

## JOURNAL OF THE HOUSE

## Fifty-sixth Legislative Assembly

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Bismarck, April 15, 1999

The House convened at 8:30 a.m., with Speaker Wald presiding.

The prayer was offered by Lonnie E. Titus, Chaplain, Minnesota House of Representatives.

The roll was called and all members were present except Representatives Bernstein and Stefanowicz.

A quorum was declared by the Speaker.

## REPORT OF CONFERENCE COMMITTEE

**REP. BYERLY MOVED** that the conference committee report on Engrossed SB 2008 as printed on HJ pages 1450-1451 be adopted.

## REQUEST

**REP. GULLESON REQUESTED** a recorded roll call vote on the motion to adopt the conference committee report on Engrossed SB 2008, which request was granted.

## ROLL CALL

The question being on the motion to adopt the conference committee report on Engrossed SB 2008, the roll was called and there were 52 YEAS, 44 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Belter; Berg; Boehm; Brandenburg; Brekke; Brusegaard; Byerly; Carlisle; Carlson; Clark; Dalrymple; DeKrey; Delzer; Devlin; Dorso; Drovdal; Froseth; Galvin; Grande; Grosz; Gunter; Haas; Hanson; Hawken; Henegar; Johnson, D.; Johnson, N.; Kempenich; Klein; Kliniske; Koppang; Koppelman; Lloyd; Mickelson; Monson; Nelson; Nicholas; Nottestad; Pollert; Poolman; Porter; Price; Renner; Rennerfeldt; Severson; Svedjan; Thoreson, B.; Thoreson, L.; Timm; Weisz; Wikenheiser; Speaker Wald

**NAYS:** Aarsvold; Boucher; Cleary; Delmore; Disrud; Eckre; Ekstrom; Fairfield; Froelich; Glassheim; Gorder; Grumbo; Gulleson; Herbel; Hoffner; Huether; Jensen; Keiser; Kelsch, R.; Kelsh, S.; Kerzman; Klemin; Kroeber; Lemieux; Lundgren; Mahoney; Maragos; Martinson; Metcalf; Meyer; Mueller; Nichols; Niemeier; Nowatzki; Rose; Sandvig; Schmidt; Solberg; Sveen; Thorpe; Tollefson; Warner; Wentz; Winrich

**ABSENT AND NOT VOTING:** Bernstein; Stefanowicz

The conference committee report on Engrossed SB 2008, as amended, was adopted.

## SECOND READING OF SENATE BILL

**SB 2008:** A BILL for an Act to provide an appropriation for defraying the expenses of the public service commission; and to amend and reenact section 49-01-05 and subsection 3 of section 49-21-01 of the North Dakota Century Code, relating to the salary of public service commissioners and the definition of an essential telecommunications service.

## ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 53 YEAS, 43 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Belter; Berg; Boehm; Brandenburg; Brusegaard; Byerly; Carlisle; Carlson; Clark; Dalrymple; DeKrey; Delzer; Devlin; Disrud; Dorso; Drovdal; Eckre; Froseth; Galvin; Grande; Grosz; Gunter; Haas; Hawken; Henegar; Johnson, D.; Johnson, N.; Kempenich; Klein; Kliniske; Koppang; Koppelman; Lloyd; Mickelson; Monson; Nelson; Nicholas; Nichols; Nottestad; Pollert; Poolman; Porter; Price; Renner; Rennerfeldt; Severson; Svedjan; Thoreson, B.; Thoreson, L.; Timm; Weisz; Wikenheiser; Speaker Wald

**NAYS:** Aarsvold; Boucher; Brekke; Cleary; Delmore; Ekstrom; Fairfield; Froelich; Glassheim; Gorder; Grumbo; Gulleson; Hanson; Herbel; Hoffner; Huether; Jensen; Keiser; Kelsch, R.; Kelsh, S.; Kerzman; Klemin; Kroeber; Lemieux; Lundgren; Mahoney;

Maragos; Martinson; Metcalf; Meyer; Mueller; Niemeier; Nowatzki; Rose; Sandvig; Schmidt; Solberg; Sveen; Thorpe; Tollefson; Warner; Wentz; Winrich

**ABSENT AND NOT VOTING:** Bernstein; Stefonowicz

Engrossed SB 2008, as amended, passed and the title was agreed to.

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**MOTION**

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

**MESSAGE TO THE SENATE FROM THE HOUSE (LANCE HAGEN, CHIEF CLERK)**

**MADAM PRESIDENT:** The House has adopted the conference committee report and subsequently passed: SB 2008.

**MOTION**

**REP. DORSO MOVED** that the House be on the Seventh and Twelfth orders of business and at the conclusion of those orders, the House stand in recess until 11:00 a.m., which motion prevailed.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1012, as engrossed:** Your conference committee (Sens. Kringstad, B. Stenehjem, Robinson and Reps. Byerly, Poolman, Gulleon) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1193-1196, adopt amendments as follows, and place HB 1012 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1193-1196 of the House Journal and pages 1064-1067 of the Senate Journal and that Engrossed House Bill No. 1012 be amended as follows:

Page 1, line 2, after "transportation" insert "; to provide an appropriation to the department of corrections and rehabilitation; to provide for a legislative council study; to create and enact a new section to chapter 39-04 of the North Dakota Century Code, relating to commemorative Lewis and Clark number plates; and to amend and reenact sections 39-04-08.1, 39-04-11, and subsection 4 of section 39-04-19 of the North Dakota Century Code, relating to the display of and fees for number plates and tabs"

Page 1, line 9, replace "25,797,360" with "25,857,360"

Page 1, line 10, replace "7,413,072" with "7,613,072"

Page 1, line 11, replace "9,281,759" with "9,438,859"

Page 1, line 12, replace "553,523,851" with "548,726,965"

Page 1, line 13, replace "34,677,551" with "33,751,351"

Page 1, line 14, replace "630,693,593" with "625,387,607"

Page 1, after line 20, insert:

**"SECTION 3. APPROPRIATION - ROUGHRIDER INDUSTRIES.** There is hereby appropriated from special funds, derived from income, the sum of \$75,000, or so much of the sum as may be necessary, to the department of corrections and rehabilitation for the purpose of defraying the expenses associated with the production of a Lewis and Clark commemorative license plate for the biennium beginning July 1, 1999, and ending June 30, 2001.

**SECTION 4. LEGISLATIVE COUNCIL STUDY - FLEET SERVICES.** The legislative council shall consider studying, during the 1999-2000 interim, the fleet services program of the department of transportation. The study should include a review, the cost-effectiveness of the program, and the methods used to project and set motor pool rates.

**SECTION 5. LEGISLATIVE COUNCIL STUDY OF USED MOTOR VEHICLE DEALERS.** During the 1999-2000 interim, the legislative council shall consider studying the licensing of used motor vehicle dealers, including fees, dealer plates, and insurance coverage. If the study is conducted, the legislative council shall report its

findings and recommendations, together with any legislation necessary to implement the recommendations, to the fifty-seventh legislative assembly.

**SECTION 6.** A new section to chapter 39-04 of the North Dakota Century Code is created and enacted as follows:

**Commemorative Lewis and Clark number plates.** The director shall design and issue a distinctive number plate commemorating Lewis and Clark. The director shall issue this plate upon application and payment of an additional fee of ten dollars. All additional fees collected under this section must be deposited in the highway fund.

**SECTION 7. AMENDMENT.** Section 39-04-08.1 of the North Dakota Century Code is amended and reenacted as follows:

**39-04-08.1. Assignment of motor vehicle number plates.** Motor vehicle number plates may not be assigned as a reward for any political activity, in recognition of any political affiliation or membership in any political party, or on the basis of political favoritism. However, an elected state office may be assigned a single or double digit number on a number plate as requested by that official. Except as provided in sections 39-04-10 and 39-04-10.3, the department shall charge a nonrefundable fee of ten dollars if an applicant chooses a number plate other than the number plate randomly assigned. The department of transportation ~~shall~~ may adopt rules governing the assignment of numbers on motor vehicle number plates in accordance with this section.

**SECTION 8. AMENDMENT.** Section 39-04-11 of the North Dakota Century Code is amended and reenacted as follows:

**39-04-11. Display of number plates and tabs.** Except as otherwise specifically provided, ~~no~~ a person may not operate or drive a vehicle on the public highways of this state unless the vehicle has a distinctive number assigned to it by the department, and two number plates, bearing the distinctive number conspicuously displayed, horizontally and in an upright position, one on the front and one on the rear of the vehicle, each securely fastened, except number plates assigned to a motorcycle, trailer, or housetrailer must be attached to the rear thereof. When only one number plate is furnished for an apportioned vehicle licensed under the international registration plan as authorized in section 39-19-04, truck tractor, or semitrailer, the plate must be attached to the front of the apportioned vehicle or truck tractor and the rear of the semitrailer. The bottom of each number plate must be at a height of not less than twelve inches [30.48 centimeters] above the level surface upon which the vehicle stands. Each plate must be mounted in a manner that does not cover any words, letter, or number on the plate. As far as is reasonably possible, the plates must at all times be kept free and clear of mud, ice, or snow so as to be clearly visible and all number plates, markers, or evidence of registration or licensing except for the current year must be removed from the vehicle. All vehicle license plates issued by the department continue to be the property of the state of North Dakota for the period for which the plates are valid. An annual registration tab or sticker for the current registration year must be displayed on each number plate, in the area designated by the department for the tab or sticker, in those years for which tabs or stickers are issued in lieu of number plates.

**SECTION 9. AMENDMENT.** Subsection 4 of section 39-04-19 of the North Dakota Century Code is amended and reenacted as follows:

4. Every trailer, semitrailer, and farm trailer required to be registered under this chapter must be furnished registration plates upon the payment of a twenty dollar annual fee. Every trailer, semitrailer, or farm trailer not required to be registered under this chapter must be furnished an identification plate upon the payment of a fee of five dollars. Upon the request of a person with a trailer or farm trailer to whom a registration or identification plate is provided under this subsection, the department shall provide a plate of the same size as provided for a motorcycle. The department shall provide notification of this option to the person before the replacement or issuance of the plate."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

DEPARTMENT 530 - DEPARTMENT OF CORRECTIONS AND REHABILITATION

CONFERENCE COMMITTEE - A section is added appropriating \$75,000 of special funds to Roughrider Industries for producing Lewis and Clark license plates. The House did not include any funding and the Senate version had included \$1.7 million for producing the plates because under the Senate version a general license plate issue would have begun in December 2000.

DEPARTMENT 801 - DEPARTMENT OF TRANSPORTATION

CONFERENCE COMMITTEE - This amendment makes the following changes:

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	CONFERENCE COMPARISON TO SENATE VERSION
Administration	\$26,902,044	\$25,797,360	\$60,000	\$25,857,360	\$25,957,360	(\$100,000)
Motor vehicle	10,646,562	7,413,072	200,000	7,613,072	9,713,072	(2,100,000)
Driver's license	9,352,175	9,281,759	157,100	9,438,859	9,448,859	(10,000)
Highways	553,629,335	553,523,851	(4,796,886)	548,726,965	548,126,965	600,000
Fleet services	34,708,905	34,677,551	(926,200)	33,751,351	33,751,351	
Total all funds	\$635,239,021	\$630,693,593	(\$5,305,986)	\$625,387,607	\$626,997,607	(\$1,610,000)
Less special funds	<u>635,239,021</u>	<u>630,693,593</u>	<u>(5,305,986)</u>	<u>625,387,607</u>	<u>626,997,607</u>	<u>(1,610,000)</u>
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	1,042.00	1,040.00	0.00	1,040.00	1,040.00	0.00

Detail of Conference Committee changes to the House version includes:

	RESTORE INFORMATION TECHNOLOGY FUNDING	RESTORE TEMPORARY SALARIES AND REPAIRS	RESTORE TEMPORARY SALARIES	RESTORE REPAIRS AND EQUIPMENT	REDUCE INSURANCE AND EQUIPMENT LEASE/RENTALS	REDUCE HIGHWAY CONSTRUCTION FUNDING
Administration	\$160,000 <sup>1</sup>					
Motor vehicle		\$100,000 <sup>2</sup>				
Driver's license			\$30,000 <sup>3</sup>			
Highways				\$450,000 <sup>4</sup>		(\$7,194,886) <sup>6</sup>
Fleet services					(\$926,200) <sup>5</sup>	
Total all funds	\$160,000	\$100,000	\$30,000	\$450,000	(\$926,200)	(\$7,194,886)
Less special funds	<u>160,000</u>	<u>100,000</u>	<u>30,000</u>	<u>450,000</u>	<u>(926,200)</u>	<u>(7,194,886)</u>
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00
	ADD PUBLIC TRANSPORTATION GRANTS	ADD FUNDING RELATED TO OTHER BILLS	ADD FUNDING FROM SPECIAL ROAD FUND	ADD FUNDING FOR VOLUNTARY LICENSE PLATE	REDUCE FUNDING FOR ADMINISTRATION	TOTAL CONFERENCE COMMITTEE CHANGES
Administration					(\$100,000) <sup>11</sup>	\$60,000
Motor vehicle				\$100,000 <sup>10</sup>		200,000
Driver's license		\$127,100 <sup>8</sup>				157,100
Highways	\$1,348,000 <sup>7</sup>		\$600,000 <sup>9</sup>			(4,796,886)
Fleet services						(926,200)
Total all funds	\$1,348,000	\$127,100	\$600,000	\$100,000	(\$100,000)	(\$5,305,986)
Less special funds	<u>1,348,000</u>	<u>127,100</u>	<u>600,000</u>	<u>100,000</u>	<u>(100,000)</u>	<u>(5,305,986)</u>
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Conference Committee changes narrative:

- <sup>1</sup> Restores \$160,000 of the \$330,000 highway fund reduction made by the House to information technology hardware funding in the administration program, the same as the Senate version.
- <sup>2</sup> Restores \$50,000 removed by the House for temporary salaries and \$50,000 removed by the House for repairs in the motor vehicle program, the same as the Senate version.
- <sup>3</sup> Restores \$30,000 of funding from the highway fund removed by the House for temporary salaries in the driver's license program, the same as the Senate version.
- <sup>4</sup> Restores \$200,000 of funding from the highway fund removed by the House for repairs and \$250,000 of funding from the highway fund removed by the House for office equipment and furniture in the highways program, the same as the Senate version.
- <sup>5</sup> Reduces funding for lease/rental equipment by \$126,200 and insurance by \$800,000 from the Fleet Services fund in the Fleet Services program, the same as the Senate version.

- 6 Reduces funding for highway construction added by the House from budget reductions made in other areas of the department's budget, the same as the Senate version. The department does not need this additional appropriation authority to match anticipated federal highway construction funds for the 1999-2001 biennium.
- 7 Adds funding from the public transportation fund for grants to public transportation providers as a result of the additional funding generated pursuant to provisions of House Bill No. 1380, the same as the Senate version.
- 8 Adds funding as follows in the driver's license program for costs associated with the provisions of House Bill No. 1291 (graduated driver's license). The Senate provided \$110,000 of additional funding relating to this bill.

Temporary salaries	\$50,000
Operating expenses	<u>50,000</u>
Total	\$100,000

Also adds \$27,100 of funding in the driver's license program for operating costs associated with the provisions of Senate Bill No. 2406 (proof of liability insurance), the same as the Senate version.

- 9 Adds \$600,000 of funding from the special road fund in the highways program for projects approved by the Special Road Committee (SB 2267).
- 10 Adds \$100,000 in the Motor Vehicle Division for the department to issue a distinctive Lewis and Clark plate that an individual may choose to purchase for an additional fee of \$10. Funding is not included for a general license plate issue. The \$10 fee is estimated to generate \$200,000 of revenue to the highway fund for the 1999-2001 biennium. The House had not included funding for a new license plate issue and the Senate had provided for a voluntary Lewis and Clark license plate issue beginning in December 1999 with a \$10 fee and a general license plate issue to begin in December 2000. The cost of the Senate version was \$2.2 million.

- 11 Reduces funding from the highway fund in the administration program as follows:

Professional services	(\$50,000)
Printing	<u>(50,000)</u>
Total	(\$100,000)

A section is added providing for an interim Legislative Council study of the Fleet Services program, the same as the Senate version.

A section is added providing for an interim Legislative Council study of used car dealers.

A section is added authorizing the department to charge an additional \$10 fee if an individual requests a specific number plate, the same as the Senate version.

Sections are added providing that license plates must be mounted in a manner that does not cover any part of the plate, that the license plate tabs be placed only in the designated area on the plate, and that the department may issue smaller plates for trailers, if requested. The Senate also made these changes.

Engrossed HB 1012 was placed on the Seventh order of business on the calendar.

**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 2043, SB 2044.

**REPORT OF CONFERENCE COMMITTEE**

**SB 2043, as engrossed:** Your conference committee (Sens. St. Aubyn, Solberg, Robinson and Reps. Byerly, Dalrymple, Huether) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 938-939, adopt amendments as follows, and place SB 2043 on the Seventh order:

That the House recede from its amendments as printed on pages 938 and 939 of the Senate Journal and pages 1031-1033 of the House Journal and that Engrossed Senate Bill No. 2043 be amended as follows:

Page 1, line 3, after the third comma insert "54-44.6-03,"

Page 1, line 10, replace "19" with "16"

Page 1, line 13, remove "Board" means the information technology board."

Page 1, line 14, remove "3."

Page 1, line 15, replace "4" with "3"

Page 1, line 18, replace "5" with "4"

Page 2, remove line 20

Page 3, line 6, replace "19" with "16"

Page 3, line 15, remove "The department shall inform the board of any"

Page 3, remove line 16

Page 3, line 26, remove ", and report and make recommendations to the board"

Page 3, line 27, remove "regarding information technology in state government"

Page 4, line 3, replace "15" with "13"

Page 4, line 4, replace "19" with "16"

Page 4, line 7, remove "Before final adoption, the chief information officer shall submit the business plan to the"

Page 4, line 8, remove "board for its review, and the plan is subject to the review of the board."

Page 4, line 12, remove ", as"

Page 4, line 13, remove "defined by the board"

Page 4, line 15, after "of" insert "Indian tribes, nonprofit organizations, and"

Page 4, line 23, after "ensure" insert "that the department exercises its powers and duties with minimal delay, cost, and procedural burden to an entity receiving services from the department; to ensure that the department provides prompt, high-quality services to an entity receiving services from the department; to ensure"

Page 4, line 25, after "use" insert "; and to foster information technology innovation by state entities"

Page 4, line 28, replace "**State information technology board. The board**" with "**Statewide wide area network advisory committee. The statewide wide area network committee**"

Page 4, line 29, after "officer" insert "or the officer's designee" and after "administrator" insert "or the administrator's designee"

Page 4, line 30, after "education" insert "or the commissioner's designee" and replace "eight" with "nine"

Page 5, line 2, after the underscored comma insert "one member representing noncommercial public television stations licensed by the federal communications commission to operate in this state,"

Page 5, line 6, replace the first "board" with "committee" and replace the second "board" with "committee"

Page 5, line 8, replace "board" with "committee"

Page 5, line 9, replace "board" with "committee"

Page 5, line 10, replace "board" with "committee"

Page 5, line 13, after the underscored period insert "The committee shall advise the department with respect to planning and implementation of wide area network services provided by the department."

Page 5, remove lines 14 through 22

Page 5, line 27, replace "board" with "chief information officer" and replace "except" with "exempt"

Page 5, line 30, after the underscored period insert "The chief information officer shall exempt from the application of this section a county, city, or school district that is under contract to receive wide area network services from an entity other than the department, for the term of that contract, but that political subdivision may not extend or renew that contract beyond July 31, 2001."

Page 6, line 2, remove "and in consultation with the board."

Page 6, line 3, replace "exception" with "exemption"

Page 6, line 7, replace "exception" with "exemption"

Page 6, line 19, remove "in consultation with the"

Page 6, line 20, remove "board"

Page 6, line 29, after the underscored period insert "The agency's budget request and the governor's budget recommendation must include supporting information describing in detail how the information technology plan relates to the budget request and recommendation. Any budget adjustment by the budget office must include the corresponding change to the plan."

Page 7, remove lines 19 through 28

Page 8, line 8, replace "board" with "legislative council"

Page 8, remove lines 9 through 14

Page 8, line 20, replace "excepted" with "exempted"

Page 8, line 26, remove "information technology development account or"

Page 8, line 27, remove ", as appropriate,"

Page 9, line 1, replace "19" with "16"

Page 9, line 4, replace "may" with "shall"

Page 9, line 12, replace "July 1, 2000" with "August 1, 1999"

Page 9, line 13, replace "All appointing authorities are encouraged to consider their" with "Before"

Page 9, remove lines 14 through 18

Page 9, line 19, remove "division, and before" and remove "and the state"

Page 9, line 20, remove "information technology board shall approve"

Page 15, after line 10, insert:

**"SECTION 23. AMENDMENT.** Section 54-44.6-03 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**54-44.6-03. State forms manager.** ~~The director of the office of management and budget or an individual designated by the director~~ chief information officer of the state shall serve as the state forms manager. The manager shall administer in the executive branch of state government the forms management program established by this chapter. The program must apply efficient and economical management methods to the creation and utilization of state forms."

Page 21, line 12, replace "Except for sections 1, 3, 4, 6, 7, 8, and 20, this Act" with "Sections 2 and 8 take effect as provided in this section. Notwithstanding section 33, until July 1, 2000, state agencies and institutions shall continue to receive wide area network services from the department under the conditions and requirements the agencies and institutions received wide area network services from the division before August 1, 1999. With respect to state agencies and institutions, sections 2 and 8 become effective July 1, 2000, and with respect to counties, cities, and school districts, sections 2 and 8 become effective August 1, 2001.

**SECTION 35. DEPARTMENT AUTHORIZATION.** The information technology department may employ a business analyst to perform its responsibilities under this Act, including development of the requests for proposals for the statewide network to be established under this Act."

Page 21, remove lines 13 through 17

Renumber accordingly

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

#### **REPORT OF CONFERENCE COMMITTEE**

**SB 2044:** Your conference committee (Sens. St. Aubyn, Solberg, Robinson and Reps. Byerly, Dalrymple, Huether) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 939-941, adopt amendments as follows, and place SB 2044 on the Seventh order:

That the House recede from its amendments as printed on pages 939-941 of the Senate Journal and pages 1033 and 1034 of the House Journal and that Senate Bill No. 2044 be amended as follows:

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

Page 1, line 8, after the period insert "The council shall appoint four members of the house of representatives and three members of the senate to the committee. The chief information officer of the state is an ex officio, nonvoting member of the committee."

Page 1, replace lines 16 through 21 with:

1. Meet at least once each calendar quarter.
2. Receive a report from the chief information officer of the state at each meeting.
3. Review the business plan of the information technology department.
4. Address macro-level questions relating to the information technology department.
5. Review the activities of the information technology department.
6. Review statewide information technology standards.
7. Review the statewide information technology plan.
8. Conduct studies of information technology efficiency and security.
9. Make recommendations regarding established or proposed information technology programs and information technology acquisition by the executive and judicial branches.
10. Review the cost-benefit analysis of any major information technology project of an executive or judicial branch agency. A major project is a project with a cost of two hundred fifty thousand dollars or more in one biennium or a total cost of five hundred thousand dollars or more.
11. Perform periodic reviews to ensure that a major information technology project is on its projected schedule and within its cost projections.

**SECTION 3.** A new section to chapter 54-35 of the North Dakota Century Code is created and enacted as follows:

**Information technology project quality assurance - Information technology committee review - Suspension of funds.** The information technology committee may review any information technology project or information technology plan. If the committee determines that the project or plan is at risk of failing to achieve its intended results, the committee may recommend to the office of management and budget the suspension of the expenditure of moneys appropriated for a project or plan. The office of management and budget may suspend the expenditure authority if the office of management and budget agrees with the recommendation of the committee."

Renumber accordingly

SB 2044 was placed on the Seventh order of business on the calendar.

**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 1019, HB 1022.

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

The Speaker signed the following enrolled bill: HB 1108.

**MESSAGE TO THE SENATE FROM THE HOUSE (LANCE HAGEN, CHIEF CLERK)**  
**MADAM PRESIDENT:** The Speaker has signed and your signature is respectfully requested on: HB 1108.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM C. PARKER, SECRETARY)**  
**MR. SPEAKER:** The President has signed: HB 1108.

#### **DELIVERY OF ENROLLED BILLS AND RESOLUTIONS**

The following bill was delivered to the Governor for his approval on April 15, 1999: HB 1108.

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

#### **REPORT OF CONFERENCE COMMITTEE**

**REP. BYERLY MOVED** that the conference committee report on Engrossed HB 1012 be adopted, which motion prevailed.

Reengrossed HB 1012 was placed on the Eleventh order.

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

**HB 1012:** 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 department of transportation; to provide an appropriation to the department of corrections and rehabilitation; to provide for a legislative council study; to create and enact a new section to chapter 39-04 of the North Dakota Century Code, relating to commemorative Lewis and Clark number plates; and to amend and reenact sections 39-04-08.1, 39-04-11, and subsection 4 of section 39-04-19 of the North Dakota Century Code, relating to the display of and fees for number plates and tabs.

#### **ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 92 YEAS, 3 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Belter; Berg; Boehm; Boucher; Brandenburg; Brekke; Brusegaard; Byerly; Carlisle; Carlson; Clark; Dalrymple; DeKrey; Delmore; Delzer; Devlin; Disrud; Dorso; Drovdal; Eckre; Ekstrom; Fairfield; Froelich; Galvin; Glassheim; Gorder; Grande; Grosz; Grumbo; Gulleson; Gunter; Haas; Hanson; Hawken; Henegar; Herbel; Hoffner; Huether; Jensen; Johnson, D.; Johnson, N.; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Klein; Klemin; Kliniske; Koppang; Koppelman; Kroeber; Lemieux; Lloyd; Lundgren; Mahoney; Maragos; Martinson; Metcalf; Meyer; Mickelson; Monson; Mueller; Nelson; Nicholas; Nichols; Niemeier; Nottestad; Nowatzki; Pollert; Poolman; Price; Renner; Rennerfeldt; Rose; Sandvig; Schmidt; Severson; Solberg; Svedjan; Sveen; Thoreson, B.; Thoreson, L.; Thorpe; Timm; Tollefson; Warner; Weisz; Wentz; Wikenheiser; Winrich; Speaker Wald

**NAYS:** Cleary; Froseth; Porter

**ABSENT AND NOT VOTING:** Bernstein; Keiser; Stefonowicz

Reengrossed HB 1012 passed and the title was agreed to.

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**REPORT OF CONFERENCE COMMITTEE**

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

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

**SECOND READING OF SENATE BILL**

**SB 2043:** A BILL for an Act to provide for the information technology department and transition of responsibilities to the department; to amend and reenact sections 15-65-02, 41-09-46, 54-16-11.1, 54-35-15, 54-44-11, 54-44.6-03, 54-44.8-01, 54-44.8-02, 54-44.8-03, 54-44.8-04, 54-44.8-05, 54-44.8-07, 54-44.8-08, 54-46-03, and 54-46.1-01 of the North Dakota Century Code, relating to references to the information services division, the information services operating fund, the legislative council, and the state records administrator; to repeal chapter 54-44.2 of the North Dakota Century Code, relating to the information services division; 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 83 YEAS, 13 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Belter; Berg; Boehm; Boucher; Brandenburg; Brekke; Brusegaard; Byerly; Carlisle; Carlson; Clark; Dalrymple; DeKrey; Delmore; Delzer; Devlin; Disrud; Dorso; Drovdal; Eckre; Froelich; Froseth; Galvin; Glassheim; Grande; Grosz; Grumbo; Gunter; Haas; Hanson; Hawken; Henegar; Herbel; Huether; Jensen; Johnson, D.; Johnson, N.; Kelsch, R.; Kempenich; Klein; Klemin; Kliniske; Koppang; Koppelman; Kroeber; Lemieux; Lloyd; Lundgren; Mahoney; Maragos; Martinson; Metcalf; Meyer; Mickelson; Monson; Mueller; Nelson; Nicholas; Nottestad; Nowatzki; Pollert; Poolman; Porter; Price; Renner; Rennerfeldt; Sandvig; Schmidt; Severson; Solberg; Svedjan; Sveen; Thoreson, B.; Thoreson, L.; Thorpe; Timm; Tollefson; Warner; Weisz; Wentz; Wikenheiser; Winrich; Speaker Wald

**NAYS:** Aarsvold; Cleary; Ekstrom; Fairfield; Gorder; Gulleeson; Hoffner; Keiser; Kelsh, S.; Kerzman; Nichols; Niemeier; Rose

**ABSENT AND NOT VOTING:** Bernstein; Stefonowicz

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

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**REPORT OF CONFERENCE COMMITTEE**

**REP. BYERLY MOVED** that the conference committee report on SB 2044 be adopted, which motion prevailed.

SB 2044, as amended, was placed on the Fourteenth order.

**SECOND READING OF SENATE BILL**

**SB 2044:** A BILL for an Act to create and enact three new sections to chapter 54-35 of the North Dakota Century Code, relating to the legislative council information technology committee.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 82 YEAS, 14 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Belter; Berg; Boehm; Boucher; Brandenburg; Brekke; Brusegaard; Byerly; Carlisle; Carlson; Clark; Cleary; Dalrymple; DeKrey; Delmore; Delzer; Devlin; Disrud; Dorso; Drovdal; Eckre; Froelich; Froseth; Galvin; Glassheim; Grande; Grosz; Grumbo; Gunter; Haas; Hanson; Hawken; Henegar; Herbel; Huether; Jensen; Johnson, D.; Johnson, N.; Kelsch, R.; Kempenich; Klein; Klemin; Kliniske; Koppang; Koppelman; Kroeber; Lemieux; Lloyd; Lundgren; Mahoney; Maragos; Martinson; Metcalf; Meyer; Mickelson; Monson; Mueller; Nelson; Nicholas; Nottestad; Nowatzki; Pollert; Poolman; Porter; Price; Renner; Rennerfeldt; Sandvig; Schmidt; Severson; Solberg; Svedjan; Sveen; Thoreson, B.; Thoreson, L.; Thorpe; Timm; Tollefson; Warner; Weisz; Wikenheiser; Speaker Wald

**NAYS:** Aarsvold; Ekstrom; Fairfield; Gorder; Gullerson; Hoffner; Keiser; Kelsh, S.; Kerzman; Nichols; Niemeier; Rose; Wentz; Winrich

**ABSENT AND NOT VOTING:** Bernstein; Stefonowicz

SB 2044, as amended, passed and the title was agreed to.

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**MOTION**

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

**MESSAGE TO THE SENATE FROM THE HOUSE (LANCE HAGEN, CHIEF CLERK)**

**MADAM PRESIDENT:** The House has adopted the conference committee report and subsequently passed: HB 1012.

**MESSAGE TO THE SENATE FROM THE HOUSE (LANCE HAGEN, CHIEF CLERK)**

**MADAM PRESIDENT:** The House has adopted the conference committee report and subsequently passed: SB 2043, SB 2044.

**MOTION**

**REP. DORSO MOVED** that the House be on the Seventh, Twelfth, and Sixteenth orders of business and at the conclusion of those orders, the House stand in recess until 1:30 p.m., which motion prevailed.

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

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: SB 2441.

**REPORT OF CONFERENCE COMMITTEE**

**SB 2441, as engrossed:** Your conference committee (Sens. Freborg, Wanzek, Kelsh and Reps. R. Kelsch, Monson, Grumbo) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1155-1156, adopt amendments as follows, and place SB 2441 on the Seventh order:

That the House recede from its amendments as printed on pages 1155 and 1156 of the Senate Journal and pages 1287 and 1288 of the House Journal and that Engrossed Senate Bill No. 2441 be amended as follows:

Page 1, line 23, replace "Twenty-five" with "Fifty"

Page 2, line 7, replace "The" with "After all other statutory obligations have been met within the limits of legislative appropriations, the"

Page 2, line 9, replace "items" with "item"

Page 2, line 11, replace "except that" with "provided"

Page 2, line 12, after the period insert "No reorganization bonus payable under this Act may exceed five hundred thousand dollars."

Re-number accordingly

Engrossed SB 2441 was placed on the Seventh order of business on the calendar.

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

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently failed to pass: SB 2404.

**SIGNING OF BILLS AND RESOLUTIONS**

The Speaker signed the following enrolled bills: HB 1002, HB 1017, HB 1020, HB 1021, HB 1037, HB 1043, HB 1089, HB 1252, HB 1276, HB 1405, HB 1428, HB 1490.

**MESSAGE TO THE SENATE FROM THE HOUSE (LANCE HAGEN, CHIEF CLERK)**

**MADAM PRESIDENT:** The Speaker has signed and your signature is respectfully requested on: HB 1002, HB 1017, HB 1020, HB 1021, HB 1037, HB 1043, HB 1089, HB 1252, HB 1276, HB 1405, HB 1428, HB 1490.

**SIGNING OF BILLS AND RESOLUTIONS**

The Speaker signed the following enrolled bill: HB 1443.

**MESSAGE TO THE SENATE FROM THE HOUSE (LANCE HAGEN, CHIEF CLERK)**

**MADAM PRESIDENT:** The Speaker has signed and your signature is respectfully requested on: HB 1443.

**SIGNING OF BILLS AND RESOLUTIONS**

The Speaker signed the following enrolled bills: SB 2003, SB 2004, SB 2010, SB 2017, SB 2022, SB 2025, SB 2038, SB 2114, SB 2127, SB 2148, SB 2171, SB 2202, SB 2254, SB 2267, SB 2381, SB 2419.

**MESSAGE TO THE SENATE FROM THE HOUSE (LANCE HAGEN, CHIEF CLERK)**

**MADAM PRESIDENT:** The Speaker has signed: SB 2003, SB 2004, SB 2010, SB 2017, SB 2022, SB 2025, SB 2038, SB 2114, SB 2127, SB 2148, SB 2171, SB 2202, SB 2254, SB 2267, SB 2381, SB 2419.

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

**MR. SPEAKER:** The President has signed: HB 1443.

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

**REPORT OF CONFERENCE COMMITTEE**

**REP. R. KELSCH MOVED** that the conference committee report on Engrossed SB 2441 be adopted, which motion prevailed.

Engrossed SB 2441, as amended, was placed on the Fourteenth order.

**SECOND READING OF SENATE BILL**

**SB 2441:** A BILL for an Act to provide for school district reorganization bonuses.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 81 YEAS, 13 NAYS, 0 EXCUSED, 4 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Belter; Berg; Boehm; Boucher; Brandenburg; Brekke; Brusegaard; Byerly; Carlisle; Carlson; Clark; Cleary; Dalrymple; DeKrey; Delmore; Devlin; Disrud; Dorso; Drovdal; Eckre; Ekstrom; Froelich; Froseth; Galvin; Glassheim; Gorder; Grande; Grosz; Grumbo; Gunter; Hawken; Henegar; Herbel; Hoffner; Huether; Jensen; Johnson, D.; Keiser; Kelsch, R.; Kempenich; Klein; Klemin; Kliniske; Koppang; Koppelman; Lemieux; Lloyd; Maragos; Martinson; Metcalf; Mickelson; Monson; Mueller; Nelson; Nicholas; Niemeier; Nottestad; Nowatzki; Poolman; Porter; Price; Renner; Rennerfeldt; Rose; Sandvig; Schmidt; Severson; Solberg; Svedjan; Sveen; Thoreson, B.; Thoreson, L.; Thorpe; Timm; Tollefson; Warner; Weisz; Wentz; Wikenheiser; Speaker Wald

**NAYS:** Fairfield; Gulleon; Haas; Hanson; Johnson, N.; Kelsh, S.; Kerzman; Lundgren; Mahoney; Meyer; Nichols; Pollert; Winrich

**ABSENT AND NOT VOTING:** Bernstein; Delzer; Kroeber; Stefonowicz

Engrossed SB 2441, as amended, passed and the title was agreed to.

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**MOTION**

**REP. DORSO MOVED** that Engrossed SB 2441, as amended, be messaged to the Senate immediately, which motion prevailed.

**MESSAGE TO THE SENATE FROM THE HOUSE (LANCE HAGEN, CHIEF CLERK)**

**MADAM PRESIDENT:** The House has adopted the conference committee report and subsequently passed: SB 2441.

**MOTION**

**REP. DORSO MOVED** that the House be on the Seventh Twelfth, and Sixteenth orders of business and at the conclusion of those orders, the House stand in recess until 4:00 p.m., which motion prevailed.

**DELIVERY OF ENROLLED BILLS AND RESOLUTIONS**

The following bill was delivered to the Governor for his approval on April 15, 1999: HB 1443.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM C. PARKER, SECRETARY)**  
**MR. SPEAKER:** The President has signed: HB 1002, HB 1017, HB 1020, HB 1021, HB 1037, HB 1043, HB 1089, HB 1252, HB 1276, HB 1405, HB 1428, HB 1490.

**DELIVERY OF ENROLLED BILLS AND RESOLUTIONS**

The following bills were delivered to the Governor for his approval on April 15, 1999: HB 1002, HB 1017, HB 1020, HB 1021, HB 1037, HB 1043, HB 1089, HB 1252, HB 1276, HB 1405, HB 1428, HB 1490.

**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 1012.

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

**REPORT OF CONFERENCE COMMITTEE**

**HB 1462, as engrossed:** Your conference committee (Sens. Wardner, Urlacher, Kinnoin and Reps. Mickelson, Timm, Warner) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 986-989, adopt amendments as follows, and place HB 1462 on the Seventh order:

That the Senate recede from its amendments as printed on pages 986-989 of the House Journal and pages 823-826 of the Senate Journal and that Engrossed House Bill No. 1462 be amended as follows:

Page 1, line 1, replace "sections 57-43.1-02.2, 57-43.1-12.1, 57-43.2-03.1," with "section"

Page 1, line 2, remove "57-43.2-04.4," and remove ", 57-43.3-02.2, 57-43.3-09, 57-43.3-14, 57-43.3-18, 57-43.3-28, and"

Page 1, line 3, remove "chapter 57-43.4" and replace "collection by the supplier of" with "use of dyed special fuel in a licensed motor vehicle and penalties"

Page 1, remove line 4

Page 1, line 5, remove "administration, enforcement, and penalties" and remove "57-43.1-02,"

Page 1, line 6, remove "57-43.1-14, 57-43.1-16, 57-43.1-24," after "57-43.1-26" insert ", 57-43.1-27", remove "57-43.2-02,", and after the seventh comma insert "and 57-43.2-21"

Page 1, line 7, remove "57-43.2-04.1, 57-43.2-05, 57-43.2-07, 57-43.2-11, 57-43.2-21, and 57-43.3-02"

Page 1, line 8, replace "collection by suppliers of motor vehicle, special fuels, aviation" with "definitions for special fuels tax purposes and inventory gains and losses for motor vehicle fuels and special fuels tax purposes"

Page 1, remove line 9

Page 1, line 10, remove "penalties" and replace "sections 57-43.1-27 and 57-43.3-24" with "section 57-43.2-02.2"

Page 1, line 11, replace "motor vehicle fuels tax imposition and credit for losses and aviation fuel" with "refunds of special fuels" and after "taxes" insert "; to provide for a legislative council study"

Page 1, line 12, remove "collection allowances"

Page 1, replace lines 14 through 24 with:

**"SECTION 1. AMENDMENT.** Section 57-43.1-26 of the North Dakota Century Code is amended and reenacted as follows:

**57-43.1-26. Inventory gains - Losses —Deductions allowed to dealer— Remedies.** Each dealer of motor vehicle fuel may deduct the actual shrinkage of the total gallonage of motor fuel received during each calendar month from the statement submitted as required in section 57-43.1-16, but the allowance may not exceed one percent of the total received during that month.

1. A supplier or distributor shall take a physical inventory reading of all motor vehicle fuel located in a terminal, underground tank, aboveground tank, railcar, storage tank of a truck, and the storage tank of a bulk delivery truck on a regular basis and shall report the physical readings, inventory gains, and inventory losses to the commissioner in increments not to exceed a twelve-month period. The inventory reconciliation must include motor vehicle fuel at retail locations and motor vehicle fuel stored in a barrel, drum, or other receptacle.
2. When sold or used by a supplier or distributor, a gain in motor vehicle fuel inventories is subject to the tax imposed by this chapter in the same manner as motor vehicle fuel purchased, imported, or otherwise acquired.
3. A supplier or distributor who experiences an actual physical inventory loss due to shrinkage or evaporation is responsible for the tax imposed by this chapter on any such loss that is in excess of one-half of one percent of the motor vehicle fuel received during the period covered by the inventory reconciliation.
4. For purposes of this chapter, it is presumed that all motor vehicle fuel received ~~by each dealer~~ above ~~this~~ the one-half of one percent allowance, except that gallonage shown as inventory based on physical inventory readings at the end of ~~each calendar month~~ the time period covered by the inventory reconciliation, and other allowances provided in this chapter, has been sold, delivered, or used, and the ~~dealer~~ supplier or distributor is liable for the amount of the motor vehicle fuel tax on each gallon [liter] of motor vehicle fuel not accounted for. For purposes of this chapter, motor vehicle fuel refined at a refinery in this state and placed in storage at the refinery, and motor vehicle fuel brought into the state by pipeline and placed in storage at a pipeline terminal, is not deemed received until it is withdrawn from the refinery or terminal storage for sale or use in this state, or for shipment or delivery to destinations in this state.
5. The commissioner may allow a tax credit to a supplier or distributor for actual inventory losses due to a casualty loss, based on proof of the loss as required by the commissioner.

**SECTION 2. AMENDMENT.** Section 57-43.1-27 of the North Dakota Century Code is amended and reenacted as follows:

**57-43.1-27. Sales of motor vehicle fuels to retail outlets - Tax imposed - Credit for losses.** When a ~~wholesale dealer~~ supplier or distributor in motor vehicle fuels makes a sale to a retail outlet the ~~wholesale dealer~~ supplier or distributor shall credit the retail outlet with one-half of one percent of the total state motor vehicle fuel tax applied to the gallonage sold. This must appear on the face of the delivery invoice at the time of delivery of the motor vehicle fuel in consideration of evaporation and shrinkage losses and the retail outlet's cost of collection of the tax. On making payments to the commissioner as provided in this chapter, the ~~dealer~~ supplier or distributor shall deduct the total credit allowance granted on sales to retail outlets in motor vehicle fuels under the provisions of this section, in addition to other deductions allowed, from the amount of tax due."

Page 2, remove lines 1 through 31

Page 3, remove lines 1 through 31

Page 4, remove lines 1 through 31

Page 5, remove lines 1 through 31

Page 6, remove lines 1 through 31

Page 7, remove lines 1 through 31

Page 8, remove lines 1 through 31

Page 9, remove lines 1 through 31

Page 10, remove lines 1 through 20

Page 13, line 11, remove the overstrike over "~~compressed natural gas~~" and insert immediately thereafter an underscored comma

Page 13, line 17, remove "alternative fuels as defined in section 57-43.4-01."

Page 13, remove lines 28 through 30

Page 14, remove lines 1 through 31

Page 15, remove lines 1 through 30

Page 16, remove lines 1 through 10

Page 16, line 14, remove the overstrike over "~~two percent~~"

Page 16, line 15, remove "one and two-tenths cents per gallon [3.79 liters]"

Page 16, line 16, remove "For a"

Page 16, remove lines 17 through 19

Page 16, line 20, overstrike "The special excise tax applies to all special fuels taxed under section 57-43.2-02"

Page 16, overstrike line 21

Page 16, line 22, overstrike "3."

Page 16, line 25, overstrike "4." and insert immediately thereafter "3."

Page 17, line 1, overstrike "5." and insert immediately thereafter "4."

Page 17, line 2, remove the overstrike over "~~identify the consumer to whom the sale was made,~~"

Page 17, line 3, remove the overstrike over "~~specify the purpose for which the special fuel was sold, and~~"

Page 17, line 5, overstrike "6." and insert immediately thereafter "5." and remove "The tax imposed by this section does not apply on sales by a supplier to another"

Page 17, remove line 6

Page 17, line 7, remove "7.", remove the overstrike over "~~The dealer~~", remove "A supplier", and remove the overstrike over "~~on all sales to a~~"

Page 17, line 8, remove "and shall pass the tax on to the distributor, retailer, or" and remove "A distributor"

Page 17, replace lines 9 through 30 with:

**"SECTION 5. AMENDMENT.** Section 57-43.2-21 of the North Dakota Century Code is amended and reenacted as follows:

**57-43.2-21. Inventory gains - Losses - Deductions allowed to dealer - Remedies.**

1. ~~Each dealer of special fuel other than liquefied petroleum gas is allowed to deduct the actual shrinkage of the total gallonage of special fuel received during each calendar month from the statement submitted as required in section 57-43.2-12, but such allowance may not exceed one percent of the total received during the month. Each wholesale dealer of liquefied petroleum gas may deduct the actual shrinkage of the total gallonage received during each calendar month from the statement submitted as required in section 57-43.2-12, but this allowance may not exceed two percent of the total received during the month. A supplier or distributor shall take a physical inventory reading of all special fuel located in a terminal, underground tank, aboveground tank, railcar, storage tank of a truck, and the storage tank of a bulk delivery truck on a regular basis and shall report the physical readings, inventory gains, and inventory losses to~~

the commissioner in increments not to exceed a twelve-month period. The inventory reconciliation must include special fuel at retail locations and special fuel stored in a barrel, drum, or other receptacle.

2. When sold or used by a supplier or distributor, a gain in special fuel inventories is subject to the tax imposed by this chapter in the same manner as special fuel purchased, imported, or otherwise acquired.
3. A supplier or distributor who experiences an actual physical inventory loss due to shrinkage or evaporation is responsible for the tax imposed by this chapter on any loss in excess of two percent of liquefied petroleum gases and one-half of one percent of all other special fuel received during the period covered by the inventory reconciliation.
2. 4. For the purposes of this chapter, it is presumed that all special fuel received by each dealer over and above the one percent allowance, or the two percent allowance for liquefied petroleum gas, not otherwise accounted for, but not above these allowances, except that gallonage shown as actual inventory based on physical inventory readings at the end of every calendar month the time period covered by the inventory reconciliation, and other allowances provided in this chapter, has been sold, delivered, or used.—The dealer, and the supplier or distributor is liable for the amount of the special fuel tax on each gallon [3.79 liters] of special fuel not accounted for. For purposes of this chapter, special fuel refined at a refinery in this state and placed in storage at the refinery, and special fuel brought into the state by pipeline and placed in storage at a pipeline terminal, is not deemed received until it is withdrawn from the refinery or terminal storage for sale or use in this state, or for shipment or delivery to destinations in this state.
5. The commissioner may allow a tax credit to a supplier or distributor for actual inventory losses due to casualty loss subject to the discretion of the commissioner and based on proof of the loss as required by the commissioner."

Page 18, remove lines 1 through 30

Page 19, remove lines 1 through 29

Page 20, remove lines 1 through 31

Page 21, remove lines 1 through 31

Page 22, remove lines 1 through 31

Page 23, remove lines 1 through 30

Page 24, remove lines 1 through 31

Page 25, remove lines 1 through 30

Page 26, line 3, replace "**Penalties**" with "**Administrative fees**"

Page 26, line 10, replace "civil penalties" with "administrative fees"

Page 26, line 11, replace "one" with "two", after "hundred" insert "fifty", and replace "fine" with "fee"

Page 26, line 12, replace "fine" with "fee"

Page 26, line 14, replace "fine" with "fee"

Page 26, line 16, replace "fine" with "fee"

Page 27, line 5, after "hearing" insert "before the tax commissioner in the manner provided in chapter 28-32 if, within thirty days after receiving a citation, the person requests a hearing"

Page 27, after line 13, insert:

"6. All administrative fees or civil penalties under this section may be completely or partially waived by the tax commissioner for good cause shown, and any fees or penalties not waived must be collected by the tax commissioner and transferred to the state treasurer and deposited in the state highway fund."

Page 27, remove lines 14 through 29

Page 28, remove lines 1 through 31

Page 29, remove lines 1 through 31

Page 30, remove lines 1 through 31

Page 31, remove lines 1 through 31

Page 32, remove lines 1 through 30

Page 33, remove lines 1 through 29

Page 34, remove lines 1 through 31

Page 35, remove lines 1 through 31

Page 36, remove lines 1 through 30

Page 37, remove lines 1 through 30

Page 38, remove lines 1 through 30

Page 39, remove lines 1 through 31

Page 40, remove lines 1 through 30

Page 41, remove lines 1 through 30

Page 42, remove lines 1 through 31

Page 43, remove lines 1 through 31

Page 44, remove lines 1 through 31

Page 45, remove lines 1 through 31

Page 46, remove lines 1 through 30

Page 47, remove lines 1 through 31

Page 48, remove lines 1 through 31

Page 49, remove lines 1 through 31

Page 50, remove lines 1 through 31

Page 51, remove lines 1 through 31

Page 52, remove lines 1 through 31

Page 53, remove lines 1 through 19

Page 53, line 20, replace "57-43.1-27" with "57-43.2-02.2", after "the" insert "1997 Supplement to the", and replace "and" with "is repealed."

Page 53, replace lines 21 and 22 with:

**"SECTION 8. LEGISLATIVE COUNCIL STUDY.** The legislative council shall consider studying during the 1999-2000 interim the application, enforcement, and administration under the fuels tax laws."

Page 53, line 24, replace ", and taxable inventories held on, December 31" with "June 30"

Renumber accordingly

Engrossed HB 1462 was placed on the Seventh order of business on the calendar.

**COMMUNICATION FROM GOVERNOR EDWARD T. SCHAFER**

I am returning House Bill 1108, and regretfully must veto the same. The bill has one provision contained in section 6, which I have made clear that I cannot support, namely the inclusion of Internet Service Providers (ISPs) for the payment of the gross receipts tax under chapter 57-34 of the North Dakota Century Code.

I simply cannot agree that this tax is wise or necessary public policy when we are spending millions to encourage the development of the Internet as a driving economic force in North Dakota's future. The Internet is becoming an essential tool for government efficiency, educational outreach and the provision of cost-effective services, especially in rural North Dakota. Our businesses will increasingly rely on the Internet to compete in the world economy.

More specifically, these are the reasons I cannot support imposing what I consider to be a new tax on a new class of taxpayers:

1. First, taxing access to the Internet is a policy decision that runs contrary to the best interests of our people. We are urging development and use of the Internet in the public and private sector. By raising costs, taxation discourages such development.
2. Second, the amount of revenue anticipated by taxing ISPs is not substantial, estimated at less than \$200,000 for the upcoming biennium. While the revenue is at best modest, the new tax could well hinder new investment in and growth of an Internet-related economy. Additionally, we will face legal challenges to the tax by national ISPs who contend the tax is illegal. Those costs could easily exceed any revenue we might hope to gain from HB 1108.
3. Third, the tax will result in unfair competition to North Dakota ISPs. Consider the Internet Service Provider in Fargo, Minot or Watford City who does not challenge the tax, but instead pays it. Those in-state providers will pay the tax, while their competitors from another jurisdiction will not, instead challenging the tax in court. We should not put good North Dakota entrepreneurs in such a competitive disadvantage.
4. I also believe the Internet tax provision of HB 1108 is either unnecessary or potentially illegal. Some argue that the ISP taxation is already in place as a result of the 1997 Legislature's passage of HB 1068, which restructured telecommunications taxation. If that is true, then including the ISPs in the bill now under consideration is unnecessary.

However, if ISPs were not included in the 1997 legislation -- which is my view -- then this bill is likely to be illegal under the Internet Tax Freedom Act, passed by Congress and made law on October 1, 1998. That federal law placed a three-year moratorium on taxing Internet access. A limited grandfather clause was granted for a number of states, including North Dakota, but only if the states can show that the tax has been "generally imposed and actually enforced." A sound argument exists that we may not be able to meet that standard.

5. Finally, and perhaps most importantly, I do not support this tax because it is indeed the imposition of a new tax upon a new sector of our economy.

For these reasons, I regretfully must return HB 1108 with my veto. I urge your careful consideration of these concerns, and ask that you vote to sustain this veto. I also recommend that you consider attaching the good and necessary provisions in this bill to the final Office of Management and Budget omnibus legislation to ensure their enactment into law.

**ANNOUNCEMENT**

**THE SPEAKER ANNOUNCED** that in accordance with House Rule 355, HB 1108 was placed on the Eleventh order of business.

**CONSIDERATION OF VETOED MEASURE**

**HB 1108:** A BILL for an ACT to create and enact five new sections to chapter 57-34 of the North Dakota Century Code, relating to the audit and assessment of telecommunications carriers, deficiency notice, protest and appeal procedure, claim for credit or refund of the tax on telecommunications carriers, preservation of records, and

resale certificates; to amend and reenact sections 57-34-01, 57-34-02, 57-34-03, 57-34-06, and 57-34-10 of the North Dakota Century Code, relating to definitions, identification of taxable resellers and pay telephone operators, elimination of tentative assessments, allocation of revenue, filing extensions, tax liabilities of less than five dollars, and interest and lien provisions; to provide for retroactive application; to provide an effective date; and to provide an expiration date.

#### ROLL CALL

The question being on the final passage of the enrolled bill over the Governor's veto, which has been read, the roll was called and there were 68 YEAS, 26 NAYS, 0 EXCUSED, 4 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Belter; Berg; Boehm; Boucher; Brandenburg; Brekke; Brusegaard; Carlisle; Carlson; Clark; Dalrymple; Delmore; Delzer; Devlin; Disrud; Dorso; Eckre; Froseth; Galvin; Glassheim; Grosz; Grumbo; Haas; Hanson; Hawken; Henegar; Herbel; Huether; Johnson, N.; Keiser; Kempenich; Klein; Klemin; Kliniske; Koppang; Koppelman; Kroeber; Lemieux; Lloyd; Lundgren; Mahoney; Metcalf; Meyer; Mickelson; Monson; Mueller; Nelson; Nichols; Nottestad; Nowatzki; Pollert; Poolman; Porter; Renner; Rose; Schmidt; Severson; Solberg; Svedjan; Thoreson, B.; Thoreson, L.; Timm; Tollefson; Warner; Weisz; Wikenheiser; Speaker Wald

**NAYS:** Byerly; Cleary; DeKrey; Ekstrom; Fairfield; Froelich; Gorder; Grande; Gulleson; Hoffner; Jensen; Johnson, D.; Kelsch, R.; Kelsh, S.; Kerzman; Maragos; Martinson; Nicholas; Niemeier; Price; Rennerfeldt; Sandvig; Sveen; Thorpe; Wentz; Winrich

**ABSENT AND NOT VOTING:** Bernstein; Drovdal; Gunter; Stefonowicz

The House overrode the Governor's veto of HB 1108, as enrolled.

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#### 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 2008, SB 2410.

#### REPORT OF CONFERENCE COMMITTEE

**REP. MICKELSON MOVED** that the conference committee report on Engrossed HB 1462 be adopted, which motion prevailed.

Reengrossed HB 1462 was placed on the Eleventh order.

#### SECOND READING OF HOUSE BILL

**HB 1462:** A BILL for an Act to create and enact section 57-43.2-38 of the North Dakota Century Code, relating to use of dyed special fuel in a licensed motor vehicle and penalties; to amend and reenact sections 57-43.1-26, 57-43.1-27, 57-43.2-01, 57-43.2-03, and 57-43.2-21 of the North Dakota Century Code, relating to definitions for special fuels tax purposes and inventory gains and losses for motor vehicle fuels and special fuels tax purposes; to repeal section 57-43.2-02.2 of the North Dakota Century Code, relating to refund of special fuels taxes; to provide for a legislative council study; 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 73 YEAS, 21 NAYS, 0 EXCUSED, 4 ABSENT AND NOT VOTING.

**YEAS:** Belter; Berg; Boehm; Boucher; Brandenburg; Brekke; Brusegaard; Byerly; Carlisle; Carlson; Clark; Dalrymple; DeKrey; Delmore; Devlin; Disrud; Dorso; Eckre; Ekstrom; Froseth; Glassheim; Gorder; Grumbo; Haas; Hawken; Henegar; Herbel; Huether; Jensen; Johnson, D.; Johnson, N.; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Klein; Klemin; Kliniske; Koppang; Koppelman; Lloyd; Maragos; Martinson; Metcalf; Meyer; Mickelson; Monson; Mueller; Nelson; Nicholas; Nottestad; Nowatzki; Pollert; Poolman; Porter; Price; Renner; Sandvig; Schmidt; Severson; Solberg; Svedjan; Sveen; Thoreson, B.; Thoreson, L.; Timm; Tollefson; Warner; Weisz; Wentz; Wikenheiser; Winrich; Speaker Wald

**NAYS:** Aarsvold; Cleary; Delzer; Fairfield; Froelich; Galvin; Grande; Grosz; Gulleson; Hanson; Hoffner; Kerzman; Kroeber; Lemieux; Lundgren; Mahoney; Nichols; Niemeier; Rennerfeldt; Rose; Thorpe

**ABSENT AND NOT VOTING:** Bernstein; Drovdal; Gunter; Stefonowicz

Reengrossed HB 1462 passed and the title was agreed to.

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**MOTION**

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

**MESSAGE TO THE SENATE FROM THE HOUSE (LANCE HAGEN, CHIEF CLERK)**

**MADAM PRESIDENT:** The House has overridden the Governor's veto on HB 1108. The vote was 68 YEAS, 26 NAYS, 4 ABSENT AND NOT VOTING, and your favorable consideration is requested.

**MESSAGE TO THE SENATE FROM THE HOUSE (LANCE HAGEN, CHIEF CLERK)**

**MADAM PRESIDENT:** The House has adopted the conference committee report and subsequently passed: HB 1462.

**MOTION**

**REP. DORSO MOVED** that the House be on the Seventh and Twelfth orders of business and at the conclusion of those orders, the House stand in recess until 6:30 p.m., which motion prevailed.

**COMMUNICATION FROM GOVERNOR EDWARD T. SCHAFER**

This is to inform you that on April 14, 1999, I have signed the following: HB 1013, HB 1015, HB 1034, HB 1121, HB 1290, HB 1325, and HB 1329.

Also, on April 15, 1999, I have signed the following: HB 1422 and HB 1291.

**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 1462.

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

**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 2013.

**REPORT OF CONFERENCE COMMITTEE**

**SB 2013, as engrossed:** Your conference committee (Sens. Holmberg, Naaden, Robinson and Reps. Carlson, Monson, Nichols) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1130-1138, adopt amendments as follows, and place SB 2013 on the Seventh order:

That the House recede from its amendments as printed on pages 1130-1138 of the Senate Journal and pages 1239-1246 of the House Journal and that Engrossed Senate Bill No. 2013 be amended as follows:

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

Page 1, line 3, replace "section" with "sections" and after "15-21-02" insert "and 15-21-03"

Page 1, line 4, replace "section" with "sections" and after "15.1-02-02" insert "and 15.1-02-03"

Page 1, line 5, replace "; to repeal section 2 of Senate Bill No. 2381, as" with "and the appointment of a deputy superintendent; and to amend and reenact sections 15-59-06, 15-59-06.2, 15-59-07, 44-03-01, and 54-44.1-12 of the North Dakota Century Code, relating to special education, the appointment of deputies, and executive budget allotments."

Page 1, remove line 6

Page 1, line 17, replace "11,706,777" with "11,152,952"

Page 1, line 18, replace "10,107,032" with "9,809,720"

Page 1, line 19, replace "591,036" with "491,036"

Page 1, line 20, replace "481,006,259" with "479,006,259"

Page 1, line 23, replace "44,600,000" with "46,600,000"

Page 1, line 24, replace "132,695,566" with "143,318,663"

Page 2, line 4, replace "737,951,556" with "747,623,516"

Page 2, line 5, replace "199,247,247" with "204,137,871"

Page 2, line 6, replace "538,704,309" with "543,485,645"

Page 2, line 21, replace "136,327" with "36,327"

Page 2, line 22, replace "5,502,539" with "5,402,539"

Page 2, line 23, replace "657,369" with "720,903"

Page 2, line 24, replace "4,845,170" with "4,681,636"

Page 3, line 1, replace "863,400" with "1,002,577"

Page 3, line 2, replace "2,328,405" with "2,189,228"

Page 3, line 3, replace "548,840,795" with "553,319,420"

Page 3, line 4, replace "202,361,835" with "207,455,170"

Page 3, line 5, replace "751,202,630" with "760,774,590"

Page 3, line 25, replace "Ten" with "Eleven"

Page 3, line 27, after "reimbursements" insert ", as provided in sections 15-40.2-08, 15-59-06, 15-59-06.2, 15-59-07, and 15-59-07.2. Of this amount, \$5,500,000 must be distributed during the fiscal year ending June 30, 2000, and \$6,000,000 must be distributed during the fiscal year ending June 30, 2001. Any funds remaining after distributions pursuant to sections 15-40.2-08, 15-59-06, 15-59-06.2, 15-59-07, and 15-59-07.2 for either year must be distributed to school districts and special education units to proportionately reduce school district and special education unit liability for costs in excess of 2.5 times the state average per student cost, as provided in sections 15-59-06, 15-59-06.2, 15-59-07, and 15-59-07.2"

Page 4, line 14, replace "\$1,000,000" with "\$6,000,000"

Page 4, line 20, after the period insert "Prior to the distribution of grants pursuant to this section, the educational telecommunications council may establish a minimum grant amount of \$5,000. A school district is not eligible to receive a grant under this section unless the administrative office of the district is connected to the internet."

Page 4, remove lines 21 through 25

Page 6, after line 15, insert:

**"SECTION 17. CREDENTIALING PROCESS FOR SPECIAL EDUCATION TEACHERS.** The superintendent of public instruction may not change the credentialing process for special education teachers as it is in effect on March 1, 1999, without first convening a meeting to include representatives of the North Dakota council of education leaders, the council of exceptional children, the North Dakota education association, and the North Dakota school boards association. The purpose of the meeting is to receive comments regarding the proposed changes, the applicability of the proposed changes, including the scheduling, the manner of implementation, associated costs, and the short-term and long-term effects of the proposed changes. If, within thirty days after the date of the meeting, members of any two representative groups present at the meeting object in writing to the proposed changes, the superintendent may not implement the change prior to July 1, 2001.

**SECTION 18. SCHOOL DISTRICT FINANCIAL DATA - REPORTING - REQUIREMENTS.** The superintendent of public instruction shall develop standardized reporting forms, in both hard copy and electronic format, prescribing the manner in which school district superintendents and business managers must account for and report financial data. The superintendent of public instruction shall report to the interim

education finance committee of the legislative council regarding the content of the reports and specific actions taken to account for transfers from school district general funds, to eliminate or reduce variations in the reporting of data, and to ensure that the financial data is available in a form that allows for accurate and consistent comparisons.

**SECTION 19. NATIONAL ASSESSMENT OF EDUCATIONAL PROGRESS TESTING.** The department of public instruction shall participate in the national assessment of educational progress (NAEP) testing program for the 1999-2001 biennium.

**SECTION 20. FEDERAL FUNDING FOR SPECIAL EDUCATION URGED.** The fifty-sixth legislative assembly urges the Congress of the United States and the President to increase federal funding for special education to achieve, within the next three years, the statutory goal of the federal government providing funding for special education students equal to 40 percent of the national average per student educational expenditure. The secretary of state shall send copies of this section to the President, the members of the North Dakota congressional delegation, the national conference of state legislatures, and the state superintendent of public instruction.

**SECTION 21. LAND BOARD DISTRIBUTIONS.** Notwithstanding the provisions of section 15-03-05.2, during the 1999-2001 biennium, the board of university and school lands shall distribute to the school for the deaf and the school for the blind all income from permanent funds managed for the benefit of those institutions.

**SECTION 22. LEGISLATIVE COUNCIL STUDY - DIVISION OF INDEPENDENT STUDY.** The legislative council shall consider studying, during the 1999-2001 interim, the role, mission, operation, and privatization of the division of independent study, including educational services provided by the division to out-of-state students. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-seventh legislative assembly.

**SECTION 23. LEGISLATIVE INTENT - POSITION TRANSFERS - DIVISION OF INDEPENDENT STUDY.** It is the intent of the fifty-sixth legislative assembly that for the 1999-2001 biennium, the department of public instruction be authorized to have no more than 131.95 full-time equivalent positions and that no more than 38.7 of these positions be in the division of independent study. It is the intent of the fifty-sixth legislative assembly that if, during the 1999-2001 biennium, the superintendent of public instruction transfers any positions to the division of independent study from other divisions of the department of public instruction, the transfers be reported to the budget section of the legislative council at its next meeting.

**SECTION 24. CLASS SIZE REDUCTION GRANTS - REPORT TO BUDGET SECTION.** During the 1999-2001 biennium, the department of public instruction shall present a report to the budget section on the distribution of federal class size reduction initiative grants."

Page 7, replace lines 3 through 7 with:

**"SECTION 27. AMENDMENT.** If House Bill No. 1034 does not become effective, Section 15-21-03 of the North Dakota Century Code is amended and reenacted as follows:

**15-21-03. Appointment of deputy — Assistant assistant - Clerks.** The superintendent of public instruction may appoint a deputy for whose official acts he is responsible, and an assistant whose duty it is to assist the superintendent of public instruction in visiting schools and institutes, to attend school officers' meetings, and to perform such other duties as may be required of him. The superintendent also may employ such clerks as are necessary in carrying on the work of the department.

**SECTION 28. AMENDMENT.** Section 15.1-02-03 of the North Dakota Century Code as created by House Bill No. 1034, as approved by the fifty-sixth legislative assembly, is amended and reenacted as follows:

**15.1-02-03. Appointment of deputy assistant - Employment of personnel.** The superintendent of public instruction may appoint a deputy superintendent and an assistant. The superintendent may also hire personnel or contract with other persons to perform the work of the department of public instruction.

**SECTION 29. AMENDMENT.** Section 15-59-06 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**15-59-06. State cooperation in special education.** Students with disabilities who are receiving special education services must be deemed to be regularly enrolled in the school district of residence and must be included in the determination of payments from the state foundation aid program whether or not the students regularly attend school in the school or school district receiving the payments. A prorated state foundation aid payment for a student to attend a public school program for students with disabilities, approved by the superintendent of public instruction, may be made if the individualized education program for the student is written during the last quarter of the school term and specifically requires that the student attend a summer special education program. In the case of a student who is enrolled in a nonpublic school but who attends a public school special education program, payments must be made to the appropriate public school district for the portion of a normal schoolday the student participates in special education. For the purposes of this section, a normal schoolday consists of six hours. The amount the school district is required to expend must be reduced proportionately if a student attends the school for less than an entire year. If any school district within a special education unit has a student with disabilities who, in the opinion of the student's multidisciplinary team, is unable to attend the public schools in the special education unit because of a disability, the school district shall contract with an in-state public school located outside the special education unit in which the student is a legal resident, if the school will accept the student and has proper services for the student's education. No school district may enter into a contract with any in-state public school for the education of any student because of a disability, unless the services provided by the school and the contract have been approved in advance by the superintendent of public instruction. The contract must provide that the school district agrees to pay to the in-state public school as part of the cost of educating the student an amount for the school year equal to two and one-half times the state average per student elementary or high school cost, depending upon the student's level of enrollment. The payment may not exceed the actual per student cost incurred by the in-state public school. The school district's liability must be reduced proportionately if the student attends the in-state public school for less than an entire year. The superintendent of public instruction, upon notification by the admitting district and upon verification by the superintendent that tuition payments are due the admitting district and are unpaid, shall withhold ~~all payments~~ from the state for foundation aid payments to the district of residence an amount equal to the unpaid tuition until the tuition due that amount has been paid. The transportation must be furnished as provided by rules of the superintendent of public instruction. The superintendent of public instruction shall reimburse school districts eighty percent of the remainder of the actual cost of educating the student with disabilities not covered by other payments or credits ~~must be paid from funds,~~ within the limits of legislative appropriations for that purpose.

**SECTION 30. AMENDMENT.** Section 15-59-06.2 of the North Dakota Century Code is amended and reenacted as follows:

**15-59-06.2. Cost of special education - Liability of school district.** If allowable costs for special education and related services for a child with disabilities in a special education program, as determined by the superintendent of public instruction, exceed the reimbursement provided by the state, the school district is liable to pay for each such student an amount over the state reimbursement up to a maximum each school year of two and one-half times the state average ~~per pupil~~ per student elementary or high school cost, depending on whether the enrollment would be in a grade or high school department, and twenty percent of all remaining costs. The two and one-half times amount includes the amount the school district is required to pay in section 15-59-06. The state is liable for ~~one hundred eighty~~ eighty percent of the remainder of the cost of education and related services for each such student with disabilities within the limits of legislative appropriations for that purpose.

**SECTION 31. AMENDMENT.** Section 15-59-07 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**15-59-07. Contracts for students with disabilities to attend private or out-of-state public schools.** If any school district in this state has a student with disabilities who in the opinion of the student's multidisciplinary team is unable to attend the public schools in the district because of a physical or mental disability or because of a learning disability, the school district shall contract with any accredited private nonsectarian nonprofit corporation within or outside the state or an out-of-state public school which has proper facilities for the education of the student, if there is no public school in the state which has the necessary services and which will accept the student.

No school district may enter a contract with any private nonsectarian nonprofit corporation or out-of-state public school for the education of any student having a physical or learning disability, unless the services provided by the school and the contract have been approved in advance by the superintendent of public instruction. The contract must provide that the school district agrees to pay to the private nonsectarian nonprofit corporation or the out-of-state public school as part of the cost of educating the student an amount for the school year equal to two and one-half times the state average per student elementary or high school cost, depending upon the student's level of enrollment and twenty percent of all remaining costs. The payment may not exceed the actual per student cost incurred by the private nonsectarian nonprofit corporation or out-of-state public school. The transportation must be furnished and reimbursed as provided by rules of the superintendent of public instruction. ~~The remainder of the actual cost of educating the student with disabilities not covered by other payments or credits must be paid from funds appropriated by the legislative assembly for special education notwithstanding limitations cited in section 15-59-06. The superintendent of public instruction shall reimburse school districts eighty percent of the remainder of the actual cost of educating each student with disabilities not covered by other payments or credits within the limits of legislative appropriations for that purpose.~~ The district of residence is entitled to the per student foundation payment.

**SECTION 32. AMENDMENT.** Section 44-03-01 of the North Dakota Century Code is amended and reenacted as follows:

**44-03-01. Deputies may be appointed by certain officers.** The secretary of state, state auditor, state treasurer, ~~superintendent of public instruction~~, commissioner of insurance, commissioner of agriculture, commissioner of labor, district assessor, and city assessor each may appoint a deputy for whose acts as such ~~he~~ the officer shall be responsible. Each officer required to give a bond may require a bond from any deputy appointed by ~~him~~ the officer. Any such bond must be in the penal sum of not more than half the penal sum of the appointing officer's own bond and may be retained by the officer for ~~his~~ the officer's own protection. Such appointment must be in writing and is revocable in writing at the pleasure of the principal, and such appointment and revocation must be filed as the bond and oath of the principal are filed.

**SECTION 33. AMENDMENT.** Section 54-44.1-12 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**54-44.1-12. Control over rate of expenditures.** The director of the budget shall exercise continual control over the execution of the budget affecting the departments and agencies of state government, with the exception of the legislative and judicial branches. Execution means the analysis and approval of all commitments for conformity with the program provided in the budget, frequent comparison of actual revenues and budget estimates, and on the basis of these analyses and comparisons control the rate of expenditures through a system of allotments. The allotment must be made by specific fund and all departments and agencies that receive moneys from that fund must be allotted on a uniform percentage basis, except that appropriations to the department of public instruction for foundation aid, transportation aid, and special education aid may only be allotted to the extent that the allotment can be offset by transfers from the foundation aid stabilization fund. Before an allotment is made which will reduce the amount of funds which can be disbursed pursuant to an appropriation or before an allotment disallowing a specific expenditure is made, the director shall find one or more of the following circumstances to exist:

1. The moneys and estimated revenues in a specific fund from which the appropriation is made are insufficient to meet all legislative appropriations from the fund.
2. The payment or the obligation incurred is not authorized by law.
3. The expenditure or obligation is contrary to legislative intent as recorded in any reliable legislative records, including:
  - a. Statements of legislative intent expressed in enacted appropriation measures or other measures enacted by the legislative assembly; and
  - b. Statements of purpose of amendment explaining amendments to enacted appropriation measures, as recorded in the journals of the legislative assembly.

4. Circumstances or availability of facts not previously known or foreseen by the legislative assembly which make possible the accomplishment of the purpose of the appropriation at a lesser amount than that appropriated."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

DEPARTMENT 201 - DEPARTMENT OF PUBLIC INSTRUCTION

CONFERENCE COMMITTEE - This amendment makes the following changes:

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	CONFERENCE COMPARISON TO HOUSE VERSION
Salaries and wages	\$11,825,653	\$11,706,777	(\$553,825)	\$11,152,952	\$10,977,979	\$174,973
Operating expenses	10,457,032	10,107,032	(297,312)	9,809,720	9,709,720	100,000
Equipment	591,036	591,036	(100,000)	491,036	491,036	
Grants - Foundation aid and transportation	475,906,259	481,006,259	(2,000,000)	479,006,259	479,006,259	
Grants - Revenue supplement	3,100,000	3,100,000		3,100,000	3,100,000	
Grants - Tuition apportionment	53,528,217	53,528,217		53,528,217	53,528,217	
Grants - Special education	44,600,000	44,600,000	2,000,000	46,600,000	46,100,000	500,000
Grants - Special education critical needs					500,000	(500,000)
Grants - Other grants	132,007,469	132,695,566	10,623,097	143,318,663	143,318,663	
Geographic education	50,000	50,000		50,000	50,000	
SENDIT network	546,669	546,669		546,669	546,669	
National board certification	398,000	20,000		20,000	20,000	
<b>Total all funds</b>	<b>\$733,010,335</b>	<b>\$737,951,556</b>	<b>\$9,671,960</b>	<b>\$747,623,516</b>	<b>\$747,348,543</b>	<b>\$274,973</b>
Less special funds	193,694,209	199,247,247	4,890,624	204,137,871	204,206,898	(69,027)
General fund	\$539,316,126	\$538,704,309	\$4,781,336	\$543,485,645	\$543,141,645	\$344,000
FTE	137.95	137.95	(6.00)	131.95	129.95	2.00

Detail of Conference Committee changes to the Senate version:

	REMOVE POSITIONS	REDUCE OPERATING EXPENSES	REDUCE EQUIPMENT	REMOVE FUNDING FOR SALARY MARKET INCREASE FOR DEPUTY SUPERINTENDENT	REDUCE TEMPORARY SALARIES	TRANSFER FUNDING FROM FOUNDATION AID TO TECHNOLOGY GRANTS
Salaries and wages	(\$501,973) <sup>1</sup>			(\$2,676) <sup>4</sup>	(\$49,176) <sup>5</sup>	
Operating expenses		(\$300,000) <sup>2</sup>				
Equipment			(\$100,000) <sup>3</sup>			
Grants - Foundation aid and transportation						(\$5,000,000) <sup>6</sup>
Grants - Revenue supplement						
Grants - Tuition apportionment						
Grants - Special education						
Grants - Special education critical needs						
Grants - Other grants						5,000,000 <sup>6</sup>
Geographic education						
SENDIT network						
National board certification						
<b>Total all funds</b>	<b>(\$501,973)</b>	<b>(\$300,000)</b>	<b>(\$100,000)</b>	<b>(\$2,676)</b>	<b>(\$49,176)</b>	<b>\$0</b>
Less special funds	(271,445)	(243,000)	(74,000)		(46,716)	
General fund	(\$230,528)	(\$57,000)	(\$26,000)	(\$2,676)	(\$2,460)	\$0
FTE	(6.00)	0.00	0.00	0.00	0.00	0.00

	INCREASE FOUNDATION AID	INCREASE SPECIAL EDUCATION GRANTS	ADD FEDERAL FUNDS FOR CLASS SIZE REDUCTION GRANTS	REDUCE OPERATING EXPENSES FOR EARLY CHILDHOOD TRACKING	INCREASE OPERATING EXPENSES FOR NAEP TESTING	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages						(\$553,825)
Operating expenses				(\$97,312) <sup>10</sup>	\$100,000 <sup>11</sup>	(297,312)
Equipment						(100,000)
Grants - Foundation aid and transportation	\$3,000,000 <sup>7</sup>					(2,000,000)
Grants - Revenue supplement						
Grants - Tuition apportionment						
Grants - Special education		\$2,000,000 <sup>8</sup>				2,000,000
Grants - Special education critical needs						
Grants - Other grants			\$5,623,097 <sup>9</sup>			10,623,097
Geographic education						
SENDIT network						
National board certification						
<b>Total all funds</b>	<b>\$3,000,000</b>	<b>\$2,000,000</b>	<b>\$5,623,097</b>	<b>(\$97,312)</b>	<b>\$100,000</b>	<b>\$9,671,960</b>
Less special funds			5,623,097	(97,312)		4,890,624
General fund	\$3,000,000	\$2,000,000	\$0	\$0	\$100,000	\$4,781,336

FTE	0.00	0.00	0.00	0.00	0.00	(6.00)
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Conference Committee changes narrative:

This amendment makes the following changes:

- Provides in Section 6 of the engrossed bill that the Educational Telecommunications Council may establish a minimum grant amount of \$5,000 and provides that for a school district to be eligible to receive a grant, the school district administrative office must be connected to the Internet.
- Removes Section 7, which provided legislative intent regarding the use of grants distributed by the Educational Telecommunications Council.
- Adds a new Section 17, which provides that prior to implementing any change in the credentialing process for special education teachers, the Superintendent of Public Instruction must obtain the approval of certain education-related groups.
- Adds a new Section 18, which directs the Superintendent of Public Instruction to develop standardized reporting forms for the reporting of financial data.
- Adds a new Section 19, which directs the department to participate in the national assessment of educational progress (NAEP) testing program.
- Adds a new Section 20, which urges Congress and the President to provide funding for special education students equal to 40 percent of the national average educational expenditure per student.
- Adds a new Section 21, which directs the Board of University and School Lands to distribute all available trust fund income for the 1999-2001 biennium.
- Adds a new Section 22, which provides that the Legislative Council shall consider studying the Division of Independent Study during the 1999-2001 biennium.
- Adds a new Section 23, which provides that if the department transfers any FTE positions to the Division of Independent Study during the 1999-2001 biennium, the transfers must be reported to the Budget Section.
- Adds a new Section 24, which provides that the department shall present a report to the Budget Section on the distribution of federal class size reduction initiative grants.
- Amends North Dakota Century Code (NDCC) Sections 15-21-03, 15.1-02-03, and 44-03-01 to remove statutory references to the Deputy Superintendent of Public Instruction.
- Amends NDCC Sections 15-59-06, 15-59-06.2, and 15-59-07 to increase the amount school districts are liable to pay for extraordinary special education costs from 2.5 times the state average educational expenditure per student to 2.5 times the state average, plus 20 percent of any additional costs.
- Amends North Dakota Century Code Section 54-44.1-12 to provide that an executive budget allotment can only reduce legislative appropriations for foundation aid, transportation aid, and special education aid by the amount that the allotment can be offset by transfers from the foundation aid stabilization fund.
- Increases from \$10.5 million to \$11.5 million (Section 5 of the bill) the amount of the special education appropriation to be used for reimbursing districts for special education contract costs. This results in a corresponding \$500,000 decrease in the amount to be distributed on a per student basis pursuant to subsection 3 of Section 5. Section 5, as amended, provides that the \$46.6 million special education grants line item will be distributed as follows:
  - \$11.5 million for special education contract costs.
  - \$400,000 for gifted and talented programs.
  - \$34.7 million for per student special education payments.

- Removes Section 20 of the engrossed bill, which repealed Section 2 of Senate Bill No. 2381. Section 2 of Senate Bill No. 2381 provided a \$400,000 appropriation for payments to schools with students with limited English proficiency. The foundation aid line item of this bill contains the required \$400,000 appropriation for these payments.

- 1 Removes the following FTE positions:

POSITION TITLE	POSITION NUMBER	FTE	GENERAL FUND	OTHER FUNDS	TOTAL FUNDS
Deputy superintendent	3100	1.00	\$122,816		\$122,816
Training officer I	3205	1.00		59,718	59,718
Assistant director	3401	1.00	107,712		107,712
Special education regional coordinator	3834	1.00		95,992	95,992
Teacher I	9999-2	1.00		67,449	67,449
Computer operator II	9999-3	1.00		48,286	48,286
Total		6.00	\$230,528	\$271,445	\$501,973

- 2 Removes \$300,000 (\$57,000 from the general fund and \$243,000 from other funds) for operating expenses for travel (\$100,000) and professional services (\$200,000).
- 3 Removes \$100,000 for equipment (\$26,000 from the general fund and \$74,000 from other funds), reducing the line item from \$591,036 to \$491,036.
- 4 Removes general fund spending authority of \$2,676 added by the Senate for a salary market increase for the deputy superintendent position. This amendment removes the deputy superintendent position.
- 5 Reduces salaries and wages by \$49,176 (\$2,460 from the general fund, \$46,716 from other funds) for temporary salaries, reducing the total amount for temporary salaries from \$319,176 to \$270,000.
- 6 Transfers \$5 million of general fund appropriation authority from the foundation aid line item to the other grants line item to restore the \$6 million included in the executive recommendation for grants to schools for technology or teacher professional development.
- 7 Increases the foundation aid line item by \$3 million.
- 8 Increases funding for special education grants by \$2 million.
- 9 Increases the other grants line item by \$5,623,097 to reflect federal funds anticipated to be available for grants to schools to reduce class size.
- 10 Reduces the operating expenses line item by \$97,312 to reflect an anticipated reduction in federal funds available for the early childhood tracking program. The total amount provided for the program is reduced from \$847,312 to \$750,000.
- 11 Increases the operating expenses line item by \$100,000 from the general fund for the national assessment of educational progress (NAEP) testing program.

#### DEPARTMENT 252 - SCHOOL FOR THE DEAF

Conference Committee - This amendment makes the following changes:

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	CONFERENCE COMPARISON TO HOUSE VERSION
Salaries and wages	\$4,347,330	\$4,275,930		\$4,275,930	\$4,275,930	
Operating expenses	1,015,458	1,015,458		1,015,458	1,015,458	
Equipment	39,224	74,824		74,824	74,824	
Capital improvements	136,327	136,327	(\$100,000)	36,327	36,327	
Total all funds	\$5,538,339	\$5,502,539	(\$100,000)	\$5,402,539	\$5,402,539	\$0
Less special funds	658,177	657,369	63,534	720,903	657,369	63,534
General fund	\$4,880,162	\$4,845,170	(\$163,534)	\$4,681,636	\$4,745,170	(\$63,534)
FTE	53.93	53.93	0.00	53.93	53.93	0.00

Detail of Conference Committee changes to the Senate version includes:

	REMOVE FUNDING FOR INDEPENDENT LIVING COTTAGE	INCREASE LAND DEPARTMENT DISTRIBUTIONS	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages			
Operating expenses			
Equipment			
Capital improvements	<u>(\$100,000)</u>		<u>(\$100,000)</u>
Total all funds	(\$100,000)	\$0	(\$100,000)
Less special funds		<u>63,534</u>	<u>63,534</u>
General fund	(\$100,000)	(\$63,534)	(\$163,534)

## DEPARTMENT 253 - SCHOOL FOR THE BLIND

Conference Committee - This amendment makes the following changes:

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	CONFERENCE COMPARISON TO HOUSE VERSION
Salaries and wages	\$2,415,801	\$2,391,456		\$2,391,456	\$2,391,456	
Operating expenses	678,059	678,059		678,059	678,059	
Equipment	70,500	70,500		70,500	70,500	
Capital improvements	<u>51,790</u>	<u>51,790</u>		<u>51,790</u>	<u>51,790</u>	
Total all funds	\$3,216,150	\$3,191,805	\$0	\$3,191,805	\$3,191,805	\$0
Less special funds	<u>863,400</u>	<u>863,400</u>	<u>139,177</u>	<u>1,002,577</u>	<u>950,276</u>	<u>52,301</u>
General fund	\$2,352,750	\$2,328,405	(\$139,177)	\$2,189,228	\$2,241,529	(\$52,301)
FTE	28.00	28.00	0.00	28.00	28.00	0.00

Detail of Conference Committee changes to the Senate version includes:

	FUNDING SOURCE CHANGE	INCREASE LAND DEPARTMENT DISTRIBUTIONS	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages			
Operating expenses			
Equipment			
Capital improvements			
Total all funds	\$0	\$0	\$0
Less special funds	<u>86,876</u> <sup>1</sup>	<u>52,301</u>	<u>139,177</u>
General fund	(\$86,876) <sup>1</sup>	(\$52,301)	(\$139,177)

Conference Committee changes narrative:

<sup>1</sup> Increases other funds spending authority and decreases general fund spending authority by \$86,876 anticipated to be available from the School for the Blind fund. The funding source changes includes the following:

- \$34,076 for operating expenses.
- \$52,800 for temporary salaries relating to the compensatory skills training program.

Engrossed SB 2013 was placed on the Seventh order of business on the calendar.

### REPORT OF CONFERENCE COMMITTEE

**REP. CARLSON MOVED** that the conference committee report on Engrossed SB 2013 be adopted.

### REQUEST

**REP. NICHOLS REQUESTED** a recorded roll call vote on the motion to adopt the conference committee report on SB 2013, which request was granted.

### ROLL CALL

The question being on the motion to adopt the conference committee report on SB 2013, the roll was called and there were 55 YEAS, 34 NAYS, 0 EXCUSED, 9 ABSENT AND NOT VOTING.

**YEAS:** Belter; Berg; Boehm; Brandenburg; Brekke; Brusegaard; Byerly; Carlisle; Carlson; Clark; DeKrey; Delzer; Devlin; Dorso; Froseth; Galvin; Grande; Grosz; Haas; Hawken; Herbel; Jensen; Johnson, D.; Johnson, N.; Kelsch, R.; Kempenich; Klein; Klemin; Kliniske; Koppang; Koppelman; Lloyd; Maragos; Martinson; Mickelson; Monson; Nelson; Nicholas; Nottestad; Pollert; Poolman; Porter; Price; Renner; Rennerfeldt; Severson; Svedjan; Thoreson, B.; Thoreson, L.; Timm; Tollefson; Weisz; Wentz; Wikenheiser; Speaker Wald

**NAYS:** Aarsvold; Boucher; Cleary; Delmore; Eckre; Ekstrom; Fairfield; Froelich; Glassheim; Gorder; Grumbo; Guleson; Hanson; Hoffner; Kelsh, S.; Kerzman; Kroeber; Lemieux; Lundgren; Mahoney; Metcalf; Meyer; Mueller; Nichols; Niemeier; Nowatzki; Rose; Sandvig; Schmidt; Solberg; Sveen; Thorpe; Warner; Winrich

**ABSENT AND NOT VOTING:** Bernstein; Dalrymple; Disrud; Drovda; Gunter; Henegar; Huether; Keiser; Stefonowicz

The conference committee report on SB 2013 was adopted.

Engrossed SB 2013, as amended, was placed on the Fourteenth order.

### SECOND READING OF SENATE BILL

**SB 2013:** A BILL for an Act to provide an appropriation for defraying the expenses of the department of public instruction, the school for the deaf, the school for the blind, and the state library; to provide for a legislative council study; to amend and reenact sections 15-21-02 and 15-21-03 of the North Dakota Century Code or in the alternative to amend and reenact sections 15.1-02-02 and 15.1-02-03 of the North Dakota Century Code, relating to the salary of the superintendent of public instruction and the appointment of a deputy superintendent; and to amend and reenact sections 15-59-06, 15-59-06.2, 15-59-07, 44-03-01, and 54-44.1-12 of the North Dakota Century Code, relating to special education, the appointment of deputies, and executive budget allotments.

### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 66 YEAS, 24 NAYS, 0 EXCUSED, 8 ABSENT AND NOT VOTING.

**YEAS:** Belter; Berg; Boehm; Brandenburg; Brekke; Brusegaard; Byerly; Carlisle; Carlson; Clark; DeKrey; Delmore; Delzer; Devlin; Disrud; Dorso; Eckre; Froseth; Galvin; Glassheim; Grande; Grosz; Haas; Hawken; Herbel; Jensen; Johnson, D.; Johnson, N.; Kelsch, R.; Kempenich; Klein; Klemin; Kliniske; Koppang; Koppelman; Lloyd; Maragos; Martinson; Metcalf; Meyer; Mickelson; Monson; Mueller; Nelson; Nicholas; Nichols; Nottestad; Nowatzki; Pollert; Poolman; Porter; Price; Renner; Rennerfeldt; Severson; Svedjan; Sveen; Thoreson, B.; Thoreson, L.; Timm; Tollefson; Warner; Weisz; Wentz; Wikenheiser; Speaker Wald

**NAYS:** Aarsvold; Boucher; Cleary; Ekstrom; Fairfield; Froelich; Gorder; Grumbo; Guleson; Hanson; Hoffner; Kelsh, S.; Kerzman; Kroeber; Lemieux; Lundgren; Mahoney; Niemeier; Rose; Sandvig; Schmidt; Solberg; Thorpe; Winrich

**ABSENT AND NOT VOTING:** Bernstein; Dalrymple; Drovda; Gunter; Henegar; Huether; Keiser; Stefonowicz

Engrossed SB 2013, as amended, passed and the title was agreed to.

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### 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 2020.

### REPORT OF CONFERENCE COMMITTEE

**SB 2020, as engrossed:** Your conference committee (Sens. Andrist, Grindberg, Lindaas and Reps. Dalrymple, Boehm, Aarsvold) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 907-908, adopt amendments as follows, and place SB 2020 on the Seventh order:

That the House recede from its amendments as printed on pages 907 and 908 of the Senate Journal and pages 1007 and 1008 of the House Journal and that Engrossed Senate Bill No. 2020 be amended as follows:

Page 1, line 2, after "society" insert "; to provide for line item transfers for the 1997-99 biennium; to authorize line item transfers for the 1999-2001 biennium; and to declare an emergency"

Page 1, line 16, replace "1,117,011" with "931,345"

Page 1, line 17, replace "7,678,768" with "7,493,102"

Page 1, line 19, replace "6,646,330" with "6,460,664"

Page 1, after line 19, insert:

**"SECTION 2. LINE ITEM TRANSFERS - 1999-2001 BIENNIUM.** Notwithstanding section 54-16-04, the director of the office of management and budget and the state treasurer shall make transfers of funds between the capital improvements line item and the Lewis and Clark bicentennial line item in section 1 of this Act as may be requested by the state historical board for the biennium beginning July 1, 1999, and ending June 30, 2001.

**SECTION 3. LINE ITEM TRANSFERS - 1997-99 BIENNIUM.** Notwithstanding section 54-16-04, the director of the office of management and budget and the state treasurer, at the request of the superintendent of the state historical society, shall transfer \$34,886 from the equipment line item contained in subdivision 1 of section 1 of chapter 22 of the 1997 Session Laws to the operating expenses line item contained in subdivision 1 of section 1 of chapter 22 of the 1997 Session Laws. The authority to make this transfer begins with the effective date of this Act and ends on June 30, 1999.

**SECTION 4. APPROPRIATION.** There is hereby appropriated the sum of \$4,900 of federal funds available to the state historical society for the purpose of purchasing equipment for the period beginning with the effective date of this Act and ending June 30, 1999.

**SECTION 5. EMERGENCY.** Sections 3 and 4 of this Act are declared to be an emergency measure."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

DEPARTMENT 701 - STATE HISTORICAL SOCIETY

CONFERENCE COMMITTEE - This amendment makes the following changes:

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	CONFERENCE COMPARISON TO HOUSE VERSION
Salaries and wages	\$4,337,656	\$4,299,169		\$4,299,169	\$4,299,169	
Operating expenses	908,323	908,323		908,323	908,323	
Equipment	81,244	81,244		81,244	81,244	
Major improvements	1,130,735	782,735		782,735	782,735	
Grants	485,559	485,559		485,559	485,559	
Yellow-Missouri-Ft. Union Comm.	4,727	4,727		4,727	4,727	
Lewis and Clark bicentennial	1,117,011	1,117,011	(\$185,666)	931,345	641,345	\$290,000
<b>Total all funds</b>	<b>\$8,065,255</b>	<b>\$7,678,768</b>	<b>(\$185,666)</b>	<b>\$7,493,102</b>	<b>\$7,203,102</b>	<b>\$290,000</b>
Less special funds	<u>1,032,438</u>	<u>1,032,438</u>		<u>1,032,438</u>	<u>1,032,438</u>	
General fund	\$7,032,817	\$6,646,330	(\$185,666)	\$6,460,664	\$6,170,664	\$290,000
FTE	54.00	54.00	0.00	54.00	54.00	0.00

Detail of Conference Committee changes to the Senate version includes:

	REDUCE FUNDING FOR LEWIS AND CLARK	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages		
Operating expenses		
Equipment		
Major improvements		
Grants		
Yellow-Missouri-Ft. Union Comm.		
Lewis and Clark bicentennial	(\$185,666) <sup>1</sup>	(\$185,666)
<b>Total all funds</b>	<b>(\$185,666)</b>	<b>(\$185,666)</b>

Less special funds	_____	_____
General fund	(\$185,666)	(\$185,666)
FTE	0.00	0.00

Conference Committee changes narrative:

<sup>1</sup> Reduces funding for the Lewis and Clark bicentennial line item by \$185,666. The State Historical Society may determine the specific areas of reduction. The House had reduced this line item by \$475,666.

A section is added authorizing the State Historical Society to transfer funds between the capital improvements line item and the Lewis and Clark bicentennial line item without Emergency Commission approval.

Sections added by the House are included. These sections affect the State Historical Society's 1997-99 appropriation by:

1. Appropriating an additional \$4,900 of federal funds for equipment.
2. Authorizing a line item transfer of \$34,886 from the equipment line item to the operating expenses line item to provide additional funding for installing the collect records management system and to reduce funding available for equipment related to this project.

Engrossed SB 2020 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**REP. BOEHM MOVED** that the conference committee report on Engrossed SB 2020 be adopted, which motion prevailed.

Engrossed SB 2020, as amended, was placed on the Fourteenth order.

#### SECOND READING OF SENATE BILL

**SB 2020:** A BILL for an Act to provide an appropriation for defraying the expenses of the state historical society; to provide for line item transfers for the 1997-99 biennium; to authorize line item transfers for the 1999-2001 biennium; 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 90 YEAS, 0 NAYS, 0 EXCUSED, 8 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Belter; Berg; Boehm; Boucher; Brandenburg; Brekke; Brusegaard; Byerly; Carlisle; Carlson; Clark; Cleary; DeKrey; Delmore; Delzer; Devlin; Disrud; Dorso; Eckre; Ekstrom; Fairfield; Froelich; Froseth; Galvin; Glassheim; Gorder; Grande; Grosz; Grumbo; Gulleson; Haas; Hanson; Hawken; Herbel; Hoffner; Jensen; Johnson, D.; Johnson, N.; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Klein; Klemin; Kliniske; Koppang; Koppelman; Kroeber; Lemieux; Lloyd; Lundgren; Mahoney; Maragos; Martinson; Metcalf; Meyer; Mickelson; Monson; Mueller; Nelson; Nicholas; Nichols; Niemeier; Nottestad; Nowatzki; Pollert; Poolman; Porter; Price; Renner; Rennerfeldt; Rose; Sandvig; Schmidt; Severson; Solberg; Svedjan; Sveen; Thoreson, B.; Thoreson, L.; Thorpe; Timm; Tollefson; Warner; Weisz; Wentz; Wikenheiser; Winrich; Speaker Wald

**ABSENT AND NOT VOTING:** Bernstein; Dalrymple; Drovdal; Gunter; Henegar; Huether; Keiser; Stefonowicz

Engrossed SB 2020, as amended, passed, the title was agreed to, and the emergency clause was declared carried.

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#### MOTION

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

#### MOTION

**REP. MONSON MOVED** that the House be on the Seventh, Twelfth, and Sixteenth orders of business and at the conclusion of those orders, the House stand adjourned until 8:30 a.m., Friday, April 16, 1999, which motion prevailed.

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

**MR. SPEAKER:** The President has signed and your signature is respectfully requested on: SB 2043, SB 2044, SB 2180, SB 2188, SB 2307, SB 2441.

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

**MR. SPEAKER:** The Senate has sustained the Governor's veto on HB 1108. The vote was 32 YEAS, 15 NAYS, 2 ABSENT AND NOT VOTING.

**MESSAGE TO THE SENATE FROM THE HOUSE (LANCE HAGEN, CHIEF CLERK)**

**MADAM PRESIDENT:** The House has adopted the conference committee report and subsequently passed: SB 2013, SB 2020.

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

**LANCE HAGEN, Chief Clerk**