

JOURNAL OF THE SENATE

Fifty-fifth Legislative Assembly

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Bismarck, April 8, 1997

The Senate convened at 9:00 a.m., with President Myrdal presiding.

The prayer was offered by Senator Aaron Krauter.

The roll was called and all members were present except Senators Mutch, Nething, Redlin, and Tomac.

A quorum was declared by the President.

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

MR. SPEAKER: The President has appointed as a new conference committee to act with a like committee from the House on:

SB 2043: Sens. Thane; B. Stenehjem; DeMers

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

MR. SPEAKER: The President has signed: HB 1019, HB 1028, HB 1163, HB 1238, HB 1301, HB 1387.

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 2301.

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

MR. SPEAKER: The President has signed the veto certification on: HB 1137, HB 1440.

CONSIDERATION OF AMENDMENTS

HB 1015, as engrossed: SEN. GOETZ (Appropriations Committee) MOVED that the amendments on SJ pages 1229-1237 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed.

SECOND READING OF HOUSE BILL

HB 1015: A BILL for an Act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; to provide an exemption from the provisions of section 54-44.1-11 of the North Dakota Century Code; to provide a statement of legislative intent relating to state employee compensation adjustments; to authorize transfer of various special funds to the general fund; to provide for mobile data terminals; to provide directives relating to 911 telephone services; to provide for program reductions if federal programs are terminated or reduced; to provide for a legislative council study of public employee health insurance benefits; to provide for a transfer from the North Dakota insurance reserve fund to the office of management and budget; to amend and reenact sections 32-12.2-06 and 54-27.2-02 of the North Dakota Century Code, relating to the state risk management fund and to the budget stabilization fund; to provide an expiration 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 45 YEAS, 0 NAYS, 0 EXCUSED, 4 ABSENT AND NOT VOTING.

YEAS: Andrist; Berg; Bowman; Christmann; Cook; DeMers; Fischer; Freborg; Goetz; Grindberg; Heitkamp; Holmberg; Kelsh; Kinnoin; Klein; Krauter; Krebsbach; Kringstad; LaFountain; Lee; Lindaas; Lips; Mathern; Mutzenberger; Naaden; Nalewaja; Nelson, C.; Nelson, G.; O'Connell; Robinson; Sand; Schobinger; Solberg; St. Aubyn; Stenehjem, B.; Stenehjem, W.; Tallackson; Thane; Thompson; Traynor; Urlacher; Wanzek; Watne; Wogsland; Yockim

ABSENT AND NOT VOTING: Mutch; Nething; Redlin; Tomac

Engrossed HB 1015, as amended, passed, the title was agreed to, and the emergency clause was declared carried.

MOTION

SEN. GOETZ MOVED that Engrossed SB 2014 be moved to the top of the calendar, which motion prevailed.

REPORT OF CONFERENCE COMMITTEE

SB 2014, as engrossed: Your conference committee (Sens. Solberg, Nalewaja, Tallackson and Reps. Svedjan, Delzer, Nichols) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1023-1025, adopt amendments as follows, and place SB 2014 on the Seventh order:

That the House recede from its amendments as printed on pages 1023-1025 of the Senate Journal and pages 1120-1122 of the House Journal and that Engrossed Senate Bill No. 2014 be amended as follows:

Page 1, line 15, replace "97,445" with "83,757"

Page 1, line 17, replace "all" with "special", after "funds" insert "appropriation", and replace "5,643,444" with "5,629,756"

Page 2, after line 11, insert:

"SECTION 5. LEGISLATIVE INTENT - PARTICIPATING ENTITIES. It is the intent of the legislative assembly that the department of human services inform eligible organizations that are not currently participating in "refinancing" activities of the benefits and the opportunity to participate in the program for the biennium beginning July 1, 1997, and ending June 30, 1999.

SECTION 6. LEGISLATIVE INTENT - REGIONAL CONSOLIDATION - REPORT TO BUDGET SECTION. It is the intent of the legislative assembly that because of relatively high administrative expenses as compared to income of some regional and tribal children's services coordinating committees, the Children's Services Coordinating Committee conduct an analysis and develop a plan to reduce, by consolidation, the administrative costs of the regional and tribal committees during the biennium beginning July 1, 1997, and ending June 30, 1999. The committee shall present its report and recommendations to the budget section by October 1, 1998."

Page 2, line 26, replace "Regional" with "Children's services coordinating committee - Grants to regional" and replace "18 percent" with "\$1,080,000 (estimated at 18 percent)"

Page 2, line 27, replace "- Administration" with "for administrative costs"

Page 2, line 28, replace "59.5" with "62" and replace "25" with "20"

Page 2, line 31, replace "10" with "7.5"

Page 3, after line 1, insert:

"If less than \$6,000,000 is generated as a result of participating entities claiming federal administrative cost reimbursements for the 1997-99 biennium, the children's services coordinating committee shall proportionately reduce the percentage allocations for statewide grants and regional and tribal children's services coordinating committee grants to generate the funds necessary to provide a total of \$1,080,000 for the 1997-99 biennium for grants to regional and tribal committees for administrative costs under this section."

Page 3, remove lines 7 and 8

Page 3, line 9, replace "83.5" with "90"

Page 3, line 10, replace "25" with "20"

Page 3, line 12, replace "14" with "10"

Page 3, line 19, remove the overstrike over the third "the"

Page 3, line 20, remove the overstrike over "~~superintendent of public instruction~~" and remove "a representative of the North Dakota association of school"

Page 3, line 21, remove "administrators"

Page 3, line 22, remove ", a health district representative appointed by the governor"

Page 3, line 24, remove the overstrike over "~~the director of the department of~~"

Page 3, remove the overstrike over line 25

Page 3, line 26, remove the overstrike over "~~rehabilitation,~~"

Page 3, line 27, remove the overstrike over "~~the director of vocational and technical education,~~"

Page 4, line 27, overstrike "charter", remove "up to twelve", overstrike "public corporations", remove the overstrike over "~~designate~~" and insert immediately thereafter "up to twelve", and remove the overstrike over "~~organizations~~"

Page 4, line 31, overstrike "corporations or" and after the period insert "The committee shall discontinue the designation of regional and tribal committees if grant funds are not available for distribution to the regional and tribal committees."

Page 5, line 14, remove "temporary"

Page 5, line 21, replace "twenty-five" with "twenty"

Page 5, line 25, replace "five" with "twenty"

Page 5, line 26, replace "that" with ", excluding income received during the final thirty days of each fiscal year, which"

Page 5, line 27, replace "twenty-two" with "fifty", remove "five hundred", and after "dollars" insert "or twenty percent of annual gross income, whichever is less."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 324 - CHILDREN'S SERVICES COORDINATING COMMITTEE

CONFERENCE COMMITTEE - The amendment reduces the operating expenses line item by \$13,688 of special funds, \$645 of which relates to removing funds for risk management premiums and \$13,043 to reducing operating expenses to match the 2.5 percent administrative expense limit based on federal funds generated by "refinancing" activities. The same as the House version.

The amendment changes the membership of the Children's Services Coordinating Committee and selected duties and responsibilities of the committee and of regional and tribal committees. Committee members will consist of the Governor, Superintendent of Public Instruction, juvenile court representative, Department of Human Services director, State Health Officer, Department of Corrections and Rehabilitation director, Vocational and Technical Education director, and an Indian Affairs Commission representative.

The amendment clarifies that the state Children's Services Coordinating Committee will determine the allocation of the 18 percent of the "refinancing" funds received to the regional and tribal committees for their administrative costs.

The amendment includes sections of legislative intent added by the House regarding informing local eligible organizations of the opportunity to participate in the "refinancing" activities and regarding options for reducing administrative costs of the regional and tribal committees.

The amendment changes the method by which the Children's Services Coordinating Committee distributes its grants as follows:

	CONFERENCE COMMITTEE	HOUSE VERSION	SENATE VERSION	CURRENT METHOD
Department of Human Services	10 percent up to a maximum of \$600,000	10 percent up to a maximum of \$600,000	10 percent up to a maximum of \$600,000	10 percent
Children's Services Coordinating Committee - Administration	2.5 percent up to a maximum of \$150,000	2.5 percent up to a maximum of \$150,000	2.5 percent	5 percent
Regional and tribal children's services coordinating committees	N/A	N/A	N/A	70 percent
Participating entities generating federal funds	20 percent	15 percent	25 percent of total	15 percent
Children's Services Coordinating Committee - Statewide grants	7.5 percent	7.5 percent	10 percent	
Children's Services Coordinating Committee - Grants to regional and tribal children's services coordinating committees for administrative costs	\$1,080,000 (estimated at 18 percent)	\$1,080,000 (estimated at 18 percent)	18 percent up to a maximum of \$1,080,000	
Regional and tribal children's services coordinating committees - Grants to providers	42 percent	47 percent	34.5 percent	

Children's services providers	As approved by the legislative Assembly or Budget Section based on Children's Services Coordinating Committee or other requests and as distributed by regional and tribal committees	As approved by the legislative Assembly or Budget Section based on Children's Services Coordinating Committee or other requests and as distributed by regional and tribal committees	As approved by the legislative Assembly or Budget Section based on Children's Services Coordinating Committee or other requests and as distributed by regional and tribal committees	As allocated from the regional or tribal children's services coordinating committees
Total	100 percent	100 percent	100 percent	100 percent
Any federal fund reimbursements received by the state in excess of \$6,000,000 during the 1997-99 biennium will be distributed, subject to Emergency Commission approval, as follows:				
Children's Services Coordinating Committee - Administration	0 percent	0 percent	2.5 percent	
Participating entities generating federal funds	20 percent	15 percent	25 percent	
Regional and tribal children's services coordinating committees - Grants	70 percent	75 percent	58.5 percent	
Children's Services Coordinating Committee - Statewide grants	10 percent	10 percent	14 percent	
Total	100 percent	100 percent	100 percent	

Engrossed SB 2014 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SEN. SOLBERG MOVED that the conference committee report on Engrossed SB 2014 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2014, as amended, was placed on the Eleventh order.

SECOND READING OF SENATE BILL

SB 2014: A BILL for an Act to provide an appropriation for defraying the expenses of the children's services coordinating committee; to create and enact a new section to chapter 54-56 of the North Dakota Century Code, relating to regional and tribal children's services coordinating committees; to amend and reenact sections 54-56-01, 54-56-03, and 54-56-04 of the North Dakota Century Code, relating to the membership and duties of the children's services coordinating committee; and to repeal section 54-56-05 of the North Dakota Century Code, relating to the children's services coordinating committee receiving and spending funds.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 45 YEAS, 0 NAYS, 0 EXCUSED, 4 ABSENT AND NOT VOTING.

YEAS: Andrist; Berg; Bowman; Christmann; Cook; DeMers; Fischer; Freborg; Goetz; Grindberg; Heitkamp; Holmberg; Kelsh; Kinnoin; Klein; Krauter; Krebsbach; Kringstad; LaFountain; Lee; Lindaas; Lips; Mathern; Mutzenberger; Naaden; Nalewaja; Nelson, C.; Nelson, G.; O'Connell; Robinson; Sand; Schobinger; Solberg; St. Aubyn; Stenehjem, B.; Stenehjem, W.; Tallackson; Thane; Thompson; Traynor; Urlacher; Wanzek; Watne; Wogsland; Yockim

ABSENT AND NOT VOTING: Mutch; Nothing; Redlin; Tomac

Engrossed SB 2014, as amended, passed and the title was agreed to.

REPORT OF CONFERENCE COMMITTEE

SEN. THOMPSON MOVED that the conference committee report on SB 2132 as printed on SJ page 1237 be adopted, which motion prevailed on a voice vote.

SB 2132, as amended, was placed on the Eleventh order.

SECOND READING OF SENATE BILL

SB 2132: A BILL for an Act to create and enact a new subsection to section 26.1-05-19, relating to insurance company investments; and to amend and reenact subsection 6 of section 26.1-03-17, subsection 4 of section 26.1-36.1-01, subsection 4 of section 26.1-36.1-05, and section 26.1-44-05 of the North Dakota Century Code, relating to an annual insurance premium tax filing fee, medicare supplement insurance, and endorsement of surplus lines insurance policies.

ROLL CALL

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

YEAS: Andrist; Berg; Bowman; Christmann; Cook; DeMers; Fischer; Freborg; Goetz; Grindberg; Heitkamp; Holmberg; Kelsh; Kinnoin; Klein; Krauter; Krebsbach; Kringstad; LaFountain; Lee; Lindaas; Lips; Mathern; Mutzenberger; Naaden; Nalewaja; Nelson, C.; Nelson, G.; O'Connell; Robinson; Sand; Schobinger; Solberg; St. Aubyn; Stenehjem, B.; Stenehjem, W.; Tallackson; Thane; Thompson; Tomac; Traynor; Urlacher; Wanzek; Watne; Wogsland; Yockim

ABSENT AND NOT VOTING: Mutch; Nothing; Redlin

SB 2132, as amended, passed and the title was agreed to.

MOTION

SEN. GOETZ MOVED that Engrossed HB 1008 be placed at the bottom of the calendar, which motion prevailed.

REPORT OF CONFERENCE COMMITTEE

SEN. BOWMAN MOVED that the conference committee report on Engrossed HB 1017 as printed on SJ page 1238 be adopted, which motion prevailed on a verification vote.

Engrossed HB 1017, as amended, was placed on the Fourteenth order.

SECOND READING OF HOUSE BILL

HB 1017: A BILL for an Act to provide an appropriation for defraying the expenses of the adjutant general.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 45 YEAS, 0 NAYS, 0 EXCUSED, 4 ABSENT AND NOT VOTING.

YEAS: Andrist; Berg; Bowman; Christmann; Cook; DeMers; Fischer; Freborg; Goetz; Grindberg; Heitkamp; Holmberg; Kelsh; Kinnoin; Klein; Krauter; Krebsbach; Kringstad; LaFountain; Lee; Lindaas; Lips; Mathern; Mutzenberger; Naaden; Nalewaja; Nelson, C.; Nelson, G.; O'Connell; Robinson; Sand; Schobinger; Solberg; St. Aubyn; Stenehjem, W.; Tallackson; Thane; Thompson; Tomac; Traynor; Urlacher; Wanzek; Watne; Wogsland; Yockim

ABSENT AND NOT VOTING: Mutch; Nothing; Redlin; Stenehjem, B.

Engrossed HB 1017, as amended, passed and the title was agreed to.

REPORT OF CONFERENCE COMMITTEE

SEN. W. STENEHJEM MOVED that the conference committee report on Engrossed HB 1112 as printed on SJ page 1238 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1112, as amended, was placed on the Fourteenth order.

SECOND READING OF HOUSE BILL

HB 1112: A BILL for an Act to create and enact two new sections to chapter 12.1-31 of the North Dakota Century Code, relating to the exploitation of a disabled or vulnerable elderly adult; to amend and reenact section 12.1-31-07 of the North Dakota Century Code, relating to the definition of disabled or vulnerable elderly adult; and to provide a penalty.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 42 YEAS, 3 NAYS, 0 EXCUSED, 4 ABSENT AND NOT VOTING.

YEAS: Andrist; Berg; Bowman; Christmann; DeMers; Fischer; Freborg; Goetz; Grindberg; Heitkamp; Holmberg; Kelsh; Kinnoin; Klein; Krauter; Krebsbach; Kringstad; LaFountain; Lee; Lindaas; Lips; Mathern; Mutzenberger; Naaden; Nalewaja; Nelson, C.; Nelson, G.; O'Connell; Robinson; Sand; Schobinger; Solberg; St. Aubyn; Stenehjem, W.; Tallackson; Thane; Tomac; Urlacher; Wanzek; Watne; Wogsland; Yockim

NAYS: Cook; Thompson; Traynor

ABSENT AND NOT VOTING: Mutch; Nothing; Redlin; Stenehjem, B.

Engrossed HB 1112, as amended, passed and the title was agreed to.

REPORT OF CONFERENCE COMMITTEE

SEN. FREBORG MOVED that the conference committee report on Engrossed HB 1337 as printed on SJ pages 1238-1239 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1337, as amended, was placed on the Fourteenth order.

SECOND READING OF HOUSE BILL

HB 1337: A BILL for an Act relating to the provision of guidance and counseling services at the elementary and secondary school level.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 34 YEAS, 11 NAYS, 0 EXCUSED, 4 ABSENT AND NOT VOTING.

YEAS: Andrist; Berg; Bowman; Christmann; Cook; DeMers; Fischer; Freborg; Goetz; Grindberg; Heitkamp; Kelsh; Kinnoin; Klein; Krebsbach; Kringstad; LaFountain; Lee; Mutzenberger; Naaden; Nalewaja; Nelson, C.; Nelson, G.; O'Connell; Robinson; Sand; Schobinger; Tallackson; Thompson; Tomac; Traynor; Urlacher; Wanzek; Yockim

NAYS: Holmberg; Krauter; Lindaas; Lips; Mathern; Solberg; St. Aubyn; Stenehjem, W.; Thane; Watne; Wogsland

ABSENT AND NOT VOTING: Mutch; Nothing; Redlin; Stenehjem, B.

Engrossed HB 1337, as amended, passed and the title was agreed to.

REPORT OF CONFERENCE COMMITTEE

SEN. ANDRIST MOVED that the conference committee report on HB 1453 as printed on SJ page 1239 be adopted, which motion prevailed on a voice vote.

HB 1453, as amended, was placed on the Fourteenth order.

SECOND READING OF HOUSE BILL

HB 1453: A BILL for an Act to amend and reenact section 27-08.1-01 of the North Dakota Century Code, relating to the location of small claims actions.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 45 YEAS, 0 NAYS, 0 EXCUSED, 4 ABSENT AND NOT VOTING.

YEAS: Andrist; Berg; Bowman; Christmann; Cook; DeMers; Fischer; Freborg; Goetz; Grindberg; Heitkamp; Holmberg; Kelsh; Kinnoin; Klein; Krauter; Krebsbach; Kringstad; LaFountain; Lee; Lindaas; Lips; Mathern; Mutzenberger; Naaden; Nalewaja; Nelson, C.; Nelson, G.; O'Connell; Robinson; Sand; Schobinger; Solberg; St. Aubyn; Stenehjem, W.; Tallackson; Thane; Thompson; Tomac; Traynor; Urlacher; Wanzek; Watne; Wogsland; Yockim

ABSENT AND NOT VOTING: Mutch; Nothing; Redlin; Stenehjem, B.

HB 1453, as amended, passed and the title was agreed to.

REPORT OF CONFERENCE COMMITTEE

SEN. NAADEN MOVED that the conference committee report on Engrossed HB 1008 as printed on SJ pages 1237-1238 be adopted, which motion prevailed on a voice vote.

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

SECOND READING OF HOUSE BILL

HB 1008: A BILL for an Act to provide an appropriation for defraying the expenses of the public service commission; and to amend and reenact sections 49-01-05 and 60-02-07 of the North Dakota Century Code, relating to the salary of public service commissioners and public warehouse licenses.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 42 YEAS, 3 NAYS, 0 EXCUSED, 4 ABSENT AND NOT VOTING.

YEAS: Andrist; Berg; Bowman; Christmann; Cook; DeMers; Fischer; Freborg; Goetz; Grindberg; Heitkamp; Holmberg; Kinnoin; Klein; Krauter; Krebsbach; Kringstad; LaFountain; Lee; Lindaas; Lips; Mathern; Mutzenberger; Naaden; Nalewaja; Nelson, C.; Nelson, G.; Robinson; Sand; Schobinger; Solberg; St. Aubyn; Stenehjem, W.; Tallackson; Thane; Thompson; Tomac; Traynor; Urlacher; Wanzek; Watne; Wogsland

NAYS: Kelsh; O'Connell; Yockim

ABSENT AND NOT VOTING: Mutch; Nothing; Redlin; Stenehjem, B.

Engrossed HB 1008, as amended, passed and the title was agreed to.

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following bills were delivered to the Governor for his approval at the hour of 10:00 a.m., April 8, 1997: SB 2005, SB 2007, SB 2009, SB 2011, SB 2013, SB 2020, SB 2032, SB 2037, SB 2042, SB 2046, SB 2068, SB 2088, SB 2093, SB 2112, SB 2116, SB 2136, SB 2145, SB 2149, SB 2159, SB 2160, SB 2173, SB 2202, SB 2213, SB 2234, SB 2318, SB 2351, SB 2362.

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following bills were delivered to the Secretary of State for his filing at the hour of 10:34 a.m., April 8, 1997: SB 2048, SB 2201, SB 2385.

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 2372, SB 2399, SCR 4010.

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 2228, SB 2344.

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

MADAM PRESIDENT: The Speaker has signed and your signature is respectfully requested on: HB 1001, HB 1026, HB 1312, HB 1456.

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

MADAM PRESIDENT: The Speaker has signed and your signature is respectfully requested on: HB 1007, HB 1021, HB 1085, HB 1306, HB 1357, HB 1448, HB 1478.

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

MR. SPEAKER: The President has signed: HB 1412.

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

MADAM PRESIDENT: The House has not adopted the conference committee report on HB 1297. The committee was unable to agree and the Speaker has appointed as a new conference committee to act with a like committee from the Senate on:

HB 1297: Reps. Maragos; Kretschmar; Callahan

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

MR. SPEAKER: The Senate has amended, subsequently passed, and the emergency clause carried: HB 1015.

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 2014, SB 2132.

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 1017, HB 1112, HB 1337, HB 1453.

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 1008.

MOTION

SEN. GOETZ MOVED that the Senate stand in recess until 1:00 p.m., which motion prevailed.

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

APPOINTMENT OF CONFERENCE COMMITTEE

SEN. GOETZ MOVED that the President appoint a committee of three to act with a like committee from the House as a new Conference Committee on HB 1340, which motion prevailed.

THE PRESIDENT APPOINTED as a new Conference Committee on HB 1340: Sens. Kringstad, Urlacher, Tomac.

APPOINTMENT OF CONFERENCE COMMITTEE

SEN. GOETZ MOVED that the President appoint a committee of three to act with a like committee from the House as a new Conference Committee on HB 1297, which motion prevailed.

THE PRESIDENT APPOINTED as a new Conference Committee on HB 1297: Sens. Traynor, W. Stenehjem, C. Nelson.

REPORT OF CONFERENCE COMMITTEE

SB 2012, as engrossed: Your conference committee (Sens. Solberg, Lips, Krauter and Reps. Soukup, Martinson, Huether) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1017-1022, adopt amendments as follows, and place SB 2012 on the Seventh order:

That the House recede from its amendments as printed on pages 1017-1022 of the Senate Journal and pages 1072-1076 of the House Journal and that Engrossed Senate Bill No. 2012 be amended as follows:

Page 1, line 2, after "transportation" insert "; to limit expenditures on certain streets; to create and enact a new section to chapter 24-02 of the North Dakota Century Code, relating to cooperating with other states; to amend and reenact subsection 3 of section 24-02-37, sections 24-02-37.1, 39-12-02, and 54-06-09 of the North Dakota Century Code, relating to the special road fund, special trip permits, and state employee vehicle usage; to repeal section 24-02-37.1 of the North Dakota Century Code, relating to the special road advisory committee; and to provide an effective date"

Page 1, line 9, replace "24,084,794" with "22,383,770"

Page 1, line 10, replace "6,525,312" with "6,625,312"

Page 1, line 11, replace "8,870,358" with "8,950,358"

Page 1, line 12, replace "382,681,779" with "384,730,803"

Page 1, line 14, replace "452,824,778" with "453,352,778"

Page 1, after line 23, insert:

"SECTION 4. LEGISLATIVE INTENT - BUDGET SECTION REPORT. It is the intent of the legislative assembly that the department of transportation evaluate the continued use of its 1978 model cessna airplane. The evaluation should include an analysis of the costs of continued maintenance and repair of the airplane and options for replacement of the airplane which may include selling or trading the airplane and leasing or purchasing a new or used airplane. The department shall present a report on its evaluation to the budget section by November 1998.

SECTION 5. EXPENDITURES FOR SCHAFFER STREET LIMITED. No funds from any source may be used to widen Schaffer street in the city of Bismarck. However, funds may be used to maintain or improve the street.

SECTION 6. A new section to chapter 24-02 of the North Dakota Century Code is created and enacted as follows:

Intergovernmental cooperation - Infrastructure bank. The director may contract and cooperate with other states, with political subdivisions of this state, and with the United States government to establish, maintain, and operate a multistate infrastructure bank pursuant to section 350 of the National Highway System Designation Act of 1995 [Pub. L. 104-59; 109 Stat. 568, 618-622] and the Department of Transportation and Related Agencies Appropriations Act of 1997 [Pub. L. 104-205, Title I]. The director may transfer and commit to the multistate infrastructure bank state and federal-aid highway funds, up to a maximum of ten percent of eligible federal-aid highway funds, and the required state matching funds. All funds and revenue allocated or generated under this section must be used for purposes of funding eligible projects as determined by agreement of the members of the multistate infrastructure bank and as authorized by state and federal law.

SECTION 7. AMENDMENT. Subsection 3 of section 24-02-37 of the North Dakota Century Code is amended and reenacted as follows:

3. ~~The state treasurer shall deposit the moneys in the state highway fund in an interest-bearing account at the Bank of North Dakota. The state treasurer shall deposit any Any income derived from the deposit of the moneys in a special fund in the state treasury known as the special road fund. Moneys, and any earnings on the moneys, in the special road fund may be used, within the limits of legislative appropriation, exclusively for the construction and maintenance of access roads to and roads within recreational, tourist, and historical areas as designated by the commissioner with the advice of the special road advisory committee. Requests by political subdivisions or state agencies for funding from the special road fund must be made to the commissioner on forms designated by the commissioner. The commissioner may require the political subdivision or state agency to contribute to the cost of the project as a condition of any expenditure authorized from the special road fund.~~

SECTION 8. AMENDMENT. Section 24-02-37.1 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

24-02-37.1. Special road advisory committee - Special road fund. The special road advisory committee consists of one member of the senate transportation committee and one member of the senate appropriations committee appointed by the chairman of the legislative council and one member of the house of representatives transportation committee and one member of the house of representatives appropriations committee appointed by the chairman of the legislative council and also the director of the game and fish department, the director of the parks and recreation department, the director of the department of economic development and finance, and the commissioner.

The special road fund is a special fund in the state treasury that consists of moneys deposited in the fund through June 30, 1997. Moneys, and any earnings on the moneys, in the special road fund may be used, within the limits of legislative appropriation, exclusively for the construction and maintenance of access roads to and roads within recreational, tourist, and historical areas as designated by the commissioner with the advice of the special road advisory committee. Requests by political subdivisions or state agencies for funding from the special road fund must be made to the commissioner on forms designated by the commissioner. The commissioner may require the political subdivision or state agency to contribute to the cost of the project as a condition of any expenditure authorized from the special road fund. The state treasurer shall transfer any moneys remaining in the fund on June 30, 1999, to the state highway fund.

The committee shall meet at the call of the commissioner, who is chairman of the committee, to review requests for funding from the special road fund and to advise the commissioner regarding funding requested projects. The commissioner shall provide staff services to the committee. All final decisions regarding funding requested projects are in the sole discretion of the commissioner. The members of the commission who are members of the legislative assembly must be compensated by the department, from moneys appropriated from the special road fund, for attendance at committee meetings at the rate provided in section 54-35-10 and are entitled to reimbursement for expenses incurred in attending the meetings in the amounts provided by law for other state officers.

SECTION 9. AMENDMENT. Section 39-12-02 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

39-12-02. Special permits for vehicles of excessive size and weight issued - Contents - Fees.

1. The highway patrol and local authorities in their respective jurisdictions, upon application and payment of the appropriate charges and for good cause shown, may issue a special written permit authorizing the applicant to operate or move a vehicle, mobile home or modular unit of a size or weight exceeding the maximum specified by this chapter, upon a highway under the jurisdiction of the body granting the permit. Every ~~such~~ permit may designate the route to be traversed, and may contain any other restrictions or conditions deemed necessary by the body granting ~~such~~ the permit. Every ~~such~~ permit must be carried in the vehicle to which it refers and must be opened to inspection by any peace officer or agent of the superintendent of the highway patrol unless prior approval is obtained from

the highway patrol. It is a violation of ~~the provisions of this chapter for any person to violate any of the terms or conditions of such special~~ the permit. All permits for the movement of excessive size and weight on state highways must be single trips only. The highway patrol and local authorities may adopt rules governing the movement of oversize and overweight vehicles.

2. An appropriate charge must be made for each permit and all funds collected hereunder by the highway patrol must be deposited in the state highway fund ~~and are hereby appropriated~~ for use in the construction and maintenance of highways and operating expenses of the department of transportation. ~~For each permit for the movement of a mobile home or modular unit, the fee is ten dollars.~~ Official or publicly owned vehicles may not be required to pay charges for permits. The minimum fee for selected charges is as follows:
 - a. The fee for a seasonal permit, harvest and wintertime, is fifty dollars per month.
 - b. The fee for a non-self-issuing interstate permit is ten dollars per trip.
 - c. The fee for special mobile equipment is twenty-five dollars per trip.
 - d. The fee for engineering is twenty-five dollars per trip.
 - e. The fee for filing a permit is five dollars per trip.
 - f. The fee for a single trip permit is twenty dollars per trip.
3. The director of tax equalization of the county of destination must be furnished a copy of the permit for the movement of an overdimensional mobile home.

SECTION 10. AMENDMENT. Section 54-06-09 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

54-06-09. Mileage and travel expense of state officers and employees.

1. State officials, whether elective or appointive, and their deputies, assistants, and clerks, or other state employees, entitled by law to be reimbursed for mileage or travel expense, must be allowed and paid for mileage and travel expense the following amounts:
 - 4- a. The sum of twenty-five cents per mile [1.61 kilometers] for each mile [1.61 kilometers] actually and necessarily traveled in the performance of official duty when such travel is by motor vehicle or twenty-seven cents per mile [1.61 kilometers] if the travel is by truck, the use of which is required by the employing subdivision, agency, bureau, board, or commission. The sum of thirty-five cents per mile [1.61 kilometers] for each mile [1.61 kilometers] actually and necessarily traveled in the performance of official duty when such travel is by private airplane. Mileage by private aircraft must be computed by actual air mileage when only one state employee or official is traveling; if two or more state employees or officials are traveling by private aircraft, the actual mileage must be based on the road mileage between the geographical points. Reimbursement for private airplane travel must be calculated as follows:
 - a- (1) If reimbursement is for one properly authorized and reimbursable passenger, reimbursement must be paid on a per-mile basis as provided in this subsection.
 - b- (2) If reimbursement is claimed for a chartered private aircraft, reimbursement may not exceed the cost of regular coach fare on a commercial flight, if one is scheduled between the point of departure, point of destination, and return, for each properly authorized and reimbursable passenger on the charter flight; or, where there is no such regularly scheduled commercial flight, the actual cost of the charter.

- b. Except as provided in subdivision a, when travel is by rail or certificated air taxi commercial operator or other common carrier, including regularly scheduled flights by airlines, the amount actually and necessarily expended therefor in the performance of official duties.
2. No reimbursement may be paid for leased private aircraft, except for leased or rented private aircraft from a recognized fixed base aviation operator who is in the business of leasing and renting private aircraft and is located on an airport open for public use.
3. If only one person ~~shall engage~~ engages in such travel in a motor vehicle exceeding at any geographical point one hundred fifty miles [241.40 kilometers] beyond the borders of this state, reimbursement must be limited to eighteen cents per mile [1.61 kilometers] for the out-of-state portion of the travel beyond the first one hundred fifty miles [241.40 kilometers].
4. An official, deputy, assistant, clerk, or other employee, when required to travel by motor vehicle or truck in the performance of official duty, shall use a state-owned vehicle whenever possible unless exempted under section 24-02-03.3. When official travel is by motor vehicle or airplane owned by the state or by any department or political subdivision thereof, no allowance may be made or paid for such mileage.
- ~~2.~~ ~~Except as provided in subsection 1, when travel is by rail or certificated air taxi commercial operator or other common carrier, including regularly scheduled flights by airlines, the amount actually and necessarily expended therefor in the performance of official duties.~~
3. 5. Notwithstanding the other provisions of this section, state employees permanently located outside the state or on assignments outside the state for an indefinite period of time, exceeding at least thirty consecutive days, must be allowed and paid twenty-five cents per mile [1.61 kilometers] for each mile [1.61 kilometers] actually and necessarily traveled in the performance of official duty when such travel is by motor vehicle, and the one-hundred-fifty-mile [241.40-kilometer] restriction imposed by subsection 4 3 does not apply.
6. Before any allowance for any such mileage or travel expenses may be made, the official, deputy, assistant, clerk, or other employee shall file with the employee's department, institution, board, commission, or agency an itemized statement showing the mileage traveled, the hour of departure and return, the days when and how traveled, the purpose thereof, and such other information and documentation as may be prescribed by rule of the employee's department, institution, board, commission, or agency. The statement must be submitted to the employee's department, institution, board, commission, or agency for approval and must be paid only when approved by the employee's department, institution, board, commission, or agency.

SECTION 11. REPEAL. Section 24-02-37.1 of the 1995 Supplement to the North Dakota Century Code is repealed.

SECTION 12. EFFECTIVE DATE. Section 11 of this Act becomes effective on July 1, 1999."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 801 - DEPARTMENT OF TRANSPORTATION

HOUSE - This amendment makes the following changes:

Changes by line item include:

	SENATE VERSION	ADMINISTRATIVE COST CHANGES	REMOVE RISK MANAGEMENT PREMIUMS	INCREASE HIGHWAY CONSTRUCTION	TOTAL CHANGES TO SENATE VERSION	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	CONFERENCE COMMITTEE INCREASE (DECREASE) TO HOUSE VERSION
Salaries and wages	\$ 82,990,450	\$ 90,000 ²			\$ 90,000	\$ 82,990,450	\$ 82,900,450	\$ 90,000
Operating expenses	79,300,558	(1,110,000) ^{1, 2}	\$(501,024)		(1,611,024)	77,689,534	77,599,534	90,000
Equipment	21,597,257			\$528,000		21,597,257	21,597,257	
Capital improvements	243,554,813	1,200,000 ^{1, 2}	501,024		2,049,024	245,603,837	245,783,837	(180,000)
Grants	25,471,700					25,471,700	25,471,700	
Total special funds	\$452,824,778	\$ 0	\$ 0 ³	\$528,000 ⁴	\$ 528,000	\$453,352,778	\$453,352,778	\$ 0
FTE	1,042.00	0.00	0.00	0.00	0.00	1,042.00	1,042.00	0.00

Changes by program include:

	SENATE VERSION	REDUCE ADMINISTRATIVE COSTS	REMOVE RISK MANAGEMENT PREMIUMS	INCREASE HIGHWAY CONSTRUCTION	TOTAL CHANGES TO SENATE VERSION	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	CONFERENCE COMMITTEE INCREASE (DECREASE) TO HOUSE VERSION
Administration	\$ 24,084,794	\$(1,200,000) ¹	\$(501,024)		(\$1,701,024)	\$ 22,383,770	\$ 22,383,770	\$100,000
Motor vehicle	6,525,312	100,000 ²			100,000	6,625,312	6,525,312	80,000
Driver's license	8,870,358	80,000 ²		\$528,000	80,000	8,950,358	8,870,358	80,000
Highways	382,681,779	1,020,000 ^{1, 2}	501,024		2,049,024	384,730,803	384,910,803	(180,000)
Fleet services	30,662,535					30,662,535	30,662,535	
Total special funds	\$452,824,778	\$ 0	\$ 0 ³	\$528,000 ⁴	\$ 528,000	\$453,352,778	\$453,352,778	\$ 0

¹ Operating expenses in the administration program are reduced by \$1,200,000 for savings resulting from anticipated program efficiencies and the funding is added in the highways program for highways program for highway construction and maintenance costs.

² The following changes are made to provide funding for costs associated with administering provisions of House Bill No. 1103 which relate to disclosure of the department's records:

	MOTOR VEHICLE	DRIVER'S LICENSE	HIGHWAYS	TOTAL
Salaries and wages	\$ 45,000	\$45,000		\$90,000
Operating expenses	55,000	35,000		90,000
Capital improvements			\$(180,000)	(180,000)
Total	\$100,000	\$80,000	\$(180,000)	\$ 0

³ Funding for risk management premiums is removed and funding is added in the highways program for highway construction and maintenance costs.

⁴ Adds funding for highway construction and maintenance costs resulting from additional highway fund revenue which is generated by increasing special permit fees.

Sections are added which:

Provide that the department evaluate the cost-effectiveness of the continued use of one of its airplanes and report to the Budget Section regarding the department's options.

Preclude any funding to be used to widen Schafer Street in Bismarck.

Increase special permit fees for oversize and overweight vehicles. The fee increases are estimated to generate \$528,000 to the highway fund during the 1997-99 biennium.

Provide that state employees use state vehicles, whenever possible, when traveling by car or truck on state business.

Discontinue, on July 1, 1997, the deposit of interest earned on the highway fund into the special road fund for the construction and maintenance of roads relating to recreational, tourist, and historical areas. The interest earned will remain in the highway fund. This will result in an estimated increase of \$2.2 million of revenue to the highway fund during the 1997-99 biennium. The special road fund and the Special Road Advisory Committee will remain in effect until June 30, 1999, to advise the director on the expenditure of moneys remaining in the special road fund on June 30, 1997.

Engrossed SB 2012 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SEN. SOLBERG MOVED that the conference committee report on Engrossed SB 2012 be adopted.

REQUEST

SEN. B. STENEHJEM REQUESTED a recorded roll call vote on the motion to adopt the conference committee report on SB 2012, which request was granted.

ROLL CALL

The question being on the motion to adopt the conference committee report on Engrossed SB 2012, the roll was called and there were 24 YEAS, 22 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

YEAS: Andrist; Bowman; Christmann; Cook; Fischer; Goetz; Grindberg; Holmberg; Klein; Krebsbach; Kringstad; Lee; Lips; Naaden; Nalewaja; Nelson, G.; Robinson; Sand; Solberg; St. Aubyn; Traynor; Urlacher; Wanzek; Watne

NAYS: Berg; DeMers; Freborg; Heitkamp; Kelsh; Kinnoin; Krauter; LaFountain; Lindaas; Mathern; Mutzenberger; Nelson, C.; O'Connell; Schobinger; Stenehjem, B.; Stenehjem, W.; Tallackson; Thane; Thompson; Tomac; Wogsland; Yockim

ABSENT AND NOT VOTING: Mutch; Nothing; Redlin

The conference committee report on Engrossed SB 2012 was adopted.

Engrossed SB 2012, as amended, was placed on the Eleventh order.

SECOND READING OF SENATE BILL

SB 2012: A BILL for an Act to make an appropriation for defraying the expenses of the various divisions under the supervision of the director of the department of transportation; to limit expenditures on certain streets; to create and enact a new section to chapter 24-02 of the North Dakota Century Code, relating to cooperating with other states; to amend and reenact subsection 3 of section 24-02-37, sections 24-02-37.1, 39-12-02, and 54-06-09 of the North Dakota Century Code, relating to the special road fund, special trip permits, and state employee vehicle usage; to repeal section 24-02-37.1 of the North Dakota Century Code, relating to the special road advisory committee; 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 36 YEAS, 10 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

YEAS: Andrist; Berg; Bowman; Christmann; Cook; DeMers; Fischer; Freborg; Goetz; Grindberg; Holmberg; Klein; Krebsbach; Kringstad; Lee; Lips; Mathern; Mutzenberger; Naaden; Nalewaja; Nelson, C.; Nelson, G.; Robinson; Sand; Schobinger; Solberg; St. Aubyn; Stenehjem, W.; Tallackson; Thane; Thompson; Tomac; Traynor; Urlacher; Wanzek; Watne

NAYS: Heitkamp; Kelsh; Kinnoin; Krauter; LaFountain; Lindaas; O'Connell; Stenehjem, B.; Wogsland; Yockim

ABSENT AND NOT VOTING: Mutch; Nothing; Redlin

Engrossed SB 2012, as amended, passed and the title was agreed to.

REPORT OF CONFERENCE COMMITTEE

SB 2015, as reengrossed: Your conference committee (Sens. Goetz, Holmberg, Robinson and Reps. Freier, Lloyd, Wilkie) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 861-862, adopt amendments as follows, and place SB 2015 on the Seventh order:

That the House recede from its amendments as printed on pages 861 and 862 of the Senate Journal and pages 998 and 999 of the House Journal and that Reengrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 16, replace "1,616,481" with "1,592,389"

Page 1, line 21, replace "37,067,425" with "37,043,333"

Page 1, line 22, replace "16,350,337" with "16,348,169"

Page 1, line 23, replace "20,717,088" with "20,695,164"

Page 2, line 3, replace "10,327,383" with "10,259,629"

Page 2, line 4, replace "554,000" with "1,454,000"

Page 2, line 6, replace "1,385,339" with "485,339"

Page 2, line 7, replace "25,998,403" with "25,930,649"

Page 2, line 10, replace "4,800,000" with "4,600,000"

Page 2, line 13, replace "6,118,600" with "5,918,600"

Page 2, line 17, replace "7,187,880" with "7,134,539"

Page 2, line 20, replace "19,495,543" with "19,442,202"

Page 2, line 24, replace "1,368,269" with "1,351,816"

Page 2, line 28, replace "25,964,210" with "25,947,757"

Page 2, line 29, replace "26,835,688" with "26,613,764"

Page 2, line 30, replace "87,808,493" with "87,668,777"

Page 2, line 31, replace "114,644,181" with "114,282,541"

Page 5, remove lines 7 through 22

Page 6, line 9, replace "13" with "12"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 405 - INDUSTRIAL COMMISSION

CONFERENCE COMMITTEE - This amendment removes the risk management premiums of \$24,092, of which \$21,924 is from the general fund and \$2,168 is from special funds.

DEPARTMENT 471 - BANK OF NORTH DAKOTA

CONFERENCE COMMITTEE - This amendment removes the risk management premiums of \$67,754, all of which is from special funds, and transfers \$900,000 of other funds from the contingency line to the equipment line. The amendment also decreases the partnership in assisting community expansion (PACE) fund by \$200,000 from the general fund from \$4,800,000 to \$4,600,000.

The amendment removes the section of the bill relating to Bank transfers to the general fund. It is intended that the section be added to House Bill No. 1015 (Office of Management and Budget).

DEPARTMENT 473 - HOUSING FINANCE AGENCY

CONFERENCE COMMITTEE - This amendment removes the risk management premiums of \$16,453, all of which is from special funds.

DEPARTMENT 475 - MILL AND ELEVATOR ASSOCIATION

CONFERENCE COMMITTEE - This amendment removes the risk management premiums of \$53,341, all of which is from special funds.

Reengrossed SB 2015 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SEN. GOETZ MOVED that the conference committee report on Reengrossed SB 2015 be adopted, which motion prevailed on a voice vote.

Reengrossed SB 2015, as amended, was placed on the Eleventh order.

SECOND READING OF SENATE BILL

SB 2015: A BILL for an Act to provide an appropriation for defraying the expenses of the state industrial commission and the agencies under the management of the state industrial commission; to provide a continuing appropriation; to authorize transfers; to create and enact section 54-17.4-09.1 of the North Dakota Century Code, relating to a fossil excavation and restoration fund; and to declare an emergency.

ROLL CALL

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

YEAS: Andrist; Berg; Bowman; Christmann; Cook; DeMers; Fischer; Freborg; Goetz; Grindberg; Heitkamp; Holmberg; Kelsch; Kinnoin; Klein; Krauter; Krebsbach; Kringstad; LaFountain; Lee; Lindaas; Lips; Mathern; Mutzenberger; Naaden; Nalewaja; Nelson, C.; Nelson, G.; O'Connell; Robinson; Sand; Schobinger; Solberg; St. Aubyn; Stenehjem, B.; Stenehjem, W.; Tallackson; Thane; Thompson; Tomac; Traynor; Urlacher; Wanzek; Watne; Wogsland; Yockim

ABSENT AND NOT VOTING: Mutch; Nothing; Redlin

Reengrossed SB 2015, as amended, passed, the title was agreed to, and the emergency clause was declared carried.

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 2012.

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 2015.

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

MR. SPEAKER: The Senate has not adopted the conference committee report on HB 1340. The President has appointed as a new conference committee to act with a like committee from the House on:

HB 1340: Sens. Kringstad; Urlacher; Tomac

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

MR. SPEAKER: The President has appointed as a new conference committee to act with a like committee from the House on:

HB 1297: Sens. Traynor; W. Stenehjem; C. Nelson

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

MADAM PRESIDENT: The Speaker has appointed Rep. Boucher to replace Rep. Aarsvold on the Conference Committee on HB 1009.

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

MADAM PRESIDENT: The Speaker has appointed Rep. Wilkie to replace Rep. Aarsvold on the Conference Committee on HB 1013.

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

MADAM PRESIDENT: The Speaker has appointed Rep. Lloyd to replace Rep. Boehm on the Conference Committee on HB 1025.

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

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

HB 1340: Reps. Mickelson; Rennerfeldt; Warner

MESSAGE TO THE SENATE FROM THE HOUSE (ROY GILBREATH, CHIEF CLERK)
MADAM PRESIDENT: The Speaker has signed: SB 2228, SB 2344.

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 2255.

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: HB 1435.

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 1006, HB 1116, HB 1167, HB 1482.

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following bills were delivered to the Governor for his approval at the hour of 4:00 p.m., April 8, 1997: SB 2228, SB 2344.

MOTION

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

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

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 2, replace "15-40.1 and a new" with "12-46"

Page 1, line 3, remove "subsection to section 15-40.2-08"

Page 1, line 4, replace "in cases of residential placements and to the transfer of funds appropriated for" with "for students committed to the youth correctional center"

Page 1, line 5, remove "foundation aid" and replace "provide an effective date" with "propose a legislative council study"

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 "4,127,066"

Page 2, after line 5, insert:
 "Delinquency prevention consortium 100,000"

Page 2, line 7, replace "14,902,468" with "14,941,334"

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

Page 2, line 9, replace "9,896,021" with "9,484,887"

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

Page 2, line 13, replace "8,921,787" with "8,679,128"

Page 2, line 21, replace "45,833,323" with "45,450,514"

Page 2, line 23, replace "35,350,206" with "34,967,397"

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 16 through 26 with:

"SECTION 5. A new section to chapter 12-46 of the North Dakota Century Code is created and enacted as follows:

Youth correctional center - Payment of tuition. The superintendent shall charge a student's school district of residence tuition as follows:

1. The amount of tuition must be determined pursuant to this section for each student under the age of eighteen who is committed to the youth correctional center.
2. The amount of tuition is the average net foundation aid payment for all high schools for the fiscal year during which the student is committed to the youth correctional center, multiplied by the number of instructional days the student has been committed to the youth correctional center during the period for which the district is being charged, divided by one hundred eighty.
3. The average net foundation aid payment for all high schools is the average per student foundation aid payment for all high school districts, reduced by the average mill deduct per student, as determined by the superintendent of public instruction."

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 8. 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 9. 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 10. TUITION PAYMENTS TO THE YOUTH CORRECTIONAL CENTER - FOUNDATION AID PAYMENTS TO SCHOOL DISTRICTS. A school district shall not be liable for the payment of tuition during the 1997-99 biennium as provided in section 5 of this Act unless the school district received foundation aid for the student while the student was at the youth correctional center.

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 for the 1997-99 biennium to continue the carpentry program at the youth correctional center."

Page 4, remove line 10

Page 4, line 12, replace "is" with "and section 8 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 fund appropriation authority for the Juvenile Services Division by \$350,000 and decreases general fund appropriation authority by the same amount to reflect tuition payments that the Youth Correctional Center will receive from school districts.

This amendment removes Sections 5 and 6 of the reengrossed bill. Section 5, which was effective on July 1, 1999, prohibited the transfer of foundation aid to the Youth Correctional Center. Section 6 provided that school districts were not liable for tuition for students at the Youth Correctional Center.

This amendment adds a new section which provides that school districts are responsible for the payment of tuition for students at the Youth Correctional Center. The tuition payment is equal to the statewide average foundation aid payment for high school districts, based on the number of days the student is at the Youth Correctional Center.

This amendment also reduces general fund appropriation authority for the Adult Services Division by \$250,000 (\$200,000 operating expenses, \$50,000 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 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 provides that a school district shall only be liable for the payment of tuition to the Youth Correctional Center if the district received foundation aid for the student while the student was at the Youth Correctional Center.

	ENGGROSSD BILL	REMOVE RISK MANAGEMENT PREMIUMS	DELINQUENCY PREVENTION CONSORTIUM	REMOVE PHYSICIAN POSITION AND ADD OPERATING EXPENSES FOR CONTRACTED SERVICES	REDUCE SALARIES AND WAGES AND OPERATING EXPENSES	ADD OTHER FUNDS AUTHORITY AND REDUCE GENERAL FUND AUTHORITY FOR TUITION PAYMENTS	TOTAL CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	CONFERENCE COMMITTEE INCREASE (DECREASE) TO HOUSE VERSION
CENTRAL OFFICE										
Salaries and wages	\$ 798,494	\$ (4,216)					\$ (4,216)	\$ 798,494	\$ 798,494	\$ 0
Operating expenses	77,929							73,713	73,713	
Equipment	4,400							4,400	4,400	
Total	\$ 880,823	\$ (4,216)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (4,216)	\$ 876,607	\$ 876,607	\$ 0
General fund	\$ 781,924	\$ (4,216)					\$ (4,216)	\$ 777,708	\$ 777,708	
Other funds	98,899							98,899	98,899	
Total	\$ 880,823	\$ (4,216)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (4,216)	\$ 876,607	\$ 876,607	\$ 0
JUVENILE SERVICES										
Salaries and wages	\$ 8,708,389	\$ (61,134)					\$ (61,134)	\$ 8,708,389	\$ 8,708,389	
Operating expenses	4,188,200							4,127,066	4,127,066	
Equipment	102,879							102,879	102,879	
Capital improvements	573,000							573,000	573,000	
Grants	1,280,000		\$100,000				100,000	1,280,000	1,280,000	
Delinquency prevention consortium								100,000	100,000	
Institutional medical fees	50,000							50,000	50,000	
Total	\$14,902,468	\$ (61,134)	\$100,000	\$ 0	\$ 0	\$ 0	\$ 38,866	\$14,941,334	\$14,941,334	\$ 0
General fund	\$ 9,896,021	\$ (61,134)					\$ (61,134)	\$ 9,834,887	\$ 9,834,887	
Other funds	5,006,447		\$100,000				450,000	5,456,447	5,456,447	
Total	\$14,902,468	\$ (61,134)	\$100,000	\$ 0	\$ 0	\$ 0	\$ 38,866	\$14,941,334	\$14,941,334	\$ 0
ADULT SERVICES										
Salaries and wages	\$20,392,705							\$20,252,555	\$20,252,555	\$ 50,000
Operating expenses	8,921,787	\$ (132,809)					\$ (140,150)	8,679,128	8,479,128	200,000
Equipment	170,867						(242,659)	170,867	170,867	
Capital improvements	1,010,650							1,010,650	1,010,650	
Capital improvements - medium security facility	4,896,425							4,896,425	4,896,425	
Institutional medical fees	850,000							850,000	850,000	
Victim services	3,104,399							3,104,399	3,104,399	
Institutional offender services	321,991							321,991	321,991	
Community offender services	6,164,499							6,164,499	6,164,499	

Total	\$45,833,323	\$(132,809)	\$ 0	\$ 0	\$(250,000)	\$ 0	\$(382,809)	\$45,450,514	\$45,200,514	\$250,000
General fund	\$35,350,206	\$(132,809)			\$(250,000)		\$(382,809)	\$34,967,397	\$34,717,397	\$250,000
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	\$(250,000)	\$ 0	\$(382,809)	\$45,450,514	\$45,200,514	\$250,000
ROUGHRIIDER INDUSTRIES										
Salaries and wages	\$ 2,427,773							\$ 2,427,773	\$ 2,427,773	
Operating expenses	5,964,326	\$(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
DCR total general fund	\$46,028,151	\$(198,159)			\$(250,000)	\$(350,000)	\$(798,159)	\$45,229,992	\$44,979,992	\$250,000
DCR 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>	
DCR 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

SEN. ST. AUBYN MOVED that the conference committee report on Reengrossed SB 2016 be adopted.

REQUEST

SEN. FREBORG REQUESTED a recorded roll call vote on the motion to adopt the conference committee report on SB 2016, which request was granted.

ROLL CALL

The question being on the motion to adopt the conference committee report on SB 2016, the roll was called and there were 11 YEAS, 35 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

YEAS: Bowman; Goetz; Lips; Naaden; Nalewaja; Nelson, G.; Robinson; Solberg; St. Aubyn; Tallackson; Watne

NAYS: Andrist; Berg; Christmann; Cook; DeMers; Fischer; Freborg; Grindberg; Heitkamp; Holmberg; Kelsh; Kinnoin; Klein; Krauter; Krebsbach; Kringstad; LaFountain; Lee; Lindaas; Mathern; Mutzenberger; Nelson, C.; O'Connell; Sand; Schobinger; Stenehjem, B.; Stenehjem, W.; Thane; Thompson; Tomac; Traynor; Urlacher; Wanzek; Wogsland; Yockim

ABSENT AND NOT VOTING: Mutch; Nothing; Redlin

The conference committee report on Reengrossed SB 2016 was rejected.

REPORT OF CONFERENCE COMMITTEE

SB 2047, as engrossed: Your conference committee (Sens. Goetz, Naaden, Krauter and Reps. Froseth, Poolman, Niemeier) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 879-880, adopt amendments as follows, and place SB 2047 on the Seventh order:

That the House recede from its amendments as printed on pages 879 and 880 of the Senate Journal and pages 1038 and 1039 of the House Journal and that Engrossed Senate Bill No. 2047 be amended as follows:

Page 1, line 1, after "sections" insert "54-10-13," and after "54-10-14" insert ", 54-10-15,"

Page 1, line 2, after the first "of" insert "political subdivisions," after "councils" insert a comma, and replace "the submission of regional" with "soil conversation districts."

Page 1, remove line 3

Page 1, after line 4, insert:

"SECTION 1. AMENDMENT. Section 54-10-13 of the North Dakota Century Code is amended and reenacted as follows:

54-10-13. Political subdivisions - Audits - State auditor powers. The state auditor shall perform audits of political subdivisions pursuant to section 54-10-14 unless otherwise requested by the governing board, ordered by the governor or the legislative audit and fiscal review committee, or on petition pursuant to section 54-10-15, or at the discretion of the state auditor for alleged improprieties."

Page 1, line 14, overstrike "Firemen's" and insert immediately thereafter "Firefighters"

Page 2, line 3, overstrike "West river water supply district."

Page 2, line 4, overstrike "19."

Page 2, line 5, replace "20" with "19"

Page 2, after line 5, insert:

"20. Soil conservation districts."

Page 3, after line 16, insert:

"**SECTION 3. AMENDMENT.** Section 54-10-15 of the North Dakota Century Code is amended and reenacted as follows:

54-10-15. Audits of political subdivisions by order of governor or the legislative audit and fiscal review committee, or upon petition. The state auditor, by duly appointed deputy auditors or other authorized agents, shall audit or review the books, records, and financial accounts of any political subdivision when ordered by the governor or the legislative audit and fiscal review committee, requested by the governing board, or upon petition of at least thirty-five percent of the qualified electors of any political subdivision enumerated in section 54-10-14 voting for the office of governor at the preceding general election or, in the case of school districts, upon petition of at least thirty-five percent of the qualified electors voting at the preceding school board election. Fees for the audits must be paid in accordance with the provisions of section 54-10-14."

Page 3, line 19, remove " - **Audits**"

Page 3, line 24, remove "The state auditor may, or upon request of the legislative"

Page 3, remove lines 25 through 29

ReNUMBER accordingly

Engrossed SB 2047 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SEN. GOETZ MOVED that the conference committee report on Engrossed SB 2047 be adopted.

REQUEST

SEN. KRAUTER REQUESTED a recorded roll call vote on the motion to adopt the conference committee report on SB 2047, which request was granted.

ROLL CALL

The question being on the motion to adopt the conference committee report on SB 2047, the roll was called and there were 26 YEAS, 20 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

YEAS: Andrist; Bowman; Christmann; Cook; Fischer; Freborg; Goetz; Grindberg; Holmberg; Klein; Krebsbach; Kringstad; Lee; Lips; Naaden; Nalewaja; Nelson, G.; Sand; Solberg; St. Aubyn; Stenehjem, B.; Stenehjem, W.; Traynor; Urlacher; Wanzek; Watne

NAYS: Berg; DeMers; Heitkamp; Kelsh; Kinnoin; Krauter; LaFountain; Lindaas; Mathern; Mutzenberger; Nelson, C.; O'Connell; Robinson; Schobinger; Tallackson; Thane; Thompson; Tomac; Wogsland; Yockim

ABSENT AND NOT VOTING: Mutch; Nothing; Redlin

The conference committee report on Engrossed SB 2047 was adopted.

Engrossed SB 2047, as amended, was placed on the Eleventh order.

SECOND READING OF SENATE BILL

SB 2047: A BILL for an Act to amend and reenact sections 54-10-13, 54-10-14, 54-10-15, and 54-40.1-05 of the North Dakota Century Code, relating to audits of political subdivisions, regional planning councils, and soil conservation districts.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 27 YEAS, 19 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

YEAS: Andrist; Bowman; Christmann; Cook; Fischer; Freborg; Goetz; Grindberg; Holmberg; Kinnoin; Klein; Krebsbach; Kringstad; Lee; Lips; Naaden; Nalewaja; Nelson, G.; Sand; Solberg; St. Aubyn; Stenehjem, B.; Stenehjem, W.; Traynor; Urlacher; Wanzek; Watne

NAYS: Berg; DeMers; Heitkamp; Kelsh; Krauter; LaFountain; Lindaas; Mathern; Mutzenberger; Nelson, C.; O'Connell; Robinson; Schobinger; Tallackson; Thane; Thompson; Tomac; Wogsland; Yockim

ABSENT AND NOT VOTING: Mutch; Nothing; Redlin

Engrossed SB 2047, as amended, passed and the title was agreed to.

REPORT OF CONFERENCE COMMITTEE

HB 1006, as engrossed: Your conference committee (Sens. Nalewaja, Bowman, Krauter and Reps. Gerntholz, Byerly, Huether) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1214-1215, adopt amendments as follows, and place HB 1006 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1214 and 1215 of the House Journal and pages 1043 and 1044 of the Senate Journal and that Engrossed House Bill No. 1006 be amended as follows:

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

Page 1, line 10, replace "11,589,981" with "11,641,812"

Page 1, line 11, replace "4,219,055" with "4,460,817"

Page 1, line 12, replace "162,937" with "229,384"

Page 1, line 15, replace "16,325,545" with "16,685,585"

Page 1, line 17, replace "16,021,973" with "16,382,013"

Page 1, after line 22, insert:

"SECTION 3. LEGISLATIVE INTENT. It is the intent of the legislative assembly that the tax commissioner coordinate the development of "Project 2001", the department's new tax processing system to allow, when completed, the exchange of information with other agencies, where appropriate, and to share equipment and processes with other agencies, where possible."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 127 - TAX DEPARTMENT

CONFERENCE COMMITTEE - This amendment makes the following changes:

	HOUSE VERSION	COMPUTER SYSTEM FUNDING	REMOVE RISK MANAGEMENT PREMIUMS	FUNDING SHIFT	COSTS RELATING TO OTHER BILLS	OTHER CHANGES	TOTAL CHANGES TO HOUSE VERSION	CONFERENCE COMMITTEE VERSION	SENATE VERSION	CONFERENCE COMMITTEE INCREASE (DECREASE) TO SENATE VERSION
Salaries and wages	\$11,589,981			\$ 69,202	\$32,629*	\$150,000 ⁵	\$ 51,831	\$11,641,812	\$11,691,812	\$ (50,000)
Operating expenses	4,219,055	\$250,000	\$(50,332)	(69,202)	40,000 ⁴	71,296 ⁶	241,762	4,460,817	4,560,817	(100,000)
Equipment	162,937					66,447 ⁷	66,447	229,384	229,384	
City tax	50,000							50,000	50,000	
administration fees										
Motor fuels federal grant	303,572							303,572	303,572	
Total	\$16,325,545	\$250,000 ¹	\$(50,332)	\$ 0 ²	\$72,629	\$ 87,743	\$360,040	\$16,685,585	\$16,835,585	\$ (150,000)
General fund	\$16,021,973	\$250,000	\$(50,332)		\$72,629	\$ 87,743	\$360,040	\$16,382,013	\$16,532,013	\$ (150,000)
Special funds	303,572							303,572	303,572	
Total	\$16,325,545	\$250,000	\$(50,332)	\$ 0	\$72,629	\$ 87,743	\$360,040	\$16,685,585	\$16,835,585	\$ (150,000)
FTE	150.50				0.50		0.50	151.00	151.00	0.00

¹ Additional funding is provided for redesigning the tax payment and return processing system. A comparison of funding for the system in various versions is listed below.

EXECUTIVE BUDGET HOUSE VERSION SENATE VERSION CONFERENCE COMMITTEE

General fund \$1,528,500 \$750,000 \$1,100,000 \$1,000,000

² The House removed one FTE federal fund position and moved the associated funding from salaries and wages to operating expenses. Because funding for the position was not included in salaries and wages but in the motor fuels grant line item, the House change is being reversed and the funding remains in the motor fuels federal grant line item. Authorization for the FTE position, removed by the House, is not restored. The Senate made this same change.

³ Adds funding for costs associated with provisions of House Bill No. 1068 (telecommunications gross receipts tax), including a .5 FTE auditor position. The Senate also made this change.

⁴ Adds funding for costs associated with provisions of Senate Bill No. 2331 (financial institutions tax). The Senate also made this change.

⁵ Reduces salaries and wages funding for anticipated savings resulting from employee turnover.

⁶ Adds funding for the increase in costs charged to the Tax Department by other agencies. The Senate also made this change.

⁷ Adds equipment funding to address departmental technology needs, the same as the Senate version.

A section of legislative intent is added providing that the Tax Commissioner coordinate the development of "Project 2001", the new tax return processing system, to allow the transfer of information with other agencies, where appropriate, and to share equipment and processes with other agencies, where possible.

REPORT OF CONFERENCE COMMITTEE

SEN. NALEWAJA MOVED that the conference committee report on Engrossed HB 1006 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1006, as amended, was placed on the Fourteenth order.

SECOND READING OF HOUSE BILL

HB 1006: A BILL for an Act to provide an appropriation for defraying the expenses of the office of the state tax commissioner; to provide a statement of legislative intent; and to amend and reenact section 57-01-04 of the North Dakota Century Code, relating to the salary of the state tax 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 43 YEAS, 3 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

YEAS: Andrist; Berg; Bowman; Christmann; Cook; DeMers; Fischer; Freborg; Goetz; Grindberg; Heitkamp; Holmberg; Kinnoin; Klein; Krauter; Krebsbach; Kringstad; LaFountain; Lee; Lindaas; Lips; Mathern; Mutzenberger; Naaden; Nalewaja; Nelson, C.; Nelson, G.; Robinson; Sand; Schobinger; Solberg; St. Aubyn; Stenehjem, B.; Stenehjem, W.; Tallackson; Thane; Thompson; Tomac; Traynor; Urlacher; Wanzek; Watne; Yockim

NAYS: Kelsh; O'Connell; Wogsland

ABSENT AND NOT VOTING: Mutch; Nothing; Redlin

Engrossed HB 1006, as amended, passed and the title was agreed to.

REPORT OF CONFERENCE COMMITTEE

HB 1116, as engrossed: Your conference committee (Sens. Klein, Mutch, Thompson and Reps. Poolman, Skarphol, Thorpe) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1188-1189, adopt amendments as follows, and place HB 1116 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1188 and 1189 of the House Journal and pages 927 and 928 of the Senate Journal and that Engrossed House Bill No. 1116 be amended as follows:

Page 1, line 1, replace "five" with "six"

Page 3, line 11, after "rehabilitation" insert "allowance"

Page 3, line 13, remove "accrue and"

Page 3, line 14, after the underscored period insert "If the director of the department of corrections and rehabilitation and the bureau determine that an inmate who suffers a compensable injury under this chapter is in need of vocational rehabilitation services while the inmate is incarcerated, the penitentiary and the bureau may provide vocational rehabilitation services to the inmate."

Page 4, line 13, after the underscored period insert "The bureau may not provide the additional excess coverage or reinsurance required under this section. This modified workers' compensation coverage may not be effective unless the excess coverage or reinsurance required under this section is in place."

Page 4, after line 24, insert:

"SECTION 8. A new section to chapter 65-06.2 of the North Dakota Century Code is created and enacted as follows:

Safety and performance audit. The bureau shall perform a safety audit of the roughrider industries work programs covered under this chapter and a performance audit of the program of modified workers' compensation coverage. The bureau shall submit a report with recommendations based on the safety and performance audit to an interim committee designated by the legislative council no later than thirty days before the commencement of each regular session of the legislative assembly."

Page 4, line 25, replace "1999" with "2003"

Renumber accordingly

Engrossed HB 1116 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SEN. KLEIN MOVED that the conference committee report on Engrossed HB 1116 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1116, as amended, was placed on the Fourteenth order.

SECOND READING OF HOUSE BILL

HB 1116: A BILL for an Act to create and enact six new sections to chapter 65-06.2 of the North Dakota Century Code, relating to workers' compensation coverage for inmates engaged in work programs through roughrider industries; to amend and reenact sections 65-05-07.2 and 65-06.2-01 of the North Dakota Century Code, relating to the requirement that employers pay a portion of the medical benefits of workers' compensation claims and to the definition of an inmate; and to provide an expiration date.

ROLL CALL

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

YEAS: Andrist; Berg; Bowman; Christmann; Cook; DeMers; Fischer; Freborg; Goetz; Grindberg; Heitkamp; Holmberg; Kelsh; Kinnoin; Klein; Krauter; Krebsbach; Kringstad; LaFountain; Lee; Lindaas; Lips; Mathern; Mutzenberger; Naaden; Nalewaja; Nelson, C.; Nelson, G.; O'Connell; Robinson; Sand; Schobinger; Solberg; St. Aubyn; Stenehjem, B.; Stenehjem, W.; Tallackson; Thane; Thompson; Tomac; Traynor; Urlacher; Wanzek; Watne; Wogsland; Yockim

ABSENT AND NOT VOTING: Mutch; Nothing; Redlin

Engrossed HB 1116, as amended, passed and the title was agreed to.

REPORT OF CONFERENCE COMMITTEE

HB 1167: Your conference committee (Sens. Traynor, W. Stenehjem, Berg and Reps. Maragos, DeKrey, Delmore) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 857-858, adopt amendments as follows, and place HB 1167 on the Seventh order:

That the Senate recede from its amendments as printed on pages 857 and 858 of the House Journal and pages 669 and 670 of the Senate Journal and that House Bill No. 1167 be amended as follows:

Page 1, line 1, after "sections" insert "40-57.3-02,"

Page 1, line 5, after "chance" insert "and moneys in a city visitors' promotion capital construction fund" and remove "and"

Page 1, line 9, remove "and" and after "penalty" insert "; and to provide for a legislative council study

Page 1, after line 13, insert:

"SECTION 2. AMENDMENT. Section 40-57.3-02 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

40-57.3-02. City visitors' promotion fund - City visitors' promotion capital construction fund - Visitors' committee - Establishment - Purpose. The governing body of any city which imposes a city tax pursuant to section 40-57.3-01 or 40-57.3-01.1 shall, as appropriate, establish a city visitors' promotion fund, a city visitors' promotion capital construction fund, and a visitors' committee. The visitors' committee shall serve as an advisory committee to the city governing body in administering the proceeds from the taxes available to the city under this chapter. The moneys in the visitors' promotion fund must be used generally to promote, encourage, and attract visitors to come to the city and use the travel and tourism facilities within the

city. The moneys in the visitors' promotion capital construction fund must be used generally for tourism or the purchase, equipping, improving, construction, maintenance, repair, and acquisition of buildings or property consistent with visitor attraction or promotion. The committee shall consist of five members appointed by the governing body of the city. These appointees shall serve without compensation, except for reimbursement for necessary expenses. Committee members shall serve for a term of four years, except that two of those initially appointed must be appointed for an initial term of two years. Vacancies must be filled in the same manner as the initial appointment. The committee shall elect a chairperson and vice chairperson from among its members to serve for a term of two years."

Page 14, line 9, overstrike the first "or" and insert immediately thereafter ", an"

Page 14, line 10, after "permit" insert ", or an employee of a temporary employment agency who provides services to a licensed organization"

Page 16, line 18, overstrike "If bingo is the primary game at a site, a" and insert immediately thereafter "A"

Page 16, line 20, remove "a", overstrike "quarter", and after "site" insert "a period prescribed by gaming rule"

Page 17, line 17, after "A" insert "player may not place a wager on a" and overstrike "may not be under" and insert immediately thereafter "sporting event unless the competitor is"

Page 17, line 18, after "age" insert "or older"

Page 17, line 25, overstrike "paddlewheel ticket" and after "~~exceed~~" insert "wager"

Page 17, line 27, overstrike "wagered paddlewheel ticket" and insert immediately thereafter "wager", overstrike "cash" and overstrike "price of the"

Page 17, line 28, overstrike "paddlewheel ticket" and insert immediately thereafter "wager", after the period insert "A paddlewheel ticket must be used to register a player's wager when a prize is not a variable multiple of the wager." and overstrike "paddlewheel tickets" and insert immediately thereafter "wagers"

Page 17, line 30, overstrike "current" and overstrike "price" and insert immediately thereafter "value"

Page 17, line 31, overstrike "paddlewheel ticket" and insert immediately thereafter "wager"

Page 19, line 13, remove "or a"

Page 19, line 14, remove "live animal"

Page 19, line 23, replace "gambling" with "gaming"

Page 27, line 14, after "gaming" insert "and"

Page 33, after line 18, insert:

"SECTION 22. CHARITABLE GAMING INDUSTRY STUDY. The legislative council shall study the charitable gaming laws and rules to determine whether the laws and rules regarding taxation, enforcement, limitations, conduct, and play of charitable gaming are adequate and appropriate. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-sixth legislative assembly."

ReNUMBER accordingly

HB 1167 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SEN. TRAYNOR MOVED that the conference committee report on HB 1167 be adopted, which motion prevailed on a voice vote.

HB 1167, as amended, was placed on the Fourteenth order.

SECOND READING OF HOUSE BILL

HB 1167: A BILL for an Act to amend and reenact subsection 5 of section 12-60-16.4, sections 40-57.3-02, 53-06.1-01, 53-06.1-01.1, 53-06.1-03, 53-06.1-06, 53-06.1-07.2, 53-06.1-07.3, 53-06.1-07.4, 53-06.1-08, 53-06.1-09, 53-06.1-10, 53-06.1-10.1, 53-06.1-11, 53-06.1-11.1, 53-06.1-12, 53-06.1-12.3, 53-06.1-14, 53-06.1-15.1, and 53-06.1-16 of the North Dakota Century Code, relating to games of chance and moneys in a city visitors' promotion capital construction fund; to repeal sections 53-06.1-01.2, 53-06.1-02, 53-06.1-03.1, 53-06.1-03.2, 53-06.1-03.3, 53-06.1-05.1, 53-06.1-06.1, 53-06.1-07, 53-06.1-07.1, 53-06.1-12.1, 53-06.1-12.2, 53-06.1-13, 53-06.1-13.1, 53-06.1-15, 53-06.1-15.2, 53-06.1-15.3, 53-06.1-15.4, 53-06.1-16.1, 53-06.1-16.2, and 53-06.1-17 of the North Dakota Century Code, relating to games of chance; to provide a penalty; 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 45 YEAS, 1 NAY, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

YEAS: Andrist; Berg; Bowman; Christmann; Cook; DeMers; Fischer; Freborg; Goetz; Grindberg; Heitkamp; Holmberg; Kelsch; Kinnoin; Klein; Krauter; Krebsbach; Kringstad; LaFountain; Lee; Lindaas; Lips; Mathern; Mutzenberger; Naaden; Nalewaja; Nelson, C.; Nelson, G.; O'Connell; Robinson; Sand; Schobinger; Solberg; St. Aubyn; Stenehjem, B.; Stenehjem, W.; Tallackson; Thane; Thompson; Traynor; Urlacher; Wanzek; Watne; Wogsland; Yockim

NAYS: Tomac

ABSENT AND NOT VOTING: Mutch; Nothing; Redlin

HB 1167, as amended, passed and the title was agreed to.

REPORT OF CONFERENCE COMMITTEE

HB 1482, as engrossed: Your conference committee (Sens. Traynor, Thompson, Fischer and Reps. Grosz, Brown, Hanson) recommends that the **SENATE RECEDE** from the Senate amendments on HJ page 1236, adopt amendments as follows, and place HB 1482 on the Seventh order:

That the Senate recede from its amendments as printed on page 1236 of the House Journal and page 1055 of the Senate Journal and that Engrossed House Bill No. 1482 be amended as follows:

Page 1, line 23, replace "provisions for an inlet to Devils Lake and" with "plans"

Page 2, line 10, remove the second "and"

Page 2, line 11, after the second "River" insert "; and an inlet to Devils Lake"

Page 2, line 22, replace "four" with "three"

Renumber accordingly

Engrossed HB 1482 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SEN. TRAYNOR MOVED that the conference committee report on Engrossed HB 1482 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1482, as amended, was placed on the Fourteenth order.

SECOND READING OF HOUSE BILL

HB 1482: A BILL for an Act to provide for the issuance of bonds to finance construction of an outlet to Devils Lake and to finance a statewide water development program; to provide an appropriation; 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 41 YEAS, 5 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

YEAS: Andrist; Berg; Bowman; Christmann; Cook; DeMers; Fischer; Freborg; Goetz; Grindberg; Holmberg; Kelsh; Kinnoin; Klein; Krauter; Krebsbach; Kringstad; LaFountain; Lee; Lindaas; Lips; Mathern; Mutzenberger; Naaden; Nalewaja; Nelson, C.; Nelson, G.; Sand; Schobinger; Solberg; St. Aubyn; Stenehjem, B.; Stenehjem, W.; Tallackson; Thane; Thompson; Traynor; Urlacher; Wanzek; Watne; Yockim

NAYS: Heitkamp; O'Connell; Robinson; Tomac; Wogsland

ABSENT AND NOT VOTING: Mutch; Nothing; Redlin

Engrossed HB 1482, as amended, passed, the title was agreed to, and the emergency clause was declared carried.

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

MR. SPEAKER: The President has signed and your signature is respectfully requested on: SCR 4062, SCR 4063.

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

MR. SPEAKER: The President has signed: HB 1001, HB 1007, HB 1021, HB 1026, HB 1085, HB 1306, HB 1312, HB 1357, HB 1448, HB 1456, HB 1478.

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

MADAM PRESIDENT: The Speaker has signed: SB 2372, SB 2399, SCR 4010.

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

MADAM PRESIDENT: The House has reconsidered its action whereby it did not concur with the Senate amendments to HB 1034 and wishes to inform you that the House does now concur with the Senate amendments to HB 1034 and subsequently passed the same. Also, the House has dissolved the House Conference Committee on HB 1034.

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 2047.

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 1006, HB 1116, HB 1167.

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 1482.

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 1010, HB 1022, HB 1023, HB 1024, HB 1025, HB 1359.

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

MADAM PRESIDENT: The House does not concur in the Senate amendments to HB 1015 and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

HB 1015: Reps. Dorso; Dalrymple; Nichols

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 committee was unable to agree and the Speaker has appointed as a new conference committee to act with a like committee from the Senate on:

HB 1018: Reps. Freier; Hausauer; Nichols

MOTION

SEN. GOETZ MOVED that the absent members be excused, which motion prevailed.

MOTION

SEN. GOETZ MOVED that the Senate be on the Fifth, Seventh, and Sixteenth orders of business and at the conclusion of those orders, the Senate stand adjourned until 9:00 a.m., Wednesday, April 9, 1997, which motion prevailed.

REPORT OF CONFERENCE COMMITTEE

SB 2064, as engrossed: Your conference committee (Sens. Naaden, Solberg, Tallackson and Reps. Dalrymple, Lloyd, Aarsvold) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 981-997, adopt amendments as follows, and place SB 2064 on the Seventh order:

That the House recede from its amendments as printed on pages 981-997 of the Senate Journal and pages 1168-1185 of the House Journal and that Engrossed Senate Bill No. 2064 be amended as follows:

Page 1, line 3, after the semicolon insert "to provide a contingent appropriation;"

Page 1, line 4, after "enact" insert "six new sections to chapter 4-05.1 and" and replace "subsection to section 54-44-04" with "section to chapter "4-22"

Page 1, line 5, after the first "to" insert "the state board of agricultural research and" and replace "director of the office of management and budget" with "extension service"

Page 1, line 6, after "sections" insert "4-05.1-01, 4-05.1-02, 4-05.1-03, 4-05.1-04, 4-22-02, 4-22-03,", remove the second "and", and after "4-22-22" insert ", 4-22-47, and 4-22-48"

Page 1, line 7, after "state" insert "agricultural experiment station and state"

Page 1, line 20, replace "20,665,371" with "20,654,371"

Page 1, line 21, replace "3,547,204" with "3,483,064"

Page 1, line 22, replace "450,000" with "450,000"

Page 1, after line 22, insert:

"Soil conservation district grants	<u>580,000</u> "
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Page 1, line 23, replace "24,662,575" with "25,167,435"

Page 2, line 2, replace "11,644,577" with "12,149,437"

Page 2, line 6, replace "121,231" with "118,650"

Page 2, line 8, replace "974,359" with "971,778"

Page 2, line 10, replace "638,382" with "635,801"

Page 2, line 14, replace "1,530,665" with "1,526,794"

Page 2, line 17, replace "4,857,793" with "4,853,922"

Page 2, line 19, replace "454,376" with "450,505"

Page 2, line 22, replace "40,678,794" with "40,617,544"

Page 2, line 23, replace "40,678,794" with "40,617,544"

Page 2, line 25, replace "10,082,075" with "14,127,692"

Page 2, after line 25, insert:

"Hettinger research center	63,473
Langdon research center	66,152"

Page 2, line 26, replace "45,787" with "85,663"

Page 2, line 27, replace "151,483" with "325,821"

Page 2, line 28, replace "10,279,345" with "14,668,801"

Page 2, line 29, replace "30,399,449" with "25,948,743"

Page 3, line 1, replace "4,727,617" with "4,638,480"

Page 3, line 3, replace "1,158,800" with "1,123,800"

Page 3, line 5, replace "special" with "all", remove "appropriation", and replace "7,554,163" with "7,430,026"

Page 3, after line 5, insert:

"Less estimated income	<u>3,508,546</u>
Total general fund appropriation	\$3,921,480"

Page 3, line 8, replace "467,618" with "463,503"

Page 3, after line 9, insert:

"Capital improvements	35,000"
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Page 3, line 11, replace "621,694" with "652,579"

Page 3, line 13, replace "90,018" with "120,903"

Page 3, line 16, replace "390,156" with "388,543"

Page 3, line 19, replace "575,349" with "573,736"

Page 3, line 21, replace "121,949" with "122,336"

Page 3, line 24, replace "230,608" with "228,027"

Page 3, line 27, replace "443,208" with "440,627"

Page 3, line 28, replace "301,068" with "237,595"

Page 3, line 29, replace "142,140" with "203,032"

Page 4, line 1, replace "175,181" with "173,002"

Page 4, line 3, replace "217,981" with "215,802"

Page 4, line 4, replace "178,350" with "112,198"

Page 4, line 5, replace "39,631" with "103,604"

Page 4, line 8, replace "325,439" with "323,503"

Page 4, line 10, replace "200,000" with "250,000"

Page 4, line 11, replace "special" with "all", remove "appropriation", and replace "631,639" with "679,703"

Page 4, after line 11, insert:

"Less estimated income	<u>591,763</u>
Total general fund appropriation	\$87,940"

Page 4, line 14, replace "303,213" with "300,632"

Page 4, line 16, replace "463,113" with "460,532"

Page 4, line 18, replace "229,990" with "227,409"

Page 4, line 21, replace "652,890" with "635,712"

Page 4, line 22, replace "182,500" with "151,250"

Page 4, line 24, replace "935,390" with "886,962"

Page 4, after line 24, insert:

"Less estimated income	<u>761,052</u>
Total general fund appropriation	\$125,910"

Page 4, line 28, replace "598,468" with "597,500"

Page 5, line 1, replace "1,253,699" with "1,252,731"

Page 5, line 2, replace "44,422,512" with "44,147,100"

Page 5, line 3, replace "40,107,245" with "42,206,277"

Page 5, line 4, replace "84,529,757" with "86,353,377"

Page 5, replace lines 5 through 11 with:

"SECTION 2. APPROPRIATION. There is hereby appropriated out of any moneys in the agricultural research fund in the state treasury, not otherwise appropriated, the sum of \$2,000,000, or so much of the sum as may be necessary, to the agricultural experiment station for the purpose of distributing agricultural research grants.

SECTION 3. CONTINGENT APPROPRIATION - WILLISTON RESEARCH CENTER. There is hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$50,000, or so much of the sum as may be necessary, and from special funds derived from other income, the sum of \$100,000, or so much of the sum as may be necessary, to the Williston research center for the purpose of defraying a portion of the construction costs relating to the Ernie French center, for the biennium beginning July 1, 1997, and ending June 30, 1999. The general fund appropriation provided in this section may only be spent upon certification with the state treasurer that the Williston research center has received commitments to provide the \$100,000 of special funds derived from the other income for the project."

Page 5, line 26, replace "for agriculture" with "of agricultural affairs"

Page 5, line 27, replace "5" with "6" and after the period insert "The office of management and budget shall establish a salaries and wages line item for each entity of the agricultural experiment station for the 1997-99 biennium and shall transfer appropriation authority included in subdivision 4 of section 1 of this Act to the salaries and wages line item for each entity as requested by the vice president of agricultural affairs at North Dakota state university."

Page 5, line 30, replace "for agriculture" with "of agricultural affairs"

Page 6, line 17, replace "ninety-five" with "ninety"

Page 6, line 19, replace "for agriculture" with "of agricultural affairs"

Page 7, after line 16, insert:

"SECTION 12. UNEXPENDED FUNDS - EXEMPTION. Capital improvements funds contained in subdivision 2 of section 1 of chapter 5 of the 1995 Session Laws for the northern crops institute and capital improvements funds contained in subdivision 8 of section 1 of chapter 5 of the 1995 Session Laws for the north central research center are not subject to the provisions of section 54-44.1-11 and any unexpended funds from these appropriations are available during the biennium beginning July 1, 1997, and ending June 30, 1999.

SECTION 13. ADDITIONAL INCOME - NORTH CENTRAL RESEARCH CENTER. Notwithstanding the provisions of section 4 of this Act, the north central research center may utilize up to \$25,000 of unanticipated earned income received during the 1997-99 biennium for defraying the costs associated with the construction of a new headquarters building at the center for the biennium beginning July 1, 1997, and ending June 30, 1999."

Page 7, line 23, replace "study" with "consider studying"

Page 7, replace lines 28 through 31 with:

"SECTION 16. LEGISLATIVE COUNCIL STUDY. The legislative council shall consider studying, during the 1997-98 interim, alternative methods of governing and delivering soil conservation services in North Dakota. The study must address the

advisability of continuing to elect state soil conservation committee members and district supervisors.

SECTION 17. AMENDMENT. Section 4-05.1-01 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

4-05.1-01. Definitions. In this chapter, unless the context otherwise requires:

1. "Agricultural experiment station" means the North Dakota state university main research ~~station~~ center, the Dickinson research extension center, the Williston research extension center, the Langdon research extension center, the central grasslands research extension center, the Carrington research extension center, the Hettinger research extension center, the north central research extension center, the agronomy seed farm, and any other department or agency designated by the state board of higher education.
2. ~~"Director" means the director of the North Dakota agricultural experiment station.~~
3. ~~"Superintendent" "Center director"~~ means an administrator in charge of a research or research extension center.
3. "Station director" means the administrator of the agricultural experiment station.

SECTION 18. AMENDMENT. Section 4-05.1-02 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

4-05.1-02. Agricultural experiment station. ~~The state board of agricultural research and the president of North Dakota state university shall control and administer the North Dakota agricultural experiment station is under the control of and~~ subject to the supervision of the state board of higher education. ~~The agricultural experiment station shall develop research programs involving the basic and applied biological, physical, and social sciences that will enhance agricultural systems and improve the quality of life.~~ Funds appropriated to the agricultural experiment station may not be commingled with funds appropriated to North Dakota state university. Appropriation requests to defray expenses of the agricultural experiment station must be separate from appropriation requests to defray expenses of North Dakota state university.

SECTION 19. AMENDMENT. Section 4-05.1-03 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

4-05.1-03. ~~Director—Superintendents Center directors - Research station and research extension centers - Records and information.~~ ~~The director is under the direction of the president of the North Dakota state university of agriculture and applied science. The research station and research extension centers of the North Dakota agricultural experiment station are under the jurisdiction of the station director. Each research or research extension center must be administered by a superintendent center director who shall report to the station director. Each research or research extension center shall keep detailed records of all research activities and publish and disseminate research results and information for the benefit of this state.~~

SECTION 20. AMENDMENT. Section 4-05.1-04 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

4-05.1-04. ~~Reports to director and state board of higher education.~~ Each ~~superintendent center director~~ shall submit ~~a biennial~~ an annual report to the station director ~~on or before the first day of August of each odd numbered year as directed by the state board of agricultural research.~~ Each report must set forth in detail the investigations and experiments made during the preceding ~~fiscal biennium year~~, recommendations for the welfare of the center, the financial condition of the center, how all moneys have been expended, and the results of experiments. The station director shall submit these reports, with a ~~biennial~~ report of the North Dakota state university main research ~~station~~ center, to the state board of agricultural research and the state board of higher education ~~on or before the first day of September of each odd numbered year.~~ If the state board of higher education submits a biennial report to the governor and the secretary of state in accordance with section 54-06-04, the report must include a composite of the reports from the main research station center and each research extension center.

SECTION 21. A new section to chapter 4-05.1 of the North Dakota Century Code is created and enacted as follows:

State board of agricultural research - Membership - Terms.

1. The state board of agricultural research consists of:
 - a. The president of North Dakota state university;
 - b. The vice president of agricultural affairs at North Dakota state university;
 - c. The administrator of the agricultural experiment station;
 - d. The five persons appointed to the agricultural consultation board by the ag coalition and serving in that capacity on July 1, 1997;
 - e. The five persons appointed to the agricultural consultation board by the extension service's multicounty program units and serving in that capacity on July 1, 1997;
 - f. The two persons appointed to the agricultural consultation board by the president of North Dakota state university as representatives of the state's research extension centers and serving in that capacity on July 1, 1997;
 - g. The commissioner of agriculture who serves in an ex officio capacity; and
 - h. The director of the North Dakota state university extension service who serves in an ex officio capacity.
2.
 - a. The initial five members appointed by the ag coalition shall select their terms by lot so that one member serves for one year, one member serves for two years, one member serves for three years, one member serves for four years, and one member serves for five years.
 - b. The initial five members appointed by the extension service's multicounty program units shall select their terms by lot so that one member serves for one year, one member serves for two years, one member serves for three years, one member serves for four years, and one member serves for five years.
 - c. The two persons appointed as representatives of the state's research extension centers shall serve only through June 30, 1998.
3. At the completion of each initial term, the term of office for each member is five years, beginning on July first. No person may be appointed to a second five-year term.
4.
 - a. At least ninety days before the conclusion of the initial term of each member appointed by the ag coalition, the ag coalition shall provide to the state board of higher education a list of two or more names from which the state board of higher education shall appoint a successor. Future appointments to these five positions must be made in the same manner. The state board of higher education shall ensure that four out of the five seats are held by agricultural producers.
 - b. At least ninety days before the conclusion of the initial term of each member appointed by the extension service's multicounty program units, the units through their advisory groups shall provide to the state board of higher education a list of two or more names from which the state board of higher education shall appoint a successor. Future appointments to these five positions must be made in the same manner. The state board of higher education shall ensure that four out of the five seats are held by agricultural producers.

SECTION 22. A new section to chapter 4-05.1 of the North Dakota Century Code is created and enacted as follows:

Compensation of board members - Expenses. Each appointed member of the state board of agricultural research is entitled to receive sixty-two dollars and fifty cents per day as compensation for the time actually spent devoted to the duties of office and is entitled to receive necessary expenses in the same manner and amounts as state officials for attending meetings and performing other functions of office.

SECTION 23. A new section to chapter 4-05.1 of the North Dakota Century Code is created and enacted as follows:

State board of agricultural research - Chairman - Meetings. The state board of agricultural research annually shall elect one of its members to serve as chairman. The board shall meet at the times and locations designated by the chairman in consultation with the vice president of agricultural affairs at North Dakota state university.

SECTION 24. A new section to chapter 4-05.1 of the North Dakota Century Code is created and enacted as follows:

State board of agricultural research - Duties. Within the policies of the state board of higher education, the state board of agricultural research is responsible for the budgeting, supervision, and policymaking responsibilities associated with the supervision of the agricultural experiment station. The agricultural research board shall:

1. Determine the causes of any adverse economic impacts on crops and livestock produced in this state;
2. Develop ongoing strategies for the provision of research solutions to negate adverse economic impacts on crops and livestock produced in this state;
3. Make available financial resources, including grants and salaries, and make available equipment and facilities to implement the strategies developed under subsection 2, subject to approval by the state board of higher education;
4. Develop an annual budget for the operation of the agricultural experiment station;
5. Develop a biennial budget request and submit that request to the state board of higher education on or before March first of each even-numbered year;
6. Maximize the use of existing financial resources, equipment, and facilities to generate the greatest economic benefit from research efforts and to promote efficiency;
7. Annually evaluate the results of research activities and expenditures and report the findings to the legislative council and the state board of higher education;
8. Advise the administration of North Dakota state university regarding the recruitment and selection of the vice president of agricultural affairs and the station director; and
9. Advise the director of the extension service regarding the dissemination of research information and the best practices for management of the extension service.

SECTION 25. A new section to chapter 4-05.1 of the North Dakota Century Code is created and enacted as follows:

Agricultural research fund. The agricultural research fund is a special fund in the state treasury. The moneys in the fund must be expended for purposes of agricultural research.

SECTION 26. A new section to chapter 4-05.1 of the North Dakota Century Code is created and enacted as follows:

State board of agricultural research - Apportionment of research funds.

1. The state board of agricultural research annually shall apportion the proceeds of the agricultural research fund as follows:
 - a. Seventy percent to research activities affecting North Dakota agricultural commodities that account for at least two percent of the gross sales of all agricultural commodities grown or produced in the state. The percentage of the dollars available for each agricultural commodity under this section may not exceed the percentage that the gross sales of the agricultural commodity bear to the North Dakota gross sales of all agricultural commodities grown or produced during the previous year, as determined by the agricultural statistics service;
 - b. Eighteen percent to research activities affecting North Dakota animal agriculture; and
 - c. Twelve percent to research activities affecting new and emerging crops in North Dakota.
2. The state board of agricultural research shall solicit proposals for research from the public and private sectors and shall appoint committees to review the proposals and award the agricultural research grants on a competitive basis. Each committee must consist of a majority of agricultural producers selected in consultation with the agricultural commodity groups representing commodities that are the subjects of the proposed research and may include researchers and other individuals knowledgeable about the proposed area of research. Whenever possible, the committees shall require that a grant recipient commit matching funds.
3. The state board of agricultural research shall develop policies regarding the award of research grants, including requirements for matching funds, cooperation with other in-state and out-of-state researchers, and coordination with other in-state and out-of-state proposed or ongoing research projects.

SECTION 27. AMENDMENT. Section 4-22-02 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

4-22-02. Definitions. In this chapter, unless the context or ~~subject matter~~ otherwise requires:

1. ~~"Agency of this state" includes the government of this state and any subdivision, agency, or instrumentality, corporate or otherwise, of the government of this state.~~
2. ~~"Committee" or "state soil conservation committee" means the state soil conservation committee established by this chapter.~~
3. 2. "Director" means the director of the North Dakota state university extension service.
3. ~~"District" or "soil conservation district" means a governmental subdivision of this state, and a public body, corporate and politic, organized in accordance with the provisions of this chapter for the purposes, with the powers, and subject to the restrictions hereinafter set forth provided by law.~~
4. ~~"Due notice" means notice published at least twice, with an interval of at least seven days between the two publication dates, in a newspaper or other publication of general circulation within the appropriate area, or if no such. If this type of publication of general circulation is not available, by posting the term means notice posted at a reasonable number of conspicuous places within the appropriate area, such the posting to include, where possible, posting at public places where it may be customary to post notices concerning county or municipal affairs generally. At any hearing held pursuant to such due notice, at the time and place designated in such the notice, adjournment may be made from time to time without the necessity of renewing the notice for the adjourned dates.~~

5. "Government" or "governmental" includes the government of this state, the government of the United States, and any subdivision, agency, or instrumentality, corporate or otherwise, of either of them.
6. "Land occupier" or "~~occupier of land~~" includes any person, ~~firm, corporation, or limited liability company who~~ that holds title to or is in possession of any lands lying within a district ~~organized under the provisions of this chapter, whether as owner, lessee, renter, tenant, or otherwise, and whether or not the person, firm, corporation, or limited liability company is living or located in a rural or urban area within the district.~~
7. "Petition" means a petition filed under ~~the provisions of~~ this chapter for the creation of a soil conservation district.
8. "Qualified elector" means ~~every person of the age of~~ an individual who is at least eighteen or upwards who years old, is a citizen of the United States, and who has resided in the ~~state and in the~~ precinct thirty days next preceding any election, whether or not the ~~person~~ individual is living in a rural or urban area.
9. "~~State~~" means ~~the state of North Dakota.~~
10. "Supervisor" means one of the members of the governing body of a district, elected or appointed in accordance with ~~the provisions of~~ this chapter.
11. "~~United States~~" or "~~agencies of the United States~~" includes ~~the United States of America, the soil conservation service of the United States department of agriculture, and any other agency or instrumentality, corporate or otherwise, of the United States of America.~~

SECTION 28. AMENDMENT. Section 4-22-03 of the North Dakota Century Code is amended and reenacted as follows:

4-22-03. State soil conservation committee - Elective and appointive members - Records and seal.

1. ~~The state soil conservation committee must be maintained as an agency of this state to~~ shall perform the functions conferred upon it in this chapter within the limits of legislative appropriations. The committee consists of seven voting members, of whom five must be elected and two must be appointed by the governor ~~as provided herein.~~
4. ~~Elective members:~~
2. For the purpose of electing the five elective members of the committee, the ~~state of North Dakota is hereby divided into five areas, as follows:~~
 - A. a. (1) Area I includes ~~the counties of~~ Benson, Cavalier, Eddy, Foster, Grand Forks, Nelson, Pembina, Ramsey, Towner, Walsh, and Wells counties.
 - B. (2) Area II ~~shall include the counties of~~ includes Barnes, Cass, Dickey, Griggs, LaMoure, Ransom, Richland, Sargent, Steele, and Traill counties.
 - C. (3) Area III ~~shall include the counties of~~ includes Bottineau, Burke, Divide, McHenry, Mountrail, Pierce, Renville, Rolette, and Ward counties.
 - D. (4) Area IV ~~shall include the counties of~~ includes Burleigh, Emmons, Kidder, Logan, McIntosh, McLean, Morton, Oliver, Sheridan, Sioux, and Stutsman counties.
 - E. (5) Area V ~~shall include the counties of~~ includes Adams, Billings, Bowman, Dunn, Golden Valley, Grant, Hettinger, McKenzie, Mercer, Stark, Slope, and Williams counties.
- b. One member of the committee must be elected from each of the five areas by vote of the members of the boards of supervisors of the

~~conservation~~ districts in that area. Every voting member of a board of supervisors of a ~~conservation~~ district organized under this chapter is eligible to vote in the election for a member of the committee in the area in which the district is located.

- c. Elections must be held under ~~regulations to be issued~~ rules adopted by the committee and in cooperation with and at the time of the North Dakota association of soil conservation districts area meetings. In those cases where the territory of a district does not lie wholly within the boundaries of one of the five areas established under this section, the ~~regulations~~ rules must provide for the assignment of ~~such~~ the district by the committee for the purposes of ~~such~~ the elections, to the area within which most of its population resides.
- d. The committee shall conduct the election of members of the committee ~~must be conducted by the committee and~~. The election need not be held on the same dates or in the same places as the general elections for state or local officers.
2. ~~Appointive members:~~
3. ~~Two~~ The governor shall appoint two members of the committee ~~must be appointed by the governor, who~~. The governor shall ~~select appointees~~ appoint individuals who can represent those interests within the state not already represented, or less fully represented, by one or more of the five elected members of the committee. The governor shall attempt, so far as feasible, to make possible suitable representation for all interests in the state in the membership of the committee, including the interests of, ~~but not limited to,~~ farmers, livestock growers, rural areas, small towns, cities, and industry and business, recognizing that any single member of the committee may sometimes appropriately be regarded as representing more than one of these interests.
4. The committee shall invite representatives of the state association of soil conservation districts, North Dakota ~~cooperative state university~~ extension service, the soil conservation service, ~~North Dakota~~ state water commission, the commissioner of agriculture, and the game and fish department to serve as advisory, nonvoting members of the committee.
5. The term of office of every member of the committee is three years and until a successor is elected or appointed. ~~The governor has the power to extend the terms of one or more members of the committee in office upon the effective date of this chapter, in order to provide for overlapping terms for the members of the committee.~~ A member of the committee is eligible for reelection and reappointment, but no member may serve for more than two full, successive terms. ~~Vacancies~~ The governor may fill a vacancy in either an elective or appointive ~~terms may be filled~~ term for the unexpired term by appointment by the governor. ~~The committee shall keep a record of its official actions, shall adopt a seal, which seal must be judicially noticed, and may perform such acts, hold such public hearings, and adopt such rules as may be necessary for the execution of its functions under this chapter.~~

SECTION 29. AMENDMENT. Section 4-22-04 of the North Dakota Century Code is amended and reenacted as follows:

4-22-04. Committee - Chairman - Quorum - Compensation -~~Provision for surety bonds and annual audit.~~ The committee shall meet annually and select its chairman, ~~who~~. The chairman shall serve for one year from the date of his selection and ~~who~~ is not eligible for a second term as chairman. Additional meetings may be held by the committee as considered necessary by the chairman, at a time and place to be fixed by the chairman. ~~Special~~ The chairman shall call special meetings ~~must be called by the chairman~~ upon written request of any four members. ~~A majority of the committee constitutes a quorum, and the concurrence of a majority in any matter within its duties is required for its determination.~~ The members of the committee shall be entitled to receive forty-five dollars per day as compensation for their services on the committee, and are entitled to expenses, including traveling expenses, necessarily incurred in the discharge of their duties on the committee, in the same manner and at the same rate as prescribed by law for state employees and officials. ~~The committee shall provide for the execution of surety bonds, which may be issued by the state bonding fund, for all~~

~~employees who are entrusted with funds or property; shall provide for the keeping of a full and accurate record of all proceedings and of all resolutions, rules, and orders issued or adopted; and shall provide for an annual audit of the accounts of receipts and disbursements.~~

SECTION 30. AMENDMENT. Section 4-22-06 of the North Dakota Century Code is amended and reenacted as follows:

4-22-06. Duties and powers generally. ~~In addition to the duties and powers hereinafter conferred upon the state soil conservation~~ The committee, ~~it~~ has the following duties and powers:

1. To offer such assistance as may be appropriate to the supervisors of ~~soil conservation~~ districts in the carrying out of any of their powers and programs.
2. To keep the supervisors of each of the several districts informed of the activities and experience of all other districts, and to facilitate an interchange of advice and experience between such districts and cooperation between them.
3. ~~To coordinate the programs of the several conservation districts so far as this may be done by advice and consultation.~~
4. To secure the cooperation and assistance of state, federal, regional, interstate, and local, public, and private agencies with ~~conservation~~ districts; and to facilitate arrangements under which ~~conservation~~ districts may assist or serve county governing bodies and other agencies in the administration of any activity concerned with the conservation of natural resources.
5. ~~To disseminate information throughout the state concerning the activities and programs of the soil conservation districts, and to encourage the formation of such districts in areas where their organization is desirable.~~
6. ~~To review district programs, to coordinate the programs of the several districts, and to coordinate programs and activities as they relate to other special purpose districts.~~
7. 4. To review agreements, or forms of agreements, proposed to be entered into by districts with other districts or with state, federal, interstate, or other public or private organizations, and advise the districts concerning such agreements or forms of agreement.
8. 5. To recommend to the inclusion in annual and longer term director biennial budgets of funds necessary from the legislative assembly to finance the activities of the committee and districts; and to distribute such moneys appropriated by the legislative assembly according to applicable state laws or regulations for grants to soil conservation districts.
9. ~~To compile information and make studies, summaries, and other analyses of district programs in relation to each other and to other resource conservation programs on a statewide basis.~~
10. 6. To represent the state in matters affecting soil conservation.
11. 7. To require annual reports from ~~conservation~~ districts, ~~the form and content of which must be developed by the committee on consultation with district supervisors.~~
12. 8. To establish uniform accounting methods which must be used by ~~soil conservation~~ districts, and to establish a uniform auditing reporting system.
13. 9. Pursuant to procedures developed mutually by the committee and other state and local agencies that are authorized to plan or administer activities significantly affecting the conservation of natural resources, ~~to receive from such~~ To receive from other state and local agencies for review and comment suitable descriptions of their plans, programs, and activities affecting the conservation of natural resources for purposes of coordination with district conservation programs; to arrange for and participate in

conferences necessary to avoid conflict among such plans and programs; to call attention to omissions; and to avoid duplication of effort.

14. ~~To develop and administer policy guidelines which the districts shall follow in the operation of district activities.~~

SECTION 31. A new section to chapter 4-22 of the North Dakota Century Code is created and enacted as follows:

Soil conservation - Duties. The North Dakota state university extension service shall assist the committee in performing the committee's duties, within the limits of legislative appropriation. The director shall instruct extension agents to cooperate in the delivery of information and services to the districts."

Page 8, remove lines 1 through 31

Page 9, remove lines 1 through 30

Page 10, remove lines 1 through 4

Page 11, replace lines 24 through 27 with:

"SECTION 33. AMENDMENT. Section 4-22-47 of the North Dakota Century Code is amended and reenacted as follows:

4-22-47. Consolidation of districts - Petition - Referendum - Conduct of referendum. Two or more ~~soil conservation~~ districts may be consolidated into one district by compliance with ~~the provisions of~~ this chapter. A petition ~~or petitions~~ for consolidation of soil conservation districts must be filed with the ~~secretary of the state soil conservation committee~~ and must be signed by at least twenty-five qualified electors living in each district. Upon the filing of ~~such a~~ petition ~~or petitions~~, the state committee ~~shall~~ by resolution ~~shall~~ fix a date for a referendum to be held in each ~~such~~ district and shall direct the ~~board of supervisors thereof~~ to cause notice of ~~such the~~ referendum to be posted in at least five conspicuous places within the district and to be published once each week for two consecutive weeks ~~prior to before~~ the referendum in a newspaper of general circulation ~~therein in the districts involved~~. Only qualified electors living within the district are eligible to vote at the referendum. ~~Such The~~ notice must state the date of the referendum, ~~the identify each~~ polling place ~~or places~~ for holding ~~such the~~ referendum, the time when the polls will open and close, and the question to be submitted to the qualified electors. ~~Such The~~ notice must be substantially in the following form:

~~Notice is hereby given that on~~ On the ____ day of _____, 19 ____ a referendum will be held at _____
(Designate polling place or places)
the purpose of submitting to the qualified electors within
_____ soil conservation district
(Name of district)
the question as to whether _____ soil conservation districts
(Names of districts)
embracing the following townships _____
(Designate townships, by number and range)
shall be consolidated into one soil conservation district.

The ballot ~~will~~ must be in the following form:

Shall _____ soil conservation districts embracing the
(Names of districts)
following townships _____ be
(Designate townships, by number and range)
consolidated into one soil conservation district?
Yes _____
No _____

The board of supervisors of the district shall appoint the board of election for each polling place ~~must be appointed by the board of supervisors of the district and consists~~. The board of election must consist of one inspector, one judge, and one clerk. Members of such the election board ~~shall~~ are entitled to receive the sum of five dollars for their services.

SECTION 34. AMENDMENT. Section 4-22-48 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

4-22-48. Conduct of referendum - Canvass of votes. A referendum upon the question of consolidating two or more soil conservation districts must be conducted in accordance with the laws of the state prescribing the conduct of general elections. After the polls are closed, the board of election shall proceed to canvass the votes and the clerk of the board shall certify to the board of supervisors of the clerk's district and to the state committee the result of the referendum. ~~The clerk shall then securely wrap the ballots cast at the referendum and shall express or mail the ballots to the secretary of the state committee. The committee shall also canvass the ballots and verify the result. The secretary of the committee shall file the ballots in the secretary's office. Upon the expiration of two years after such ballots were canvassed by the state committee they may be destroyed.~~ The state committee shall publish the results of the referendum after having canvassed the ballots and if the committee finds that If a majority of the ballots cast on the question in each district are for consolidation, the committee shall file with the secretary of state a statement certifying that the consolidated district has been duly and regularly established."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 110 - OFFICE OF MANAGEMENT AND BUDGET

CONFERENCE COMMITTEE - This amendment removes the \$660,000 from the general fund added in the Senate for the Office of Management and Budget to distribute technician grants (\$650,000) and for committee expenses (\$10,000). The section added in the Senate is removed which provided that the Office of Management and Budget provide support services for the committee.

DEPARTMENT 627 - UPPER GREAT PLAINS TRANSPORTATION INSTITUTE

CONFERENCE COMMITTEE - The operating expenses line item is reduced by \$3,871 from the general fund to remove funding for risk management premiums.

DEPARTMENT 630 - NDSU EXTENSION SERVICE

CONFERENCE COMMITTEE - This amendment makes the following changes:

	SENATE VERSION	REMOVE RISK MANAGEMENT PREMIUMS	ADD SOIL CONSERVATION COMMITTEE	REMOVE UNDESIGNATED POSITION	TOTAL CHANGES TO SENATE VERSION	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	CONFERENCE COMMITTEE INCREASE (DECREASE) TO HOUSE VERSION
Salaries and wages	\$20,665,371		\$ 99,000	\$(110,000)	\$(11,000)	\$20,654,371	\$20,679,960	\$ (25,589)
Operating expenses	3,547,204	\$(76,140)	12,000		(64,140)	3,483,064	3,489,064	(6,000)
Equipment	450,000		580,000		580,000	450,000	450,000	
Grants						580,000	650,000	(70,000)
Total	\$24,662,575	\$(76,140)	\$691,000 ¹	\$(110,000) ²	\$504,860	\$25,167,435	\$25,269,024	\$(101,589)
General fund	\$11,644,577	\$(76,140)	\$691,000	\$(110,000)	\$504,860	\$12,149,437	\$12,251,026	\$(101,589)
Special funds	13,017,998					13,017,998	13,017,998	
Total	\$24,662,575	\$(76,140)	\$691,000	\$(110,000)	\$504,860	\$25,167,435	\$25,269,024	\$(101,589)
FTE	229.00	0.00	1.00	-1.00	0.00	229.00	229.50	(0.50)

¹ Adds funding relating to duties associated with the Soil Conservation Committee as follows:

Salaries and wages	
1 FTE staff position	\$ 80,000
Administrative support	15,000
Committee member per diem	4,000
Total	\$ 99,000
Operating expenses	12,000
District grants	580,000
Total	\$691,000

The Senate provided \$660,000 from the general fund for district grants of \$650,000 and for committee expenses of \$10,000 to be administered by the Office of Management and Budget.

The House provided \$790,007 from the general fund for soil conservation activities in the extension service, including 1.5 FTE and \$650,000 for district grants.

² Removes 1 FTE undesignated position. The House had removed a family economics specialist position and \$107,418.

Sections are added changing the duties of the Soil Conservation Committee and providing that the NDSU Extension Service assist the Soil Conservation Committee in administering its duties.

A section of legislative intent is added providing for an interim Legislative Council study of alternative methods of governing and delivering soil conservation services in North Dakota. The study must address the advisability of continuing to elect state Soil Conservation Committee members and district supervisors.

DEPARTMENT 638 - NORTHERN CROPS INSTITUTE

CONFERENCE COMMITTEE - The operating expenses line item is reduced by \$2,581 from the general fund to remove funding for risk management premiums.

DEPARTMENT 640 - AGRICULTURAL EXPERIMENT STATION

CONFERENCE COMMITTEE - This amendment makes the following changes:

ALL FUNDS CHANGES

	SENATE VERSION	FUNDING SOURCE	REMOVE RISK MANAGEMENT PREMIUMS	BOARD OF AGRICULTURAL RESEARCH	REMOVE UNDESIGNATED POSITION	AGRICULTURE RESEARCH GRANTS	OTHER CHANGES	TOTAL CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	CONFERENCE COMMITTEE INCREASE (DECREASE) TO HOUSE VERSION
Main Research Station	\$ 7,554,163		\$(109,137)	\$20,000			\$(35,000)5	\$(124,117)	\$ 7,430,026	\$ 7,430,026	
Dickinson Research Center	621,694		(4,115)				35,000 5	30,885	652,579	652,579	
Central Grasslands Research Center	575,349		(1,613)					(1,613)	573,736	573,736	
Hettinger Research Center	443,208		(2,581)					(2,581)	440,627	440,627	
Langdon Research Center	217,981		(2,179)					(2,179)	215,802	215,802	
North Central Research Center	631,639		(1,936)				50,000 6	48,064	679,703	679,703	\$ 50,000
Williston Research Center	463,113		(2,581)				150,000 7	147,419	610,532	610,532	
Carrington Research Center	935,390		(4,678)				(43,750)8	(48,428)	886,962	886,962	25,000
Agromony Seed Farm Agricultural Experiment Station	1,953,699 40,678,794		(968)	20,000	\$(100,000)	\$2,000,000	18,750 8	(968)	1,953,731 42,617,544	1,953,731 42,617,544	25,000
Total all funds	\$83,375,030	\$ 0 1	\$(129,788)	\$40,0002	\$(100,000)3	\$2,000,0004	\$ 75,000	\$1,985,212	\$55,360,242	\$55,260,242	\$100,000
FTE	411.22	0.00	0.00	0.00	-1.00		0.00	-1.00	410.22	410.22	0.00

GENERAL FUND CHANGES

	SENATE VERSION	FUNDING SOURCE	REMOVE RISK MANAGEMENT PREMIUMS	BOARD OF AGRICULTURAL RESEARCH	REMOVE UNDESIGNATED POSITION	AGRICULTURE RESEARCH GRANTS	OTHER CHANGES	TOTAL CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	CONFERENCE COMMITTEE INCREASE (DECREASE) TO HOUSE VERSION
Main Research Station	\$ 4,845,617		\$(109,137)	\$20,000			\$(35,000)5	\$(3,921,480)	\$ 3,921,480	\$ 3,921,480	
Dickinson Research Center	99,018		(4,115)				35,000 5	30,885	120,903	120,903	
Central Grasslands Research Center	123,949		(1,613)					(1,613)	122,336	122,336	
Hettinger Research Center	142,140	63,473	(2,581)					60,892	203,032	203,032	
Langdon Research Center	39,631	66,152	(2,179)					63,973	103,604	103,604	
North Central Research Center	229,990	39,876	(1,936)				50,000 6	87,940	87,940	87,940	\$ 50,000
Williston Research Center	229,990		(2,581)				50,000 7	47,419	277,409	277,409	
Carrington Research Center	174,338		(4,678)				(43,750)8	125,910	125,910	125,910	25,000
Agromony Seed Farm Agricultural Experiment Station	30,399,449	(4,389,456)		20,000	\$(100,000)		18,750 8	(4,450,706)	25,946,743	25,923,743	25,000
Total general fund	\$31,025,177	\$ 0 1	\$(128,820)	\$40,0002	\$(100,000)3	\$ 0	\$ 75,000	\$(113,820)	\$30,911,357	\$30,811,357	\$100,000

1 Provides that the respective funding sources for the pooled salaries and wages of the Agricultural Experiment Station be appropriated in the subdivision with the pooled salaries. The Senate version transferred the maximum amount of general fund appropriations to the pooled salaries subdivision.

2 Provides that the allocation of the pooled salaries to the entities of the Agricultural Experiment Station for the 1997-99 biennium provided that each entity must receive at least 95 percent of the salaries and wages funding it received during the 1995-97 biennium. The House version reduces this percentage to 90 percent.

- 2 Provides funding to support the activities of the Board of Agricultural Research, including per diem and expense reimbursement for board members. The board is being established by provisions of this bill. This funding is not to be spent until the \$8,800 provided in the North Dakota State University's 1997-99 appropriation for paying per diem and travel expenses of Agriculture Consultation Board members is spent for paying expenses of the Board of Agricultural Research members during the 1997-99 biennium.
- 3 Removes one FTE undesignated position and \$100,000 from the general fund associated with the position.
- 4 Provides in a separate section a \$2,000,000 appropriation from the agricultural research fund for agriculture research grants. Grant committees appointed by the Board of Agricultural Research will determine the distribution of the grants. See 'Other Sections' below for additional information.
- 5 Reduces the capital improvements line item of the Main Research Station by \$35,000 from the general fund, from \$1,158,800 to \$1,123,800. A capital improvements line item of \$35,000 from the general fund is added to the Dickinson Research Center for providing sanitation and decontamination facilities at the ranch headquarters of the Dickinson Research Center.
- 6 The capital improvements line item of the North Central Research Center is increased by \$50,000 from the general fund for providing additional general fund support for the new headquarters building project. Funding for the project totals \$850,000, \$350,000 of which is from the general fund and \$500,000 of special funds.
- 7 A contingent appropriation section is added providing a \$150,000 appropriation, \$50,000 of which is from the general fund, to the Williston Research Center to pay a portion of the costs associated with the construction of the Ernie French Center for the 1997-99 biennium. The general fund moneys are contingent on the center raising at least \$100,000 of other funds for the project.
- 8 Funding added in the Senate of \$25,000 from the general fund for a bison research program at the Carrington Research Center is reduced by \$25,000, to \$100,000. The \$100,000 provides \$50,000 for the .5 FTE position added in the Senate and \$50,000 for operating expenses. The House had reduced the funding added in the Senate by \$75,000.

Other Sections:

Sections are added which:

- . Continue the 1995-97 appropriation authority for capital improvement projects at the Northern Crops Institute of \$1,500,000 of special funds for the food processing pilot plant project and at the North Central Research Center of \$600,000, \$300,000 of which is from the general fund and \$300,000 of special funds for the headquarters building project.
- . Authorize the North Central Research Center to use up to \$25,000 of unanticipated earned income which may be received during the 1997-99 biennium for the new headquarters building project.
- . Establish a Board of Agricultural Research that is responsible for the budgeting, supervision, and policymaking of the Agricultural Experiment Station.
- . Establish an agricultural research fund. Revenue to the fund is generated from withholding four cents from agriculturally related motor vehicle fuel tax refund claims (the four-cent withholding provision is included in Senate Bill No. 2019).
- . Provide that the Board of Agricultural Research appoint grant committees to determine the distribution of research grants from the funds available in the agricultural research fund as follows:
 - 70 percent to agriculture commodity research.
 - 18 percent to animal agriculture research.
 - 12 percent to new and emerging crops research.

GENERAL FUND COMPARISON

DEPT. NO.	AGENCY	EXECUTIVE BUDGET	SENATE VERSION	HOUSE VERSION	CONFERENCE COMMITTEE VERSION	CONFERENCE COMMITTEE INCREASE (DECREASE) TO SENATE VERSION	CONFERENCE COMMITTEE INCREASE (DECREASE) TO HOUSE VERSION
110	Office of Management and Budget		\$ 660,000	\$ 450,505	\$ 450,505	\$(660,000)	
627	Transportation Institute	\$ 454,376	454,376	450,505	450,505	(3,871)	
630	NDSU Extension Service	12,107,136	11,644,577	12,251,026	12,149,437	504,860	\$(101,589)
638	Northern Crops Institute	638,382	638,382	635,801	635,801	(2,581)	
640	Agricultural Experiment Station	<u>29,994,177</u>	<u>31,025,177</u>	<u>30,811,357</u>	<u>30,911,357</u>	<u>(113,820)</u>	<u>100,000</u>
	Total general fund	\$43,194,071	\$44,422,512	\$44,148,689	\$44,147,100	\$(275,412)	\$ (1,589)

Engrossed SB 2064 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, Stenehjem, 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

SB 2004, as engrossed: Your conference committee (Sens. St. Aubyn, Nalewaja, Tallackson and Reps. Delzer, Bernstein, Nichols) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1012-1015, adopt amendments as follows, and place SB 2004 on the Seventh order:

That the House recede from its amendments as printed on pages 1012-1015 of the Senate Journal and pages 1117-1120 of the House Journal and that Engrossed Senate Bill No. 2004 be amended as follows:

Page 1, line 7, after the second semicolon insert "to provide legislative intent;"

Page 1, line 16, replace "25,038,634" with "24,851,601"

Page 1, line 17, replace "31,421,679" with "31,307,181"

Page 1, line 18, replace "1,280,850" with "1,230,440"

Page 1, line 20, replace "19,777,146" with "19,537,146"

Page 1, line 21, replace "77,546,452" with "76,954,511"

Page 1, line 22, replace "62,063,038" with "62,020,071"

Page 1, line 23, replace "15,483,414" with "14,934,440"

Page 2, line 2, replace "\$400,000" with "\$300,000"

Page 10, line 29, replace "year" with "two years"

Page 12, line 27, replace "fifty" with "not licensed and inspected by any other federal or local health unit, twenty-five"

Page 14, line 10, replace "fifty" with "not licensed and inspected by any other federal or local health unit, twenty-five"

Page 15, after line 29, insert:

"SECTION 28. LEGISLATIVE INTENT. It is the intent of the legislative assembly that women, infants, and children food payments be budgeted as a separate line item in the department of health's 1999-2001 budget request.

SECTION 29. LEGISLATIVE COUNCIL STUDY - RELOCATION OF THE STATE CRIME LABORATORY. If the legislative council studies the criminal justice system pursuant to Senate Concurrent Resolution No. 4020 during the 1997-98 interim, the study should include a review of the feasibility of placing the administrative responsibility for the state crime laboratory with the office of the attorney general."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 301 - DEPARTMENT OF HEALTH

CONFERENCE COMMITTEE - This amendment removes a proposed \$50 annual fee for food processing plants and makes the following changes:

	1997-99 EXECUTIVE BUDGET	TOTAL SENATE CHANGES	SENATE RECOMMENDED AMOUNTS	REDUCE LOCAL HEALTH DISTRICTS AND COMPUTER EQUIPMENT FUNDING	REMOVE RISK MANAGEMENT PREMIUMS	REDUCE ABANDONED AUTO GRANTS	RESTORE TRAUMA CARE FTE POSITION	REMOVE 3 FTE POSITIONS REDUCE EMS FUNDING	TOTAL CONFERENCE COMMITTEE CHANGES	TOTAL CONFERENCE COMMITTEE RECOMMENDED AMOUNTS
Salaries and wages	\$25,101,601	\$ (62,967)	\$25,038,634				\$ 62,967	\$(250,000)	\$(187,033)	\$24,851,601
Operating expenses	32,106,219	(684,540)	31,421,679		\$(171,531)		57,033		(114,498)	31,307,181
Equipment	1,293,480	(12,630)	1,280,850	\$ (50,410)					(50,410)	1,230,440
Capital Improvements	28,143		28,143							28,143
Grants	<u>19,623,646</u>	<u>153,500</u>	<u>19,777,146</u>	<u>(110,000)</u>		<u>\$(100,000)</u>		<u>(30,000)</u>	<u>(240,000)</u>	<u>19,537,146</u>
Total all funds	\$78,153,089	\$ (606,637)	\$77,546,452	\$ (160,410)	\$(171,531)	\$(100,000)	\$120,000	\$(280,000)	\$(591,941)	\$76,954,511
Less estimated income	<u>62,483,338</u>	<u>(420,300)</u>	<u>62,063,038</u>			<u>(100,000)</u>	<u>57,033</u>		<u>(42,967)</u>	<u>62,020,071</u>
Total general fund appropriation	\$15,669,751	\$ (186,337)	\$15,483,414	\$ (160,410)	\$(171,531)	\$ 0	\$ 62,967	\$(280,000)	\$(548,974)	\$14,934,440
FTE	311.00	(1.00)	310.00				1.00	(3.00)	(2.00)	308.00

This amendment:

Changes the annual license fee from \$50 to \$25 for a food processing plant and provides that the fee is required only if the plant is not licensed and inspected by any other federal or local health unit.

Reduces funding for emergency medical services grants from \$500,000 to \$470,000, a \$30,000 reduction.

Provides funding for aid to local health districts at \$990,000, compared to \$921,500 in the executive budget and the House version and \$1,100,000 in the Senate version.

In addition, this amendment:

- Provides that the department's reduction of three FTE positions required by this amendment not include the one new FTE chemist for methamphetamine cases and the one new FTE chemist for the forensic unit authorized in the budget.
- Amends Section 16 to allow the department to inspect food establishments once every two years rather than once every year.
- Retains Section 20, providing a license fee increase on January 1, 1999, for food and lodging establishments.
- Adds a new section of legislative intent that the Department of Health include the WIC food payments as a separate line item in the 1999-2001 budget request.
- Adds a section providing that if the Legislative Council studies the criminal justice system pursuant to Senate Concurrent Resolution No. 4020, the study include a review of the feasibility of relocating the State Crime Laboratory within the office of the Attorney General.

Engrossed SB 2004 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

HB 1010, as engrossed: Your conference committee (Sens. Naaden, Lips, Robinson and Reps. Soukup, Byerly, Huether) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1146-1147, adopt amendments as follows, and place HB 1010 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1146 and 1147 of the House Journal and pages 885 and 886 of the Senate Journal and that Engrossed House Bill No. 1010 be amended as follows:

Page 1, line 11, replace "4,020,813" with "4,045,813"

Page 1, line 12, replace "1,244,742" with "1,228,289"

Page 1, line 14, replace "5,306,000" with "5,314,547"

Page 2, after line 19, insert:

"SECTION 8. LEGISLATIVE INTENT - BUDGET SECTION REPORT. It is the intent of the legislative assembly that the insurance commissioner utilize \$25,000 appropriated in section 1 of this Act to analyze during the biennium beginning July 1, 1997, and ending June 30, 1999, the amount of insurance payments to fire departments distributed to fire districts in fiscal years 1996, 1997, and 1998 and present a report to the budget section in December 1998 containing the commissioner's findings and the actions taken to stabilize the distribution of funds to each fire district."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 401 - INSURANCE DEPARTMENT

CONFERENCE COMMITTEE - This amendment makes the following changes:

	HOUSE VERSION	REMOVE RISK MANAGEMENT PREMIUMS	FIRE DISTRICT PAYMENT STUDY	TOTAL CHANGES TO HOUSE VERSION	CONFERENCE COMMITTEE VERSION	SENATE VERSION	CONFERENCE COMMITTEE (DECREASE) TO SENATE VERSION
Salaries and wages	\$4,020,813		\$25,000	\$25,000	\$4,045,813	\$4,058,313	\$ (12,500)
Operating expenses	1,244,742	\$(16,453)		(16,453)	1,228,289	1,228,289	
Equipment	40,445				40,445	42,945	(2,500)
Computer network project	<u>275,000</u>				<u>275,000</u>	<u>275,000</u>	
Total special funds	\$5,581,000	\$(16,453)	\$25,000*	\$ 8,547	\$5,589,547	\$5,604,547	\$ (15,000)
FTE	45.50	0.00	0.00	0.00	45.50	46.00	(0.50)
Payments to fire departments	<u>\$5,200,000</u>				<u>\$5,200,000</u>	<u>\$5,200,000</u>	
Total special funds	\$5,200,000	\$ 0	\$ 0	\$ 0	\$5,200,000	\$5,200,000	\$ 0

* Adds funding from excess revenue in the insurance regulatory trust fund generated from the 1995-97 biennium increase in insurance agent license fees relating to the department's new computer system. The additional \$25,000 is for the department to hire temporary personnel to analyze payments to fire districts. The Senate added \$40,000 from the insurance regulatory trust fund and a .5 FTE position for this purpose.

A section of legislative intent is added providing that the Insurance Commissioner analyze fire district payments distributed during 1996, 1997, and 1998 and report to the Budget Section in December 1998 on the commissioner's findings and actions taken to stabilize the payments to fire districts.

Engrossed HB 1010 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

HB 1022, as engrossed: Your conference committee (Sens. Nalewaja, Lips, Robinson and Reps. Freier, Boehm, Aarsvold) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1265-1266, adopt amendments as follows, and place HB 1022 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1265 and 1266 of the House Journal and pages 1086 and 1087 of the Senate Journal and that Engrossed House Bill No. 1022 be amended as follows:

Page 1, line 13, replace "917,905" with "901,127"

Page 1, line 18, replace "6,085,381" with "6,068,603"

Page 1, line 19, replace "1,227,227" with "1,208,157"

Page 1, line 20, replace "4,858,154" with "4,860,446"

Page 2, line 2, replace "5,277,737" with "5,280,029"

Page 2, after line 10, insert:

"SECTION 3. LEGISLATIVE INTENT - ADMINISTRATIVE COST SAVINGS. It is the intent of the legislative assembly that the historical society use any administrative cost savings realized during the 1997-99 biennium from either general fund or special funds sources for the following programs listed in priority order: the public information program, the volunteer/facility program, or to enter its library materials into the on-line Dakota information network, a statewide computerized library catalog and circulation system, during the biennium beginning July 1, 1997, and ending June 30, 1999.

SECTION 4. LEGISLATIVE INTENT - HISTORICAL SOCIETY - SELF-ASSESSMENT. It is the intent of the legislative assembly that the state historical board, during the 1997-99 biennium, assess and evaluate the services and programs, including the administrative structure of the state historical society. The assessment and evaluation must address the efficiency of its administrative structure, the effectiveness of its programs and services in all divisions, the use of its facilities, and its customer relations efforts. The board shall present its report, including findings and recommendations to the budget section of the legislative council by June 30, 1998."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 701 - HISTORICAL SOCIETY

CONFERENCE COMMITTEE - This amendment makes the following changes:

	HOUSE VERSION	VOLUNTEER/ FACILITY PROGRAM	REMOVE RISK MANAGEMENT PREMIUMS	TOTAL CHANGES TO HOUSE VERSION	CONFERENCE COMMITTEE VERSION	SENATE VERSION	CONFERENCE COMMITTEE INCREASE (DECREASE) TO SENATE VERSION
Salaries and wages	\$4,101,499				\$4,101,499	\$4,101,499	\$ 0
Operating expenses	917,905		\$(16,778)	\$(16,778)	901,127	901,127	
Equipment	81,244				81,244	81,244	
Capital improvements	494,197				494,197	494,197	
Grants	485,559				485,559	485,559	
Yellowstone-Missouri- Ft. Union Commission	4,977				4,977	4,977	
Total	\$6,085,381	\$ 0 ¹	\$(16,778)	\$(16,778)	\$6,068,603	\$6,068,603	\$ 0
General fund	\$4,858,154	\$ 17,392	\$(15,100)	\$ 2,292	\$4,860,446	\$4,889,156	\$(28,710)
Special funds	<u>1,227,227</u>	<u>(17,392)</u>	<u>(1,678)</u>	<u>(19,070)</u>	<u>1,208,157</u>	<u>1,179,447</u>	<u>28,710</u>
Total	\$6,085,381	\$ 0	\$(16,778)	\$(16,778)	\$6,068,603	\$6,068,603	\$ 0
FTE	54.00	0.00	0.00	0.00	54.00	54.00	0.00

¹ Provides 60 percent of the salaries and wages funding for the volunteer/facility program from the general fund, the same as the executive budget and Senate version. The House provided 30 percent of the program's salaries and wages from the general fund. The special funds for the position may be provided from administrative cost savings or other sources.

Funding for salaries and wages in the public information program is provided at 30 percent from the general fund, the same as the House version. The Senate provided 60 percent of the funding from the general fund. The special funds for the position may be provided from administrative cost savings or other sources.

The following sections are added to the bill:

A section of legislative intent providing that the Historical Society use any administrative cost savings realized during the 1997-99 biennium from either general fund or special funds sources for the following listed in priority order.

- The public information program
- The volunteer/facility program
- To join the On-line Dakota Information Network (ODIN)

A section of legislative intent providing that the Historical Board conduct a self-assessment and evaluation of the Historical Society's services and programs, including its administrative structure, during the 1997-99 biennium and report its findings and recommendations to the Budget Section by June 30, 1998.

Engrossed HB 1022 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

HB 1023, as engrossed: Your conference committee (Sens. Nalewaja, Lips, Krauter and Reps. Kunkel, Lloyd, Wilkie) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1267-1269, adopt amendments as follows, and place HB 1023 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1267-1269 of the House Journal and pages 1088-1090 of the Senate Journal and that Engrossed House Bill No. 1023 be amended as follows:

Page 1, line 10, replace "1,637,039" with "1,626,006"

Page 1, line 11, replace "6,785,188" with "6,737,688"

Page 1, line 13, replace "9,889,324" with "9,830,791"

Page 1, line 14, replace "4,016,740" with "3,969,240"

Page 1, line 15, replace "5,872,584" with "5,861,551"

Page 1, replace lines 16 through 20 with:

"SECTION 2. LEGISLATIVE INTENT - FUNDING FOR INTERNATIONAL PEACE GARDEN. It is the intent of the legislative assembly that, rather than the state historical society, the department of parks and recreation include the funding request for the international peace garden in the department's 1999-2001 biennium budget request and that during the biennium beginning July 1, 1997, and ending June 30, 1999, the state historical society assist the department of parks and recreation to develop procedures to administer the funding for the international peace garden beginning July 1, 1999."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 750 - DEPARTMENT OF PARKS AND RECREATION

CONFERENCE COMMITTEE - This amendment reduces the administration program line by \$11,033 from the state general fund for risk management premiums.

This amendment reduces the natural resources program line by \$47,500 to reflect revised cost estimates for the following projects:

	EXECUTIVE BUDGET	ENGROSSED BILL	CONFERENCE COMMITTEE VERSION
Turtle River State Park roads - chip and seal	\$ 75,000	\$ 75,000	\$ 45,000
Icelandic State Park roads - chip and seal	50,000	50,000	27,500
Fort Stevenson State Park - road overlays	70,000	70,000	75,000
Lake Metigoshe State Park roads - chip and seal	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>
Total	\$215,000	\$215,000	\$167,500
General fund	\$ 86,000		
Special funds	<u>129,000</u>	<u>\$215,000</u>	<u>167,500</u>
Total	\$215,000	\$215,000	\$167,500

The special funds for the road projects listed above are from excess park revenue generated during the 1995-97 biennium or other sources.

This amendment adds legislative intent that the funding request for the International Peace Garden be included in the Parks and Recreation Department's 1999-2001 biennium budget request rather than in the Historical Society's budget request.

This amendment removes Section 2 of the engrossed bill, which provided additional information relating to the program line items contained in the bill. The additional information is contained in the purpose of amendment.

	ENGROSSED BILL	REMOVE RISK MANAGEMENT PREMIUMS	ROAD PROJECTS	TOTAL CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	CONFERENCE COMMITTEE INCREASE (DECREASE) TO SENATE VERSION
Salaries and wages	\$4,106,703				\$4,106,703	\$4,106,703	
Operating expenses	3,486,751				3,475,718	3,475,718	
Equipment	284,370	\$(11,033)		\$(11,033)	284,370	284,370	
Capital improvements	1,536,500		\$(47,500)	(47,500)	1,489,000	1,489,000	
Grants	<u>475,000</u>				<u>475,000</u>	<u>475,000</u>	
Total	\$9,889,324	\$(11,033) ¹	\$(47,500) ²	\$(58,533)	\$9,830,791	\$9,830,791	\$ 0
General fund	\$5,872,584	\$(11,033)		\$(11,033)	\$5,861,551	\$5,928,551	\$ 67,000
Special funds	<u>4,016,740</u>		<u>\$(47,500)</u>	<u>(47,500)</u>	<u>3,969,240</u>	<u>3,902,240</u>	<u>(67,000)</u>
Total	\$9,889,324	\$(11,033)	\$(47,500)	\$(58,533)	\$9,830,791	\$9,830,791	\$ 0
FTE	38.00	0.00	0.00	0.00	38.00	38.00	0.00

¹ Removes funding for risk management premiums from the administration program.

² The funding in the natural resources program is reduced by \$47,500 to reflect revised cost estimates.

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

REPORT OF CONFERENCE COMMITTEE

HB 1024, as engrossed: Your conference committee (Sens. Nalewaja, Holmberg, Robinson and Reps. Lloyd, Kunkel, Aarsvold) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1269-1270, adopt amendments as follows, and place HB 1024 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1269 and 1270 of the House Journal and pages 1090 and 1091 of the Senate Journal and that Engrossed House Bill No. 1024 be amended as follows:

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

Page 1, line 10, replace "3,110,848" with "3,290,622"

Page 1, line 13, replace "4,037,195" with "4,216,969"

Page 1, line 14, replace "180,000" with "363,000"

Page 1, line 15, replace "3,857,195" with "3,853,969"

Page 1, after line 15, insert:

"SECTION 2. LEGISLATIVE COUNCIL STUDY. The legislative council shall consider studying during the 1997-98 interim the coordination of efforts of the department of tourism, department of parks and recreation, department of economic development and finance, state historical society, and council on the arts to maximize their effectiveness by providing unified services to enhance the state's public image. If conducted, the study must focus on marketing, including international marketing, public relations, advertising, promotional materials development, graphic design, customer service training, and other public perception issues affecting North Dakota. The study is not to focus on the feasibility of merging these agencies into a consolidated department."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 740 - TOURISM DEPARTMENT

CONFERENCE COMMITTEE - The operating expenses line item is increased by \$183,000 of special funds to be raised by the Tourism Department from sources including the Department of Economic Development and Finance, local organizations, and other sources for joining the Rocky Mountain International marketing organization. The funding is provided for the purpose of increasing international marketing efforts to attract more foreign tourists to the state to enhance tourism's effect on the North Dakota economy.

A section is added providing for a Legislative Council study of the coordination of efforts of the departments of Tourism, Parks and Recreation, and Economic Development and Finance; the Historical Society; and the Council on the Arts to enhance the state's public image. The study is not to focus on the feasibility of merging these agencies into a consolidated department.

This amendment also reduces operating expenses by \$3,226 from the state general fund for risk management premiums.

Engrossed HB 1024 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

HB 1025, as engrossed: Your conference committee (Sens. Goetz, Solberg, Robinson and Reps. Wald, Lloyd, Wilkie) recommends that the **HOUSE ACCEDE** to the Senate amendments on HJ pages 638-640 and place HB 1025 on the Seventh order.

Engrossed HB 1025 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

HB 1359: Your conference committee (Sens. Traynor, W. Stenehjem, C. Nelson and Reps. DeKrey, Koppelman, Delmore) recommends that the **SENATE RECEDE** from the

Senate amendments on HJ page 959, adopt amendments as follows, and place HB 1359 on the Seventh order:

That the Senate recede from the amendments as printed on page 959 of the House Journal and page 730 of the Senate Journal and that House Bill No. 1359 be amended as follows:

Page 1, line 8, overstrike "unlawfully transport, carry, sell, give away, prepare for sale, or peddle" and insert immediately thereafter "aid or assist in the manufacture, delivery, or possession with intent to manufacture or deliver a controlled substance for the purpose of receiving consideration or payment for the manufacture or delivery of"

Renumber accordingly

HB 1359 was placed on the Seventh order of business on the calendar.

COMMUNICATION FROM GOVERNOR EDWARD T. SCHAFER

This is to inform you that on April 8, 1997, I signed the following: SB 2005, SB 2007, SB 2009, SB 2011, SB 2042, SB 2046, SB 2093, SB 2116, SB 2145, SB 2149, SB 2173, SB 2213, and SB 2351.

COMMUNICATION FROM GOVERNOR EDWARD T. SCHAFER

April 8, 1997

In 1994 the North Dakota Supreme Court narrowly upheld the constitutionality of our school financing system. In doing so, the majority of the Court challenged the Legislative Assembly to "try again" to develop a more equitable distribution of resources among our school districts.

By implementing a supplemental payment program, providing new money for special education, making provisions for small but necessary schools, and capping district transportation expenditures at 100%, the 1995 Legislature made incremental progress toward equity. As I mentioned in my budget address last December, however, considerable work remained to be done. Toward that end, my budget reserved \$20 million out of 40 million new dollars earmarked for K-12 for legislative efforts aimed at improving equity.

As we approach the end of the session, can we see progress? I believe we can. The Legislature has invested \$5 million, on a per pupil basis, in educational technology. HB 1393 puts additional dollars in the supplemental payment program, helping the "poorest of the poor" districts. SB 2338, while increasing the per pupil foundation aid payment in each year of the biennium, freezes the mill deduct at 32 mills, a break for the property taxpayer. The bill also increases the adjustment factor for proportionate payments for 50% of the five-year average cost of education per student to 65% the first year and 75% the second year of the biennium.

We can make a good case that progress has been made. That having been said, am I satisfied with the results these bills represent? No. Is there more we could do to accomplish our long-term goal of increased equity? Yes. And, frankly, I am disappointed we did not. But at present I do not believe the votes exist in the Legislature for more significant change. Acknowledging that reality and recognizing that these bills do continue the real progress that the Supreme Court and, more importantly, our citizens have demanded of us, I have signed HB 1393 and SB 2338 into law.

The Senate stood adjourned pursuant to Senator Goetz's motion.

William C. Parker, Secretary