

## JOURNAL OF THE HOUSE

## Fifty-fifth Legislative Assembly

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Bismarck, April 10, 1997

The House convened at 9:00 a.m., with Speaker Timm presiding.

The prayer was offered by Representative Olson.

The roll was called and all members were present except Representatives Berg, Gorder, Kliniske, and Kunkel.

A quorum was declared by the Speaker.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM C. PARKER, SECRETARY)**  
**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: HB 1003, HB 1004, HB 1010, HB 1022, HB 1023, HB 1024, HB 1035, HB 1359.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM C. PARKER, SECRETARY)**  
**MR. SPEAKER:** The Senate has adopted the conference committee report on HB 1025.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM C. PARKER, SECRETARY)**  
**MR. SPEAKER:** The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1013.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM C. PARKER, SECRETARY)**  
**MR. SPEAKER:** The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1168.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM C. PARKER, SECRETARY)**  
**MR. SPEAKER:** The President has signed: HB 1006, HB 1008, HB 1017, HB 1034, HB 1112, HB 1116, HB 1167, HB 1337, HB 1453, HB 1482, HCR 3025.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM C. PARKER, SECRETARY)**  
**MR. SPEAKER:** The President has signed and your signature is respectfully requested on: SB 2012, SB 2014, SB 2015, SB 2030, SB 2132, SB 2153.

**REPORT OF CONFERENCE COMMITTEE**

**REP. MARAGOS MOVED** that the conference committee report on HB 1297 be adopted, which motion prevailed.

HB 1297, as amended, was placed on the Eleventh order of business on the calendar.

**SECOND READING OF HOUSE BILL**

**HB 1297:** A BILL for an Act to amend and reenact subsection 1 of section 32-03.2-11 of the North Dakota Century Code, relating to exemplary damages; and to provide for application.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 93 YEAS, 0 NAYS, 0 EXCUSED, 4 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Axtman; Belter; Bernstein; Boehm; Boucher; Brandenburg; Brown; Brusegaard; Byerly; Callahan; Carlisle; Carlson; Christenson; Christopherson; Clark; Coats; Dalrymple; DeKrey; Delmore; Delzer; Devlin; Dorso; Drovdal; Fairfield; Freier; Froseth; Galvin; Gernholz; Glassheim; Grande; Grosz; Grumbo; Gulleson; Gunter; Hanson; Hausauer; Hawken; Henegar; Huether; Jacobs; Jensen; Johnsen, C.; Johnson, D.; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kilzer; Klein; Koppelman; Kretschmar; Kroepelin; Lloyd; Mahoney; Maragos; Martinson; Mickelson; Monson; Murphy; Nelson; Nicholas; Nichols; Niemeier; Nottestad; Oban; Olson; Poolman; Price; Renner; Rennerfeldt; Rose; Sabby; Sandvig; Schmidt; Skarphol; Soukup; Stenehjem; Svedjan; Sveen; Thompson; Thoreson; Thorpe; Tollefson; Torgerson; Wald; Wardner; Warner; Weisz; Wentz; Wilkie; Speaker Timm

**ABSENT AND NOT VOTING:** Berg; Gorder; Kliniske; Kunkel

HB 1297, as amended, passed and the title was agreed to.

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#### REPORT OF CONFERENCE COMMITTEE

**REP. NICHOLAS MOVED** that the conference committee report on Engrossed SB 2324 be adopted, which motion prevailed.

Engrossed SB 2324, as amended, was placed on the Fourteenth order of business on the calendar.

#### SECOND READING OF SENATE BILL

**SB 2324:** A BILL for an Act to amend and reenact sections 35-30-01, 35-30-02, 35-31-01, and 35-31-02 of the North Dakota Century Code, relating to the filing of agricultural processor's liens and agricultural supplier's liens.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 80 YEAS, 12 NAYS, 0 EXCUSED, 5 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Axtman; Belter; Bernstein; Boucher; Brandenburg; Brusegaard; Byerly; Callahan; Carlisle; Christenson; Christopherson; Clark; Coats; Dalrymple; DeKrey; Delmore; Devlin; Dorso; Fairfield; Freier; Froseth; Galvin; Gerntholz; Glassheim; Grumbo; Gulleston; Gunter; Hanson; Hausauer; Hawken; Henegar; Huether; Jacobs; Jensen; Johnsen, C.; Johnson, D.; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kilzer; Klein; Koppelman; Kretschmar; Lloyd; Mahoney; Maragos; Martinson; Mickelson; Monson; Murphy; Nelson; Nicholas; Niemeier; Nottestad; Oban; Poolman; Renner; Rennerfeldt; Rose; Sabby; Sandvig; Schmidt; Soukup; Stenehjem; Svedjan; Sveen; Thompson; Thoreson; Thorpe; Tollefson; Torgerson; Wald; Wardner; Warner; Weisz; Wentz; Speaker Timm

**NAYS:** Boehm; Brown; Carlson; Delzer; Drovdal; Grande; Grosz; Kroepelin; Nichols; Olson; Skarphol; Wilkie

**ABSENT AND NOT VOTING:** Berg; Gorder; Kliniske; Kunkel; Price

Engrossed SB 2324, as amended, passed and the title was agreed to.

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#### REPORT OF CONFERENCE COMMITTEE

**REP. RENNERFELDT MOVED** that the conference committee report on Engrossed SB 2353 be adopted, which motion prevailed on a verification vote.

Engrossed SB 2353, as amended, was placed on the Fourteenth order of business on the calendar.

#### SECOND READING OF SENATE BILL

**SB 2353:** A BILL for an Act to create and enact two new sections to chapter 57-40.6 and a new subsection to section 57-40.6-08 of the North Dakota Century Code, relating to a wireless 911 service fee, liability of telecommunications providers, and an emergency services communication system advisory committee for 911; and to amend and reenact sections 57-40.6-01, 57-40.6-05, and 57-40.6-06 of the North Dakota Century Code, relating to wireless 911 telephone service definitions.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 39 YEAS, 53 NAYS, 0 EXCUSED, 5 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Boucher; Brandenburg; Callahan; Carlisle; Christenson; Coats; Delmore; Devlin; Drovdal; Fairfield; Froseth; Glassheim; Grumbo; Gulleston; Hanson; Hausauer; Henegar; Huether; Jacobs; Kelsh, S.; Kempenich; Kerzman; Kretschmar; Kroepelin; Maragos; Nichols; Niemeier; Oban; Rose; Sandvig; Schmidt; Sveen; Wald; Wardner; Warner; Weisz; Wentz; Wilkie

**NAYS:** Axtman; Belter; Bernstein; Boehm; Brown; Brusegaard; Byerly; Carlson; Christopherson; Clark; Dalrymple; DeKrey; Delzer; Dorso; Freier; Galvin; Gerntholz; Grande; Grosz; Gunter; Hawken; Jensen; Johnsen, C.; Johnson, D.; Keiser; Kelsch, R.; Kilzer; Klein; Koppelman; Lloyd; Mahoney; Martinson; Mickelson; Monson; Murphy; Nelson; Nicholas; Nottestad; Olson; Poolman; Price; Renner; Rennerfeldt; Sabby;

Skarphol; Soukup; Stenehjerm; Svedjan; Thoreson; Thorpe; Tollefson; Torgerson;  
Speaker Timm

**ABSENT AND NOT VOTING:** Berg; Gorder; Kliniske; Kunkel; Thompson

Engrossed SB 2353, as amended, was declared lost.

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#### MOTION

**REP. FREIER MOVED** that the House be on the Seventh, Twelfth, and Sixteenth orders of business and at the conclusion of those orders, the House stand in recess until 1:00 p.m., which motion prevailed.

#### MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM C. PARKER, SECRETARY)

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: SB 2002, SB 2043, SB 2214.

#### MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM C. PARKER, SECRETARY)

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: SB 2396.

#### DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following bills were delivered to the Governor for his approval at the hour of 9:45 a.m., April 10, 1997: HB 1006, HB 1008, HB 1017, HB 1034, HB 1112, HB 1116, HB 1167, HB 1337, HB 1453, HB 1482.

#### MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM C. PARKER, SECRETARY)

**MR. SPEAKER:** The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2017.

#### REPORT OF CONFERENCE COMMITTEE

**SB 2002, as engrossed:** Your conference committee (Sens. Goetz, Lips, Tallackson and Reps. Byerly, Gerntholz, Oban) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1004-1012, adopt amendments as follows, and place SB 2002 on the Seventh order:

That the House recede from its amendments as printed on pages 1004-1012 of the Senate Journal and pages 1109-1117 of the House Journal and that Engrossed Senate Bill No. 2002 be amended as follows:

Page 1, line 3, replace the first "and" with "to declare legislative intent;"; after "sections" insert "11-10-02, 11-17-04,"; replace the third "and" with a comma, and after "27-05-03" insert ", 27-11-17, 27-11-22, and 27-12-04"

Page 1, line 4, after "to" insert "the consolidation of the positions of register of deeds and clerk of district court, fees charged by the clerk of district court," and after "judges" insert ", and attorney license fees; and to provide an effective date"

Page 1, line 14, replace "4,721,870" with "4,644,087"

Page 1, line 15, replace "1,511,006" with "1,490,790"

Page 1, line 19, replace "6,722,981" with "6,624,982"

Page 1, line 21, replace "6,714,018" with "6,616,019"

Page 2, line 2, replace "8,132,820" with "7,906,299"

Page 2, after line 2, insert:

"Clerk of court consolidation funding 100,000"

Page 2, line 5, replace "31,265,142" with "31,138,621"

Page 2, line 7, replace "30,881,053" with "30,754,532"

Page 2, after line 7, insert:

"Subdivision 3."

Page 2, line 9, replace "Salaries and wages" with "Judicial conduct commission and disciplinary board" and replace "394,078" with "460,000"

Page 2, remove lines 10 and 11

Page 2, line 12, replace "523,629" with "460,000"

Page 2, line 13, replace "72,000" with "225,000"

Page 2, line 14, replace "451,629" with "235,000"

Page 2, line 15, replace "38,046,700" with "37,605,551"

Page 2, line 16, replace "465,052" with "618,052"

Page 2, line 17, replace "38,511,752" with "38,223,603"

Page 3, replace lines 1 through 3 with:

**"SECTION 5. COURT AUTOMATION RESTRICTED.** The supreme court and the district courts may not require any county to spend county funds on computer equipment relating to the automation of the court system.

**SECTION 6. LEGISLATIVE INTENT.** It is the intent of the fifty-fifth legislative assembly that counties use the provisions of chapters 11-10.2, 11-10.3, and 54-40.3 to combine or share the services of clerks of district court and that the judicial branch budget for the 1999-2001 biennium and future bienniums include funding necessary to efficiently fund administration of the district courts.

**SECTION 7. AMENDMENT.** Section 11-10-02 of the North Dakota Century Code is amended and reenacted as follows:

**11-10-02. Number and election of county officers.** Each organized county, unless it has adopted one of the optional forms of county government provided by the code or has combined or separated the functions of county offices or redesignated offices as elective or appointive pursuant to chapter 11-10.2 or 11-10.3, must have the following officers:

1. One county auditor.
2. One register of deeds ~~in counties having a population of more than six thousand.~~
3. One clerk of the district court, except as otherwise provided by this section.
4. One state's attorney.
5. One sheriff.
6. One county treasurer.
7. One coroner.
8. ~~Repealed by S.L. 1989, ch. 137, § 10, effective January 1, 1993.~~
9. A board of county commissioners consisting of three or five members as provided in this title.

In counties having a population of six thousand or less, the register of deeds shall perform the functions of the clerk of the district court ~~must be the register of deeds,~~ unless the board of county commissioners adopts a resolution separating the offices no less than thirty days before petitions for nomination to county offices may first be filed for the primary election. In a county having a population of more than six thousand, the offices of clerk of district court and register of deeds may be combined into an office of register of deeds if the board of county commissioners, following consultation with the supreme court, adopts a resolution combining the offices no less than thirty days before petitions for nominations to county offices may first be filed for the primary election. For a county ~~which that~~ has properly initiated the option ~~and it is funded by the legislative assembly~~ pursuant to section 11-17-11, and the office of the clerk of court is funded by

the legislative assembly, the board of county commissioners may provide for the functions of the register of deeds' services in any appropriate manner deeds, which may include functions of the clerk of district court and other functions as determined by the board of county commissioners. Counties having a population of six thousand or less and exercising the option provided in section 11-17-11 may contract with the state court administrator for the provision of shared funding for register of deeds' services. The required officers must be chosen by the qualified electors of the respective counties at the general election in each even-numbered year, except the register of deeds, county auditor, treasurer, sheriff, state's attorney, and clerk of the district court, who must be chosen in 1966 and every four years thereafter, the members of the board of county commissioners, who must be chosen in the manner prescribed in section 11-11-02, and the county coroner, who must be chosen in the manner prescribed in section 11-19.1-03. The clerk of district court elected pursuant to this section is not subject to election in any future general election that occurs after the start of the state biennium after the county has properly initiated the option and the legislative assembly has provided appropriations pursuant to section 11-17-11.

**SECTION 8. AMENDMENT.** Section 11-17-04 of the North Dakota Century Code is amended and reenacted as follows:

**11-17-04. Fees to be charged by the clerk of the district court.**

1. The clerk of the district court shall charge and collect the following fees in civil cases:
  - a. For filing a case for decision that is not a small claims action, eighty dollars.
    - (1) ~~Ten~~ Fifteen dollars of this fee must be paid by the clerk of court to the state treasurer for deposit in the civil legal services fund. Any fees collected under this paragraph which exceed \$400,000 in any biennium must be paid by the clerk of court to the state treasurer for deposit in the state general fund.
    - (2) For the filing of a petition for dissolution of marriage, annulment, or separation from bed and board, fifty dollars of this fee must be paid by the clerk of court to the state treasurer for deposit in the displaced homemaker account created by section 14-06.1-14.
    - (3) For all other filings, ~~fifty~~ forty-five dollars of this fee must be paid by the clerk of court to the state treasurer for deposit in the state general fund.
  - b. For filing an answer to a case that is not a small claims action, fifty dollars. The clerk shall deposit this fee with the state treasurer for deposit in the general fund in the state treasury.
  - c. For filing a small claims action in district court, ten dollars.
  - d. For filing any matter authorized to be filed in the office of the clerk of court other than under subdivision a, b, or c, five dollars.
  - e. For preparing, certifying, issuing, or transmitting any document, five dollars; or such lesser fee as may be set by a schedule to be promulgated by the state court administrator.
  - f. For filing a motion or an answer to a motion to modify an order for alimony, property division, child support, or child custody, thirty dollars. The clerk shall deposit this fee with the state treasurer for deposit in the general fund of the state treasury.
2. Section 27-01-07 applies to fees charged under this section. The clerk of court may not charge or collect any fee, prescribed by this or any other section, from the state or an agency thereof or from a political subdivision or agency thereof.

**SECTION 9. AMENDMENT.** Section 11-17-04 of the North Dakota Century Code as amended by section 8 of this Act is amended and reenacted as follows:

**11-17-04. Fees to be charged by the clerk of the district court.**

1. The clerk of the district court shall charge and collect the following fees in civil cases:
  - a. For filing a case for decision that is not a small claims action, eighty dollars.
    - (1) Fifteen dollars of this fee must be paid by the clerk of court to the state treasurer for deposit in the civil legal services fund. Any fees collected under this paragraph which exceed \$400,000 in any biennium must be paid by the clerk of court to the state treasurer for deposit in the state general fund.
    - (2) For the filing of a petition for dissolution of marriage, annulment, or separation from bed and board, fifty dollars of this fee must be paid by the clerk of court to the state treasurer for deposit in the displaced homemaker account created by section 14-06.1-14 and fifteen dollars of this fee must be paid by the clerk of court to the state treasurer for deposit in the state general fund.
    - (3) For all other filings, ~~forty-five~~ sixty-five dollars of this fee must be paid by the clerk of court to the state treasurer for deposit in the state general fund.
  - b. For filing an answer to a case that is not a small claims action, fifty dollars. The clerk shall deposit this fee with the state treasurer for deposit in the general fund in the state treasury.
  - c. For filing a small claims action in district court, ten dollars.
  - d. For filing any matter authorized to be filed in the office of the clerk of court other than under subdivision a, b, or c, five dollars.
  - e. For preparing, certifying, issuing, or transmitting any document, five dollars; or such lesser fee as may be set by a schedule to be promulgated by the state court administrator.
  - f. For filing a motion or an answer to a motion to modify an order for alimony, property division, child support, or child custody, thirty dollars. The clerk shall deposit this fee with the state treasurer for deposit in the general fund of the state treasury.
2. Section 27-01-07 applies to fees charged under this section. The clerk of court may not charge or collect any fee, prescribed by this or any other section, from the state or an agency thereof or from a political subdivision or agency thereof."

Page 3, after line 24, insert:

**"SECTION 12. AMENDMENT.** Section 27-11-17 of the North Dakota Century Code is amended and reenacted as follows:

**27-11-17. Fee payable by all applicants for admission to bar - Disposition of fees.** The state bar board ~~shall~~ is entitled to receive a fee to be determined ~~from time to time~~ by the state bar board with the approval of the supreme court of an amount not to exceed one hundred fifty dollars from each applicant for admission to the bar of this state who submits to examination by the state bar board and ~~shall receive~~ a fee to be determined ~~from time to time~~ by the state bar board with the approval of the supreme court of an amount not to exceed ~~two~~ four hundred dollars from each applicant for admission to the bar of this state who seeks admission upon motion in accordance with state law or supreme court rule. All ~~such~~ fees received must be deposited and disbursed in accordance with section 54-44-12.

**SECTION 13. AMENDMENT.** Section 27-11-22 of the North Dakota Century Code is amended and reenacted as follows:

**27-11-22. Annual licenses to practice law and to serve on certain courts - Requirement - Issuance - Fees.** Every person who has an unrevoked certificate of

admission to the bar of this state and who desires to engage in the practice of law, or who is to serve as a judge of a court of record, shall secure an annual license from the state bar board on or before January first of each year. The secretary-treasurer of the board shall issue the license upon compliance with the rules adopted or approved by the supreme court to assure the professional competence of attorneys, and upon payment of a fee established by the state bar association at its annual meeting, by a majority vote of its members in attendance at the meeting, not to exceed ~~two~~ four hundred ~~five~~ fifty dollars. The license is valid for the calendar year for which it is issued. Issuance of an annual license to practice law may not be conditioned upon payment of any surcharge, assessment, or fee in excess of the maximum fee established by this section. This section does not prohibit imposition of a reasonable fee for filing and processing reports of compliance with continuing education requirements.

**SECTION 14. AMENDMENT.** Section 27-12-04 of the North Dakota Century Code is amended and reenacted as follows:

**27-12-04. Moneys payable from state bar fund to state bar association.**

The state bar association of North Dakota, out of the state bar fund, ~~annually shall~~ must receive ~~eighty~~, for operation of the lawyer discipline system, fifty dollars of each license fee beginning January 1, 1998, and seventy-five dollars of each license fee beginning January 1, 1999. Eighty percent of the remaining amount of the annual license fees paid by licensed members, must be paid to the state bar association for the purpose of ~~paying for the printing administering and distribution of the annual report and proceedings of said~~ operating the association and for the payment of other necessary expenses of the association. ~~Such sum~~ These sums must be paid quarterly to the association by the state bar board upon vouchers drawn in accordance with section 54-44-12.

**SECTION 15. EFFECTIVE DATE.** Section 9 of this Act becomes effective on April 1, 1999."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

DEPARTMENT 180 - JUDICIAL BRANCH

CONFERENCE COMMITTEE - This amendment makes the following changes:

Supreme Court changes:

	ENGROSSED BILL	REMOVE RISK MANAGEMENT PREMIUMS	REMOVE NEW .5 FTE COMPUTER PROGRAMMER	REMOVE EXISTING .5 FTE COMPUTER PROGRAMMER	TOTAL CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	CONFERENCE COMMITTEE INCREASE (DECREASE) TO HOUSE VERSION
Salaries and wages	\$4,721,870		\$(35,260)	\$(42,523)	\$(77,783)	\$4,644,087	\$4,644,087	
Operating expenses	1,511,006	\$(20,216)			(20,216)	1,490,790	1,490,790	
Equipment	132,700					132,700	132,700	
Judges retirement	337,405					337,405	337,405	
Dispute resolution options	<u>20,000</u>					<u>20,000</u>	<u>20,000</u>	
Total all funds	\$6,722,981	\$(20,216)	\$(35,260)	\$(42,523)	\$(97,999)	\$6,624,982	\$6,624,982	\$ 0
Less estimated income	<u>8,963</u>					<u>8,963</u>	<u>8,963</u>	
General fund	\$6,714,018	\$(20,216)	\$(35,260)	\$(42,523)	\$(97,999)	\$6,616,019	\$6,616,019	\$ 0
FTE	45.50		(0.50)	(0.50)	(1.00)	44.50	44.50	0.00

District court changes:

	ENGGROSSED BILL	REMOVE RISK MANAGEMENT PREMIUMS	DECREASE INDIGENT DEFENSE COSTS	ADD FUNDING FOR CLERK OF COURT CONSOLIDATION	TOTAL CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	CONFERENCE COMMITTEE INCREASE (DECREASE) TO HOUSE VERSION
Salaries and wages	\$21,518,136					\$21,518,136	\$21,518,136	
Operating expenses	8,132,820	\$(81,734)	\$(144,787)	\$100,000	\$(226,521)	7,906,299	7,851,086	\$ 55,213
Clerk of court consolidation					100,000	100,000		100,000
Equipment	654,954					654,954	654,954	
Judges retirement	959,232					959,232	959,232	
Total all funds	\$31,265,142	\$(81,734)	\$(144,787)	\$100,000	\$(126,521)	\$31,138,621	\$30,983,408	\$155,213
Less estimated income	384,089					384,089	384,089	
General fund	\$30,881,053	\$(81,734)	\$(144,787)	\$100,000	\$(126,521)	\$30,754,532	\$30,599,319	\$155,213
FTE	190.50				0.00	190.50	190.50	0.00

Judicial Conduct Commission changes:

	CHANGE FUNDING FOR THE JUDICIAL CONDUCT COMMISSION AND DISCIPLINARY BOARD TO A SINGLE LINE ITEM AND INCREASE OTHER FUNDS	REMOVE RISK MANAGEMENT PREMIUMS	ENGROSSED BILL	TOTAL CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	CONFERENCE COMMITTEE INCREASE (DECREASE) TO HOUSE VERSION
Salaries and wages	\$394,078		\$394,078	\$(394,078)			
Operating expenses	119,551	\$(2,151)	(117,400)	(119,551)			
Equipment	10,000		(10,000)	(10,000)			
Judicial Conduct Commission and Disciplinary Board			460,000	460,000	\$460,000	\$460,000	
Total all funds	\$523,629	\$(2,151)	\$(61,478)	\$ (63,629)	\$460,000	\$460,000	\$ (135,000)
Less estimated income	72,000		153,000	153,000	225,000	360,000	
General fund	\$451,629	\$(2,151)	\$(214,478)	\$(216,629)	\$235,000	\$100,000	\$ 135,000
FTE	4.00			0.00	4.00	4.00	0.00

This amendment also:

- Adds a new Section 5 providing that neither the Supreme Court nor the district courts can require counties to purchase, with county funds, computer equipment relating to court automation.
- Removes the existing Section 5 which provided for maximum authorized FTE levels.
- Adds a new Section 6 providing legislative intent relating to counties combining or sharing the services of clerks of district court.
- Adds a new Section 7 which amends North Dakota Century Code Section 11-10-02 relating to the consolidation of the positions of register of deeds and clerk of district court.
- Adds new Sections 8 and 9 which amend North Dakota Century Code Section 11-17-04 relating to filing fees charged by the clerk of district court.
- Adds new Sections 12, 13, and 14 which amend North Dakota Century Code Sections 27-11-17, 27-11-22, and 27-12-04, relating to attorney license fees.

The amendment provides for the following filing fee changes:

	CURRENT DISTRIBUTION		PROPOSED DISTRIBUTION UNTIL 4-1-99		PROPOSED DISTRIBUTION AFTER 3-31-99	
	DIVORCE FILINGS	ALL OTHER FILINGS	DIVORCE FILINGS	ALL OTHER FILINGS	DIVORCE FILINGS	ALL OTHER FILINGS
Civil legal services fund	\$10	\$10	\$15 <sup>1</sup>	\$15 <sup>1</sup>	\$15 <sup>1</sup>	\$15 <sup>1</sup>
Displaced homemaker fund	50		50		50	
State general fund	<u>20</u>	<u>50</u>	<u>15</u>	<u>45</u>	<u>15</u>	<u>65</u>
Counties		<u>20</u>		<u>20</u>		
Total filing fee	\$80	\$80	\$80	\$80	\$80	\$80

<sup>1</sup> The filing fee revenues to be deposited in the civil legal services fund are limited to \$400,000 per biennium. Any fee revenues received after the \$400,000 limit is reached are to be deposited in the state general fund. It is anticipated that the additional \$5 will generate an additional \$131,805 during the 1997-99 biennium, bringing the total collections for the fund to \$395,415 for the 1997-99 biennium. Therefore, it is not anticipated that the \$400,000 limit will be exceeded during the 1997-99 biennium.

The proposed filing fee changes are projected to have the following revenue impacts:

	HOUSE VERSION	CONFERENCE COMMITTEE VERSION	CONFERENCE COMMITTEE INCREASE (DECREASE) TO HOUSE VERSION
Civil legal services fund	\$131,805	\$131,805	
Displaced homemaker fund			
State general fund	395,415	(46,875)	\$(442,290)
County revenues	<u>(527,220)</u>	<u>(84,930)</u>	<u>442,290</u>
Total	\$0	\$0	\$0

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

#### REPORT OF CONFERENCE COMMITTEE

**SB 2017:** Your conference committee (Sens. Holmberg, Nalewaja, Tallackson and Reps. Martinson, R. Kelsch, Huether) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1003-1004, adopt amendments as follows, and place SB 2017 on the Seventh order:

That the House recede from its amendments as printed on pages 1003 and 1004 of the Senate Journal and pages 1128 and 1129 of the House Journal and that Senate Bill No. 2017 be amended as follows:

Page 1, line 2, after "Dakota" insert "; to provide that job service North Dakota and the workers compensation bureau conduct mutual auditing assistance; to create and enact a new section to chapter 44-04 and a new section to chapter 52-02 of the North Dakota Century Code, relating to records of the North Dakota occupational information coordinating committee and audits of job service North Dakota; and to declare an emergency"

Page 1, line 10, replace "8,391,544" with "8,246,905"

Page 1, line 14, replace "2,000,754" with "1,850,754"

Page 1, line 16, replace "51,208,194" with "50,913,555"

Page 1, line 17, replace "49,207,440" with "49,062,801"

Page 1, line 18, replace "2,000,754" with "1,850,754"

Page 1, line 23, replace "\$2,000,754" with "\$1,850,754"

Page 2, after line 2, insert:

**"SECTION 4. WORKERS COMPENSATION BUREAU AND JOB SERVICE NORTH DAKOTA - MUTUAL AUDITING ASSISTANCE.** The workers compensation bureau and job service North Dakota shall establish a cooperative program under which each agency, during the performance of employer audits, gathers employer audit information relevant to the other agency. The workers compensation bureau shall coordinate training of the auditors of both agencies on the technical aspects and needs of the audit processes. The training must include training on the use of the form developed under section 2 of chapter 523 of the 1995 Session Laws for reporting workers' compensation and job service information on a single form. Training must be completed by December 31, 1997. The auditing program must begin in January 1998. The program must operate within federal funding requirements and any other applicable federal statutes and regulations affecting job service North Dakota, as well as within titles 52 and 65. The program's agreement must identify the amount and method of reimbursement between the workers compensation bureau and job service North Dakota for the mutual auditing services. The agreement also must identify a means by which the agencies will identify the employers to be audited by each to avoid a duplication of efforts by the agencies and to reduce the administrative burden on employers subject to the audits.

**SECTION 5.** A new section to chapter 44-04 of the North Dakota Century Code is created and enacted as follows:

**Certain records of occupational information coordinating committee - Exempt.** Records provided to the North Dakota occupational information coordinating committee by any person for use in the followup information on North Dakota education and training system for research or statistical purposes may only be used to prepare aggregate data compilations that do not identify any individual and may not be disclosed to the public by the occupational information coordinating committee. A request for disclosure of the records under section 44-04-18 or section 6 of article XI of the Constitution of North Dakota must be directed to the person or entity that has provided the records to the occupational information coordinating committee.

**SECTION 6.** A new section to chapter 52-02 of the North Dakota Century Code is created and enacted as follows:

**Independent audit.** The state auditor shall appoint on a biennial basis an independent audit firm, with extensive expertise in job service practices and standards, to complete a performance audit of the divisions of job service North Dakota. The audit must evaluate divisions of job service North Dakota, as determined necessary by the state auditor, to determine whether the divisions are providing quality service in an efficient and cost-effective manner. The audit report must contain recommendations for divisional improvement or an explanation of why no recommendations are being made. The executive director of job service North Dakota and the auditor shall present the audit report and any action taken as a result of the audit to the legislative council's legislative audit and fiscal review committee and to the house and senate industry, business and labor standing committees during the next regular session of the legislative assembly following the audit. The executive director shall also provide a copy of the audit report to the state auditor.

**SECTION 7. EMERGENCY.** Section 5 of this Act is declared to be an emergency measure."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

DEPARTMENT 380 - JOB SERVICE NORTH DAKOTA

CONFERENCE COMMITTEE - This amendment reduces the operating expenses line item by \$144,639 of other funds due to the removal of risk management premiums. The amendment also reduces the general fund appropriation for Work Force 2000 by \$150,000, from \$2,000,754 to \$1,850,754. The following table shows the general fund appropriation for Work Force 2000:

EXECUTIVE BUDGET	SENATE	HOUSE	CONFERENCE COMMITTEE
\$2,000,754	\$2,000,754	\$1,700,754	\$1,850,754

This amendment also adds new Sections 4, 5, 6, and 7 as follows:

Section 4 requires that Job Service North Dakota and the Workers Compensation Bureau begin a joint employer auditing program.

Section 5 creates a new section in North Dakota Century Code Chapter 44-04 relating to records provided to the North Dakota Occupational Information Coordinating Committee.

Section 6 creates a new section in North Dakota Century Code Chapter 52-02 relating to audits of Job Service North Dakota.

Section 7 makes Section 5 an emergency measure.

SB 2017 was placed on the Seventh order of business on the calendar.

**REPORT OF CONFERENCE COMMITTEE**

**SB 2043, as engrossed:** Your conference committee (Sens. Thane, DeMers, B. Stenehjem and Reps. Christopherson, Devlin, Kerzman) recommends that the **SENATE ACCEDE** to the House amendments on SJ page 862, adopt further amendments as follows, and place SB 2043 on the Seventh order:

That the Senate accede to the House amendments as printed on page 862 of the Senate Journal and pages 985 and 986 of the House Journal and that Engrossed Senate Bill No. 2043 be further amended as follows:

Page 2, line 27, replace "a" with "any" and remove "care"

Renumber accordingly

Engrossed SB 2043 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**SB 2214, as engrossed:** Your conference committee (Sens. Goetz, Naaden, Krauter and Reps. Gerntholz, Byerly, Oban) recommends that the **SENATE ACCEDE** to the House amendments on SJ page 1028 and place SB 2214 on the Seventh order.

Engrossed SB 2214 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**SB 2396, as engrossed:** Your conference committee (Sens. Kringstad, Krebsbach, LaFountain and Reps. Wardner, Stenehjerm, Schmidt) recommends that the **SENATE ACCEDE** to the House amendments on SJ page 811, adopt further amendments as follows, and place SB 2396 on the Seventh order:

That the Senate accede to the House amendments as printed on page 811 of the Senate Journal and page 923 of the House Journal and that Engrossed Senate Bill No. 2396 be further amended as follows:

Page 1, line 2, remove "and" and after "penalty" insert "; and to provide an effective date"

Page 1, line 14, after the period insert "Qualification as a primary sector business under this subsection must be determined by the department of economic development and finance."

Page 1, line 19, after the first "Dakota" insert "and the director of the department of economic development and finance"

Page 2, line 5, after the period insert "Fifty percent of the amount loaned from the fund during the first year of a biennium must be reserved solely for businesses in rural areas. The remainder loaned from the fund may be used in urban or rural areas. For purposes of this section, "rural areas" means the area of the state not including territory within the corporate limits of a city with a population of twenty thousand or more."

Page 3, line 14, replace "one million" with "seven hundred fifty thousand"

Page 3, after line 19, insert:

**"SECTION 8. Assets of insurers.** The aggregate amount of all loans made by an insurer under this Act or the aggregate amount of an insurer's participation in loans made under this Act may not at any time exceed five percent of the company's admitted assets or the amount equal to the company's capital and surplus in excess of the minimum capital and surplus required by law, whichever is less.

**SECTION 9. EFFECTIVE DATE.** Section 7 of this Act is effective July 1, 1997, if Senate Bill No. 2132 is approved by the fifty-fifth legislative assembly and becomes law, and is otherwise ineffective. Section 8 of this Act is effective July 1, 1997, if Senate Bill No. 2132 is not approved by the fifty-fifth legislative assembly or does not become law, and is otherwise ineffective."

Renumber accordingly

Engrossed SB 2396 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**HB 1009, as engrossed:** Your conference committee (Sens. Solberg, Naaden, Robinson and Reps. Martinson, Gerntholz, Boucher) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1283-1285, adopt amendments as follows, and place HB 1009 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1283-1285 of the House Journal and pages 1058-1060 of the Senate Journal and that Engrossed House Bill No. 1009 be amended as follows:

Page 1, line 2, after the semicolon insert "to provide a statement of legislative intent;"

Page 1, line 12, replace "1,088,840" with "1,097,886"

Page 1, line 15, replace "434,199" with "454,199"

Page 1, line 21, replace "764,694" with "779,694"

Page 1, line 24, replace "9,204,788" with "9,248,834"

Page 2, line 1, replace "4,560,594" with "4,658,594"

Page 2, line 2, replace "4,644,194" with "4,590,240"

Page 2, line 9, replace "\$1,393,902" with "\$1,491,902"

Page 2, line 11, after the first comma insert "pesticide registration,"

Page 2, line 12, after the third comma insert "\$66,000 is for the pesticide registration program," and replace "\$750,879" with "\$782,879"

Page 2, after line 16, insert:

**"SECTION 5. LEGISLATIVE INTENT.** It is the intent of the legislative assembly that the board of animal health contract for veterinary services whenever appropriate and cost-effective for the biennium beginning July 1, 1997, and ending June 30, 1999."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

DEPARTMENT 602 - DEPARTMENT OF AGRICULTURE

CONFERENCE COMMITTEE - This amendment makes the following changes:

	HOUSE VERSION	REMOVE RISK MANAGEMENT PREMIUMS	ADD OPERATING FUNDS	REDUCE OPERATING FUNDS	TOTAL CHANGES TO HOUSE VERSION	CONFERENCE COMMITTEE VERSION	SENATE VERSION	CONFERENCE COMMITTEE INCREASE (DECREASE) TO SENATE VERSION
Salaries and wages	\$3,023,812					\$3,023,812	\$3,023,812	
Operating expenses	1,088,840	\$(13,954)	\$31,000 <sup>1</sup>	\$(8,000)	\$9,046	1,097,886	1,105,886	\$(8,000)
Equipment	32,900					32,900	32,900	
Grants	561,700					561,700	561,700	
Board of Animal Health	434,199		\$20,000 <sup>2</sup>		20,000	454,199	454,199	
Ag mediation	1,377,537					1,377,537	1,377,537	
Ag in the classroom	25,000					25,000	25,000	
Anhydrous ammonia storage	20,444					20,444	20,444	
Waterbank program	214,000					214,000	214,000	
Pride of Dakota	150,000					150,000	150,000	
Animal damage control	764,694		15,000 <sup>3</sup>		15,000	779,694	784,694	(5,000)
Safe Send	552,133					552,133	552,133	
Noxious weeds	959,529					958,529	959,529	
Total	\$9,204,788	\$(13,954)	\$66,000	\$(8,000) <sup>4</sup>	\$44,046	\$9,248,834	\$9,261,834	\$(13,000)
General fund	\$4,644,194	\$(13,954)	\$35,000	\$(75,000)	\$(53,954)	\$4,590,240	\$4,670,240	\$(80,000)
Special funds	4,560,594		31,000	67,000	98,000	4,658,594	4,591,594	67,000
Total	\$9,204,788	\$(13,954)	\$66,000	\$(8,000)	\$44,046	\$9,248,834	\$9,261,834	\$(13,000)
FTE	48.00	0.00	0.00	0.00	0.00	48.00	48.00	0.00

- <sup>1</sup> Adds funding from the environment and rangeland protection fund for updating the registration program's computer system. The same as the Senate version.
- <sup>2</sup> Adds operating funds for the Board of Animal Health. The House reduced the operating funds by \$15,000 from the general fund. The Senate added \$20,000.
- <sup>3</sup> Adds operating funds for the animal damage control program. The House reduced the operating funds by \$20,000. The Senate added \$20,000.
- <sup>4</sup> Adjusts operating funds in the following programs:

	GENERAL FUND	ENVIRONMENT AND RANGELAND PROTECTION FUND	TOTAL
Noxious weeds	\$(32,000)	\$32,000	
Registration	(20,000)	35,000	\$15,000
Dairy	(23,000)		(23,000)
Total	\$(75,000)	\$67,000	\$(8,000)

A section of legislative intent is added providing that the Board of Animal Health contract for veterinary services when appropriate.

NOTE: Changes from the Senate version, by program, include:

	GENERAL FUND	ENVIRONMENT AND RANGELAND PROTECTION FUND	TOTAL
Noxious weeds		\$32,000	
Registration	\$(32,000)	35,000	\$ 15,000
Dairy	(23,000)	-----	(23,000)
Animal damage control	(5,000)		(5,000)
Total	\$(80,000)	\$67,000	\$(13,000)

Engrossed HB 1009 was placed on the Seventh order of business on the calendar.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1014, as engrossed:** Your conference committee (Sens. Solberg, Goetz, Tallackson and Reps. Carlisle, Svedjan, Nichols) recommends that the **SENATE RECEDE** from the Senate amendments on HJ page 1188, adopt amendments as follows, and place HB 1014 on the Seventh order:

That the Senate recede from its amendments as printed on page 1188 of the House Journal and page 919 of the Senate Journal and that Engrossed House Bill No. 1014 be amended as follows:

Page 1, line 2, after "advocacy" insert "; and to provide for a legislative council study"

Page 1, line 10, replace "2,110,787" with "2,107,834"

Page 1, line 12, replace "700,000" with "697,047"

Page 1, after line 12, insert:

**"SECTION 2. LEGISLATIVE COUNCIL STUDY - PROTECTION AND ADVOCACY EFFICIENCIES.** If the legislative council studies the merging of advocacy programs pursuant to Senate Concurrent Resolution No. 4038 during the 1997-98 interim, the study should include a review of the feasibility and potential savings of the protection and advocacy committee sharing office space or staff with other state agencies."

Re-number accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

DEPARTMENT 360 - PROTECTION AND ADVOCACY COMMITTEE

CONFERENCE COMMITTEE - This amendment provides for the following changes:

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE	SENATE VERSION
Total all funds	\$2,178,752	\$ (67,965)	\$2,110,787	\$ (2,953)	\$2,107,834	\$2,134,598
Less estimated income	<u>1,410,787</u>		<u>1,410,787</u>		<u>1,410,787</u>	<u>1,410,787</u>
Total general fund	\$ 767,965	\$ (67,965)	\$ 700,000	\$ (2,953)	\$ 697,047	\$ 723,811
FTE	22	(1)	21	.5	21.5	21.5

This amendment removes the risk management premiums of \$13,764 from the general fund and adds \$10,811 from the general fund for a .5 FTE administrative secretary. This amendment also adds a section providing that if the Legislative Council studies advocacy programs pursuant to Senate Current Resolution No. 4038 the study should include a review of the feasibility and potential savings of the Protection and Advocacy Committee sharing office space or staff with other state agencies.

Engrossed HB 1014 was placed on the Seventh order of business on the calendar.

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

**COMMUNICATION FROM GOVERNOR EDWARD T. SCHAFFER**

The following communication was received from the Governor at 10:15 a.m., April 10, 1997.

This is to inform you that on April 9, 1997, I signed the following: HB 1028, HB 1238, HB 1001, HB 1007, HB 1085, HB 1306, HB 1312, HB 1448, HB 1456, and HB 1478.

**APPOINTMENTS BY THE SPEAKER OF THE HOUSE**

Legislative Council

Representative John Dorso  
 Representative Merle Boucher  
 Representative Mike Timm  
 Representative Wesley Belter  
 Representative Francis Wald  
 Representative Eliot Glassheim  
 Representative Pam Gulleon  
 Representative Bill Oban

Capitol Grounds Planning Commission

Representative Connie Johnsen  
 Representative James Coats

Medical Center Advisory Council

Representative Ken Svedjan

Comprehensive Health Association of North Dakota

Representative Clara Sue Price

Education Commission of the States

Representative RaeAnn Kelsch

**REPORT OF CONFERENCE COMMITTEE**

**REP. MARTINSON MOVED** that the conference committee report on Engrossed HB 1009 be adopted, which motion prevailed.

Engrossed HB 1009, as amended, was placed on the Eleventh order of business on the calendar.

**SECOND READING OF HOUSE BILL**

**HB 1009:** A BILL for an Act to provide an appropriation for defraying the expenses of the agriculture commissioner; to provide a statement of legislative intent; and to amend and reenact section 4-01-21 of the North Dakota Century Code, relating to the salary of the agriculture commissioner.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 93 YEAS, 0 NAYS, 0 EXCUSED, 4 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Axtman; Belter; Bernstein; Boehm; Boucher; Brandenburg; Brown; Brusegaard; Byerly; Callahan; Carlisle; Carlson; Christenson; Christopherson; Clark; Coats; Dalrymple; DeKrey; Delmore; Delzer; Devlin; Dorso; Drovdal; Fairfield; Froseth; Galvin; Gernholz; Glassheim; Grande; Grosz; Grumbo; Gulleon; Gunter; Hanson; Hausauer; Hawken; Henegar; Huether; Jacobs; Jensen; Johnsen, C.; Johnson, D.; Keiser; Kelsch, R.; Kelsch, S.; Kempenich; Kerzman; Kilzer; Klein; Kliniske; Koppelman; Kretschmar; Kroepflin; Lloyd; Mahoney; Maragos; Martinson; Mickelson; Monson; Murphy; Nelson; Nicholas; Nichols; Niemeier; Nottestad; Oban; Olson; Poolman; Price; Renner; Rennerfeldt; Rose; Sabby; Sandvig; Schmidt; Skarphol; Soukup; Stenehjem; Svedjan; Sveen; Thompson; Thoreson; Thorpe; Tollefson; Torgerson; Wald; Wardner; Warner; Weisz; Wentz; Wilkie; Speaker Timm

**ABSENT AND NOT VOTING:** Berg; Freier; Gorder; Kunkel

Engrossed HB 1009, as amended, passed and the title was agreed to.

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**REPORT OF CONFERENCE COMMITTEE**

**REP. CARLISLE MOVED** that the conference committee report on Engrossed HB 1014 be adopted, which motion prevailed.

Engrossed HB 1014, as amended, was placed on the Eleventh order of business on the calendar.

**SECOND READING OF HOUSE BILL**

**HB 1014:** A BILL for an Act to provide an appropriation for defraying the expenses of the committee on protection and advocacy; and to provide for a legislative council study.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 80 YEAS, 13 NAYS, 0 EXCUSED, 4 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Axtman; Boucher; Brandenburg; Brown; Brusegaard; Byerly; Callahan; Carlisle; Christenson; Christopherson; Coats; Dalrymple; Delmore; Devlin; Dorso; Drovdal; Fairfield; Froseth; Galvin; Gerntholz; Glassheim; Grumbo; Gulleon; Gunter; Hanson; Hausauer; Hawken; Henegar; Huether; Jacobs; Jensen; Johnson, C.; Johnson, D.; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kilzer; Klein; Kliniske; Koppelman; Kretschmar; Kroepelin; Lloyd; Mahoney; Maragos; Martinson; Mickelson; Monson; Murphy; Nelson; Nicholas; Nichols; Niemeier; Nottestad; Oban; Olson; Poolman; Price; Rennerfeldt; Rose; Sabby; Sandvig; Schmidt; Stenehjem; Svedjan; Sveen; Thompson; Thoreson; Thorpe; Tollefson; Torgerson; Wald; Wardner; Warner; Wentz; Wilkie; Speaker Timm

**NAYS:** Belter; Bernstein; Boehm; Carlson; Clark; DeKrey; Delzer; Grande; Grosz; Renner; Skarphol; Soukup; Weisz

**ABSENT AND NOT VOTING:** Berg; Freier; Gorder; Kunkel

Engrossed HB 1014, as amended, passed and the title was agreed to.

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**REPORT OF CONFERENCE COMMITTEE**

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

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

**SECOND READING OF SENATE BILL**

**SB 2002:** A BILL for an Act to provide an appropriation for defraying the expenses of the judicial branch; to provide an exemption from the provisions of section 54-44.1-11 of the North Dakota Century Code; to declare legislative intent; to amend and reenact sections 11-10-02, 11-17-04, 27-02-02, 27-05-03, 27-11-17, 27-11-22, and 27-12-04 of the North Dakota Century Code, relating to the consolidation of the positions of register of deeds and clerk of district court, fees charged by the clerk of district court, salaries of supreme and district court judges, and attorney license fees; and to provide an effective date.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 81 YEAS, 12 NAYS, 0 EXCUSED, 4 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Bernstein; Boucher; Brandenburg; Brown; Brusegaard; Byerly; Callahan; Carlisle; Christenson; Christopherson; Clark; Coats; Dalrymple; DeKrey; Delmore; Devlin; Dorso; Drovdal; Fairfield; Froseth; Galvin; Gerntholz; Glassheim; Grumbo; Gulleon; Gunter; Hanson; Hausauer; Hawken; Henegar; Huether; Jacobs; Jensen; Johnson, C.; Johnson, D.; Keiser; Kelsch, S.; Kempenich; Kerzman; Kilzer; Klein; Kliniske; Koppelman; Kretschmar; Kroepelin; Lloyd; Maragos; Martinson; Mickelson; Monson; Nelson; Nicholas; Nichols; Niemeier; Nottestad; Oban; Olson; Poolman; Price; Renner; Rennerfeldt; Rose; Sabby; Sandvig; Schmidt; Soukup; Stenehjem; Svedjan; Sveen; Thompson; Thoreson; Thorpe; Tollefson; Wald; Wardner; Warner; Weisz; Wentz; Wilkie; Speaker Timm

**NAYS:** Axtman; Belter; Boehm; Carlson; Delzer; Grande; Grosz; Kelsch, R.; Mahoney; Murphy; Skarphol; Torgerson

**ABSENT AND NOT VOTING:** Berg; Freier; Gorder; Kunkel

Engrossed SB 2002, as amended, passed and the title was agreed to.

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#### REPORT OF CONFERENCE COMMITTEE

**REP. MARTINSON MOVED** that the conference committee report on SB 2017 be adopted, which motion prevailed.

SB 2017, as amended, was placed on the Fourteenth order of business on the calendar.

#### SECOND READING OF SENATE BILL

**SB 2017:** A BILL for an Act to provide an appropriation for defraying the expenses of job service North Dakota; to provide that job service North Dakota and the workers compensation bureau conduct mutual auditing assistance; to create and enact a new section to chapter 44-04 and a new section to chapter 52-02 of the North Dakota Century Code, relating to records of the North Dakota occupational information coordinating committee and audits of job service North Dakota; 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 80 YEAS, 13 NAYS, 0 EXCUSED, 4 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Axtman; Bernstein; Boucher; Brandenburg; Brown; Brusegaard; Byerly; Callahan; Carlisle; Christenson; Christopherson; Coats; Dalrymple; DeKrey; Delmore; Devlin; Dorso; Fairfield; Froseth; Galvin; Gerntholz; Glassheim; Grumbo; Guleson; Gunter; Hanson; Hausauer; Hawken; Henegar; Huether; Jacobs; Jensen; Johnsen, C.; Johnson, D.; Keiser; Kelsch, R.; Kelsh, S.; Kerzman; Kilzer; Klein; Kliniske; Koppelman; Kretschmar; Kroepflin; Mahoney; Maragos; Martinson; Mickelson; Monson; Murphy; Nelson; Nicholas; Nichols; Niemeier; Nottestad; Oban; Olson; Poolman; Price; Renner; Rose; Sabby; Sandvig; Schmidt; Soukup; Stenehjem; Svedjan; Sveen; Thompson; Thoreson; Thorpe; Tollefson; Torgerson; Wald; Wardner; Warner; Wentz; Wilkie; Speaker Timm

**NAYS:** Belter; Boehm; Carlson; Clark; Delzer; Drovdal; Grande; Grosz; Kempenich; Lloyd; Rennerfeldt; Skarphol; Weisz

**ABSENT AND NOT VOTING:** Berg; Freier; Gorder; Kunkel

SB 2017, as amended, passed, the title was agreed to, and the emergency clause was declared carried.

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#### REPORT OF CONFERENCE COMMITTEE

**REP. CHRISTOPHERSON MOVED** that the conference committee report on Engrossed SB 2043 be adopted, which motion prevailed.

Engrossed SB 2043, as amended, was placed on the Fourteenth order of business on the calendar.

#### SECOND READING OF SENATE BILL

**SB 2043:** A BILL for an Act to create and enact a new section to chapter 26.1-36 of the North Dakota Century Code, relating to health insurance coverage for mothers and newborns.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 89 YEAS, 4 NAYS, 0 EXCUSED, 4 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Axtman; Belter; Bernstein; Boehm; Boucher; Brandenburg; Brown; Brusegaard; Byerly; Carlisle; Carlson; Christenson; Christopherson; Clark; Coats; Dalrymple; DeKrey; Delmore; Delzer; Devlin; Dorso; Drovdal; Fairfield; Froseth; Galvin; Gerntholz; Glassheim; Grande; Grosz; Grumbo; Guleson; Gunter; Hanson; Hausauer; Hawken; Henegar; Huether; Jacobs; Jensen; Johnsen, C.; Johnson, D.; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kilzer; Klein; Kliniske; Koppelman; Kretschmar; Kroepflin; Lloyd; Mahoney; Maragos; Martinson; Mickelson; Monson; Murphy; Nelson; Nicholas; Nichols; Niemeier; Nottestad; Olson; Poolman; Price; Renner; Rennerfeldt; Sabby; Schmidt; Skarphol; Soukup; Stenehjem; Svedjan; Sveen;

Thompson; Thoreson; Thorpe; Tollefson; Torgerson; Wald; Wardner; Warner; Weisz;  
Wentz; Wilkie; Speaker Timm

**NAYS:** Callahan; Oban; Rose; Sandvig

**ABSENT AND NOT VOTING:** Berg; Freier; Gorder; Kunkel

Engrossed SB 2043, as amended, passed and the title was agreed to.

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**COMMUNICATION FROM GOVERNOR EDWARD T. SCHAFER**

The following communication was received from the Governor at 1:20 p.m., Thursday, April 10, 1997.

I have signed and hereby return to you House Bill 1026. Pursuant to Article V, section 10, of the North Dakota Constitution, however, I hereby veto the appropriation in the amount of \$576,000 for "equipment" contained in section 1 of the bill.

After a careful review of compression problems and wage level concerns at the North Dakota Workers Compensation Bureau, I recommended a 10% increase in salaries and wages at the bureau in my executive budget. HB 1026 contains funding for an additional \$350,000 increase over and above my recommendation. I do not believe this 14% increase, more than double that provided employees in other agencies, can be justified, and I simply cannot support it.

I have maintained consistently during the legislative session that I believe singling out one state agency for preferential treatment is bad public policy. Compensation increases significantly out of line with those in other agencies eventually will place pressure on budgets throughout state government. And while I do not wish to delay the close of the session, neither can I approve a budget that spends more than I believe is necessary. By exercising the line item veto with respect to the \$576,000 included in the bill for equipment, I have restored the total Workers Compensation Bureau appropriation to a level consistent with my executive budget recommendation. Internal adjustments within these parameters can be made at the bureau for equipment purchases.

I believe the spending increases included in this bill are not consistent with our efforts to control the growing cost of state government and that the taxpayers of North Dakota will not look upon them with favor. For that reason, I respectfully return to you HB 1026.

**MOTION**

**REP. DORSO MOVED** that HB 1026 be reconsidered pursuant to Article V, Section 9, of the Constitution of the State of North Dakota for the purpose of overriding the Governor's line item veto and that HB 1026 be placed on the Eleventh order, which motion prevailed.

**MOTION**

**REP. DORSO MOVED** that all action taken by the House today be messaged to the Senate immediately, which motion prevailed.

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

**MADAM PRESIDENT:** The House has adopted the conference committee report and subsequently failed to pass: SB 2353.

**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 2324.

**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 1297.

**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 1009, HB 1014.

**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 2002, SB 2043.

**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: SB 2017.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM C. PARKER, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: HB 1297.

**MOTION**

**REP. DORSO MOVED** that the House be on the Seventh, Twelfth, and Sixteenth orders of business and at the conclusion of those orders, the House stand in recess until 5:00 p.m., which motion prevailed.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1018:** Your conference committee (Sens. Holmberg, Solberg, Tallackson and Reps. Freier, Hausauer, Nichols) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1331-1334, adopt amendments as follows, and place HB 1018 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1331-1334 of the House Journal and pages 1163-1166 of the Senate Journal and that House Bill No. 1018 be amended as follows:

Page 1, line 2, after "tax" insert "; to amend and reenact section 57-15-01.1 of the North Dakota Century Code, relating to property tax levy authority of taxing districts; and to provide an effective date"

Page 1, after line 18, insert:

**"SECTION 3. AMENDMENT.** Section 57-15-01.1 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**57-15-01.1. (Effective for first four taxable years beginning after December 31, 1994) Protection of taxpayers and taxing districts.** Each taxing district may levy the lesser of the amount in dollars as certified in the budget of the governing body, or the amount in dollars as allowed in this section, subject to the following:

1. No taxing district may levy more taxes expressed in dollars than the amounts allowed by this section.
2. For purposes of this section:
  - a. "Base year" means the taxing district's taxable year with the highest amount levied in dollars in property taxes of the three taxable years immediately preceding the budget year, but not including any amount levied in dollars under subsection 9; and
  - b. "Budget year" means the taxing district's year for which the levy is being determined under this section.
3. A taxing district may elect to levy two percent more in taxable year 1995 and two percent more in taxable year 1996 than the amount levied in dollars in the base year and for taxable years 1997 and 1998 may elect to levy the amount levied in dollars in the base year. Any levy under this section must be specifically approved by a resolution approved by the governing body of the taxing district. Before determining the levy limitation under this section, the dollar amount levied in the base year must be:
  - a. Reduced by an amount equal to the sum determined by application of the base year's mill rate for that taxing district to the final base year taxable valuation of any property that is not included in the assessment for the budget year but was included in the assessment for the base year. However, no reduction may be made under this section due to the exemption of the personal property of railroads by enactment of House Bill No. 1396 by the fifty-fourth legislative assembly.
  - b. Increased by an amount equal to the sum determined by the application of the base year's mill rate for that taxing district to the final

budget year taxable valuation of any property that was not included in the assessment for the base year but which is included in the assessment for the budget year.

- c. Reduced to reflect expired temporary mill levy increases authorized by the electors of the taxing district.
4. A taxing district may levy an amount in dollars equal to the amount levied in any of the previous three years reduced to reflect expired temporary mill levy increases authorized by the electors of the taxing district and increased by an amount equal to the sum determined by the application of any unused mill levy authority from that year, which was authorized by law or by the electors of that taxing district but not levied for that year, to the budget year taxable valuation of the taxable property in that taxing district. A taxing district electing to increase its levy under this subsection may not add any amount permitted by subsection 3 to the amount levied under this subsection.
5. In addition to any other levy limitation factor under this section, a taxing district may increase its levy in dollars to reflect new or increased mill levies authorized by the legislative assembly or authorized by the electors of the taxing district.
6. Under this section a taxing district may supersede any applicable mill levy limitations otherwise provided by law, or a taxing district may levy up to the mill levy limitations otherwise provided by law without reference to this section, but the provisions of this section do not apply to the following:
  - a. Any irrevocable tax to pay bonded indebtedness levied pursuant to section 16 of article X of the Constitution of North Dakota.
  - b. The one-mill levy for the state medical center authorized by section 10 of article X of the Constitution of North Dakota.
7. A school district choosing to determine its levy authority under this section may apply subsection 3 only to the amount in dollars levied for general fund purposes under section 57-15-14 or, if the levy in the base year included separate general fund and special fund levies under sections 57-15-14 and 57-15-14.2, the school district may apply subsection 3 to the total amount levied in dollars in the base year for both the general fund and special fund accounts. School district levies under any section other than section 57-15-14 may be made within applicable limitations but those levies are not subject to subsection 3.
8. Optional levies under this section may be used by any city or county that has adopted a home rule charter unless the provisions of the charter supersede state laws related to property tax levy limitations.
9. In addition to the amount otherwise determined under this section, a county, city, township, or school district located in the area for which a disaster or emergency has been declared by the president of the United States during the twelve months preceding finalizing of the budget of the taxing district may levy an amount in dollars up to two percent more than the amount levied by the county, city, township, or school district in the base year. Amounts levied under this section are not part of base year levies in dollars for purposes of future budget year calculations under this section.

**(Effective for taxable years beginning after December 31, 1998) Protection of taxpayers and taxing districts.** Each taxing district may levy the lesser of the amount in dollars as certified in the budget of the governing body, or the amount in dollars as allowed in this section, subject to the following:

1. No taxing district may levy more taxes expressed in dollars than the amounts allowed by this section.
2. For purposes of this section:

- a. "Base year" means the taxing district's taxable year with the highest amount levied in dollars in property taxes of the three taxable years immediately preceding the budget year;
  - b. "Budget year" means the taxing district's year for which the levy is being determined under this section; and
  - c. "Calculated mill rate" means the mill rate that results from dividing the base year taxes levied by the sum of the taxable value of the taxable property in the base year plus the taxable value of the exempt property calculated in the same manner as the taxable property.
3. A taxing district may elect to levy the amount levied in dollars in the base year. Any levy under this section must be specifically approved by a resolution approved by the governing body of the taxing district. Before determining the levy limitation under this section, the dollar amount levied in the base year must be:
- a. Reduced by an amount equal to the sum determined by application of the base year's calculated mill rate for that taxing district to the final base year taxable valuation of any taxable and exempt property that is not included in the taxing district for the budget year but was included in the taxing district for the base year.
  - b. Increased by an amount equal to the sum determined by the application of the base year's calculated mill rate for that taxing district to the final budget year taxable valuation of any taxable or exempt property that was not included in the taxing district for the base year but which is included in the taxing district for the budget year.
  - c. Reduced to reflect expired temporary mill levy increases authorized by the electors of the taxing district.
4. A taxing district may levy an amount in dollars equal to the amount levied in any of the previous three years reduced to reflect expired temporary mill levy increases authorized by the electors of the taxing district and increased by an amount equal to the sum determined by the application of any unused mill levy authority from that year, which was authorized by law or by the electors of that taxing district but not levied for that year, to the budget year taxable valuation of the taxable property in that taxing district. A taxing district electing to increase its levy under this subsection may not add any amount permitted by subsection 3 to the amount levied under this subsection.
5. In addition to any other levy limitation factor under this section, a taxing district may increase its levy in dollars to reflect new or increased mill levies authorized by the legislative assembly or authorized by the electors of the taxing district.
6. Under this section a taxing district may supersede any applicable mill levy limitations otherwise provided by law, or a taxing district may levy up to the mill levy limitations otherwise provided by law without reference to this section, but the provisions of this section do not apply to the following:
- a. Any irrevocable tax to pay bonded indebtedness levied pursuant to section 16 of article X of the Constitution of North Dakota.
  - b. The one-mill levy for the state medical center authorized by section 10 of article X of the Constitution of North Dakota.
7. A school district choosing to determine its levy authority under this section may apply subsection 3 only to the amount in dollars levied for general fund purposes under section 57-15-14 or, if the levy in the base year included separate general fund and special fund levies under sections 57-15-14 and 57-15-14.2, the school district may apply subsection 3 to the total amount levied in dollars in the base year for both the general fund and special fund accounts. School district levies under any section other than section 57-15-14 may be made within applicable limitations but those levies are not subject to subsection 3.

8. Optional levies under this section may be used by any city or county that has adopted a home rule charter unless the provisions of the charter supersede state laws related to property tax levy limitations.

**SECTION 4. EFFECTIVE DATE.** Section 3 of this Act is effective for taxable years beginning after December 31, 1996."

Renumber accordingly

HB 1018 was placed on the Seventh order of business on the calendar.

#### **VETO CERTIFICATION DELIVERY**

The following bills were delivered to the Legislative Council for veto certification on April 9, 1997, and returned to the House on April 10, 1997: HB 1147 and HB 1191.

#### **SIGNING OF BILLS AND RESOLUTIONS**

The Speaker has signed the veto certification on HB 1147 and HB 1191.

#### **SIGNING OF BILLS AND RESOLUTIONS**

The Speaker signed the following enrolled bills: SB 2012, SB 2014, SB 2015, SB 2030, SB 2132, SB 2153.

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

**MADAM PRESIDENT:** The Speaker has signed: SB 2012, SB 2014, SB 2015, SB 2030, SB 2132, SB 2153.

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

#### **COMMUNICATION FROM GOVERNOR EDWARD T. SCHAFER**

The following communication was received from the Governor at 2:40 p.m., April 10, 1997.

This is to inform you that on April 10, 1997, I signed the following: HB 1357, HB 1006, HB 1008, HB 1017, HB 1116, HB 1167, HB 1337, HB 1453, and HB 1482.

#### **HOUSE ENGROSSING AND ENROLLING REPORT**

The following bills were engrossed and enrolled: HB 1003, HB 1004, HB 1010, HB 1022, HB 1023, HB 1024, HB 1035, HB 1359.

#### **HOUSE ENGROSSING AND ENROLLING REPORT**

The following bills were engrossed and enrolled: HB 1025, HB 1168, and HB 1297.

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

**MADAM PRESIDENT:** The Speaker has signed the veto certification and your signature is respectfully requested on: HB 1147.

#### **SIGNING OF BILLS AND RESOLUTIONS**

The Speaker signed the following enrolled bills: HB 1003, HB 1004, HB 1010, HB 1022, HB 1023, HB 1024, HB 1035, HB 1359.

#### **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 1003, HB 1004, HB 1010, HB 1022, HB 1023, HB 1024, HB 1035, HB 1359.

#### **MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM C. PARKER, SECRETARY)**

**MR. SPEAKER:** The President has signed the veto certification on: HB 1147.

#### **SECOND READING OF HOUSE BILL**

**HB 1026:** A BILL for an Act to provide an appropriation for defraying the expenses of the workers compensation bureau and its divisions; to provide authorization to expend funds from the workers' compensation contingency line item; to create and enact a new section to chapter 65-02 of the North Dakota Century Code, relating to a continuing appropriation for allocated loss adjustment expenses; and to amend and reenact section 65-06.1-04 of the North Dakota Century Code, relating to civil air patrol workers' compensation reimbursements.

#### **ROLL CALL**

The question being on the final passage of the bill, as enrolled over the Governor's line item veto, which has been read, the roll was called and there were 63 YEAS, 30 NAYS, 0 EXCUSED, 4 ABSENT AND NOT VOTING.

**YEAS:** Axtman; Belter; Bernstein; Boehm; Boucher; Brandenburg; Brown; Brusegaard; Byerly; Carlisle; Carlson; Christopherson; Clark; Dalrymple; Delmore; Delzer; Devlin; Dorso; Fairfield; Froseth; Gerntholz; Grande; Grosz; Grumbo; Gullerson; Hanson; Hausauer; Hawken; Henegar; Huether; Jacobs; Jensen; Johnson, D.; Kelsch, R.; Kelsh, S.; Kempenich; Kilzer; Kliniske; Kretschmar; Kroeplin; Lloyd; Mahoney; Maragos; Martinson; Mickelson; Monson; Nicholas; Nottestad; Olson; Poolman; Price; Renner; Sabby; Schmidt; Skarphol; Soukup; Svedjan; Sveen; Thompson; Wald; Wardner; Wentz; Speaker Timm

**NAYS:** Aarsvold; Callahan; Christenson; Coats; DeKrey; Drovdal; Galvin; Glassheim; Gunter; Johnsen, C.; Keiser; Kerzman; Klein; Koppelman; Murphy; Nelson; Nichols; Niemeier; Oban; Rennerfeldt; Rose; Sandvig; Stenehjerm; Thoreson; Thorpe; Tollefson; Torgerson; Warner; Weisz; Wilkie

**ABSENT AND NOT VOTING:** Berg; Freier; Gorder; Kunkel

The House sustained the Governor's line item veto on Engrossed HB 1026.

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#### REPORT OF CONFERENCE COMMITTEE

**REP. HAUSAUER MOVED** that the conference committee report on HB 1018 be adopted.

#### REQUEST

**REP. GROSZ REQUESTED** a recorded roll call vote on the motion to adopt the conference committee report on HB 1018, which request was granted.

#### ROLL CALL

The question being on the motion to adopt the conference committee report on HB 1018, the roll was called and there were 40 YEAS, 53 NAYS, 0 EXCUSED, 4 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Axtman; Boucher; Byerly; Callahan; Christenson; Coats; Dalrymple; Delmore; Devlin; Dorso; Froseth; Gerntholz; Glassheim; Hausauer; Hawken; Henegar; Jacobs; Jensen; Johnsen, C.; Kelsh, S.; Kerzman; Kretschmar; Kroeplin; Mahoney; Maragos; Martinson; Monson; Nicholas; Nottestad; Oban; Olson; Sabby; Stenehjerm; Sveen; Thompson; Thoreson; Tollefson; Wentz; Speaker Timm

**NAYS:** Belter; Bernstein; Boehm; Brandenburg; Brown; Brusegaard; Carlisle; Carlson; Christopherson; Clark; DeKrey; Delzer; Drovdal; Fairfield; Galvin; Grande; Grosz; Grumbo; Gullerson; Gunter; Hanson; Huether; Johnson, D.; Keiser; Kelsch, R.; Kempenich; Kilzer; Klein; Kliniske; Koppelman; Lloyd; Mickelson; Murphy; Nelson; Nichols; Niemeier; Poolman; Price; Renner; Rennerfeldt; Rose; Sandvig; Schmidt; Skarphol; Soukup; Svedjan; Thorpe; Torgerson; Wald; Wardner; Warner; Weisz; Wilkie

**ABSENT AND NOT VOTING:** Berg; Freier; Gorder; Kunkel

The conference committee report on HB 1018 was not adopted.

#### REPORT OF CONFERENCE COMMITTEE

**REP. GERNTHOLZ MOVED** that the conference committee report on Engrossed SB 2214 be adopted, which motion prevailed.

#### REPORT OF CONFERENCE COMMITTEE

**REP. WARDNER MOVED** that the conference committee report on Engrossed SB 2396 be adopted, which motion prevailed.

Engrossed SB 2396, as amended, was placed on the Fourteenth order of business on the calendar.

#### SECOND READING OF SENATE BILL

**SB 2396:** A BILL for an Act to provide for establishment and operation of the North Dakota low-risk incentive fund; to provide a penalty; and to provide an effective date.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 86 YEAS, 6 NAYS, 0 EXCUSED, 5 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Axtman; Belter; Bernstein; Boucher; Brandenburg; Brown; Brusegaard; Byerly; Callahan; Carlisle; Carlson; Christenson; Christopherson; Clark; Coats;

Dalrymple; DeKrey; Delmore; Devlin; Dorso; Drovdal; Fairfield; Froseth; Galvin; Gerntholz; Glassheim; Grande; Grosz; Grumbo; Gulleston; Gunter; Hanson; Hausauer; Hawken; Henegar; Huether; Jacobs; Jensen; Johnsen, C.; Johnson, D.; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kilzer; Klein; Kliniske; Koppelman; Kretschmar; Kroeplin; Lloyd; Mahoney; Martinson; Mickelson; Monson; Murphy; Nelson; Nicholas; Niemeier; Nottestad; Oban; Olson; Poolman; Price; Renner; Rennerfeldt; Rose; Sabby; Sandvig; Schmidt; Soukup; Stenehjerm; Svedjan; Sveen; Thompson; Thoreson; Thorpe; Tollefson; Torgerson; Wald; Wardner; Warner; Weisz; Wentz; Speaker Timm

**NAYS:** Boehm; Delzer; Keiser; Maragos; Nichols; Wilkie

**ABSENT AND NOT VOTING:** Berg; Freier; Gorder; Kunkel; Skarphol

Engrossed SB 2396, as amended, passed and the title was agreed to.

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#### MOTION

**REP. DEKREY MOVED** that the House reconsider its action whereby the House sustained the Governor's line item veto on HB 1026.

#### REQUEST

**REP. POOLMAN REQUESTED** a recorded roll call vote on the motion to reconsider the action whereby the House sustained the Governor's line item veto on HB 1026, which request was granted.

#### ROLL CALL

The question being on the motion to reconsider the action whereby the House sustained the Governor's line item veto on HB 1026, the roll was called and there were 75 YEAS, 18 NAYS, 0 EXCUSED, 4 ABSENT AND NOT VOTING.

**YEAS:** Axtman; Belter; Bernstein; Boehm; Boucher; Brandenburg; Brown; Brusegaard; Byerly; Carlisle; Carlson; Christopherson; Clark; Coats; Dalrymple; DeKrey; Delmore; Delzer; Devlin; Dorso; Fairfield; Froseth; Gerntholz; Grande; Grosz; Grumbo; Hanson; Hausauer; Hawken; Henegar; Jacobs; Jensen; Johnsen, C.; Johnson, D.; Keiser; Kelsch, R.; Kempenich; Kilzer; Klein; Kliniske; Koppelman; Kretschmar; Kroeplin; Lloyd; Mahoney; Maragos; Martinson; Mickelson; Monson; Murphy; Nelson; Nicholas; Nichols; Nottestad; Oban; Olson; Poolman; Price; Renner; Rennerfeldt; Sabby; Schmidt; Skarphol; Soukup; Stenehjerm; Svedjan; Sveen; Thompson; Tollefson; Torgerson; Wald; Wardner; Weisz; Wentz; Speaker Timm

**NAYS:** Aarsvold; Callahan; Christenson; Drovdal; Galvin; Glassheim; Gulleston; Gunter; Huether; Kelsh, S.; Kerzman; Niemeier; Rose; Sandvig; Thoreson; Thorpe; Warner; Wilkie

**ABSENT AND NOT VOTING:** Berg; Freier; Gorder; Kunkel

So the motion to reconsider the action whereby the House sustained the Governor's line item veto on HB 1026 prevailed.

#### SECOND READING OF HOUSE BILL

**HB 1026:** A BILL for an Act to provide an appropriation for defraying the expenses of the workers compensation bureau and its divisions; to provide authorization to expend funds from the workers' compensation contingency line item; to create and enact a new section to chapter 65-02 of the North Dakota Century Code, relating to a continuing appropriation for allocated loss adjustment expenses; and to amend and reenact section 65-06.1-04 of the North Dakota Century Code, relating to civil air patrol workers' compensation reimbursements.

#### ROLL CALL

The question being on the final passage of the bill, as enrolled over the Governor's line item veto, which has been read, the roll was called and there were 70 YEAS, 22 NAYS, 0 EXCUSED, 5 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Axtman; Belter; Bernstein; Boucher; Brandenburg; Brown; Brusegaard; Byerly; Callahan; Carlisle; Carlson; Christenson; Christopherson; Clark; Coats; Dalrymple; DeKrey; Delmore; Devlin; Dorso; Drovdal; Fairfield; Froseth; Galvin; Gerntholz; Glassheim; Grande; Grosz; Grumbo; Gulleston; Gunter; Hanson; Hausauer; Hawken; Henegar; Huether; Jacobs; Jensen; Johnsen, C.; Johnson, D.; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kilzer; Klein; Kliniske; Koppelman; Kretschmar;

Kroepflin; Lloyd; Mahoney; Martinson; Mickelson; Monson; Murphy; Nelson; Nicholas; Niemeier; Nottestad; Oban; Olson; Poolman; Price; Renner; Rennerfeldt; Rose; Sabby; Sandvig; Schmidt; Soukup; Stenehjem; Svedjan; Sveen; Thompson; Thoreson; Thorpe; Tollefson; Torgerson; Wald; Wardner; Warner; Weisz; Wentz; Speaker Timm

**NAYS:** Boehm; Delzer; Keiser; Maragos; Nichols; Wilkie

**ABSENT AND NOT VOTING:** Berg; Freier; Gorder; Kunkel; Skarphol

The House overrode the Governor's line item veto on Engrossed HB 1026.

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**MOTION**

**REP. DORSO MOVED** that the House Conference Committee on HB 1018 be dissolved and that a new conference committee be appointed, which motion prevailed.

**THE SPEAKER APPOINTED** as a new Conference Committee on HB 1018: Reps. Byerly, Hausauer, Nichols.

**MOTION**

**REP. DORSO MOVED** that all action taken this afternoon be messaged to the Senate immediately, which motion prevailed.

**COMMUNICATION FROM GOVERNOR EDWARD T. SCHAFER**

The following communication was received from the Governor at 5:10 p.m., Thursday, April 10, 1997.

This is to inform you that on April 10, 1997, I signed the following: HB 1021.

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

**MADAM PRESIDENT:** The House has not adopted the conference committee report on HB 1018. The Speaker has appointed as a new conference committee to act with a like committee from the Senate on:

**HB 1018:** Reps. Byerly, Hausauer; Nichols

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

**MADAM PRESIDENT:** The House has adopted the conference committee report on SB 2214.

**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 2396.

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

**MADAM PRESIDENT:** The House has overridden the Governor's veto on HB 1026. The vote was 70 YEAS, 22 NAYS, 5 ABSENT AND NOT VOTING.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM C. PARKER, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: HB 1009, HB 1014.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM C. PARKER, SECRETARY)**

**MR. SPEAKER:** The President has signed: HB 1003, HB 1004, HB 1010, HB 1022, HB 1023, HB 1024, HB 1035, HB 1359.

**DELIVERY OF ENROLLED BILLS AND RESOLUTIONS**

The following bills were delivered to the Governor for his approval at the hour of 6:00 p.m., April 10, 1997: HB 1003, HB 1004, HB 1010, HB 1022, HB 1023, HB 1024, HB 1035, HB 1359.

**MOTION**

**REP. DORSO MOVED** that the House be on the Seventh, Twelfth, and Sixteenth orders of business and at the conclusion of those orders, the House stand in recess until 7:00 p.m., which motion prevailed.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM C. PARKER, SECRETARY)**

**MR. SPEAKER:** The President has signed and your signature is respectfully requested on: SB 2004, SB 2008, SB 2047, SB 2064, SB 2194, SB 2301, SB 2324.

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

**SIGNING OF BILLS AND RESOLUTIONS**

The Speaker signed the following enrolled bills: HB 1025, HB 1168, HB 1297.

**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 1025, HB 1168, HB 1297.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1018:** Your conference committee (Sens. Solberg, Holmberg, Mathern and Reps. Byerly, Hausauer, Nichols) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1331-1334 and place HB 1018 on the Seventh order.

HB 1018 was placed on the Seventh order of business on the calendar.

**REPORT OF CONFERENCE COMMITTEE**

**REP. BYERLY MOVED** that the conference committee report on HB 1018 be adopted, which motion prevailed.

**MOTION**

**REP. DORSO MOVED** that all action taken this evening be messaged to the Senate immediately, which motion prevailed.

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

**MADAM PRESIDENT:** The House has adopted the conference committee report on HB 1018.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM C. PARKER, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: SB 2016, SB 2019.

**REPORT OF CONFERENCE COMMITTEE**

**SB 2016, as reengrossed:** Your conference committee (Sens. St. Aubyn, Bowman, Robinson and Reps. Carlisle, Delzer, Nichols) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 998-1002, adopt amendments as follows, and place SB 2016 on the Seventh order:

That the House recede from its amendments as printed on pages 998-1002 of the Senate Journal and pages 1122-1127 of the House Journal and that Reengrossed Senate Bill No. 2016 be amended as follows:

Page 1, line 5, after the second semicolon insert "to propose a legislative council study; to provide a contingent payment;"

Page 1, line 17, replace "77,929" with "73,713"

Page 1, line 19, replace "880,823" with "876,607"

Page 1, line 21, replace "781,924" with "777,708"

Page 2, line 2, replace "4,188,200" with "3,927,066"

Page 2, after line 5, insert:

"Delinquency prevention consortium	100,000"
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Page 2, line 7, replace "14,902,468" with "14,741,334"

Page 2, line 8, replace "5,006,447" with "5,456,447"

Page 2, line 9, replace "9,896,021" with "9,284,887"

Page 2, line 12, replace "20,392,705" with "20,252,555"

Page 2, line 13, replace "8,921,787" with "8,879,128"

Page 2, line 21, replace "45,833,323" with "45,650,514"

Page 2, line 23, replace "35,350,206" with "35,167,397"

Page 2, line 27, replace "5,964,326" with "5,951,678"

Page 2, line 30, replace "8,699,211" with "8,686,563"

Page 2, line 31, replace "46,028,151" with "45,229,992"

Page 3, line 1, replace "24,287,674" with "24,725,026"

Page 3, line 2, replace "70,315,825" with "69,955,018"

Page 3, replace lines 30 and 31 with "to grant recipients that the amount of funds appropriated for crime victims' grants for the 1997-99 biennium may not continue at the same level during the 1999-2001 biennium. The fifty-sixth legislative assembly is not obligated to provide an appropriation from the state general fund to continue the crime victims' grant program at the"

Page 4, remove line 1

Page 4, line 5, after "of" insert "section 1 of"

Page 4, after line 9, insert:

**"SECTION 9. PURCHASE OF LAND AND BUILDINGS - EXEMPTION FROM CHAPTERS 48-01.1 AND 54-44.7.** The department of corrections and rehabilitation may purchase, within the limits of legislative appropriations provided for that purpose, the forensic unit building, the extended treatment building, a gymnasium building, and surrounding real property at the state hospital for development of a medium security correctional facility. The department of corrections and rehabilitation is not subject to the provisions of chapters 48-01.1 and 54-44.7, relating to public improvement contract bids and architect, engineer, and land surveying services, for construction and renovation relating to the medium security correctional facility.

**SECTION 10. DELINQUENCY PREVENTION CONSORTIUM AND LEGISLATIVE COUNCIL STUDY.** During the 1997-99 biennium, the department of corrections and rehabilitation, the department of human services, and the department of public instruction shall develop a delinquency prevention consortium, including representatives of those departments, other state agencies, and private organizations. The legislative council shall consider studying, during the 1997-99 biennium, programs to prevent crime and delinquency and reduce incarceration. If the legislative council conducts such a study, the delinquency prevention consortium shall work in cooperation with the legislative council. The study shall consider crime prevention programs other than incarceration, such as the following programs identified in the 1996 research report "Diverting Children from a Life of Crime - Measuring Costs and Benefits": early childhood interventions for children at risk of developing antisocial behavior, interventions for families with children exhibiting aggressive or antisocial behavior, providing graduation incentives for disadvantaged high school students, and early monitoring of youth exhibiting delinquent behavior. The legislative council may report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-sixth legislative assembly. If, during the 1997-99 biennium, the legislative council does not study programs to prevent crime and delinquency and reduce incarceration, the delinquency prevention consortium shall complete such a study and present periodic reports to the legislative council or its designated committee during the 1997-99 biennium on its findings and recommendations.

**SECTION 11. LEGISLATIVE INTENT - YOUTH CORRECTIONAL CENTER CARPENTRY PROGRAM.** It is the intent of the fifty-fifth legislative assembly that the department of corrections and rehabilitation use the funds appropriated in section 1 of this Act to continue the carpentry program at the youth correctional center during the 1997-99 biennium.

**SECTION 12. CONTINGENT PAYMENT.** If, as of December 31, 1998, the superintendent of public instruction determines that a portion of the amount appropriated in the grants - foundation aid and transportation line item in House Bill No. 1013 will not be distributed during the 1997-99 biennium, the superintendent shall provide a payment, in addition to any other payments required by law, equal to the estimated undistributed amount, up to \$350,000, to the youth correctional center for educational costs incurred during the 1997-99 biennium. If the amount of the payment is less than \$350,000, the department of corrections and rehabilitation shall request a

deficiency appropriation from the fifty-sixth legislative assembly for the amount that when added to the amount of the payment will equal \$350,000."

Page 4, line 12, replace "is" with "and section 9 of this Act are"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

DEPARTMENT 530 - DEPARTMENT OF CORRECTIONS AND REHABILITATION

CONFERENCE COMMITTEE - This amendment removes risk management premiums of \$210,807 (\$198,159 general fund, \$12,648 other funds) from the Department of Corrections and Rehabilitation.

This amendment transfers \$90,150 general fund appropriation authority from salaries and wages to operating expenses for a .3 FTE physician position. The Senate transferred the authority for the .3 FTE position from the State Hospital to the Department of Corrections and Rehabilitation. However, the position will not be transferred. The Department of Corrections and Rehabilitation will contract for these services.

This amendment increases other funds appropriation authority for the Juvenile Services Division by \$350,000 and decreases general fund appropriation authority by the same amount to reflect a contingent payment the Youth Correctional Center may receive from the Department of Public Instruction.

This amendment also reduces general fund appropriation authority by \$250,000 (\$200,000 Juvenile Services Division operating expenses, \$50,000 Adult Services Division salaries and wages). The operating expenses reduction is for programmatic reductions to be determined by the Department of Corrections and Rehabilitation. The salaries and wages reduction is to encourage the department to postpone filling unspecified positions relating to the proposed medium security facility in Jamestown. However, legislative intent indicates that any programmatic reductions should not include the carpentry program at the Youth Correctional Center.

This amendment directs the Department of Corrections and Rehabilitation, the Department of Human Services, and the Department of Public Instruction to develop a delinquency prevention consortium. The consortium will work with the Legislative Council which is encouraged to study programs to prevent crime and delinquency through early intervention methods and present recommendations to the Fifty-sixth Legislative Assembly. This amendment also appropriates \$100,000 of federal or other funds to the Department of Corrections and Rehabilitation for the delinquency prevention consortium.

This amendment clarifies the legislative intent contained in Section 7 of the reengrossed bill, relating to crime victims' grants. This section provides legislative intent that crime victims' grant recipients be provided a notice that the federal funds available for grants during the 1997-99 biennium may not be available during the 1999-2001 biennium and may not be replaced with state funds.

This amendment adds a new section which allows the Department of Corrections and Rehabilitation to purchase, from the State Hospital, the buildings and land for the medium security facility and exempts the department from the provisions of Chapters 48-01.1 and 54-44.7, relating to bidding requirements and architect, engineer, and land surveying services.

This amendment adds a new section which authorizes a contingent payment of up to \$350,000 from the foundation aid appropriation line item to the Youth Correctional Center, if the Department of Public Instruction estimates, as of December 31, 1998, that the entire appropriation for foundation aid will not be distributed during the 1997-99 biennium. If the amount of the payment is less than \$350,000, the Department of Corrections and Rehabilitation is authorized to request a deficiency appropriation from the 1999 Legislative Assembly for the difference between \$350,000 and the amount of the payment.



Total	\$45,833,323	\$(132,809)	\$ 0	\$ 0	\$ (50,000)	\$ 0	\$(182,809)	\$45,650,514	\$45,200,514	\$ 450,000
General fund	\$35,350,206	\$(132,809)			\$(50,000)		\$(182,809)	\$35,167,397	\$34,717,397	\$ 450,000
Other funds	<u>10,483,117</u>							<u>10,483,117</u>	<u>10,483,117</u>	
Total	\$45,833,323	\$(132,809)	\$ 0	\$ 0	\$(50,000)	\$ 0	\$(182,809)	\$45,650,514	\$45,200,514	\$ 450,000
ROUGH RIDER INDUSTRIES										
Salaries and wages	\$ 2,427,773							\$ 2,427,773	\$ 2,427,773	
Operating expenses	5,951,678	\$(12,648)					\$(12,648)	5,951,678	5,951,678	
Equipment	221,000							221,000	221,000	
Capital improvements	<u>86,112</u>							<u>86,112</u>	<u>86,112</u>	
Total	\$ 8,699,211	\$(12,648)	\$ 0	\$ 0	\$ 0	\$ 0	\$(12,648)	\$ 8,686,563	\$ 8,686,563	\$ 0
General fund	<u>\$ 8,699,211</u>	<u>\$(12,648)</u>					<u>\$(12,648)</u>	<u>\$ 8,686,563</u>	<u>\$ 8,686,563</u>	
Other funds										
Total	\$ 8,699,211	\$(12,648)	\$ 0	\$ 0	\$ 0	\$ 0	\$(12,648)	\$ 8,686,563	\$ 8,686,563	\$ 0
DOCR total general fund	\$46,028,151	\$(198,159)			\$(250,000)	\$(350,000)	\$(798,159)	\$45,229,992	\$44,979,992	\$ 250,000
DOCR total other funds	<u>24,287,674</u>	<u>\$(12,648)</u>	<u>\$100,000</u>			<u>350,000</u>	<u>437,352</u>	<u>24,725,026</u>	<u>24,725,026</u>	
DOCR total all funds	\$70,315,825	\$(210,807)	\$100,000	\$ 0	\$(250,000)	\$ 0	\$(360,807)	\$69,955,018	\$69,705,018	\$ 250,000
FTE	518.94			(0.30)			(0.30)	518.64	518.64	0

Reengrossed SB 2016 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**SB 2019, as reengrossed:** Your conference committee (Sens. Goetz, St. Aubyn, Robinson and Reps. Dalrymple, Byerly, Nichols) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 975-979, adopt amendments as follows, and place SB 2019 on the Seventh order:

That the House recede from its amendments as printed on pages 975-979 of the Senate Journal and pages 1160-1164 of the House Journal and that Reengrossed Senate Bill No. 2019 be amended as follows:

Page 1, line 2, remove ", to the Bank of North Dakota for economic development,"

Page 1, line 4, replace the first "and" with "to provide for a legislative council study;" and replace "4-01-19" with "4-14.1-03.1"

Page 1, line 5, replace "subsection 4 of section 10-30.5-02, and section 10-30.5-05" with "54-34.3-08, and 57-43.1-03.1"

Page 1, line 6, remove "the pride of Dakota program,"

Page 1, line 7, replace "and administration and management of the North Dakota development fund" with "patent and royalty rights of the department of economic development and finance, and tax refunds for fuel used for agricultural purposes; to provide for application; to repeal chapter 10-30.4 and section 54-34.3-07 of the North Dakota Century Code, relating to technology transfer, incorporated; and to provide an effective date"

Page 1, line 15, replace "1,634,811" with "2,421,849"

Page 1, line 16, replace "1,591,673" with "1,481,995"

Page 1, line 20, replace "1,410,380" with "500,000"

Page 1, line 21, replace "5,598,107" with "4,097,462"

Page 1, replace line 22 with:

"North Dakota development fund	<u>1,909,875"</u>
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Page 1, line 23, replace "12,457,802" with "12,484,012"

Page 2, line 1, replace "4,812,671" with "3,312,026"

Page 2, line 2, replace "7,645,131" with "9,171,986"

Page 2, remove lines 3 through 9

Page 2, line 11, after "Act" insert "relating to agricultural products utilization commission activities"

Page 2, line 19, after "**INCENTIVES**" insert "- **CONTINGENT TRANSFER**" and replace "\$3,007,000" with "\$1,507,000"

Page 2, line 21, replace "\$3,000,000" with "\$1,500,000"

Page 2, line 22, after "to" insert "the Grafton,", after "Dakota" insert a comma, and replace "plants" with "plant"

Page 3, line 8, after the period insert "If, at the end of each fiscal year, funding appropriated for ethanol incentive payments is not spent, the director of the office of management and budget shall transfer from the highway tax distribution fund the amount of unspent funds deposited into the fund pursuant to provisions of section 57-43.1-03.1 to the agricultural fuel tax fund for the agricultural products utilization commission for the purpose of providing grants as provided by law."

Page 3, after line 13, insert:

**"SECTION 6. EXEMPTION - ETHANOL INCENTIVE APPROPRIATION.** The funds provided in the ethanol incentive line item contained in chapter 48 of the 1995 Session Laws are not subject to the provisions of section 54-44.1-11 and any unexpended funds up to a maximum of \$250,000 from this line item are available for ethanol incentive payments to the Grafton ethanol plant during the biennium beginning July 1, 1997, and ending June 30, 1999. Notwithstanding the appropriation limit in section 4 of this Act, these funds shall be distributed based on the distribution formula contained in that section.

**SECTION 7. LEGISLATIVE INTENT - ETHANOL INCENTIVE PAYMENTS.** It is the intent of the legislative assembly that the appropriation of \$1,500,000 contained in section 1 of this Act for ethanol incentives and the \$250,000 of estimated unspent ethanol incentive funds from the 1995-97 biennium, to be available as a result of the exemption provided in section 6 of this Act, provide a total of \$1,750,000 for ethanol incentives for the Grafton ethanol plant during the biennium beginning July 1, 1997, and ending June 30, 1999. A maximum of \$875,000 may be paid annually to the Grafton ethanol plant during the 1997-99 biennium.

**SECTION 8. REALLOCATION OF ECONOMIC DEVELOPMENT FUNDS.** The director of the department of economic development and finance may reallocate among the technology transfer, inc., fund and the North Dakota development fund for rural and nonrural development projects up to ten percent of the amounts appropriated for these purposes for the biennium beginning July 1, 1997, and ending June 30, 1999."

Page 3, line 15, replace "\$1,410,380" with "\$500,000"

Page 3, line 16, after "fund" insert "and \$1,909,875 to the North Dakota development fund"

Page 3, line 23, replace "president of the Bank of North Dakota" with "director of the department of economic development and finance" and replace "president of the Bank of North" with "director of the department of economic development and finance"

Page 3, line 24, remove "Dakota"

Page 4, replace lines 10 through 28 with:

**"SECTION 12. LEGISLATIVE COUNCIL STUDY - ECONOMIC DEVELOPMENT FUNCTIONS.** The legislative council shall consider studying during the 1997-98 interim economic development functions in North Dakota including the Bank of North Dakota programs, technology transfer, incorporated, the North Dakota development fund, the department of economic development and finance, and other related state agencies. The study, if conducted, should include a review of the most appropriate, effective, and efficient method for the state to deliver economic development assistance in light of changing economic conditions and considerations.

**SECTION 13. AMENDMENT.** Section 4-14.1-03.1 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**4-14.1-03.1. Agricultural products utilization commission - Authority.** 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. The commission may administer grant programs consistent with the purpose of this chapter including a basic and applied research grant program, utilization and marketing grant program, cooperative marketing grant program, farm diversification grant program, agricultural prototype development grant program, and a North American marketing grant program."

Page 5, replace lines 8 through 24 with:

**"SECTION 15. AMENDMENT.** Section 54-34.3-08 of the 1995 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, ~~technology transfer, incorporated,~~ the North Dakota development 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 16. AMENDMENT.** Section 57-43.1-03.1 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**57-43.1-03.1. (Effective until December 31, 1999) Refund of tax for fuel used for agricultural purposes - ~~Reduction for agricultural fuel tax fund~~ Reductions.** Any person who buys or uses any motor vehicle fuel for agricultural purposes, except motor vehicle fuel used in motor vehicles operated or intended to be operated in whole or in part upon any of the public highways of this state on which the motor vehicle fuel tax has been paid, must be reimbursed or repaid within the time provided in this chapter, the amount of the tax paid upon the presentation to and the approval of the commissioner of a claim for refund. The amount of the tax refund provided for in this section must be reduced by ~~four~~ seven cents per gallon [3.79 liters] except for those fuels used in aircraft or with respect to refunds claimed by aircraft fuel users, ~~two~~ Two cents per gallon [3.79 liters] withheld from the refund must be deposited in the agricultural fuel tax fund ~~and two cents, one cent~~ per gallon [3.79 liters] withheld from the refund must be retained in the highway tax distribution fund, ~~and four cents per gallon [3.79 liters] withheld from the refund must be deposited in the agricultural research fund.~~ Those persons who have a valid tax assignment permit issued by the commissioner under section 57-43.1-11 must be charged ~~four~~ seven cents per gallon [3.79 liters] by the dealer and the ~~four~~ seven cents charged must be remitted to the commissioner by the dealer when the dealer submits the tax assigned invoices for credit.

**(Effective January 1, 2000) Refund of tax for fuel used for agricultural purposes - ~~Reduction for agricultural fuel tax fund~~ Reductions.** Any person who buys or uses any motor vehicle fuel for agricultural purposes, except motor vehicle fuel used in motor vehicles operated or intended to be operated in whole or in part upon any of the public highways of this state on which the motor vehicle fuel tax has been paid, must be reimbursed or repaid within the time provided in this chapter, the amount of the tax paid upon the presentation to and the approval of the commissioner of a claim for refund. The amount of the tax refund provided for in this section must be reduced by ~~two~~ six cents per gallon [3.79 liters] except for those fuels used in aircraft or with respect to refunds claimed by aircraft fuel users, ~~two~~ Two cents per gallon [3.79 liters] withheld from the refund must be deposited in the agricultural fuel tax fund ~~and four cents per gallon [3.79 liters] withheld from the fund must be deposited in the agricultural research fund.~~ Those persons who have a valid tax assignment permit issued by the commissioner under section 57-43.1-11 must be charged ~~two~~ six cents per gallon [3.79 liters] by the dealer and the ~~two~~ six cents charged must be remitted to the commissioner by the dealer when the dealer submits the tax assigned invoices for credit.

**SECTION 17. APPLICATION.** Section 16 of this Act applies to refund claims for motor vehicle fuel taxes paid after December 31, 1996.

**SECTION 18. TECHNOLOGY TRANSFER, INCORPORATED, TRANSFERS.** Any moneys and any investment, contract, partnership, or any other business transaction of technology transfer, incorporated, are transferred to the North Dakota development fund and are deemed to be assets of the North Dakota development fund.

**SECTION 19. REPEAL.** Chapter 10-30.4 of the North Dakota Century Code and section 54-34.3-07 of the 1995 Supplement to the North Dakota Century Code are repealed.

**SECTION 20. EFFECTIVE DATE.** Sections 15, 18, and 19 are effective on July 1, 1999."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

DEPARTMENT 601 - DEPARTMENT OF ECONOMIC DEVELOPMENT AND FINANCE

CONFERENCE COMMITTEE - This amendment makes the following changes:

	1997-99 EXECUTIVE RECOMMENDATION	SENATE CHANGES	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION
Salaries and wages	\$ 2,421,849	\$ (787,038)	\$ 1,634,811	\$ 787,038	\$ 2,421,849
Operating expenses	1,591,673		1,591,673	(109,678)	1,481,995
Equipment	34,000		34,000		34,000
Grants	1,313,141		1,313,141		1,313,141
General allocation grants	725,690		725,690		725,690
Technology Transfer, Inc.	1,410,380		1,410,380	(910,380)	500,000
Development fund	1,909,875	(1,909,875)		1,909,875	1,909,875
Agricultural Products	5,598,107		5,598,107	(1,500,645)	4,097,462
Utilization					
Pride of Dakota	<u>150,000</u>	<u>-----</u>	<u>150,000</u>	<u>-(150,000)</u>	<u>-----</u>
Total	\$15,154,715	\$(2,696,913)	\$12,457,802	\$ 26,210	\$12,484,012
General fund	\$10,342,044		\$ 7,645,131	\$ 1,526,855	\$ 9,171,886
Special funds	4,812,671	\$(2,696,913)	4,812,671	(1,500,645)	3,312,026
FTE	30	(9)	21	7	28
Other changes -					

This amendment:

Restores the transfers made by the Senate from the Department of Economic Development and Finance to the Bank of North Dakota, including funding for five FTE positions relating to the fund (\$490,577), and removes related Sections 14 and 15, added by the Senate.

Restores general fund appropriation authority to the Department of Economic Development and Finance in lieu of an appropriation to the Bank of North Dakota from the Bank's earnings for the North Dakota development fund line item as contained in the Senate version.

Restores the authority for four FTE positions and related general fund appropriation authority of \$296,461.

Reduces funding for Technology Transfer, Inc., by \$910,380 from the general fund, from \$1,410,380 to \$500,000 and replaces the three FTE in the current program with one FTE technology technician. The \$500,000 is provided for:

Technology technician position and operating expenses	\$100,000
Project investments that lead to commercialization of new technologies	400,000
	_____
Total	\$500,000

Removes funding of \$150,000 from the general fund for the Pride of Dakota program to be funded in the Department of Agriculture.

Removes Sections 10, 11, and 12 of the reengrossed bill, added by the Senate, relating to legislative intent for Technology Transfer, Inc., a Bank of North Dakota development specialist, and the Pride of Dakota program, respectively.

Reduces operating expenses by \$9,678 from the general fund and the Agricultural Products Utilization Commission line item by \$645 of special funds to remove risk management premiums. Also reduces operating expenses by \$100,000 from the general fund.

Reduces the ethanol production incentives appropriation, contained in the agricultural products utilization line item, from the highway tax distribution fund by \$1,500,000, from \$3,007,000 to \$1,507,000. Changes are made to Section 5 regarding the use of any unspent ethanol incentive payment funding that was generated from the one-cent agriculturally related motor vehicle fuel tax refund reduction.

Adds a new Section 6 to provide an exemption to allow up to \$250,000 of estimated 1995-97 unspent ethanol incentive funds to be spent during the 1997-99 biennium.

Adds a new Section 7 to provide legislative intent that a total of \$1,750,000 be available for the 1997-99 biennium for ethanol incentives and to provide that a maximum of \$875,000 may be paid annually.

Adds a new Section 8 allowing the transfer of funds, up to 10 percent, from Technology Transfer, Inc., and development fund for rural and nonrural projects.

Adds a new Section 12 providing for a Legislative Council study of economic development functions.

Adds a new Section 13 providing that the Agricultural Products Utilization Commission administer an agriculture prototype development program.

Adds a new Section 15 amending Section 54-34.3-08 removing reference to Technology Transfer, Inc., effective July 1, 1999.

Adds a new Section 16 which changes the allocation and the refund of tax for fuel used for agricultural purposes. Effective until December 31, 1999, the amount of the tax refund must be reduced by seven cents per gallon. Effective January 1, 2000, the amount of the tax refund must be reduced by six cents per gallon.

Adds a new Section 17 which provides an application date for refund claims for motor vehicle fuel taxes for refunds after December 31, 1996.

Adds a new Section 18 transferring assets of Technology Transfer, Inc., to the development fund and Section 19 repealing Technology Transfer, Inc., effective July 1, 1999.

Reengrossed SB 2019 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**REP. CARLISLE MOVED** that the conference committee report on Reengrossed SB 2016 be adopted, which motion prevailed.

Reengrossed SB 2016, as amended, was placed on the Fourteenth order of business on the calendar.

#### SECOND READING OF SENATE BILL

**SB 2016:** A BILL for an Act to provide an appropriation for defraying the expenses of the department of corrections and rehabilitation; to create and enact a new section to chapter 15-40.1 and a new subsection to section 15-40.2-08 of the North Dakota Century Code, relating to payment of tuition in cases of residential placements and to the transfer of funds appropriated for foundation aid; to provide legislative intent; to propose a legislative council study; to provide a contingent payment; 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 80 YEAS, 11 NAYS, 0 EXCUSED, 6 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Axtman; Belter; Bernstein; Brandenburg; Brown; Brusegaard; Carlisle; Christenson; Christopherson; Clark; Coats; Dalrymple; DeKrey; Delmore; Devlin; Dorso; Drovdal; Fairfield; Froseth; Galvin; Gerntholz; Glassheim; Grumbo; Gulleon; Gunter; Hanson; Hausauer; Hawken; Huether; Jacobs; Jensen; Johnsen, C.; Johnson, D.; Keiser; Kelsch, R.; Kelsch, S.; Kempenich; Kerzman; Kilzer; Klein; Kliniske; Koppelman; Kretschmar; Kroeplin; Lloyd; Mahoney; Maragos; Martinson; Mickelson; Murphy; Nelson; Nicholas; Nichols; Niemeier; Nottestad; Oban; Poolman; Price; Rennerfeldt; Rose; Sabby; Sandvig; Schmidt; Soukup; Stenehjem; Svedjan; Sveen; Thompson; Thoreson; Thorpe; Tollefson; Torgerson; Wald; Wardner; Warner; Weisz; Wentz; Wilkie; Speaker Timm

**NAYS:** Boehm; Boucher; Byerly; Callahan; Carlson; Delzer; Grande; Grosz; Monson; Olson; Skarphol

**ABSENT AND NOT VOTING:** Berg; Freier; Gorder; Henegar; Kunkel; Renner

Reengrossed SB 2016, as amended, passed, the title was agreed to, and the emergency clause was declared carried.

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#### REPORT OF CONFERENCE COMMITTEE

**REP. DALRYMPLE MOVED** that the conference committee report on Reengrossed SB 2019 be adopted, which motion prevailed.

Reengrossed SB 2019, as amended, was placed on the Fourteenth order of business on the calendar.

#### SECOND READING OF SENATE BILL

**SB 2019:** A BILL for an Act to provide appropriations for defraying the expenses of the department of economic development and finance and to the agricultural products utilization commission for grants; to provide for transfers of funds; to provide for the reallocation of funds; to provide for a legislative council study; to amend and reenact sections 4-14.1-03.1, 4-14.1-04, 54-34.3-08, and 57-43.1-03.1 of the North Dakota Century Code, relating to the agricultural products utilization commission, patent and royalty rights of the department of economic development and finance, and tax refunds for fuel used for agricultural purposes; to provide for application; to repeal chapter 10-30.4 and section 54-34.3-07 of the North Dakota Century Code, relating to technology transfer, incorporated; and to provide an effective date.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 67 YEAS, 24 NAYS, 0 EXCUSED, 6 ABSENT AND NOT VOTING.

**YEAS:** Axtman; Bernstein; Boucher; Brusegaard; Byerly; Callahan; Carlisle; Christenson; Christopherson; Clark; Coats; Dalrymple; DeKrey; Delmore; Dorso; Drovdal; Fairfield; Froseth; Galvin; Gerntholz; Grumbo; Gunter; Hanson; Hausauer; Hawken; Huether; Jacobs; Johnsen, C.; Johnson, D.; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kilzer; Klein; Kliniske; Koppelman; Kretschmar; Kroeplin; Lloyd; Mahoney; Maragos; Martinson; Mickelson; Murphy; Nelson; Nicholas; Poolman; Price; Rennerfeldt; Sabby; Sandvig; Schmidt; Soukup; Stenehjem; Sveen; Thompson; Thoreson; Tollefson; Torgerson; Wald; Wardner; Weisz; Wentz; Wilkie; Speaker Timm

**NAYS:** Aarsvold; Belter; Boehm; Brandenburg; Brown; Carlson; Delzer; Devlin; Glassheim; Grande; Grosz; Gullerson; Jensen; Monson; Nichols; Niemeier; Nottestad; Oban; Olson; Rose; Skarphol; Svedjan; Thorpe; Warner

**ABSENT AND NOT VOTING:** Berg; Freier; Gorder; Henegar; Kunkel; Renner

Reengrossed SB 2019, as amended, passed and the title was agreed to.

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**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 2019.

**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: SB 2016.

**MOTION**

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

**MOTION**

**REP. DORSO MOVED** that the House be on the Seventh, Twelfth, and Sixteenth orders of business and at the conclusion of those orders, the House stand adjourned until 9:00 a.m., Friday, April 11, 1997, which motion prevailed.

**SIGNING OF BILLS AND RESOLUTIONS**

The Speaker signed the following enrolled bills: SB 2004, SB 2018, SB 2047, SB 2064, SB 2194, SB 2301, SB 2324.

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

**MADAM PRESIDENT:** The Speaker has signed: SB 2004, SB 2018, SB 2047, SB 2064, SB 2194, SB 2301, SB 2324.

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

**ROY GILBREATH, Chief Clerk**