u>	<u>\$(1,020,421)</u>	<u>\$ (921,772)</u>
Total changes Subdivision 4	\$ 131,165	\$ (980,263)	\$ (849,098)

DEPARTMENT 330 - VOCATIONAL REHABILITATION

CONFERENCE COMMITTEE - SUBDIVISION 5 - This amendment makes the following changes to the House version:

GENERAL FUND	OTHER FUNDS	TOTAL
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77th DAY

SATURDAY, APRIL 24, 1993

1895

Salaries and wages are adjusted to provide the legislative salary increase recommendation as contained in House Bill No. 1018	<u>\$ 9,279</u>	<u>\$13,919</u>	<u>\$23,198</u>
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The information services line item is adjusted:

To restore a portion of the House reduction in accordance with the provisions of House Bill No. 1018 (House cut \$119,253, \$39,904 from the general fund)	<u>\$ 3,875</u>	<u>\$ 5,585</u>	<u>\$ 9,460</u>
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Total changes Subdivision 5	\$13,154	\$19,504	\$32,658
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DEPARTMENT 331 - OFFICE OF FIELD SERVICES

CONFERENCE COMMITTEE - SUBDIVISION 6 - This amendment makes the following changes to the House version:

The salaries and wages line item is adjusted as follows:

	GENERAL FUND	OTHER FUNDS	TOTAL
To provide the legislative salary increase recommendation as contained in House Bill No. 1018	\$ 20,727	\$ 2,303	\$ 23,030
Psychology student internship	180,000	0	180,000
Add 1 FTE and federal funds for alcohol and drug cooperative education program	<u>0</u>	<u>68,472</u>	<u>68,472</u>
Subtotal	<u>\$ 200,727</u>	<u>\$ 70,775</u>	<u>\$ 271,502</u>

The information services line item is adjusted:

To restore a portion of the House reduction in accordance with the provisions of House Bill No. 1018 (House cut \$101,361, \$61,641 from the general fund)	<u>\$ 30,316</u>	<u>\$ 7,084</u>	<u>\$ 37,400</u>
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The operating expenses line item is adjusted as follows:

Restore House other funds reductions to operating expenses	<u>\$ 0</u>	<u>\$1,214,320</u>	<u>\$1,214,320</u>
A State Hospital downsizing funding pool line item is added	<u>\$2,000,000</u>	<u>\$ 0</u>	<u>\$2,000,000</u>

The grants line item is adjusted as follows:

Fund foster care and subsidized adoption grant inflation at 2%/2%	\$ 420,810	\$ 97,350	\$ 518,160
Increase senior citizens mill levy match from House level of \$1,332,000 to 1991-93 level of \$1,620,000, the increase is funded from the state aid distribution fund	0	288,000	288,000

1896

JOURNAL OF THE SENATE

77th DAY

Fund expanded SPED program proposed in HB 1030 (delay to September 1, 1994)	605,125	0	605,125
Increase SPED funding to a total of \$6,594,000, provide 5% county match January 1, 1994	1,059,935	(183,015)	876,920
Fully fund corporate guardianship	<u>142,978</u>	<u>0</u>	<u>142,978</u>
Total grants changes	<u>\$2,228,848</u>	<u>\$ 202,335</u>	<u>\$2,431,183</u>
Total changes Subdivision 6	\$4,459,891	\$1,494,514	\$5,954,405

DEPARTMENT 332 - HUMAN SERVICE CENTERS

CONFERENCE COMMITTEE - SUBDIVISION 7 - This amendment makes the following changes to the House version:

	GENERAL FUND	OTHER FUNDS	TOTAL
Salaries and wages are adjusted to provide the legislative salary increase recommendation as contained in House Bill No. 1018	<u>\$ 326,968</u>	<u>\$ 81,742</u>	<u>\$ 408,710</u>

Restore human service center funding:

Salaries and wages (46.5 FTEs)			\$ 4,413,432
Operating	<u> </u>	<u> </u>	<u>1,103,358</u>
Subtotal	<u>\$ 4,500,000</u>	<u>\$1,016,790</u>	<u>\$ 5,516,790</u>

The conference committee stated the department must, in changing Human Service center programs, use the document submitted to the committee on April 24, 1993, and seek Budget Section approval prior to any change in priorities.

The information services line item is also adjusted:

To restore a portion of the House reduction in accordance with the provisions of House Bill No. 1018 (House cut \$91,458, \$59,943 from the general fund plus \$300,000, \$196,500 from the general fund for telephone switch reductions) This amendment continues the \$300,000 reduction for telephone switch reductions	<u>\$ 29,481</u>	<u>\$ 5,621</u>	<u>\$ 35,102</u>
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The grants line item is adjusted as follows:

Remove grants for State Hospital downsizing	\$(15,000,000)	\$ 0	\$(15,000,000)
Fund psychosocial clubs at 100% of 1991-93 level (House funded at 90% of current general fund level)	107,942	(83,094)	24,848

77th DAY

SATURDAY, APRIL 24, 1993

1897

Add funds for clubhouse model in Grand Forks for second year of the biennium (House funded program at Minot)	<u>75,000</u>	<u>0</u>	<u>75,000</u>
Total grants changes	<u>\$(14,817,058)</u>	<u>\$(83,094)</u>	<u>\$(14,900,152)</u>
Total changes Subdivision 7	<u>\$ (9,960,609)</u>	<u>\$1,021,059</u>	<u>\$ (8,939,550)</u>

DEPARTMENT 333 - STATE HOSPITAL

CONFERENCE COMMITTEE - SUBDIVISION 8 - This amendment makes the following changes to the House version:

The salaries and wages line item is adjusted as follows:

	GENERAL FUND	OTHER FUNDS	TOTAL
To provide the legislative salary increase recommendation as contained in House Bill No. 1018	\$ 291,273	\$ 97,091	\$ 388,364
To restore funds to reduce salary vacancies savings from \$750,000 to \$625,000 authorized to use \$52,000 for psychiatric residency program	125,000	0	125,000
Provide funds for patient living skills program	<u>226,885</u>	<u>0</u>	<u>226,885</u>
Subtotal	<u>\$ 643,158</u>	<u>\$ 97,091</u>	<u>\$ 740,249</u>

The information services line item is adjusted:

To restore a portion of the House reduction in accordance with the provisions of House Bill No. 1018 (House cut \$87,747 from the general fund)	<u>\$ 43,155</u>	<u>\$ 0</u>	<u>\$ 43,155</u>
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The operating expenses line item is adjusted as follows:

Restoration of outside doctor and hospital services	\$ 200,000	\$ 0	\$ 200,000
Eliminate funds for the payment of indirect cost allocation to the Office of Management and Budget	<u>(98,956)</u>	<u>(143,202)</u>	<u>(242,158)</u>
Subtotal	<u>\$ 101,044</u>	<u>\$ (143,202)</u>	<u>\$ (42,158)</u>
The capital improvements line item is increased	<u>\$ 88,795</u>	<u>\$ 0</u>	<u>\$ 88,795</u>
Funding source change (use of a portion of \$15 million)	<u>\$12,000,000</u>	<u>\$(12,000,000)</u>	<u>\$ 0</u>
Total changes Subdivision 8	<u>\$12,876,152</u>	<u>\$(12,046,111)</u>	<u>\$ 830,041</u>

DEPARTMENT 334 - DEVELOPMENTAL CENTER

CONFERENCE COMMITTEE - SUBDIVISION 9 - This amendment makes the following changes to the House version:

-- The salaries and wages line item is adjusted as follows:

	GENERAL FUND	OTHER FUNDS	TOTAL
To provide the legislative salary increase recommendation as contained in House Bill No. 1018	\$127,313	\$297,064	\$424,377
Developmental Center - authorize 20 additional FTEs, no funding provided			
Add funds for early retirement incentives for early retirement options and extended health insurance benefits	<u>\$135,620</u>	<u>\$251,864</u>	<u>\$387,484</u>
Subtotal	<u>\$262,933</u>	<u>\$548,928</u>	<u>\$811,861</u>

The information services line item is adjusted:

To restore a portion of the House reduction in accordance with the provisions of House Bill No. 1018 (House cut \$41,081, \$14,427 from the general fund)	<u>\$ 7,095</u>	<u>\$ 4,754</u>	<u>\$ 11,849</u>
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The operating expenses line item is adjusted as follows:

Reduce funds for the payment of indirect cost allocation to the Office of Management and Budget (\$173,662 of other funds remain)	<u>\$(74,806)</u>	<u>\$ 0</u>	<u>\$(74,806)</u>
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Total changes Subdivision 9	\$195,222	\$553,682	\$748,904
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DEPARTMENT 335 - DEVELOPMENTAL DISABILITIES AND GOVERNOR'S COUNCILS

CONFERENCE COMMITTEE - SUBDIVISION 10 - This amendment makes the following changes to the House version:

	GENERAL FUND	OTHER FUNDS	TOTAL
Salaries and wages are adjusted to provide the legislative salary increase recommendation as contained in House Bill No. 1018	<u>\$ 0</u>	<u>\$ 2,120</u>	<u>\$ 2,120</u>

The information services line item is adjusted:

To restore a portion of the House reduction in accordance with with the provisions of House Bill No. 1018 (House cut \$520, \$440 from the general fund)	\$ 216	\$ 14	\$ 230
Total changes	<u>\$ 216</u>	<u>\$ 2,134</u>	<u>\$ 2,350</u>
Subdivision 10			
Separate section - carryover of lands and minerals trust fund moneys to Developmental Center	<u>\$ 0</u>	<u>\$ 200,000</u>	<u>\$ 200,000</u>
GRAND TOTAL BILL CHANGES	<u>\$7,660,973</u>	<u>\$(8,566,906)</u>	<u>\$ (905,933)</u>

SUMMARY OF DEPT OF HUMAN SERVICES FUNDING

	GENERAL FUND	OTHER FUNDS	TOTAL
Governor Schafer's budget	\$274,814,795	\$665,569,194	\$940,383,989
Governor Sinner's budget (original HB 1002)	\$243,847,697	\$717,390,750	\$961,238,447
House version (Engrossed HB 1002)	\$269,028,804	\$663,941,468	\$932,970,272
Senate version HB 1002	\$293,575,135	\$698,514,989	\$992,090,124
Conference committee version HB 1002	\$276,689,777	\$655,374,562	\$932,064,339

CONFERENCE COMMITTEE - This amendment:

Amends Section 16 of the bill to provide for a 5% county match of the SPED program.

Amends Chapter 561 of the 1991 Session Laws to allow the appropriation of \$200,000 from the lands and minerals trust fund for capital improvements at the Developmental Center to extend to June 30, 1995.

Merges Sections 6 and 14 of Engrossed House Bill No. 1002 and requires Budget Section approval of the transfers between Subdivisions 7, 8, and 9 of funds and employee positions to correlate those resources with the movement of institutional residents and human service center clients.

Provides legislative intent that community developmental disabilities providers provide, to the extent possible, employee salary increases each year of the 1993-95 biennium, similar to state employee salary increases.

Provides for the transfer of \$288,000 from the state aid distribution fund to be used by the Department of Human Services to fund a portion of the senior citizens mill levy match program. A total of \$1,332,000 from the general fund was provided by the House. This additional amount provides a total of \$1,620,000 for the program, the same as the 1991-93 level.

Provides for a Department of Human Services study of a funding formula for the human service center and reporting to the Legislative Council.

Requires the Department of Human Services to develop a management information system to provide information regarding the utilization of the SPED program.

Provides for expansion of certificate of need for long-term care facilities and removing the exemption for state-funded facilities from certificate of need.

Provides an emergency clause on the sections related to certificate of need.

Provides for the statutory provisions of House Bill No. 1030 related to expanded SPED. Basic care and expanded SPED statutory provisions effective January 1, 1995, as is the repeal of Section 50-01-09.2 related to general assistance.

Allows the Developmental Center to rent or lease facilities.

Provides a statement of legislative intent regarding a possible deficiency at the State Hospital.

Amends Sections 14-09-08.4 and 14-09-08.8, relating to compliance with federal law regarding child support orders.

Amends 1993 House Bill No. 1274, relating to return on investment for for-profit developmental disabilities facilities, to provide the bill will expire on June 30, 1995.

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

REPORT OF CONFERENCE COMMITTEE

SEN. MUSHIK MOVED that the conference committee report on Engrossed HB 1002 be adopted, which motion prevailed.

Engrossed HB 1002, as amended, was placed on the Fourteenth order.

SECOND READING OF HOUSE BILL

HB 1002: A BILL for an Act to provide an appropriation for defraying the expenses of the department of human services, an appropriation from the lands and minerals trust fund to the common schools trust fund, an appropriation from the revolving loan fund maintained in the Bank of North Dakota, and an appropriation from the state aid distribution fund; to provide for the transfer of appropriations between agencies and institutions and to require budget section approval of alternative programs at the state hospital; to create and enact a new subsection to section 23-01-03, a new subsection to section 23-17.2-02, a new subsection to section 50-06-05.1, a new section to chapter 50-06.2, and a new chapter to title 50 of the North Dakota Century Code, relating to the duties of the North Dakota health council, to the definition of long-term care facility, to the certificate of need program, to the lease of developmental center facilities or properties, to payment of services by county and state matching funds, and to aid to aged, blind, and disabled persons; to create and enact section 2 to House Bill No. 1274 as approved by the fifty-third legislative assembly, relating to residential care and services for the developmentally disabled and to provide an expiration date for that Act; to amend and reenact subsection 4 of section 14-09-08.4, section 14-09-08.8, subsection 7 of section 23-17.2-02, sections 23-17.2-03, and 50-01-01 of the North Dakota Century Code and section 4 of chapter 561 of the 1991 Session Laws of North Dakota, relating to amendment of support orders to meet the medical needs of children, to the definition of health care facility, to the scope of the certificate of need program, to state assistance for county poor relief costs, to matching funds for senior citizen services, and to extending an appropriation for the developmental center; to repeal sections 50-01-09.2 and 50-06-14.2 of the North Dakota Century Code, relating to state assistance for county poor relief costs and to rates payable to basic care facilities to provide for a review of the clubhouse project; to provide legislative intent regarding developmentally disabled provider salary increases,

senior citizens mill levy match funding, a legislative council study of human service center funding formula, and establishment of a management information system for service payments for elderly and disabled by the department; to require the department of human services to develop basic care ratesetting methodology; to provide legislative intent regarding state hospital income; to provide an effective date; and to declare an emergency.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 46 YEAS, 3 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Andrist; Bowman; DeMers; Dotzenrod; Evanson; Freborg; Goetz; Graba; Grindberg; Heinrich; Holmberg; Jerome; Keller; Kelly; Kelsh; Kinnoin; Krauter; Krebsbach; Langley; Lindaas; Lindgren; Lips; Marks; Mathern; Maxson; Mushik; Mutch; Naaden; Nalewaja; Nelson; Nething; O'Connell; Redlin; Robinson; Scherber; Schoenwald; Stenehjem, B.; Stenehjem, W.; Tallackson; Tennefos; Thane; Tomac; Traynor; Urlacher; Wogsland; Yockim

NAYS: Sand; Solberg; Streibel

HB 1002 passed, the title was agreed to, and the emergency clause was declared carried.

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

MR. SPEAKER: The Senate has adopted the conference committee report on SB 2021, subsequently passed, and the emergency clause carried.

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

MR. SPEAKER: The Senate has adopted the conference committee report on HB 1005, subsequently passed, and the emergency clause carried.

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

MADAM PRESIDENT: The House has concurred in the Senate amendments and subsequently passed: HB 1516.

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

MR. SPEAKER: The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried on HB 1002.

MOTION

SEN. MATHERN MOVED that the Senate stand in recess until 11:25 p.m., which motion prevailed.

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

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

MADAM PRESIDENT: The House has adopted the conference committee report on HB 1002, subsequently passed, and the emergency clause carried.

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

MADAM PRESIDENT: The House has adopted the conference committee report and subsequently passed: SB 2200.

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

MADAM PRESIDENT: The Speaker has signed and your signature is respectfully requested on: HB 1007, HB 1016, HB 1416.

MOTION

SEN. MATHERN MOVED that the Conference Committee on SB 2011, be dissolved and that the Senate does concur to the House amendments, which motion prevailed.

SECOND READING OF SENATE BILL

SB 2011: A BILL for an Act to provide an appropriation for defraying the expenses of the state fair association.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 47 YEAS, 1 NAY, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Andrist; Bowman; DeMers; Dotzenrod; Evanson; Freborg; Goetz; Graba; Grindberg; Heinrich; Holmberg; Jerome; Keller; Kelly; Kelsh; Kinnoin; Krauter; Krebsbach; Langley; Lindaas; Lindgren; Lips; Marks; Mathern; Mushik; Mutch; Naaden; Nalewaja; Nelson; Nething; O'Connell; Redlin; Robinson; Sand; Scherber; Schoenwald; Solberg; Stenehjem, B.; Stenehjem, W.; Streibel; Tallackson; Tennefos; Thane; Tomac; Traynor; Urlacher; Wogsland

NAYS: Maxson

ABSENT AND NOT VOTING: Yockim

SB 2011 passed and the title was agreed to.

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

MR. SPEAKER: The Senate has dissolved the Senate Conference Committee on SB 2011 and the Senate does concur to the House amendments on SB 2011.

FIRST READING OF HOUSE CONCURRENT RESOLUTION

HCR 3071: A concurrent resolution inviting the members of the North Dakota Congressional Delegation to attend a joint session of the North Dakota Legislative Assembly to discuss problems related to unfunded federal mandates and new burdens that have been imposed on the state by the federal government.

Was read the first time.

MOTION

SEN. MATHERN MOVED that the rules be suspended, that HCR 3071 not be printed, not be referred to committee, but be read in its entirety, be printed in the Journal, and placed on the calendar for second reading and final passage, which motion prevailed.

Reps. Kretschmar, Freier, Wald and Sens. Krebsbach, Goetz, Nething introduced:

(Approved by the Delayed Bills Committee)

HOUSE CONCURRENT RESOLUTION NO. 3071

A concurrent resolution inviting the members of the North Dakota Congressional Delegation to attend a joint session of the North Dakota Legislative Assembly to discuss problems related to unfunded federal mandates and new burdens that have been imposed on the state by the federal government.

WHEREAS, the number of unfunded federal mandates imposed upon states by the United States Congress has grown in recent years; and

WHEREAS, imposition of unfunded federal mandates places states in the position of either attempting to fund federal requirements with diminishing amounts of available revenue or jeopardizing eligibility for certain federal funds; and

WHEREAS, states and the United States Congress should engage in earnest discussions regarding the difficulties faced by states and the necessity of

states to receive monetary assistance for compliance with mandates or relief from enforcement of unfunded mandates; and

WHEREAS, the members of the North Dakota Legislative Assembly desire to personally communicate with the North Dakota Congressional Delegation concerning this critical problem so that our Congressional Delegation is cognizant of the effect the actions of the federal government have on the state and more sensitive to the difficulties created by unfunded federal mandates;

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF NORTH DAKOTA, THE SENATE CONCURRING THEREIN:

That the Fifty-third Legislative Assembly respectfully invites Senator Conrad, Senator Dorgan, and Representative Pomeroy to appear before a joint session of the North Dakota Legislative Assembly to discuss the problems related to unfunded federal mandates and new burdens that have been imposed on the state by the federal government; and

BE IT FURTHER RESOLVED, that the Secretary of State forward copies of this resolution to each member of the North Dakota Congressional Delegation and advise them of our hopeful anticipation of their acceptance.

SECOND READING OF HOUSE CONCURRENT RESOLUTION

HCR 3071: A concurrent resolution inviting the members of the North Dakota Congressional Delegation to attend a joint session of the North Dakota Legislative Assembly to discuss problems related to unfunded federal mandates and new burdens that have been imposed on the state by the federal government.

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

HCR 3071 was declared lost on a voice vote.

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

MR. SPEAKER: The Senate has failed to pass: HCR 3071.

MOTIONS

SEN. MATHERN MOVED that the President appoint a committee of three to notify the House that the Senate has completed its business and is about to adjourn sine die, which motion prevailed.

THE PRESIDENT APPOINTED as such committee: Sens. O'Connell, DeMers, Mutch.

SEN. MATHERN MOVED that the President appoint a committee of three to notify the Governor that the Senate has completed its business and is about to adjourn sine die, which motion prevailed.

THE PRESIDENT APPOINTED as such committee: Sens. Redlin, Scherber, Freborg.

ANNOUNCEMENT

SEN. O'CONNELL ANNOUNCED that the committee appointed to inform the House that the Senate has completed its business and is about to adjourn sine die, has completed its task, and requests that the committee be discharged.

ANNOUNCEMENT

SEN. REDLIN ANNOUNCED that the committee appointed to inform the Governor that the Senate has completed its business and is about to adjourn sine die, has completed its task, and requests that the committee be discharged.

A committee from the House was received and announced that the House had completed its business and was ready to adjourn sine die.

MOTION

SEN. MATHERN MOVED that the Senate be on the Fourth order of business, and at the conclusion of the Fourth order, the Senate be on the Twelfth order of business, and at the conclusion of the Twelfth order, the Senate be on the Fifteenth order of business, and at the conclusion of the Fifteenth order, the Senate be on the Sixteenth order of business, and at the conclusion of the Sixteenth order, the Senate stand adjourned sine die.

SIGNING OF BILLS AND RESOLUTIONS

The President signed the following enrolled bills: SB 2024, SB 2108.

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

MR. SPEAKER: The President has signed and your signature is respectfully requested on: SB 2024, SB 2108.

SIGNING OF BILLS AND RESOLUTIONS

The President signed the following enrolled bills: HB 1001, HB 1011, HB 1012, HB 1013, HB 1015, HB 1018, HB 1065, HB 1219, HB 1504, HB 1511.

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

MR. SPEAKER: The President has signed: HB 1001, HB 1011, HB 1012, HB 1013, HB 1015, HB 1018, HB 1065, HB 1219, HB 1504, HB 1511.

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following bills were delivered to the Governor for his approval at the hour of 9:22 a.m., April 27, 1993: SB 2002, SB 2005, SB 2040.

SIGNING OF BILLS AND RESOLUTIONS

The President signed the following enrolled bills: SB 2011, SB 2021, SB 2200.

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

MR. SPEAKER: The President has signed and your signature is respectfully requested on: SB 2011, SB 2021, SB 2200.

SIGNING OF BILLS AND RESOLUTIONS

The President signed the following enrolled bills: HB 1007, HB 1016, HB 1416.

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

MR. SPEAKER: The President has signed: HB 1007, HB 1016, HB 1416.

SIGNING OF BILLS AND RESOLUTIONS

The President signed the following enrolled bills: SB 2022, SB 2418.

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

MR. SPEAKER: The President has signed and your signature is respectfully requested on: SB 2022, SB 2418.

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

MADAM PRESIDENT: The Speaker has signed: SB 2004, SB 2006, SB 2007, SB 2008, SB 2010, SB 2013, SB 2015, SB 2016, SB 2019, SB 2384, SB 2403, SB 2448, SB 2542, SCR 4038.

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

MADAM PRESIDENT: The Speaker has signed: SB 2011, SB 2021, SB 2022, SB 2024, SB 2108, SB 2200, SB 2418.

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

MADAM PRESIDENT: The Speaker has signed and your signature is respectfully requested on: HB 1002, HB 1003, HB 1005, HB 1008, HB 1020, HB 1399, HB 1413, HB 1514, HB 1516, HCR 3072.

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

MADAM PRESIDENT: The Speaker has signed and your signature is respectfully

requested on: HB 1004, HB 1006, HB 1010, HB 1014, HB 1017, HB 1038, HB 1136, HB 1155, HB 1212, HB 1389, HB 1391, HB 1518, HB 1519.

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

MADAM PRESIDENT: The Speaker has signed: SB 2001, SB 2009, SB 2012, SB 2014, SB 2017, SB 2018, SB 2020, SB 2174.

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following bills were delivered to the Governor for his approval at the hour of 3:19 p.m., April 27, 1993: SB 2004, SB 2006, SB 2007, SB 2008, SB 2010, SB 2013, SB 2015, SB 2016, SB 2019, SB 2384, SB 2403, SB 2448, SB 2542.

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following bills were delivered to the Governor for his approval at the hour of 3:36 p.m., April 27, 1993: SB 2011, SB 2021, SB 2022, SB 2024, SB 2108, SB 2200, SB 2418.

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following bills were delivered to the Governor for his approval at the hour of 3:36 p.m., April 27, 1993: SB 2001, SB 2009, SB 2012, SB 2014, SB 2017, SB 2018, SB 2020, SB 2174.

SIGNING OF BILLS AND RESOLUTIONS

The President signed the following enrolled bills and resolution: HB 1002, HB 1003, HB 1005, HB 1008, HB 1020, HB 1399, HB 1413, HB 1514, HB 1516, HCR 3072.

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

MR. SPEAKER: The President has signed: HB 1002, HB 1003, HB 1005, HB 1008, HB 1020, HB 1399, HB 1413, HB 1514, HB 1516, HCR 3072.

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following resolution was delivered to the Secretary of State for his filing at the hour of 3:19 p.m., April 27, 1993: SCR 4038.

SIGNING OF BILLS AND RESOLUTIONS

The President signed the following enrolled bills: HB 1004, HB 1006, HB 1010, HB 1014, HB 1017, HB 1038, HB 1136, HB 1155, HB 1212, HB 1389, HB 1391, HB 1518, HB 1519.

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

MR. SPEAKER: The President has signed: HB 1004, HB 1006, HB 1010, HB 1014, HB 1017, HB 1038, HB 1136, HB 1155, HB 1212, HB 1389, HB 1391, HB 1518, HB 1519.

Pursuant to Senator Mathern's motion, the Senate adjourned sine die.

CAROL SIEGERT, Secretary