

**JOURNAL OF THE HOUSE**

**Fifty-seventh Legislative Assembly**

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**Bismarck, April 24, 2001**

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

The prayer was offered by Dave Koland, Executive Director, ND Rural Water Systems Association.

The roll was called and all members were present except Representatives DeKrey and Fairfield.

A quorum was declared by the Speaker.

**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. TIMM MOVED** that the House do not concur in the Senate amendments to HB 1015 as printed on HJ pages 1317-1319 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER APPOINTED** as a Conference Committee on HB 1015: Reps. Timm, Belter, Boucher.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER ANNOUNCED** the following appointments to a Conference Committee on HB 1045: Reps. Hawken, Nelson, Hunskor.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. TIMM MOVED** that the conference committee report on HB 1200 be adopted, which motion prevailed on a voice vote.

HB 1200, as amended, was placed on the Eleventh order.

**SECOND READING OF HOUSE BILL**

**HB 1200:** A BILL for an Act to authorize the north central research extension center to purchase certain land in Ward County and to authorize the Williston research extension center to purchase certain land in Williams County, North Dakota; and to provide an appropriation.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 95 YEAS, 1 NAY, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Bellew; Belter; Berg; Boehm; Boucher; Brandenburg; Brekke; Brusegaard; Byerly; Carlisle; Carlson; Clark; Cleary; Delmore; Delzer; Devlin; Disrud; Dosch; Drovda; Eckre; Ekstrom; Froelich; Froseth; Galvin; Glassheim; Grande; Grosz; Grumbo; Guleson; Gunter; Haas; Hanson; Hawken; Herbel; Huether; Hunskor; Jensen; Johnson, D.; Johnson, N.; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klein, F.; Klein, M.; Klemin; Kliniske; Koppang; Koppelman; Kretschmar; Kroeber; Lemieux; Lloyd; Mahoney; Maragos; Martinson; Meier; Metcalf; Monson; Mueller; Nelson; Nicholas; Niemeier; Nottestad; Onstad; Pietsch; Pollert; Price; Renner; Rennerfeldt; Ruby; Sandvig; Schmidt; Severson; Skarphol; Solberg; Svedjan; Thoreson, B.; Thoreson, L.; Thorpe; Tieman; Timm; Wald; Warner; Weiler; Weisz; Wentz; Wikenheiser; Winrich; Wrangham; Speaker Bernstein

**NAYS:** Porter

**ABSENT AND NOT VOTING:** DeKrey; Fairfield

Engrossed HB 1200 passed and the title was agreed to.

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**REPORT OF CONFERENCE COMMITTEE**

**HB 1386, as engrossed:** Your conference committee (Sens. Cook, Flakoll, D. Mathern and Reps. Froseth, Carlson, Delmore) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1227-1228, adopt further amendments as follows, and place HB 1386 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1227 and 1228 of the House Journal and pages 1037 and 1038 of the Senate Journal and that Engrossed House Bill No. 1386 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact sections 48-01.1-09, 54-44.7-01, and 54-44.7-02, subsection 1 of section 54-44.7-03, and subsection 1 of section 54-44.7-04 of the North Dakota Century Code, relating to construction management.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. AMENDMENT.** Section 48-01.1-09 of the North Dakota Century Code is amended and reenacted as follows:

**48-01.1-09. Use of construction manager.** If a governing body uses a construction manager on a public improvement, the construction manager must be a licensed contractor. AThe construction manager awarded a the contract for construction of a public improvement shall bond the entire cost of the project through a single bond, or through bonds supporting provided by all bid packages and the construction manager's bond for the full amount of the construction manager's services. If the total of the bonds is less than the total project bid, the construction manager shall bond the difference between the total of the bonds and the total project bid.

**SECTION 2. AMENDMENT.** Section 54-44.7-01 of the North Dakota Century Code is amended and reenacted as follows:

**54-44.7-01. Definition.** "Architect, engineer, construction management, and land surveying services" are those professional services associated with the practice of architecture, professional engineering, professional land surveying, landscape architecture, and interior design pertaining to construction, and construction management, as defined by the laws of this state, as well as incidental services that members of these professions and those in their employ may logically or justifiably perform, including studies, investigations, surveys, evaluations, consultations, planning, programming, conceptual designs, plans and specifications, cost estimates, inspections, construction management, shop drawing reviews, sample recommendations, preparation of operating and maintenance manuals, and other related services, except for professional services related to prefabricated steel for bridge purposes.

**SECTION 3. AMENDMENT.** Section 54-44.7-02 of the North Dakota Century Code is amended and reenacted as follows:

**54-44.7-02. Applicability - Policy.** Architect, engineer, construction management, and land surveying services must be procured as provided in this chapter. It is the policy of this state that all North Dakota state agencies shall negotiate contracts for services on the basis of demonstrated competence and qualification for the particular type of services required.

**SECTION 4. AMENDMENT.** Subsection 1 of section 54-44.7-03 of the North Dakota Century Code is amended and reenacted as follows:

1. Each using agency shall establish its own architect, engineer, construction management, and land surveying services selection committee hereinafter referred to as the agency selection committee, which must be composed of those individuals whom the agency head determines to be qualified to make an informed decision as to the most competent and qualified firm for the proposed project. The head of the using agency or his qualified, responsible designee shall sit as a member of the agency selection committee for the purpose of coordinating and accounting for the committee's work.

**SECTION 5. AMENDMENT.** Subsection 1 of section 54-44.7-04 of the North Dakota Century Code is amended and reenacted as follows:

1. All state agencies securing architect, engineer, construction management, or land surveying services for projects for which the fees are estimated not to exceed ten thousand dollars may employ the architects, engineers, construction managers, and land surveyors by direct negotiation and selection, taking into account all of the following:
  - a. The nature of the project.
  - b. The proximity of the architect, engineer, construction management, or land surveying services to the project.
  - c. The capability of the architect, engineer, construction manager, or land surveyor to produce the required services within a reasonable time.
  - d. Past performance.
  - e. Ability to meet project budget requirements.

This procedure shall still follow state policy set forth above."

Renumber accordingly

Engrossed HB 1386 was placed on the Seventh order of business on the calendar.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. FROSETH MOVED** that the conference committee report on Engrossed HB 1386 as printed on HJ pages 1227-1228 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1386, as amended, was placed on the Eleventh order.

**SECOND READING OF HOUSE BILL**

**HB 1386:** A BILL for an Act to amend and reenact sections 54-44.7-01, 54-44.7-02, subsection 1 of section 54-44.7-03, and subsection 1 of section 54-44.7-04 of the North Dakota Century Code, relating to construction management.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 66 YEAS, 30 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Bellew; Belter; Berg; Boehm; Brandenburg; Brekke; Brusegaard; Byerly; Carlisle; Carlson; Clark; Delzer; Devlin; Disrud; Dosch; Drovdal; Eckre; Froseth; Galvin; Grande; Grosz; Gunter; Haas; Hawken; Herbel; Huether; Jensen; Johnson, D.; Johnson, N.; Kasper; Kelsch, R.; Kempenich; Kingsbury; Klein, F.; Klemin; Kliniske; Koppang; Koppelman; Kretschmar; Lloyd; Maragos; Meier; Monson; Nicholas; Nottestad; Pietsch; Pollert; Porter; Price; Renner; Rennerfeldt; Ruby; Severson; Skarphol; Svedjan; Thoreson, B.; Thoreson, L.; Tieman; Timm; Wald; Weiler; Weisz; Wentz; Wikenheiser; Wrangham; Speaker Bernstein

**NAYS:** Aarsvold; Boucher; Cleary; Delmore; Ekstrom; Froelich; Glassheim; Grumbo; Gulleon; Hanson; Hunskor; Keiser; Kelsh, S.; Kerzman; Klein, M.; Kroeber; Lemieux; Mahoney; Martinson; Metcalf; Mueller; Nelson; Niemeier; Onstad; Sandvig; Schmidt; Solberg; Thorpe; Warner; Winrich

**ABSENT AND NOT VOTING:** DeKrey; Fairfield

Engrossed HB 1386 passed and the title was agreed to.

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**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. TIMM MOVED** that the conference committee report on Engrossed SB 2002 be adopted, which motion prevailed on a voice vote.

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

**SECOND READING OF SENATE BILL**

**SB 2002:** A BILL for an Act to provide an appropriation for defraying the expenses of the judicial branch; to amend and reenact sections 27-02-02 and 27-05-03 of the North Dakota Century Code, relating to salaries of supreme and district court judges; to provide an exemption from the provisions of section 54-44.1-11 of the North Dakota Century Code; to provide a statement of legislative intent; and to provide for a legislative council study.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 94 YEAS, 2 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Bellew; Belter; Berg; Boehm; Boucher; Brandenburg; Brekke; Brusegaard; Byerly; Carlisle; Carlson; Clark; Cleary; Delmore; Delzer; Devlin; Disrud; Dosch; Drovdal; Eckre; Ekstrom; Froseth; Galvin; Glassheim; Grande; Grosz; Grumbo; Gullerson; Gunter; Haas; Hanson; Hawken; Herbel; Huether; Hunskor; Jensen; Johnson, D.; Johnson, N.; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klein, F.; Klein, M.; Klemm; Kliniske; Koppang; Koppelman; Kretschmar; Kroeber; Lemieux; Lloyd; Mahoney; Maragos; Martinson; Meier; Metcalf; Monson; Mueller; Nelson; Nicholas; Niemeier; Nottestad; Onstad; Pietsch; Pollert; Porter; Price; Renner; Rennerfeldt; Ruby; Sandvig; Schmidt; Severson; Skarphol; Solberg; Svedjan; Thoreson, B.; Thoreson, L.; Tieman; Timm; Wald; Warner; Weiler; Weisz; Wentz; Wikenheiser; Winrich; Wrangham; Speaker Bernstein

**NAYS:** Froelich; Thorpe

**ABSENT AND NOT VOTING:** DeKrey; Fairfield

Engrossed SB 2002 passed and the title was agreed to.

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**REPORT OF CONFERENCE COMMITTEE**

**SB 2022, as engrossed:** Your conference committee (Sens. Solberg, Schobinger, Robinson and Reps. Byerly, Skarphol, Huether) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1256-1258, adopt amendments as follows, and place SB 2022 on the Seventh order:

That the House recede from its amendments as printed on pages 1256-1258 of the Senate Journal and pages 1350-1352 of the House Journal and that Engrossed Senate Bill No. 2022 be amended as follows:

Page 1, line 10, replace "25,985,352" with "25,576,531"

Page 1, line 11, replace "36,076,824" with "35,661,772"

Page 1, line 12, replace "5,595,000" with "5,080,000"

Page 1, line 13, replace "934,583" with "800,334"

Page 1, line 14, replace "2,200,000" with "1,200,000"

Page 1, line 15, replace "1,973,669" with "1,673,669"

Page 1, remove line 16

Page 1, line 18, replace "11,971,373" with "7,500,000"

Page 1, after line 18, insert:  
"Geographic information system" 750,000"

Page 1, line 19, replace "1,407,513" with "1,407,513"

Page 1, remove line 20

Page 1, line 21, replace "96,903,519" with "89,618,724"

Page 1, line 22, replace "71,185,087" with "70,838,880"

Page 1, line 23, replace "25,718,432" with "18,779,844"

Page 2, line 1, after "TRANSFERS" insert "- LIMITATIONS"

Page 2, line 4, after the period insert "Transfers that increase line items in excess of the amount included in the executive recommendation presented on January 7, 2001, may only be made after emergency commission and budget section approval. The chief information officer shall inform the budget section of transfers made pursuant to this section."

ReNUMBER accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2022 - Information Technology Department - Conference Committee Action**

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	\$25,985,352	\$25,985,352	(\$408,821)	\$25,576,531	\$25,576,531	
Operating expenses	36,076,824	36,076,824	(415,052)	35,661,772	35,661,772	
Equipment	5,595,000	5,595,000	(515,000)	5,080,000	5,080,000	
Center for Innovation and Instruction	934,583	934,583	(134,249)	800,334	600,334	200,000
Education Technology Commission grants	3,500,000	2,200,000	(1,000,000)	1,200,000	2,200,000	(1,000,000)
SENDIT network	1,973,669	1,973,669	(300,000)	1,673,669	1,173,669	500,000
IT technical education program development	590,300	590,300	(590,300)			
Wide area network	9,968,905	9,968,905		9,968,905	9,647,121	321,784
Enterprise resource planning system	20,488,873	11,971,373	(4,471,373)	7,500,000	1,503,666	5,996,334
Prairie Public Broadcasting	1,407,513	1,407,513		1,407,513	1,407,513	
IT innovation fund	500,000	200,000	(200,000)			
Contingent GIS appropriation			750,000	750,000	750,000	(750,000)
Geographic information system						750,000
<b>Total all funds</b>	<b>\$107,021,019</b>	<b>\$96,903,519</b>	<b>(\$7,284,795)</b>	<b>\$89,618,724</b>	<b>\$83,600,606</b>	<b>\$6,018,118</b>
Less estimated income	<u>71,185,087</u>	<u>71,185,087</u>	<u>(346,207)</u>	<u>70,838,880</u>	<u>71,883,880</u>	<u>(1,045,000)</u>
General fund	\$35,835,932	\$25,718,432	(\$6,938,588)	\$18,779,844	\$11,716,726	\$7,063,118
FTE	212.00	212.00	(5.00)	207.00	204.00	3.00

**Dept. 112 - Information Technology Department - Detail of Conference Committee Changes**

	ADJUST FUNDING FOR RECOMMENDED SALARY INCREASES	DECREASE FUNDING FOR E-GOVERNMENT INITIATIVE 1	DECREASE FUNDING FOR GEOGRAPHIC INFORMATION SYSTEM (GIS) INITIATIVE 2	DECREASE FUNDING FOR RESEARCH AND PLANNING POSITION 3	REDUCE FUNDING FOR EDUCATION TECHNOLOGY COMMISSION GRANTS 4	DECREASE FUNDING FOR THE ENTERPRISE RESOURCE PLANNING SYSTEM 5
Salaries and wages		(\$140,404)	(\$268,417)			
Operating expenses		(21,684)	(293,368)	(\$100,000)		
Equipment		(5,000)	(510,000)			
Center for Innovation and Instruction						
Education Technology Commission grants					(\$1,000,000)	
SENDIT network						
IT technical education program development						
Wide area network						
Enterprise resource planning system						(\$4,471,373)
Prairie Public Broadcasting						
IT innovation fund						
Contingent GIS appropriation			750,000			
Geographic information system						
<b>Total all funds</b>	<b>\$0</b>	<b>(\$167,088)</b>	<b>(\$321,785)</b>	<b>(\$100,000)</b>	<b>(\$1,000,000)</b>	<b>(\$4,471,373)</b>
Less estimated income	<u>142,666</u>					<u>(488,873)</u>
General fund	(\$142,666)	(\$167,088)	(\$321,785)	(\$100,000)	(\$1,000,000)	(\$3,982,500)
FTE	0.00	(1.00)	(1.00)	0.00	0.00	(3.00)
	REDUCE FUNDING FOR THE CENTER FOR INNOVATION AND INSTRUCTION 6	REDUCE FUNDING FOR SENDIT NETWORK 7	REMOVE FUNDING FOR IT TECHNICAL EDUCATION PROGRAM DEVELOPMENT 8	REMOVE FUNDING FOR IT INNOVATION FUND	TOTAL CONFERENCE COMMITTEE CHANGES	
Salaries and wages					(\$408,821)	
Operating expenses					(415,052)	
Equipment					(515,000)	
Center for Innovation and Instruction	(\$134,249)				(134,249)	
Education Technology					(1,000,000)	

Commission grants					
SENDIT network		(\$300,000)			(300,000)
IT technical education program development			(\$590,300)		(590,300)
Wide area network					
Enterprise resource planning system					(4,471,373)
Prairie Public Broadcasting					
IT innovation fund			(\$200,000) <sup>9</sup>		(200,000)
Contingent GIS appropriation					750,000
Geographic information system					
Total all funds	(\$134,249)	(\$300,000)	(\$590,300)	(\$200,000)	(\$7,284,795)
Less estimated income					(346,207)
General fund	(\$134,249)	(\$300,000)	(\$590,300)	(\$200,000)	(\$6,938,588)
FTE	0.00	0.00	0.00	0.00	(5.00)

<sup>1</sup> This amendment removes one FTE position and related position funding of \$167,088 from the general fund associated with the department's e-government initiative.

<sup>2</sup> This amendment removes funding from the general fund and two associated FTE positions for the department's geographic information system initiative of \$1,071,785 and restores funding of \$750,000 from the general fund and one FTE position in a special geographic information system line item for a net decrease in funding from the general fund of \$321,785.

<sup>3</sup> This amendment decreases funding from the general fund for operating expenses related to the research and planning position by \$100,000.

<sup>4</sup> This amendment reduces funding for Educational Telecommunications Council grants by \$1,000,000, from \$2,200,000 which was the level proposed by both the Senate and the House, to \$1,200,000.

<sup>5</sup> This amendment decreases funding for the enterprise resource planning (ERP) project by \$4,471,373, of which \$3,982,500 is from the general fund, from \$11,971,373 to \$7,500,000 and removes authority for three FTE positions related to the project. This proposed level of funding is \$5,996,334 more than the level of funding provided by the House of \$1,503,666.

<sup>6</sup> This amendment reduces funding from the general fund for the Center for Innovation and Instruction by \$134,249, from \$934,583 to \$800,334. This proposed level of funding is \$200,000 more than the level of funding provided by the House of \$600,334.

<sup>7</sup> This amendment reduces funding from the general fund for the SENDIT network by \$300,000, from \$1,973,669 to \$1,673,669. This proposed level of funding is \$500,000 more than the level of funding provided by the House of \$1,173,669.

<sup>8</sup> This amendment removes funding from the general fund of \$590,300 for information technical education program development.

<sup>9</sup> This amendment removes funding from the general fund of \$200,000 for an information technology innovation fund.

This amendment also amends Section 2 of the engrossed bill to provide that transfers in excess of the amount included in Governor Hoeven's executive budget recommendation may only be made after Emergency Commission and Budget Section approval and the Chief Information Officer shall inform the Budget Section of all transfers made during the biennium.

Engrossed SB 2022 was placed on the Seventh order of business on the calendar.

#### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**REP. BYERLY MOVED** that the conference committee report on Engrossed SB 2022 as printed on HJ pages 1256-1258 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2022, as amended, was placed on the Fourteenth order.

#### SECOND READING OF SENATE BILL

**SB 2022:** A BILL for an Act to provide an appropriation for defraying the expenses of the information technology department.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 84 YEAS, 12 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Belter; Berg; Boucher; Brandenburg; Brekke; Brusegaard; Byerly; Carlisle; Clark; Cleary; Disrud; Dosch; Drovda; Eckre; Froelich; Froseth; Galvin; Glassheim; Grande; Grosz; Grumbo; Gulleson; Gunter; Haas; Hanson; Hawken; Huether; Hunskor; Jensen; Johnson, D.; Johnson, N.; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klein, F.; Klein, M.; Klemm; Kliniske; Koppang; Koppelman; Kretschmar; Kroeber; Lemieux; Mahoney; Maragos; Martinson; Meier; Metcalf; Monson; Mueller; Nelson; Nicholas; Niemeier; Nottestad; Onstad; Pietsch; Pollert; Porter; Price; Rennerfeldt; Ruby; Sandvig; Schmidt; Severson; Skarphol; Solberg; Svedjan; Thoreson, B.; Thoreson, L.; Thorpe; Tieman; Timm; Wald; Warner; Weiler; Weisz; Wentz; Wikenheiser; Winrich; Speaker Bernstein

**NAYS:** Bellew; Boehm; Carlson; Delmore; Delzer; Devlin; Ekstrom; Herbel; Kasper; Lloyd; Renner; Wrangham

**ABSENT AND NOT VOTING:** DeKrey; Fairfield

Engrossed SB 2022 passed and the title was agreed to.

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**MOTION**

**REP. MONSON MOVED** that the House stand in recess until 12:30 p.m., which motion prevailed.

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

**MOTION**

**REP. BOUCHER MOVED** to return SB 2012 to the House Floor, which motion failed by a verification vote.

**MOTION**

**REP. BELTER MOVED** that SB 2088 be moved to the bottom of the calendar, which motion prevailed.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. NELSON MOVED** that the conference committee report on SB 2183 be adopted, which motion prevailed on a verification vote.

SB 2183, as amended, was placed on the Fourteenth order.

**SECOND READING OF SENATE BILL**

**SB 2183:** A BILL for an Act to create and enact a new section to chapter 15.1-09 of the North Dakota Century Code, relating to the payment of teacher signing bonuses by school boards.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 39 YEAS, 59 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Bellew; Belter; Brandenburg; Brekke; Brusegaard; Carlson; Clark; DeKrey; Delzer; Dosch; Drovdal; Froseth; Grande; Grosz; Gunter; Haas; Herbel; Johnson, N.; Kempenich; Kingsbury; Klein, F.; Klein, M.; Klemin; Koppang; Koppelman; Kretschmar; Meier; Nelson; Pietsch; Pollert; Porter; Price; Rennerfeldt; Skarphol; Timm; Wald; Weisz; Wrangham; Speaker Bernstein

**NAYS:** Aarsvold; Berg; Boehm; Boucher; Byerly; Carlisle; Cleary; Delmore; Devlin; Disrud; Eckre; Ekstrom; Fairfield; Froelich; Galvin; Glassheim; Grumbo; Guleson; Hanson; Hawken; Huether; Hunskor; Jensen; Johnson, D.; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kerzman; Kliniske; Kroeber; Lemieux; Lloyd; Mahoney; Maragos; Martinson; Metcalf; Monson; Mueller; Nicholas; Niemeier; Nottestad; Onstad; Renner; Ruby; Sandvig; Schmidt; Severson; Solberg; Svedjan; Thoreson, B.; Thoreson, L.; Thorpe; Tieman; Warner; Weiler; Wentz; Wikenheiser; Winrich

Engrossed SB 2183 lost.

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**MOTION**

**REP. BELTER MOVED** that HB 1399 be moved to the top of the calendar, which motion prevailed.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1399, as engrossed:** Your conference committee (Sens. Wardner, Christmann, Nichols and Reps. Carlson, Grosz, Schmidt) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1365-1368, adopt amendments as follows, and place HB 1399 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1365-1368 of the House Journal and pages 1182-1185 of the Senate Journal and that Engrossed House Bill No. 1399 be amended as follows:

Page 1, line 1, after "Act" insert "to create and enact a new subsection to section 57-38-31 of the North Dakota Century Code, relating to space on income tax returns to report and remit use taxes;", replace "section" with "sections", and after "57-38-30.3" insert "and 57-38-31.1"

Page 1, line 2, after "return" insert "and the filing of composite returns; to repeal section 57-38-34.1 of the North Dakota Century Code, relating to an optional card income tax return"

Page 1, line 17, remove "adjusted gross income and a federal"

Page 1, line 21, overstrike "This tax is", remove "two and seven-tenths", and overstrike "percent of the individual's, estate's, or"

Page 1, line 22, overstrike "trust's adjusted federal", remove "taxable", overstrike "income", remove "that is taxable to this state", and overstrike "for"

Page 1, line 23, overstrike "the taxable year" and replace "if the individual's, estate's, or trust's federal adjusted gross income" with:

"a. The tax for an individual, estate, or trust is computed at the following rates:

(1) On North Dakota taxable income not in excess of forty thousand dollars, a tax of two and eight-tenths percent.

(2) On North Dakota taxable income in excess of forty thousand dollars, a tax of four and nine-tenths percent.

b. The tax for married individuals filing a joint return is computed at the following rates:

(1) On North Dakota taxable income not in excess of eighty thousand dollars, a tax of two and eight-tenths percent.

(2) On North Dakota taxable income in excess of eighty thousand dollars, a tax of four and nine-tenths percent.

c. For a nonresident individual, estate or trust, the tax determined under subdivision a or b, whichever applies, must be multiplied by a fraction in which:

(1) The numerator is the individual's federal adjusted gross income derived from North Dakota sources, increased by the addition in subdivision e of subsection 3; and

(2) The denominator is the individual's federal adjusted gross income from all sources, increased by the addition in subdivision e of subsection 3, and reduced by the net income from the amounts specified in subdivisions a and b of subsection 3"

Page 1, remove line 24

Page 2, remove lines 1 through 6

Page 2, line 7, remove "wife filing a joint state income tax return"

Page 2, line 8, overstrike "The adjusted federal", remove "taxable", overstrike "income", remove "for purposes of this section", and overstrike "for a"

Page 2, line 9, overstrike "resident", remove "or nonresident", and overstrike "individual, estate, and trust must be determined by"

Page 2, line 11, remove "deducting the taxpayer's taxable", overstrike "income", remove "that is not", and overstrike "taxable to"

Page 2, line 12, overstrike "this state", remove "from", overstrike "the total", and remove "federal"

Page 2, line 13, remove "taxable" and overstrike "income as reported on the federal income tax return. To the extent they"

Page 2, line 14, overstrike "are included in the taxpayer's federal", remove "taxable", and overstrike "income, the following"

Page 2, line 15, overstrike "amounts must", remove "also", overstrike "be", and replace "deducted" with "For purposes of this section, "North Dakota taxable income" means

the federal taxable income of an individual, estate, or trust as computed under the Internal Revenue Code of 1986, as amended, adjusted as follows"

Page 2, line 16, overstrike "Interest" and insert immediately thereafter "Reduced by interest"

Page 2, line 19, overstrike "The" and insert immediately thereafter "Reduced by the"

Page 2, line 25, overstrike "An" and insert immediately thereafter "Reduced by the"

Page 2, after line 27, insert:

- "d. Reduced by thirty percent of the excess of the taxpayer's net long-term capital gain for the taxable year over the net short-term capital loss for that year, as computed for purposes of the Internal Revenue Code of 1986, as amended.
- e. Increased by the amount of any income exempt from federal income tax which consists of interest and dividends from foreign securities or interest from securities of states and political subdivisions that are purchased after June 30, 2001, except that interest upon obligations of the state of North Dakota or any of its political subdivisions may not be included.
- f. Increased by the amount of a lump sum distribution for which income averaging was elected under section 402 of the Internal Revenue Code of 1986 [26 U.S.C. 402], as amended. This adjustment does not apply if the taxpayer receives the lump sum distribution while a nonresident of this state and the distribution is exempt from taxation by this state under federal law.
- g. Increased by an amount equal to the losses that are passed through to a taxpayer in connection with an allocation and apportionment to North Dakota under chapter 57-35.3."

Page 4, line 21, after the overstruck period insert "Each adjustment in subsection 3, except under subdivision h, may be allowed only to the extent the adjustment is attributable to income allocated and apportioned to this state."

Page 4, line 22, after the overstruck period insert "5." and overstrike "A husband and wife" and insert immediately thereafter "Married individuals"

Page 4, line 27, replace "5" with "6"

Page 5, line 4, overstrike "entire" and insert immediately thereafter "federal"

Page 5, line 6, replace "6" with "7"

Page 5, line 19, replace "7" with "8"

Page 5, line 25, replace "8" with "9"

Page 5, line 27, replace "9" with "10"

Page 5, replace lines 29 and 30 with:

- "11. A qualifying taxpayer is entitled to a tax credit of up to twenty-five percent of the tax liability computed under subsection 2, not to exceed two hundred thirty dollars for any return filed under this section. The credit for married individuals filing separate state income tax returns is limited to one hundred fifteen dollars for each spouse, unless separate returns are required under subsection 2 of section 57-38-31 and one of the spouses is not required to file a return under this chapter. For purposes of this subsection, a "qualifying taxpayer" means a taxpayer who, during the taxable year:
  - a. Paid property taxes under chapter 57-02 on property in this state;
  - b. Leased and paid rent for real property in this state;
  - c. Paid mobile home tax under chapter 57-55 or lot rent for a mobile home in this state; or

- d. Occupied housing in this state as a primary residence, which was provided by the taxpayer's employer as part of the employment relationship.
12. a. A taxpayer is entitled to a credit against the tax imposed by this section for any unused federal credit for prior year minimum tax. "Unused federal credit for prior year minimum tax" means the amount of the federal credit for prior year minimum tax attributable to federal alternative minimum tax included in the taxpayer's federal income tax liability for purposes of this section for taxable years beginning before January 1, 2001, reduced by the total amount of the federal credit for prior year minimum tax claimed on the taxpayer's federal income tax return for all taxable years beginning after December 31, 2000.
- b. The credit under this subsection is equal to fourteen percent of the portion of the unused federal credit for prior year minimum tax claimed on the taxpayer's federal income tax return and may not exceed the taxpayer's tax liability under this section for the taxable year. For a nonresident taxpayer, the credit determined under this subsection must be multiplied by the percentage that the nonresident taxpayer's North Dakota adjusted gross income is of the nonresident's federal adjusted gross income.
  - c. The credit under this subsection is not allowed for taxable years beginning after December 31, 2004.
13. a. At the election of an individual taxpayer engaged in a farming business, the tax imposed by subsection 2 for the taxable year must be equal to the sum of the following:
- (1) The tax computed under subsection 2 on North Dakota taxable income reduced by elected farm income.
  - (2) The increase in tax imposed by subsection 2 which would result if North Dakota taxable income for each of the three prior taxable years were increased by an amount equal to one-third of the elected farm income. For purposes of applying this paragraph to taxable years beginning before January 1, 2001, the increase in tax must be determined by recomputing the tax in the manner prescribed by the tax commissioner.
- b. For purposes of this subsection, "elected farm income" means that portion of North Dakota taxable income for the taxable year which is elected farm income as defined in section 1301 of the Internal Revenue Code [26 U.S.C. 1301].
  - c. The reduction in North Dakota taxable income under this subsection must be taken into account for purposes of making an election under this subsection for any subsequent taxable year.
  - d. The tax commissioner may prescribe rules, procedures, or guidelines necessary to administer this subsection.
14. The tax commissioner may prescribe tax tables, to be used in computing the tax according to subsection 2, if the amounts of the tax tables are based on the tax rates set forth in subsection 2. If prescribed by the tax commissioner, the tables must be followed by every individual, estate, or trust electing to determine a tax under this section.

**SECTION 2.** A new subsection to section 57-38-31 of the North Dakota Century Code is created and enacted as follows:

The tax commissioner shall include on each individual income tax return a space for reporting use taxes on purchases by the taxpayer from out-of-state retailers during the taxable year. The commissioner shall include in the instructions with individual income tax returns instructions for reporting, computing, and remitting use tax liability under chapter 57-40.2. The commissioner shall keep separate records of use tax collections under this section and those collections must be allocated as provided in chapter

57-39.2. The provisions of chapter 57-39.2 govern the administration of this subsection.

**SECTION 3. AMENDMENT.** Section 57-38-31.1 of the North Dakota Century Code is amended and reenacted as follows:

**57-38-31.1. Composite returns.** Partnerships and subchapter S corporations may file a composite return on behalf of nonresidential individual partners or shareholders in the manner prescribed by the tax commissioner. Any amount of tax paid by the partnership or subchapter S corporation on the composite return on behalf of a nonresident partner or shareholder constitutes a credit on the North Dakota return of the nonresident individual on whose behalf the tax was paid by the partnership or subchapter S corporation. Any return filed by a partnership or subchapter S corporation under this section is considered as the return of the nonresident individual partner or shareholder on whose behalf the return is filed. The tax under this section must be computed by multiplying the aggregate of the shares of North Dakota taxable income reportable to North Dakota by the partners or shareholders included in the composite return by ~~the highest federal tax rate for individuals times the tax rate imposed under section 57-38-30.3~~ four and nine-tenths percent.

**SECTION 4. REPEAL.** Section 57-38-34.1 of the North Dakota Century Code is repealed."

Page 6, remove lines 1 through 9

Renumber accordingly

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

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

**REP. CARLSON MOVED** that the conference committee report on HB 1399 be adopted, which motion failed.

#### **REQUEST**

**REP. KLEMIN REQUESTED** a recorded roll call vote on the motion to adopt the conference committee report on HB 1399, which request was granted.

#### **ROLL CALL**

The question being on the motion to adopt the conference committee report on HB 1399, the roll was called and there were 22 YEAS, 76 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Bellew; Belter; Brandenburg; Brekke; Brusegaard; Byerly; Carlson; Delzer; Froelich; Grande; Grosz; Herbel; Huether; Kasper; Klein, M.; Nicholas; Pietsch; Skarphol; Thorpe; Timm; Wald; Speaker Bernstein

**NAYS:** Aarsvold; Berg; Boehm; Boucher; Carlisle; Clark; Cleary; DeKrey; Delmore; Devlin; Disrud; Dosch; Drovda; Eckre; Ekstrom; Fairfield; Froseth; Galvin; Glassheim; Grumbo; Gullerson; Gunter; Haas; Hanson; Hawken; Hunskor; Jensen; Johnson, D.; Johnson, N.; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klein, F.; Klemm; Kliniske; Koppang; Koppelman; Kretschmar; Kroeber; Lemieux; Lloyd; Mahoney; Maragos; Martinson; Meier; Metcalf; Monson; Mueller; Nelson; Niemeier; Nottestad; Onstad; Pollert; Porter; Price; Renner; Rennerfeldt; Ruby; Sandvig; Schmidt; Severson; Solberg; Svedjan; Thoreson, B.; Thoreson, L.; Tieman; Warner; Weiler; Weisz; Wentz; Wikenheiser; Winrich; Wrangham

The conference committee report on HB 1399 failed.

#### **APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER ANNOUNCED** the following appointments to a Conference Committee on HB 1399: Reps. Carlson, Grosz, Schmidt.

#### **MOTION**

**REP. MONSON MOVED** that the House stand in recess until 5:00 p.m., which motion prevailed.

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

**COMMUNICATION FROM GOVERNOR JOHN HOEVEN**

This is to inform you that on April 24, 2001, I have signed the following: HB 1024, HB 1025, HB 1099, HB 1141, HB 1220, HB 1283, HB 1385, and HB 1451.

**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. TIMM MOVED** that the House do not concur in the Senate amendments to HB 1013, and that a conference committee be appointed to meet with a like committee from the Senate.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER APPOINTED** as a Conference Committee on HB 1013: Reps. Monson, R. Kelsch, Aarsvold.

**REPORT OF CONFERENCE COMMITTEE**

**SB 2229, as engrossed:** Your conference committee (Sens. Andrist, Thane, Tomac and Reps. Martinson, Carlisle, Aarsvold) recommends that the **HOUSE RECEDE** from the House amendments on SJ page 0967, adopt amendments as follows, and place SB 2229 on the Seventh order:

That the House recede from its amendments as printed on page 967 of the Senate Journal and pages 1034 and 1035 of the House Journal and that Engrossed Senate Bill No. 2229 be amended as follows:

Page 1, line 4, remove "- MATCHING FUNDS REQUIRED"

Page 1, line 6, replace "\$123,750" with "\$200,000"

Page 1, line 8, remove "The funding may be used only if"

Page 1, remove line 9

ReNUMBER accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:****Senate Bill No. 2229 - Adjutant General - Conference Committee Action**

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Veterans' Cemetery - Operation		\$123,750	\$76,250	\$200,000	\$247,500	(\$47,500)
Total all funds	\$0	\$123,750	\$76,250	\$200,000	\$247,500	(\$47,500)
Less estimated income						
General fund	\$0	\$123,750	\$76,250	\$200,000	\$247,500	(\$47,500)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

**Dept. 540 - Adjutant General - Detail of Conference Committee Changes**

	PROVIDE ADDITIONAL FUNDING <sup>1</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Veterans' Cemetery - Operation	\$76,250	\$76,250
Total all funds	\$76,250	\$76,250
Less estimated income		
General fund	\$76,250	\$76,250
FTE	0.00	0.00

<sup>1</sup> This amendment provides a general fund appropriation of \$200,000 to the Adjutant General for operation of the Veterans' Cemetery. This level of funding represents \$76,250 more than the Senate proposed funding level of \$123,750 and \$47,500 less than the House proposed funding level of \$200,000. The amendment also removes the matching funds requirement which was added by the Senate and removed by the House.

Engrossed SB 2229 was placed on the Seventh order of business on the calendar.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. MARTINSON MOVED** that the conference committee report on Engrossed SB 2229 be adopted as printed on HJ pages 1034-1035 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2229, as amended, was placed on the Fourteenth order.

**SECOND READING OF SENATE BILL**

**SB 2229:** A BILL for an Act to provide an appropriation to the adjutant general for the operation of the North Dakota veterans' cemetery.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 98 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Bellew; Belter; Berg; Boehm; Boucher; Brandenburg; Brekke; Brusegaard; Byerly; Carlisle; Carlson; Clark; Cleary; DeKrey; Delmore; Delzer; Devlin; Disrud; Dosch; Drovdal; Eckre; Ekstrom; Fairfield; Froelich; Froseth; Galvin; Glassheim; Grande; Grosz; Grumbo; Gulleason; Gunter; Haas; Hanson; Hawken; Herbel; Huether; Hunskor; Jensen; Johnson, D.; Johnson, N.; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klein, F.; Klein, M.; Klemin; Kliniske; Koppang; Koppelman; Kretschmar; Kroeber; Lemieux; Lloyd; Mahoney; Maragos; Martinson; Meier; Metcalf; Monson; Mueller; Nelson; Nicholas; Niemeier; Nottestad; Onstad; Pietsch; Pollert; Porter; Price; Renner; Rennerfeldt; Ruby; Sandvig; Schmidt; Severson; Skarphol; Solberg; Svedjan; Thoreson, B.; Thoreson, L.; Thorpe; Tieman; Timm; Wald; Warner; Weiler; Weisz; Wentz; Wikenheiser; Winrich; Wrangham; Speaker Bernstein

Engrossed SB 2229 passed and the title was agreed to.

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**REPORT OF CONFERENCE COMMITTEE**

**SB 2004, as engrossed:** Your conference committee (Sens. Andrist, Grindberg, Robinson and Reps. Kliniske, Kerzman, Kempenich) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1201-1204, adopt amendments as follows, and place SB 2004 on the Seventh order:

That the House recede from its amendments as printed on pages 1201-1204 of the Senate Journal and pages 1335-1337 of the House Journal and that Engrossed Senate Bill No. 2004 be amended as follows:

Page 1, line 6, remove "to repeal section 19-02.1-25 of the North Dakota Century Code, relating"

Page 1, line 7, replace "country of origin labels" with "provide an exception to section 54-44.1-06 of the North Dakota Century Code, relating to the preparation of the state department of health appropriations bill for the 2003-05 biennium" and replace "a statement" with "statements"

Page 1, line 15, replace "29,020,730" with "28,636,615"

Page 1, line 16, replace "17,182,035" with "15,647,794"

Page 1, line 17, replace "1,454,626" with "1,265,451"

Page 1, line 19, replace "24,178,552" with "23,387,670"

Page 1, after line 19, insert:

"Centers for disease control tobacco funds 2,369,934"

Page 1, line 20, replace "7,069,934" with "4,700,000"

Page 1, line 21, replace "17,516,870" with "17,000,000"

Page 1, line 22, replace "96,464,451" with "93,049,168"

Page 1, line 23, replace "81,518,714" with "78,236,232"

Page 1, line 24, replace "14,945,737" with "14,812,936"

Page 2, line 25, replace "\$4,815,000" with "\$4,700,000"

Page 2, after line 31, insert:

**"SECTION 9. GRANTS - NORTH DAKOTA STOCKMEN'S ASSOCIATION - REFUND FUND TRANSFER.** The grants line item in section 1 of this Act includes \$50,000 from the attorney general refund fund from lawsuit settlement collections, which the state department of health shall distribute to the North Dakota stockmen's association for the purpose of developing and beginning to implement a plan to reduce the potential environmental impact from livestock operations, for the biennium beginning July 1, 2001, and ending June 30, 2003. These funds, and funds of the North Dakota stockmen's association, must be used as matching funds for federal environmental protection agency 319 funds. The funds from the attorney general refund fund must be transferred to the state department of health operating fund as requested by the state health officer."

Page 6, after line 14, insert:

**"SECTION 13. STATE DEPARTMENT OF HEALTH APPROPRIATIONS BILL - EXECUTIVE BUDGET RECOMMENDATION.** Notwithstanding North Dakota Century Code section 54-44.1-06, the office of the budget shall submit for introduction to the fifty-eighth legislative assembly the state department of health appropriations bill for the 2003-05 biennium reflecting the same funding levels by line item and employee levels authorized by the fifty-seventh legislative assembly for the 2001-03 biennium. Any budget changes recommended by the office of the budget for the state department of health for the 2003-05 biennium must be presented to the appropriations committees of the fifty-eighth legislative assembly as a recommendation for change to the bill as introduced."

Page 6, replace lines 23 and 24 with:

**"SECTION 16. LEGISLATIVE INTENT - CENTERS FOR DISEASE CONTROL AND PREVENTION FUNDS.** It is the intent of the legislative assembly that the state department of health use the grant funds from the centers for disease control and prevention, as allowed, to fund tobacco counter-marketing and public education campaigns and local tobacco prevention coordinators and that local public health administrators supervise the local tobacco prevention coordinators. Funds may not be used for lobbying purposes."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2004 - State Department of Health - Conference Committee Action**

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	\$28,937,730	\$29,020,730	(\$384,115)	\$28,636,615	\$28,496,668	\$139,947
Operating expenses	17,165,035	17,182,035	(1,534,241)	15,647,794	15,647,794	
Equipment	1,454,626	1,454,626	(189,175)	1,265,451	1,265,451	
Capital improvements	41,704	41,704		41,704	41,704	
Grants	31,433,486	24,178,552	(790,882)	23,387,670	23,352,670	35,000
Women, infants, and children food payments	17,516,870	17,516,870	(516,870)	17,000,000	17,000,000	
Tobacco prevention and control		7,069,934	(2,369,934)	4,700,000	4,700,000	
Centers for Disease Control and Prevention tobacco funds			2,369,934	2,369,934	2,369,934	
Total all funds	\$96,549,451	\$96,464,451	(\$3,415,283)	\$93,049,168	\$92,874,221	\$174,947
Less estimated income	<u>81,503,958</u>	<u>81,518,714</u>	<u>(3,282,482)</u>	<u>78,236,232</u>	<u>78,118,102</u>	<u>118,130</u>
General fund	\$15,045,493	\$14,945,737	(\$132,801)	\$14,812,936	\$14,756,119	\$56,817
FTE	316.00	317.00	(1.00)	316.00	315.00	1.00

**Dept. 301 - State Department of Health - Detail of Conference Committee Changes**

	REDUCE SALARIES IN ADMINISTRATIVE SERVICES	REDUCE OPERATING IN ADMINISTRATIVE SERVICES	REMOVE ONE ADMINISTRATIVE ASSISTANT POSITION <sup>1</sup>	REDUCE OPERATING IN HEALTH RESOURCES	REDUCE SALARIES IN PREVENTIVE HEALTH	REDUCE OPERATING IN PREVENTIVE HEALTH
Salaries and wages	(\$7,000)				(\$10,000)	

Operating expenses		(\$40,000)		(\$110,000)		(\$450,000)
Equipment						
Capital improvements						
Grants						
Women, infants, and children						
food payments						
Tobacco prevention and control						
Centers for Disease Control and Prevention tobacco funds						
Total all funds	(\$7,000)	(\$40,000)	\$0	(\$110,000)	(\$10,000)	(\$450,000)
Less estimated income		(32,000)		(98,000)		(410,000)
General fund	(\$7,000)	(\$8,000)	(\$0)	(\$12,000)	(\$10,000)	(\$40,000)
FTE	0.00	0.00	(1.00)	0.00	0.00	0.00

	REDUCE GRANTS LINE ITEM IN PREVENTIVE HEALTH	REDUCE WOMEN, INFANTS, AND CHILDREN FOOD PAYMENTS LINE ITEM	FUNDING SOURCE CHANGE 2	REDUCE OPERATING IN ENVIRONMENTAL HEALTH	REDUCE GRANTS LINE ITEM IN ENVIRONMENTAL HEALTH	REDUCE FUNDING FOR COMPUTER COST
Salaries and wages						
Operating expenses				(\$275,000)		
Equipment						(\$101,100)
Capital improvements						
Grants	(\$1,012,194)				(\$850,000)	
Women, infants, and children		(\$516,870)				
food payments						
Tobacco prevention and control						
Centers for Disease Control and Prevention tobacco funds						
Total all funds	(\$1,012,194)	(\$516,870)	\$0	(\$275,000)	(\$850,000)	(\$101,100)
Less estimated income	(1,012,194)	(516,870)	33,252	(250,000)	(850,000)	(78,795)
General fund	\$0	\$0	(\$33,252)	(\$25,000)	\$0	(\$22,305)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	REDUCE FUNDING FOR THE NUMBER OF COMPUTERS 3	REDUCE FUNDING FOR EQUIPMENT	INCREASE FUNDING FOR GRANTS 4	REMOVE FUNDING FOR FOOD AND FORMULA RELATING TO PKU PROGRAM 5	ADD FUNDING FOR PUBLIC HEALTH UNIT GRANTS 6	FEDERAL GRANT LINE ITEM ADJUSTMENT 7
Salaries and wages						(\$367,115)
Operating expenses				(\$133,997)		(525,244)
Equipment	(\$50,500)	(\$25,000)				(12,575)
Capital improvements						
Grants			\$120,000	(80,000)	\$76,378	904,934
Women, infants, and children						
food payments						
Tobacco prevention and control						
Centers for Disease Control and Prevention tobacco funds						
Total all funds	(\$50,500)	(\$25,000)	\$120,000	(\$213,997)	\$76,378	\$0
Less estimated income	(37,875)			(156,378)	76,378	
General fund	(\$12,625)	(\$25,000)	\$120,000	(\$57,619)	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	CREATE LINE ITEM FOR FEDERAL TOBACCO GRANT 8	STOCKMEN'S ASSOCIATION GRANT 9	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages			(\$384,115)
Operating expenses			(1,534,241)
Equipment			(189,175)
Capital improvements			
Grants		\$50,000	(790,882)
Women, infants, and children			(516,870)
food payments			
Tobacco prevention and control	(\$2,369,934)		(2,369,934)
Centers for Disease Control and Prevention tobacco funds	2,369,934		2,369,934
Total all funds	\$0	\$50,000	(\$3,415,283)
Less estimated income		50,000	(3,282,482)
General fund	\$0	\$0	(\$132,801)
FTE	0.00	0.00	(1.00)

- 1 The Conference Committee restored funding of \$56,817 from the general fund for the administrative assistant position but not the FTE. The department will need to designate an existing FTE position for the administrative assistant.
- 2 Provides the funding from the water development trust fund (\$33,252) that was removed from the one TMDL position be authorized to replace general fund moneys for operating (\$28,800) and equipment (\$4,452) associated with the TMDL program.
- 3 Reduce funding for computers by reducing the number of desktop computers funded by 31, at a cost of \$1,500 per computer and reducing the funding for laptops by two, at a cost of \$2,000 per machine. The funding for the computers is 25 percent general fund and 75 percent other funds.
- 4 Increases funding from the general fund for domestic violence grants by \$120,000, from \$90,000 to \$210,000.
- 5 Removes \$80,000 of funding from the community health trust fund under the grants line item, which was added by the Senate, and \$133,997 under the operating line item for food and formula relating to phenylketonuria (PKU). It is the intent of this amendment that the PKU food and formula program will be transferred to the Department of Human Services.
- 6 Provides additional funding authority for grants to public health units from maternal and child health block grant federal funds.
- 7 Adjustment to the salaries, operating, equipment, and grants line items to reflect the actual budget breakdown of the Centers for Disease Control and Prevention grant. An amendment was made in the Senate to transfer the federal grant dollars to a tobacco prevention and control line item, in which the entire transfer was made from the grants line item.
- 8 Creates a separate line item for funding from the Centers for Disease Control and Prevention for statewide tobacco prevention and control. This provides separate line items for the tobacco prevention moneys from the community health trust fund and the Centers for Disease Control and Prevention.
- 9 This amendment appropriates \$50,000 from the Attorney General refund fund for a grant to the North Dakota Stockmen's Association for developing and beginning to implement a plan to reduce the potential environmental impact from livestock operations and for matching federal Environmental Protection Agency 319 funds.

The Conference Committee allows \$35,000 funding for the donated dental services program that was removed in the House amendment. The funding is to come from federal funds, if available, not from the community health trust fund as in the original Senate amendment.

The Conference Committee allows the \$83,130 and one FTE, that was removed in the House amendment, to develop total maximum daily loads (TMDL) and pollution control plans. The restored position is to be funded with federal funds. The House amendment to use the \$33,252 from the water development trust fund that was associated with this position for operating and equipment costs for the TMDL program remains in the Conference Committee amendment.

The Conference Committee amended a section of intent added by the House relating to the uses of Centers for Disease Control and Prevention grant funds to prevent use of funds for lobbying purposes.

A section is added requiring the Office of Management and Budget to submit for introduction the State Department of Health appropriations bill for the 2003-05 biennium to the 58th Legislative Assembly at the same funding levels by line item and employee levels authorized by the 57th Legislative Assembly for the 2001-03 biennium. Any executive budget changes are to be submitted as a recommendation for change to the bill as introduced.

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

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

**REP. KLINISKE MOVED** that the conference committee report on Engrossed SB 2004 as printed on HJ pages 1335-1337 be adopted, which motion prevailed on a verification vote.

Engrossed SB 2004, as amended, was placed on the Fourteenth order.

#### **SECOND READING OF SENATE BILL**

**SB 2004:** A BILL for an Act to provide an appropriation for defraying the expenses of the state department of health; to create and enact a new section to chapter 23-01 of the North Dakota Century Code, relating to a donated dental services program; to amend and reenact subdivision b of subsection 1 of section 14-02.1-02.1 and section 23-01-05 of the North Dakota Century Code, relating to information regarding fetal development and to the qualifications of the state health officer; to provide an exception to section 54-44.1-06 of the North Dakota Century Code, relating to the preparation of the state department of health appropriations bill for the 2003-05 biennium; and to provide statements of legislative intent.

#### **ROLL CALL**

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 78 YEAS, 20 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Bellew; Belter; Berg; Boehm; Brandenburg; Brekke; Brusegaard; Byerly; Carlisle; Carlson; Clark; DeKrey; Delmore; Delzer; Devlin; Disrud; Dosch; Drovdal; Eckre; Froelich; Froseth; Galvin; Grande; Grosz; Grumbo; Gunter; Haas; Hanson; Hawken; Herbel; Huether; Jensen; Johnson, D.; Johnson, N.; Kasper; Keiser; Kelsch, R.; Kempenich; Kingsbury; Klein, F.; Klein, M.; Klemin; Kliniske; Koppang; Koppelman; Kretschmar; Kroeber; Lloyd; Maragos; Martinson; Meier; Metcalf; Monson; Mueller; Nelson; Nicholas; Nottestad; Pietsch; Pollert; Porter; Price; Renner; Rennerfeldt; Ruby; Severson; Skarphol; Svedjan; Thoreson, B.; Thoreson, L.; Tieman; Timm; Wald; Weiler; Weisz; Wentz; Wikenheiser; Wrangham; Speaker Bernstein

**NAYS:** Aarsvold; Boucher; Cleary; Ekstrom; Fairfield; Glassheim; Gulleon; Hunskor; Kelsh, S.; Kerzman; Lemieux; Mahoney; Niemeier; Onstad; Sandvig; Schmidt; Solberg; Thorpe; Warner; Winrich

Engrossed SB 2004 passed and the title was agreed to.

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#### MOTION

**REP. BELTER MOVED** that SB 2088 be laid over one legislative day, which motion prevailed.

#### MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

**MR. SPEAKER:** The President has signed and your signature is respectfully requested on: SB 2012, SB 2017, SB 2166, SB 2167, SB 2276.

#### MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

**MR. SPEAKER:** The President has signed and your signature is respectfully requested on: SB 2002, SB 2022.

#### SIGNING OF BILLS AND RESOLUTIONS

The Speaker signed the following enrolled bills: HB 1009, HB 1413, HB 1415.

#### MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK)

**MR. PRESIDENT:** The Speaker has signed and your signature is respectfully requested on: HB 1009, HB 1413, HB 1415.

#### SIGNING OF BILLS AND RESOLUTIONS

The Speaker signed the following enrolled bills: SB 2009, SB 2012, SB 2015, SB 2017, SB 2166, SB 2167, SB 2276, SB 2347.

#### MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK)

**MR. PRESIDENT:** The Speaker has signed: SB 2009, SB 2012, SB 2015, SB 2017, SB 2166, SB 2167, SB 2276, SB 2347.

#### MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

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

#### MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: HB 1386.

#### MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: SB 2021, SB 2361.

#### MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

**MR. SPEAKER:** The Senate has amended and subsequently passed: HB 1293.

#### SENATE AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1293

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

Page 1, line 2, replace "six" with "seven"

Page 2, line 8, replace "**Technical assistance.** After the presentation" with "**Review of test questions.** The superintendent of public instruction shall require that the entity developing a test to be administered under section 1 of this Act not include questions that might be deemed personal to a student or to the student's family and that the entity developing the test not include questions requiring responses that might be deemed personal to a student or to the student's family. Before a test is finalized for use in this state, the superintendent shall require that the test be reviewed by a standards alignment committee appointed by the superintendent to ensure that the test meets the requirements of this section."

Page 2, remove lines 9 through 12

Page 2, line 16, replace "professional" with "report"

Page 2, line 17, remove "development plan" and replace ". The plan must" with "indicating"

Page 2, line 18, remove "include"

Page 3, after line 10, insert:

**"SECTION 7.** If House Bill No. 1045 does not become effective, a new section to chapter 15-47 of the North Dakota Century Code is created and enacted as follows:

**Test - Availability for viewing.** Upon request, a school district must allow any individual over the age of twenty to view any test administered under this Act as soon as the test is in the possession of the school district."

Page 4, line 7, replace "**Technical assistance.** After the presentation" with "**Review of test questions.** The superintendent of public instruction shall require that the entity developing a test to be administered under section 8 of this Act not include questions that might be deemed personal to a student or to the student's family and that the entity developing the test not include questions requiring responses that might be deemed personal to a student or to the student's family. Before a test is finalized for use in this state, the superintendent shall require that the test be reviewed by a standards alignment committee appointed by the superintendent to ensure that the test meets the requirements of this section."

Page 4, remove lines 8 through 11

Page 5, line 2, replace "7" with "8"

Page 5, after line 9, insert:

**"SECTION 14.** A new section to chapter 15.1-21 of the North Dakota Century Code is created and enacted as follows:

**Test - Availability for viewing.** Upon request, a school district must allow any individual over the age of twenty to view any test administered under this Act as soon as the test is in the possession of the school district."

Renumber accordingly

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**  
**MR. SPEAKER:** The Senate has amended and subsequently passed: HB 1326.

**SENATE AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1326**

Page 1, line 1, replace "section" with "sections 15-36-11.1 and"

Page 1, line 2, after "15.1-13-02" insert ", subsection 3 of section 15.1-13-17,"

Page 1, line 4, after "board" insert "and the assessment of fines"

Page 1, after line 5, insert:

**"SECTION 1. AMENDMENT.** If House Bill No. 1045 does not become effective, section 15-36-11.1 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**15-36-11.1. Exception to certificate requirement.** An individual without a valid certificate who is teaching under contract with a school may teach and be employed to teach if approved by the education standards and practices board. The education standards and practices board shall establish by rule the terms and conditions of approval. The terms and conditions may include the payment of a fine to the board in an amount not exceeding two hundred fifty dollars per incident, enrollment in and completion of continuing education courses, and a deadline for filing a completed application. Approval to teach and be employed to teach without a valid North Dakota certificate may only be granted if the individual has previously held a valid North Dakota certificate, currently holds a valid teaching certificate or license in another jurisdiction, or has filed a completed application with the board."

Page 1, line 11, overstrike "nine" and insert immediately thereafter "ten"

Page 1, line 12, remove the overstrike over "~~four classroom teachers from public schools, one classroom~~"

- Page 1, line 13, remove the overstrike over "~~teacher from a private school,~~", after "one" insert "two", remove the overstrike over "~~school board~~", after "member" insert "members", and remove the overstrike over "~~, two school~~"
- Page 1, line 14, remove the overstrike over "~~administrators,~~" and remove the underscored colon
- Page 1, remove lines 15 through 19
- Page 1, line 20, remove "high school in this state," and remove the overstrike over "one"
- Page 1, line 21, remove "d. One"
- Page 2, line 1, overstrike "five" and insert immediately thereafter "six"
- Page 2, line 2, remove the overstrike over "~~. The administrator's professional~~"
- Page 2, remove the overstrike over line 3
- Page 2, line 4, remove the overstrike over "~~education standards and practices board, the~~", after "one" insert "two", remove the overstrike over "~~school board~~", after "member" insert "members", and remove the overstrike over "~~who~~"
- Page 2, line 5, after "member" insert "are members" and remove the overstrike over "~~of the education standards and practices board, and two teacher~~"
- Page 2, line 6, remove the overstrike over "~~members who are members of and are~~"
- Page 3, line 6, remove the overstrike over "~~Four~~", remove "Five", remove the overstrike over "~~are public school classroom teachers~~", and remove "hold teaching"
- Page 3, remove line 7
- Page 3, line 8, remove "whom must be employed by a nonpublic school"
- Page 3, line 9, remove the overstrike over "~~One individual who is a nonpublic school classroom teacher~~" and remove "Two individuals"
- Page 3, line 10, remove "who serve as school board members"
- Page 3, line 11, overstrike "One individual" and insert immediately thereafter "Two individuals", overstrike "is", after "a" insert "are", remove the overstrike over "~~school board~~", after "member" insert "members", and remove the overstrike over the semicolon
- Page 3, line 12, remove the overstrike over "~~d. Two individuals who are administrators~~" and remove "the parent of a student enrolled in an"
- Page 3, line 13, remove "elementary or high school in this state"
- Page 3, line 14, remove the overstrike over "e." and remove "d."
- Page 3, after line 16, insert:

**"SECTION 4. AMENDMENT.** Subsection 3 of section 15.1-13-17 of the North Dakota Century Code as created by House Bill No. 1045, as approved by the fifty-seventh legislative assembly, is amended and reenacted as follows:

3. The board shall adopt rules establishing the terms and conditions under which an individual may be approved to teach, as provided for in this section. The terms and conditions may include the payment of a fine to the board in an amount not exceeding two hundred fifty dollars per incident, enrollment in and completion of continuing education courses, and submission of a completed application for licensure by a date certain."

Page 3, line 20, remove the overstrike over "~~must consist of the two~~" and remove "consists of five"

Page 3, line 21, remove the overstrike over "~~administrators, the~~" and insert immediately thereafter "two", remove the overstrike over the first "~~board~~", after "a" insert "members"

who are", remove the overstrike over "school board", after "member" insert "members", and remove the overstrike over ", and two board"

Page 3, remove the overstrike over line 22

Page 3, line 23, remove "selected"

Renumber accordingly

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**  
**MR. SPEAKER:** The Senate has passed unchanged: HCR 3072.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**  
**MR. SPEAKER:** The President has appointed as a new conference committee to act with a like committee from the House on:

**HB 1399:** Sens. Wardner; Christmann; Nichols

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**  
**MR. SPEAKER:** The Senate has adopted the conference committee report on HB 1200.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**  
**MR. SPEAKER:** The Senate has not adopted the conference committee report SB 2354 and the President has appointed as a new conference committee to act with a like committee from the House on:

**SB 2354:** Sens. Lee; Fischer; Polovitz

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**  
**MR. SPEAKER:** The Senate has adopted the conference committee report on HB 1415.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**  
**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: SB 2022, SB 2229.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**  
**MR. SPEAKER:** The Senate has amended and subsequently passed: HB 1013.

**SENATE AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1013**

Page 1, line 3, after the semicolon insert "and" and replace "4" with "1"

Page 1, line 4, replace "15-40.1-07.8" with "15-40.1-16", replace "4" with "1", and replace "15.1-27-11" with "15.1-27-26"

Page 1, line 5, replace "supplemental" with "transportation"

Page 1, line 6, remove "; and to declare an emergency"

Page 1, line 16, replace "12,170,316" with "9,085,148"

Page 1, line 17, replace "17,031,193" with "15,210,080"

Page 1, line 18, replace "534,140" with "344,140"

Page 1, remove line 19

Page 1, line 20, replace "461,035,668" with "488,166,148"

Page 1, remove line 21

Page 1, line 22, replace "3,450,000" with "2,200,000"

Page 2, line 1, replace "149,350,263" with "149,420,263"

Page 2, line 2, replace "100,000" with "50,000"

Page 2, remove line 3

Page 2, line 4, replace "807,524,355" with "781,613,499"

Page 2, line 5, replace "237,044,955" with "232,691,705"

Page 2, line 6, replace "570,479,400" with "548,921,794"

Page 2, after line 6, insert:

"Subdivision 2.

DIVISION OF INDEPENDENT STUDY

Salaries and wages	\$3,280,718
Operating expenses	1,718,498
Equipment	190,000
Capital improvements	<u>55,000</u>
Total all funds	\$5,244,216
Less estimated income	<u>4,353,250</u>
Total general fund appropriation	\$890,966"

Page 2, line 7, replace "2" with "3"

Page 2, line 16, replace "3" with "4"

Page 2, line 18, replace "4,814,058" with "4,911,183"

Page 2, line 22, replace "6,075,925" with "6,173,050"

Page 2, line 24, replace "4,980,301" with "5,077,426"

Page 2, line 25, replace "4" with "5"

Page 2, line 27, replace "2,668,958" with "2,742,721"

Page 2, line 28, replace "652,238" with "662,238"

Page 2, line 31, replace "3,406,612" with "3,490,375"

Page 3, line 2, replace "2,048,791" with "2,132,554"

Page 3, line 3, replace "580,623,148" with "560,137,396"

Page 3, line 5, replace "821,720,405" with "801,234,653"

Page 3, replace lines 18 through 31 with:

**"SECTION 4. RED RIVER VALLEY WRITING PROJECT.** The operating expenses line item in subdivision 1 of section 1 of this Act includes \$20,000 from the general fund which must be used to support the Red River valley writing project during the biennium beginning July 1, 2001, and ending June 30, 2003.

**SECTION 5. STANDARDS-BASED STUDENT TESTING.** The operating expenses line item in subdivision 1 of section 1 of this Act includes \$1,217,928 from the general fund which must be used to develop and administer student tests aligned with the state content standards and to report the results of the tests during the biennium beginning July 1, 2001, and ending June 30, 2003.

**SECTION 6. COMPENSATION PAYMENTS TO TEACHERS AT STATE INSTITUTIONS.** In addition to amounts otherwise appropriated for salary increases for teachers at the division of independent study, the school for the deaf, and the school for the blind, the amounts appropriated for salaries and wages in subdivisions 2, 4, and 5 of section 1 of this Act include the following general fund amounts which must be used to increase teacher compensation by \$1,750 per year the first year of the biennium and by an additional \$1,750 per year the second year of the biennium:

Division of independent study	\$95,550
School for the deaf	\$97,125
School for the blind	\$73,763"

Page 4, remove lines 1 through 6

Page 4, line 10, replace "129.95" with "94.25"

Page 5, line 6, remove "These grants must be administered under the direction of the educational"

Page 5, remove line 7

Page 5, line 10, replace "\$450,000" with "\$650,000"

Page 5, line 21, replace "2" with "3"

Page 5, line 25, replace "4" with "5"

Page 5, replace lines 28 through 30 with:

**"SECTION 15. AMENDMENT.** If House Bill No. 1045 does not become effective, subsection 1 of section 15-40.1-16 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

1. There must be paid from state funds to each school district providing schoolbus transportation in contract schoolbuses or in district-owned and operated schoolbuses, and to school districts with students riding commercial buses to and from school, the following amounts:
  - a. For schoolbuses and school vehicles transporting students who live outside the incorporated limits of the city in which the students' school is located, a sum equal to twenty-five cents per mile [1.61 kilometers] for vehicles having a capacity of nine or fewer students and sixty-seven cents per mile [1.61 kilometers] for schoolbuses having a capacity of ten or more students ~~and~~, for schoolbuses and school vehicles having a capacity of nine or fewer students and transporting students who live within the incorporated limits of a city in which the students' school is located, a sum equal to twenty-five cents per mile [1.61 kilometers], and for schoolbuses and school vehicles having a capacity of ten or more students and transporting students who live within the incorporated limits of a city in which the students' school is located, a sum equal to thirty-five cents per mile [1.61 kilometers]. School districts qualifying for payments for buses having a capacity of ten or more students are entitled to an amount equal to forty cents per day for each public school student living outside the city limits who is transported in such buses.
  - b. For students who ride schoolbuses or commercial buses to or from school and who live within the incorporated limits of the city within which the school that the students attend is located, a sum equal to twenty cents per student per one-way trip.

The mileage payments provided for in this subsection must be made to each school district for transporting students to and from school. Payments may be made only to school districts operating schoolbuses in accordance with the laws of this state relating to standards for schoolbuses, and to the qualifications of schoolbus drivers. Certification as to compliance with the laws of this state in regard to schoolbuses and their drivers must be made in such manner and detail as the superintendent of public instruction may require at the time an application is made for payments provided under this subsection."

Page 6, remove lines 1 through 4

Page 6, replace lines 12 through 20 with:

**"SECTION 17. AMENDMENT.** Subsection 1 of section 15.1-27-26 of the North Dakota Century Code as created by House Bill No. 1045, as approved by the fifty-seventh legislative assembly, is amended and reenacted as follows:

1. Each school district providing transportation to students in contract schoolbuses or in district-owned and operated schoolbuses, and each school district with students riding commercial buses to and from school is entitled to receive the following amounts:
  - a. Twenty-five cents per mile [1.61 kilometers] for each schoolbus and school vehicle having a capacity of nine or fewer students and

transporting students who reside outside the incorporated limits of the city in which the students' school is located.

- b. Sixty-seven cents per mile [1.61 kilometers] for each schoolbus and school vehicle having a capacity of ten or more students and transporting students who reside outside the incorporated limits of the city in which the students' school is located.
- c. Twenty-five cents per mile [1.61 kilometers] for each schoolbus and school vehicle having a capacity of nine or fewer students and transporting students who reside within the incorporated limits of a city in which the students' school is located.
- d. Thirty-five cents per mile [1.61 kilometers] for each schoolbus and school vehicle having a capacity of ten or more students and transporting students who reside within the incorporated limits of a city in which the students' school is located.
- e. Twenty cents for each one-way trip by a student who rides a schoolbus or a commercial bus to or from school and who resides within the incorporated limits of the city in which the student's school is located."

ReNUMBER accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### House Bill No. 1013 - Summary of Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Department of Public Instruction				
Total all funds	\$787,839,439	\$807,524,355	(\$25,910,856)	\$781,613,499
Less estimated income	237,017,455	237,044,955	(4,353,250)	232,691,705
General fund	\$550,821,984	\$570,479,400	(\$21,557,606)	\$548,921,794
Division of Independent Study				
Total all funds	\$0	\$0	\$5,244,216	\$5,244,216
Less estimated income			4,353,250	4,353,250
General fund	\$0	\$0	\$890,966	\$890,966
State Library				
Total all funds	\$4,713,513	\$4,713,513	\$0	\$4,713,513
Less estimated income	1,598,857	1,598,857		1,598,857
General fund	\$3,114,656	\$3,114,656	\$0	\$3,114,656
School for the Deaf				
Total all funds	\$6,075,925	\$6,075,925	\$97,125	\$6,173,050
Less estimated income	1,095,624	1,095,624		1,095,624
General fund	\$4,980,301	\$4,980,301	\$97,125	\$5,077,426
School for the Blind				
Total all funds	\$3,332,292	\$3,406,612	\$83,763	\$3,490,375
Less estimated income	1,283,501	1,357,821		1,357,821
General fund	\$2,048,791	\$2,048,791	\$83,763	\$2,132,554
Bill Total				
Total all funds	\$801,961,169	\$821,720,405	(\$20,485,752)	\$801,234,653
Less estimated income	240,995,437	241,097,257		241,097,257
General fund	\$560,965,732	\$580,623,148	(\$20,485,752)	\$560,137,396

#### House Bill No. 1013 - Department of Public Instruction - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$12,273,865	\$12,170,316	(\$3,085,168)	\$9,085,148
Operating expenses	17,431,193	17,031,193	(1,821,113)	15,210,080
Equipment	534,140	534,140	(190,000)	344,140
Capital improvements	55,000	55,000	(55,000)	
Grants - Foundation aid and transportation	485,542,761	461,035,668	27,130,480	488,166,148
Grants - Teacher compen- sation payments		46,640,055	(46,640,055)	
Grants - Revenue supple- ment payments	3,450,000	3,450,000	(1,250,000)	2,200,000
Grants - Tuition appor- tionment	67,239,025	67,239,025		67,239,025
Grants - Special education	51,260,000	49,898,695		49,898,695
Grants - Other grants	149,970,455	149,350,263	70,000	149,420,263
Geographic education	50,000	100,000	(50,000)	50,000
National board certification	33,000	20,000	(20,000)	
Total all funds	\$787,839,439	\$807,524,355	(\$25,910,856)	\$781,613,499
Less estimated income	237,017,455	237,044,955	(4,353,250)	232,691,705

General fund	\$550,821,984	\$570,479,400	(\$21,557,606)	\$548,921,794
FTE	131.95	130.95	(35.70)	95.25

**Dept. 201 - Department of Public Instruction - Detail of Senate Changes**

	RESTORE FTE AND FUNDING REMOVED BY HOUSE	REDUCE OPERATING EXPENSES	ADD FUNDING FOR DUES TO THE EDUCATION COMMISSION OF THE STATES	REDUCE FUNDING FOR TITLE I TESTING <sup>1</sup>	ADD FUNDING FOR LIMITED ENGLISH PROFICIENCY PAYMENTS <sup>2</sup>	REDUCE SUPPLEMENTAL PAYMENTS <sup>3</sup>
Salaries and wages	\$100,000					
Operating expenses		(\$120,000)	\$89,100	(\$71,715)		
Equipment						
Capital improvements						
Grants - Foundation aid and transportation					\$200,000	
Grants - Teacher compen- sation payments						
Grants - Revenue supple- ment payments						(\$1,250,000)
Grants - Tuition appor- tionment						
Grants - Special education						
Grants - Other grants						
Geographic education						
National board certification						
<b>Total all funds</b>	<b>\$100,000</b>	<b>(\$120,000)</b>	<b>\$89,100</b>	<b>(\$71,715)</b>	<b>\$200,000</b>	<b>(\$1,250,000)</b>
Less estimated income						
General fund	\$100,000	(\$120,000)	\$89,100	(\$71,715)	\$200,000	(\$1,250,000)
FTE	1.00	0.00	0.00	0.00	0.00	0.00

	RESTORE FUNDING FOR GOVERNOR'S SCHOOL	REDUCE FUNDING FOR GEOGRAPHIC EDUCATION <sup>4</sup>	REMOVE FUNDING FOR TEACHER CERTIFICATION PROGRAM <sup>5</sup>	ADD FUNDING FOR TEACHER CENTERS	REMOVE INDEPENDENT STUDY <sup>6</sup>	REMOVE TEACHER COMPENSATION PAYMENTS AND INCREASE FOUNDATION AID <sup>7</sup>
Salaries and wages					(\$3,185,168)	
Operating expenses					(1,718,498)	
Equipment					(190,000)	
Capital improvements					(55,000)	
Grants - Foundation aid and transportation						\$26,930,480
Grants - Teacher compen- sation payments						(46,640,055)
Grants - Revenue supple- ment payments						
Grants - Tuition appor- tionment						
Grants - Special education						
Grants - Other grants	\$60,000			\$10,000		
Geographic education		(\$50,000)				
National board certification			(\$20,000)			
<b>Total all funds</b>	<b>\$60,000</b>	<b>(\$50,000)</b>	<b>(\$20,000)</b>	<b>\$10,000</b>	<b>(\$5,148,666)</b>	<b>(\$19,709,575)</b>
Less estimated income					(4,353,250)	
General fund	\$60,000	(\$50,000)	(\$20,000)	\$10,000	(\$795,416)	(\$19,709,575)
FTE	0.00	0.00	0.00	0.00	(37.70)	0.00

	ADD FTE FOR DEVELOPING SCHOOL DISTRICT COMPENSATION REPORT <sup>8</sup>	TOTAL SENATE CHANGES
Salaries and wages		(\$3,085,168)
Operating expenses		(1,821,113)
Equipment		(190,000)
Capital improvements		(55,000)
Grants - Foundation aid and transportation		27,130,480
Grants - Teacher compen- sation payments		(46,640,055)
Grants - Revenue supple- ment payments		(1,250,000)
Grants - Tuition appor- tionment		
Grants - Special education		
Grants - Other grants		70,000
Geographic education		(50,000)
National board certification		(20,000)
<b>Total all funds</b>	<b>\$0</b>	<b>(\$25,910,856)</b>
Less estimated income		(4,353,250)
General fund	\$0	(\$21,557,606)
FTE	1.00	(35.70)

<sup>1</sup> The House version of House Bill No. 1013 included a general fund appropriation of \$1,289,643 for developing and administering standards-based assessments, as required for the state to be eligible to continue receiving federal Title I funding. The Department of Public Instruction has received a proposal to develop and administer the required tests at a cost of \$1,212,928 for the 2001-03 biennium. In addition, the department has indicated that the cost of reporting the results, as required by House Bill No. 1293, will be an additional \$5,000. The Senate version of House Bill No. 1013 provides \$1,217,928 to fully fund the federal Title I testing and the requirements of House Bill No. 1293.

- 2 The Senate amendment increases the appropriation for limited English proficiency payments from \$450,000 to \$650,000 to fund the payment levels specified in House Bill No. 1321, as passed by the Senate.
- 3 North Dakota Century Code (NDCC) Section 15-40.1-07.8 provides a formula for the distribution of supplemental payments to school districts. The formula limits the amount each district qualifies for and does not provide a mechanism to allow the distribution of any remaining funds. For the 1999-2001 biennium, the department estimates that \$420,838 will remain unspent and will be general fund turnback. For the 2001-03 biennium, the department estimates that the statutory formula will only allow the distribution of approximately \$2.2 million. The House amended NDCC Section 15-40.1-07.8 to allow the department to adjust the formula to distribute all supplemental payment funds appropriated for the 1999-2001 biennium and future bienniums. The Senate amendment removes this statutory change and reduces the appropriation accordingly.
- 4 The Senate amendment removes \$50,000 added by the House for geographic education, reducing the line item to \$50,000, as included in the Schafer and Hoeven budget recommendations.
- 5 The Schafer and Hoeven budget recommendations included \$33,000 for the teacher certification program. The House reduced the funding to \$20,000, which is the same as the amount appropriated for the 1999-2001 biennium. House Bill No. 1344, as amended by the Senate, includes \$83,000 for this program. Consequently, this amendment removes the funding from this bill.
- 6 The funding and FTE authority relating to the Division of Independent Study is removed from the Department of Public Instruction and is reflected in a separate subdivision of the bill.
- 7 The teacher compensation payments line item is removed and the foundation aid line item is increased to reflect per student payments of \$2,349 the first year of the biennium and \$2,411 the second year, as provided in House Bill No. 1344 with Senate amendments. In addition, House Bill No. 1344 with Senate amendments includes a general fund appropriation of \$20.8 million for teacher bonus payments.
- 8 House Bill No. 1344 with Senate amendments appropriates \$200,000 to the Department of Public Instruction for developing a school district employee compensation report. The appropriation provides salaries and related expenses for a new FTE position at the department.

This amendment changes Section 7 of the engrossed bill, which limits the number of FTE positions to be included in the department's 2003-05 biennium base budget request, to reflect the removal to the FTE positions relating to the Division of Independent Study. The base budget request for the 2003-05 biennium will be limited to 94.25 FTEs, one less than the Senate version for the 2001-03 biennium.

This amendment also adds new sections, as follows:

- Section 4 directs the Department of Public Instruction to use \$20,000 of the amount appropriated for operating expenses to fund the Red River Valley writing project. The Schafer and Hoeven executive recommendations and the House version included \$10,000 for this project. The Senate amendment directs the department to spend an additional \$10,000 for this project, but does not provide additional funding.
- Section 5 directs the department to spend \$1,217,928 of the amount appropriated for operating expenses to develop and administer student tests aligned with the state content standards and to report the results of the tests.
- Section 6 provides that, in addition to other salary increases appropriated by the Legislative Assembly, teachers at the Division of Independent Study, the School for the Blind, and the School for the Deaf will be provided salary increases of \$1,750 for the first year of the biennium and an additional \$1,750 for the second year of the biennium (total of \$5,250 per teacher for the biennium). The amounts included in the salaries and wages line items for the respective agencies are:

Division of Independent Study - \$95,550  
 School for the Deaf - \$97,125  
 School for the Blind - \$73,763

- Sections 15 and 17 increase the reimbursement rate from 25 cents to 35 cents per mile for in-city busing for schoolbuses with a capacity of 10 or more students.

**House Bill No. 1013 - Division of Independent Study - Senate Action**

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages			\$3,280,718	\$3,280,781
Operating expenses			1,718,498	1,718,498
Equipment			190,000	190,000
Capital improvements			<u>55,000</u>	<u>55,000</u>
Total all funds	\$0	\$0	\$5,244,216	\$5,244,216
Less estimated income			<u>4,353,250</u>	<u>4,353,250</u>
General fund	\$0	\$0	\$890,966	\$890,966
FTE	0.00	0.00	37.70	37.70

**Dept. 202 - Division of Independent Study - Detail of Senate Changes**

SEPARATE                      ADD  
 FUNDING FOR                  FUNDING FOR

	DIVISION OF INDEPENDENT STUDY <sup>1</sup>	TEACHER COMPENSATION PAYMENTS <sup>2</sup>	TOTAL SENATE CHANGES
Salaries and wages	\$3,185,168	\$95,550	\$3,280,718
Operating expenses	1,718,498		1,718,498
Equipment	190,000		190,000
Capital improvements	<u>55,000</u>		<u>55,000</u>
Total all funds	\$5,148,666	\$95,550	\$5,244,216
Less estimated income	<u>4,353,250</u>		<u>4,353,250</u>
General fund	\$795,416	\$95,550	\$890,966
FTE	37.70	0.00	37.70

<sup>1</sup> Funding for the Division of Independent Study is moved to a separate subdivision of the bill. The House version for the division is reduced by \$400,000 (\$115,285 for salaries, \$4,715 for operating expenses, and \$280,000 for grants) for a federal grant which the department has indicated must continue to be administered by the Department of Public Instruction after authority for the division is moved from the Department of Public Instruction to the Educational Technology Council, as provided in Senate Bill No. 2251.

<sup>2</sup> The Senate amendment increases the salaries and wages line item by \$95,550 to provide additional compensation payments of \$1,750 per year for teachers at the Division of Independent Study.

### House Bill No. 1013 - School for the Deaf - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$4,814,058	\$4,814,058	\$97,125	\$4,911,183
Operating expenses	1,156,267	1,156,267		1,156,267
Equipment	60,190	60,190		60,190
Capital improvements	<u>45,410</u>	<u>45,410</u>		<u>45,410</u>
Total all funds	\$6,075,925	\$6,075,925	\$97,125	\$6,173,050
Less estimated income	<u>1,095,624</u>	<u>1,095,624</u>		<u>1,095,624</u>
General fund	\$4,980,301	\$4,980,301	\$97,125	\$5,077,426
FTE	53.10	53.10	0.00	53.10

### Dept. 252 - School for the Deaf - Detail of Senate Changes

	ADD FUNDING FOR TEACHER COMPENSATION PAYMENTS <sup>1</sup>	TOTAL SENATE CHANGES
Salaries and wages	\$97,125	\$97,125
Operating expenses		
Equipment		
Capital improvements		
Total all funds	\$97,125	\$97,125
Less estimated income		
General fund	\$97,125	\$97,125
FTE	0.00	0.00

<sup>1</sup> The Senate amendment increases the salaries and wages line item by \$97,125 to provide additional compensation payments of \$1,750 per year for teachers at the School for the Deaf.

### House Bill No. 1013 - School for the Blind - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$2,594,638	\$2,668,958	\$73,763	\$2,742,721
Operating expenses	652,238	652,238	10,000	662,238
Equipment	60,000	60,000		60,000
Capital improvements	<u>25,416</u>	<u>25,416</u>		<u>25,416</u>
Total all funds	\$3,332,292	\$3,406,612	\$83,763	\$3,490,375
Less estimated income	<u>1,283,501</u>	<u>1,357,821</u>		<u>1,357,821</u>
General fund	\$2,048,791	\$2,048,791	\$83,763	\$2,132,554
FTE	28.00	29.00	0.00	29.00

### Dept. 253 - School for the Blind - Detail of Senate Changes

	ADD FUNDING FOR TEACHER COMPENSATION PAYMENTS <sup>1</sup>	ADD OPERATING EXPENSES FOR NEW FTE AND OTHER COSTS <sup>2</sup>	TOTAL SENATE CHANGES
Salaries and wages	\$73,763		\$73,763
Operating expenses		\$10,000	10,000
Equipment			
Capital improvements			

Total all funds	\$73,763	\$10,000	\$83,763
Less estimated income	_____	_____	_____
General fund	\$73,763	\$10,000	\$83,763
FTE	0.00	0.00	0.00

<sup>1</sup> The Senate amendment increases the salaries and wages line item by \$73,763 to provide additional compensation payments of \$1,750 per year for teachers at the School for the Blind.

<sup>2</sup> The House added a new training officer II position. The Senate amendment adds \$10,000 for operating expenses relating to the position and for other costs incurred by the agency.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**

**MR. SPEAKER:** The President has appointed Sen. Thane to replace Sen. Bowman on the Conference Committee on HB 1012.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**

**MR. SPEAKER:** The President has appointed Sen. Bowman to replace Sen. Solberg on the Conference Committee on HB 1012.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: SB 2004.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**

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

**HB 1015:** Sens. Nething; G. Nelson; Krauter

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**

**MR. SPEAKER:** The Senate has amended, subsequently passed, and the emergency clause carried: HB 1301.

**SENATE AMENDMENTS TO HOUSE BILL NO. 1301**

Page 1, line 2, replace "school district reorganization bonuses" with "contingent payments"

Page 1, line 16, overstrike "c. The superintendent shall distribute"

Page 1, line 19, remove "all", overstrike "remaining funds", remove ", except \$2,000,000,", and overstrike "as"

Page 1, overstrike lines 20 and 21

Page 1, line 23, replace "\$3,000,000" with "\$1,665,000"

Renumber accordingly

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**

**MR. SPEAKER:** The Senate has amended and subsequently passed: HB 1479.

**SENATE AMENDMENTS TO HOUSE BILL NO. 1479**

Page 1, line 22, remove ""Designated data base provider" means a person representing all the political"

Page 1, remove line 23

Page 2, remove lines 1 and 2

Page 2, line 3, remove "4."

Page 2, line 4, replace "5" with "4"

Page 2, line 6, replace "6" with "5"

Page 2, line 9, replace "7" with "6"

Page 2, line 12, replace "8" with "7"

Page 2, line 16, replace "9" with "8"

Page 2, line 22, replace "10" with "9"

Page 2, line 28, replace "11" with "10"

Page 3, line 1, replace "12" with "11"

Page 4, line 23, remove "The public service commission may provide an electronic data base to a home"

Page 4, remove lines 24 through 31

Page 5, remove lines 1 through 21

Page 5, line 22, replace "base, a" with "A"

Page 5, line 24, replace "8" with "4"

Page 6, line 2, replace "8" with "4"

Page 6, remove lines 13 through 19

Page 6, line 20, replace "6" with "2"

Page 6, line 21, replace "8" with "4"

Page 6, line 29, replace "7" with "3" and replace "8" with "4"

Page 7, line 6, replace "8" with "4"

Page 7, line 20, replace "4" with "1"

Page 7, line 29, replace "9" with "5"

Page 8, line 3, replace "10" with "6"

Page 8, line 10, replace "11" with "7"

Page 8, after line 17, insert:

**"57-34.1-05. Customer's procedures and remedies for correcting taxes and fees.**

1. If a customer believes that an amount of tax, assignment of place of primary use, or taxing jurisdiction included on a billing is erroneous, the customer shall notify the home service provider in writing. The customer shall include in this written notification the street address for the customer's place of primary use, the account name and number for which the customer seeks a correction of the tax assignment, a description of the error asserted by the customer, and any other information the home service provider reasonably requires to process the request. Within sixty days of receiving a notice, the home service provider shall review its records and the electronic data base or enhanced zip code to determine the customer's taxing jurisdiction. If as a result of this review the home service provider finds that the amount of tax, assignment of place of primary use, or taxing jurisdiction is in error, the home service provider shall correct the error and refund or credit the amount of tax erroneously collected from the customer for a period of up to two years. If this review shows that the amount of tax, assignment of place of primary use, or taxing jurisdiction is correct, the home service provider shall provide a written explanation to the customer.
2. If the customer is dissatisfied with the response of the home service provider under this section, the customer may seek correction or refund from the taxing jurisdiction affected.
3. The procedure in this section is the sole and exclusive remedy available to customers seeking correction of assignment of place of primary use, taxing jurisdiction, a refund, or other compensation for taxes or fees erroneously collected by the home service provider."

Page 8, line 18, replace "57-34.1-05" with "57-34.1-06"

Page 8, line 24, after "on" insert "or after"

Renumber accordingly

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**  
**MR. SPEAKER:** The President has appointed Sen. Lee to replace Sen. Erbele on the Conference Committee on SB 2361.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**  
**MR. SPEAKER:** The President has appointed as a new conference committee to act with a like committee from the House on:

**HB 1045:** Sens. Wanzek; Cook; O'Connell

**MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK)**  
**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently passed: HB 1200, HB 1386.

**MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK)**  
**MR. PRESIDENT:** The House does not concur in the Senate amendments to HB 1015 and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

**HB 1015:** Reps. Timm; Belter; Boucher

**MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK)**  
**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently passed: SB 2022, SB 2002.

**MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK)**  
**MR. PRESIDENT:** The House has not adopted the conference committee report on HB 1399 and the Speaker has appointed as a new conference committee to act with a like committee from the Senate on:

**HB 1399:** Reps. Carlson; Grosz; Schmidt

**MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK)**  
**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently failed to pass: SB 2183.

**MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK)**  
**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently passed: SB 2004, SB 2229.

**MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK)**  
**MR. PRESIDENT:** The House does not concur in the Senate amendments to HB 1013 and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

**HB 1013:** Reps. Monson; R. Kelsch; Aarsvold

#### REPORT OF CONFERENCE COMMITTEE

**SB 2019, as engrossed:** Your conference committee (Sens. Grindberg, Andrist, Heitkamp and Reps. Skarphol, Byerly, Huether) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1151-1157, adopt amendments as follows, and place SB 2019 on the Seventh order:

That the House recede from its amendments as printed on pages 1151-1157 of the Senate Journal and pages 1201-1208 of the House Journal and that Engrossed Senate Bill No. 2019 be amended as follows:

Page 1, line 4, after the semicolon insert "to provide for reports to the budget section;"

Page 1, replace lines 17 through 24 with:

"Salaries and wages	\$6,103,893
Operating expenses	10,480,832
Equipment	199,936
Grants	36,330,226
North Dakota development fund	2,350,000

Agricultural products utilization	5,082,270
Lewis and Clark bicentennial	905,751
Transitional expenses	81,104
Total all funds	\$61,534,012
Less estimated income	43,653,725
Total general fund appropriation	\$17,880,287"

Page 2, remove lines 1 through 31

Page 3, remove lines 1 through 11

Page 3, line 13, remove "subdivision 2 of"

Page 3, line 19, remove "subdivision 2 of"

Page 3, line 23, remove "subdivision 2 of"

Page 3, line 26, remove "subdivision 2 of"

Page 3, line 28, remove "within North Dakota"

Page 4, line 6, remove "in North Dakota"

Page 4, line 22, remove "subdivision 2 of"

Page 4, replace lines 26 through 31 with:

**"SECTION 6. LEGISLATIVE INTENT - TOURISM OPERATING EXPENSES.**

It is the intent of the legislative assembly that the sum of \$3,300,437 included in the operating expenses line item in section 1 of this Act be allocated for tourism-related activities, including tourism-related administrative costs as approved by the tourism division director for the biennium beginning July 1, 2001, and ending June 30, 2003.

**SECTION 7. DEPARTMENT OF COMMERCE - STATUS REPORTS - PERFORMANCE REPORT - BUDGET SECTION.** The commissioner of the department of commerce shall periodically report to the budget section on the status of the establishment of the department of commerce during the 2001-02 interim. The director shall establish performance measures and report to the budget section at the budget section's first meeting after June 30, 2002, on the department's progress in achieving its performance measures for the biennium beginning July 1, 2001, and ending June 30, 2003."

Page 5, line 2, replace "\$1,616,000" with "\$2,350,000"

Page 5, line 19, after "commerce" insert ", with the assistance of an economic development consultant,"

Page 5, line 20, replace "the assistance of the national" with "input from a task force including members of the economic development foundation"

Page 5, line 21, remove "association of state development agencies"

Page 5, line 22, replace the first "of" with "appointed by"

Page 5, replace lines 24 through 31 with:

**"SECTION 10. LEGISLATIVE INTENT - ECONOMIC DEVELOPMENT FOUNDATION AND STRATEGIC PLAN.**

It is the intent of the legislative assembly that up to \$100,000 of the grants line item in section 1 of this Act be allocated for expenses of the economic development foundation and for the development of a strategic plan for economic development in North Dakota for the biennium beginning July 1, 2001, and ending June 30, 2003.

**SECTION 11. LEGISLATIVE INTENT - POLITICAL SUBDIVISION GRANTS - EXTRAORDINARY COSTS.** It is the intent of the legislative assembly that \$150,000 of the Lewis and Clark bicentennial line item in section 1 of this Act be allocated for grants to reimburse political subdivisions for extraordinary costs incurred in river rescues directly related to Lewis and Clark bicentennial activities for the biennium beginning July 1, 2001, and ending June 30, 2003."

Page 6, remove lines 1 through 7

Page 6, line 10, remove "subdivision 2 of"

Page 6, line 13, after the period insert "The department may provide a grant only for an approved project."

Page 6, line 14, replace "proposed" with "approved"

Page 6, line 15, remove "proposed"

Page 6, line 19, after the period insert "Any funds not obligated under this section on October 1, 2002, may be used for other purposes as determined by the commissioner of the department of commerce."

Page 6, line 21, remove "subdivision 5 of"

Page 6, remove lines 28 through 31

Page 7, remove lines 5 through 16

Page 7, line 17, remove "**LEGISLATIVE INTENT -**"

Page 7, line 18, replace "It is the intent of the legislative assembly that \$400,000" with "The"

Page 7, line 19, remove "of the", remove "subdivision 5 of", and replace "be allocated" with "includes \$250,000"

Page 7, line 21, after the period insert "The department of commerce and the workforce development council shall establish criteria for the distribution of grants under this section and may require a grant applicant to provide matching funds."

Page 7, replace lines 22 through 27 with:

**"SECTION 16. LEGISLATIVE COUNCIL STUDY - VENTURE CAPITAL.** The legislative council shall consider studying, during the 2001-02 interim, the availability of venture capital, tax credits, and other financing and research and development programs for new or expanding businesses. If chosen, the study must include an inventory of the programs available, a review of the difference between public and private venture capital programs, an assessment of the needs of business and industry, the research and development efforts of the North Dakota university system, and a review of the investments of the state investment board and the feasibility and desirability of investing a portion of these funds in North Dakota. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-eighth legislative assembly.

**SECTION 17. LEGISLATIVE COUNCIL STUDY - GLOBAL MARKETS.** The legislative council shall consider studying, during the 2001-02 interim, the feasibility and desirability of expanding North Dakota's economic development marketing efforts to include international markets and establishing a global marketing division within the department of commerce. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-eighth legislative assembly."

Page 8, line 13, remove the overstrike over "~~seven~~" and remove "eight"

Page 8, line 20, replace "four" with "five"

Page 9, line 30, replace "23" with "21"

Page 10, line 1, replace "22" with "20"

Renumber accordingly

#### **STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2019 - Summary of Conference Committee Action**

	EXECUTIVE BUDGET	SENATE VERSION	COMMITTEE CHANGES	COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Department of Economic Development and Finance						
Total all funds	\$20,411,391	\$0	\$0	\$0	\$0	\$0
Less estimated income	6,396,902					
General fund	\$14,014,489	\$0	\$0	\$0	\$0	\$0
Department of Commerce						
Total all funds	\$0	\$0	\$61,534,012	\$61,534,012	\$61,015,117	\$518,895
Less estimated income			43,653,725	43,653,725	43,590,891	62,834
General fund	\$0	\$0	\$17,880,287	\$17,880,287	\$17,424,226	\$456,061
Department of Commerce - Administration						
Total all funds	\$0	\$1,164,990	(\$1,164,990)	\$0	\$0	\$0
Less estimated income		249,487	(249,487)			
General fund	\$0	\$915,503	(\$915,503)	\$0	\$0	\$0
Department of Commerce - Economic Development						
Total all funds	\$0	\$15,299,941	(\$15,299,941)	\$0	\$0	\$0
Less estimated income		5,390,203	(5,390,203)			
General fund	\$0	\$9,909,738	(\$9,909,738)	\$0	\$0	\$0
Department of Commerce - Community Services						
Total all funds	\$0	\$38,585,339	(\$38,585,339)	\$0	\$0	\$0
Less estimated income		37,503,285	(37,503,285)			
General fund	\$0	\$1,082,054	(\$1,082,054)	\$0	\$0	\$0
Department of Commerce - Tourism						
Total all funds	\$0	\$5,077,351	(\$5,077,351)	\$0	\$0	\$0
Less estimated income		363,000	(363,000)			
General fund	\$0	\$4,714,351	(\$4,714,351)	\$0	\$0	\$0
Department of Commerce - Workforce Development						
Total all funds	\$0	\$941,287	(\$941,287)	\$0	\$0	\$0
Less estimated income		60,584	(60,584)			
General fund	\$0	\$880,703	(\$880,703)	\$0	\$0	\$0
Bill Total						
Total all funds	\$20,411,391	\$61,068,908	\$465,104	\$61,534,012	\$61,015,117	\$518,895
Less estimated income	6,396,902	43,566,559	87,166	43,653,725	43,590,891	62,834
General fund	\$14,014,489	\$17,502,349	\$377,938	\$17,880,287	\$17,424,226	\$456,061

### Senate Bill No. 2019 - Department of Economic Development and Finance - Conference Committee Action

The conference committee did not change the House or Senate version for the Department of Economic Development and Finance.

### Senate Bill No. 2019 - Department of Commerce - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages			\$6,103,893	\$6,103,893	\$6,028,893	\$75,000
Operating expenses			10,480,832	10,480,832	10,480,832	
Equipment			199,936	199,936	199,936	
Grants			36,330,226	36,330,226	36,080,226	250,000
North Dakota development fund			2,350,000	2,350,000	2,250,000	100,000
Agricultural products utilization			5,082,270	5,082,270	5,007,270	75,000
Lewis and Clark bicentennial			905,751	905,751	805,751	100,000
Transitional expenses			81,104	81,104	162,209	(81,105)
Total all funds	\$0	\$0	\$61,534,012	\$61,534,012	\$61,015,117	\$518,895
Less estimated income			43,653,725	43,653,725	43,590,891	62,834
General fund	\$0	\$0	\$17,880,287	\$17,880,287	\$17,424,226	\$456,061
FTE	0.00	0.00	57.00	57.00	57.00	0.00

### Dept. 605 - Department of Commerce - Detail of Conference Committee Changes

	COMBINE FUNDING <sup>1</sup>	ADD TRANSITIONAL FUNDING <sup>2</sup>	REDUCE DEVELOPMENT FUND <sup>3</sup>	TRANSFER GRANTS TO OPERATING <sup>4</sup>	ADD FUNDING FOR COWBOY HALL OF FAME <sup>5</sup>	ADD FUNDING FOR LEWIS AND AND CLARK <sup>6</sup>
Salaries and wages	\$6,028,893					
Operating expenses	10,450,832			\$30,000		
Equipment	199,936					
Grants	36,010,226			(30,000)	\$100,000	
North Dakota development fund	2,616,000		(\$266,000)			
Agricultural products utilization	5,007,270					
Lewis and Clark bicentennial	655,751					\$150,000
Transitional expenses		\$81,104				
Total all funds	\$60,968,908	\$81,104	(\$266,000)	\$0	\$100,000	\$150,000

Less estimated income	<u>43,566,559</u>	<u>12,166</u>				
General fund	\$17,402,349	\$68,938	(\$266,000)	\$0	\$100,000	\$150,000
FTE	53.00	2.00	0.00	0.00	0.00	0.00
	ADD FUNDING FOR LEWIS AND CLARK MARKETING <sup>7</sup>	ADD POSITIONS <sup>8</sup>	ADD FUNDING FOR TALENT RECRUITMENT INITIATIVE <sup>9</sup>	TOTAL CONFERENCE COMMITTEE CHANGES		
Salaries and wages		\$75,000		\$6,103,893		
Operating expenses				10,480,832		
Equipment				199,936		
Grants			\$250,000	36,330,226		
North Dakota development fund				2,350,000		
Agricultural products utilization		75,000		5,082,270		
Lewis and Clark bicentennial	\$100,000			905,751		
Transitional expenses				<u>81,104</u>		
Total all funds	\$100,000	\$150,000	\$250,000	\$61,534,012		
Less estimated income		<u>75,000</u>		<u>43,653,725</u>		
General fund	\$100,000	\$75,000	\$250,000	\$17,880,287		
FTE	0.00	2.00	0.00	57.00		

<sup>1</sup> Funding for the Department of Commerce is combined into one subdivision as recommended by Governor Hoeven and included in the House version. The Senate appropriated funding separately to each of the divisions of the department.

<sup>2</sup> A transitional expenses line item is added providing funding for two FTE administrative positions currently employed by the Department of Economic Development and Finance, Division of Community Services, and the Tourism Department for one year of the 2001-03 biennium. The two FTE positions are authorized only for the first year of the biennium. Governor Hoeven's recommendation and the Senate version removed four FTE administrative positions. The House had provided funding and authorized four FTE administrative positions for the first year of the biennium.

<sup>3</sup> Funding for the development fund is provided at \$2,350,000 from the general fund, \$100,000 more than the House version (\$2,250,000), \$734,000 more than the Senate version (\$1,616,000), \$266,000 less than Governor Hoeven's recommendation (\$2,616,000), and \$1,600,000 more than Governor Schafer's recommendation (\$750,000).

<sup>4</sup> The grants line item is reduced by \$30,000 and the operating expenses line item is increased by \$30,000, the same as the House version. This grant was previously provided by the Tourism Department to the Greater North Dakota Association for publication of the North Dakota Horizons magazine.

<sup>5</sup> Funding is added for providing a grant to the North Dakota Cowboy Hall of Fame in accordance with provisions of Senate Bill No. 2195. The House and Senate versions also included this funding.

<sup>6</sup> The Lewis and Clark line item is increased by \$150,000 from the general fund for providing grants to reimburse political subdivisions for Lewis and Clark-related costs, the same as the House version. The funding is intended to be provided only for the 2001-03 biennium. A section of legislative intent is added providing that these funds be used to reimburse political subdivisions for extraordinary costs incurred in river rescues directly related to Lewis and Clark bicentennial activities.

<sup>7</sup> Funding is added for additional marketing of the Lewis and Clark bicentennial, the same as the Senate version. The House removed this funding.

<sup>8</sup> Funding of \$75,000 from the general fund is provided for a workforce development position; the House did not include this position and the Senate transferred a position from the Economic Development and Finance Division to the Workforce Development Division for this position.

Funding of \$75,000 of special funds from the agricultural fuel tax fund is added for an additional position for the Agricultural Products Utilization Commission.

<sup>9</sup> Funding is added for the development of a public/private partnership statewide talent recruitment initiative. A section is added providing that the department and the Workforce Development Council establish criteria for the distribution of these grants and allows the department to require an applicant to provide local matching funds. The House did not include funding for this initiative. The Senate added a section providing that the Workforce Development Division allocate \$400,000 of its grants line item for this initiative.

This amendment:

- Adds a section of legislative intent that \$3,300,437 of the operating expenses line item be used for tourism-related activities, including tourism-related administrative costs as approved by the Tourism Division director, the same as the House version.
- Adds a section providing that the commissioner of the Department of Commerce report periodically to the Budget Section on the status of the establishment of the department and that the commissioner establish performance measures and report to the Budget Section on the department's progress in meeting its measures after the first year of the 2001-03 biennium. The House included the performance report and the Senate included a section that the department report to an interim Legislative Council committee on the status of the establishment of the department.
- Increases the total annual ethanol incentive payments that may be paid to an ethanol plant that produced 15 million gallons or more in the previous fiscal year and to a new ethanol plant from a total of \$400,000 to a total of \$500,000, the same as the House version.

- Reduces the total annual ethanol incentive payments that may be paid to an ethanol plant that has production capacity of fewer than 15 million gallons from \$850,000 to \$750,000, the same as the House version.
- Removes the provision that ethanol produced in North Dakota must be sold in North Dakota to qualify for an ethanol incentive payment, the same as the House version.
- Adds a section of legislative intent that the department allocate \$100,000 of its grants line item for expenses of the economic development foundation and for the development of a strategic plan. The House did not include these provisions. The Senate added \$100,000 from the general fund for the economic development foundation.
- Adds a section providing that the department develop a strategic plan. The Senate included a section providing for a strategic plan and the House did not.
- Changes the section added by the Senate providing that \$50,000 of the grants line item be used for grants for a pilot project for remodeling of abandoned school buildings. The changes restrict the grants to only approved projects and allow the director to use any unobligated moneys on October 1, 2002, for other purposes.
- Adds two sections providing for Legislative Council studies of venture capital and global markets.

This amendment makes the following additional funding changes to the engrossed bill:

- Removes \$40,000 from the general fund added to the Economic Development Division for marketing, the same as the House version.
- Removes \$50,000 from the general fund added to the Economic Development Division for grants, the same as the House version.
- Restores the \$40,000 from the general fund removed from the Community Services Division relating to renaissance zone program administration, the same as the House version.
- Returns the research position to the Division of Economic Development and Finance that the Senate had transferred to the Workforce Development Division.
- Removes \$50,000 from the general fund added for operating expenses of the Workforce Development Division, the same as the House version.
- Removes \$25,000 from the general fund added for equipment of the Workforce Development Division, the same as the House version.
- Removes \$675,000 from the general fund added for grants of the Workforce Development Division, the same as the House version.

This amendment removes the following sections from the engrossed bill:

- The section added by the Senate providing that \$250,000 of the funding provided for Economic Development Division marketing be spent for cooperative marketing grants involving local economic development corporations.
- The section providing that \$15,000 of the Economic Development Division grants line item be allocated for professional training grants to economic development professionals in communities with a population of less than 10,000.
- The section of legislative intent providing that the development fund continue its current mission and not become involved in the new markets initiative during the 2001-03 biennium.
- The section of legislative intent added by the Senate that the additional \$100,000 general fund appropriation for Lewis and Clark marketing not be considered part of the department's base budget for the purpose of submitting the budget request for the 2003-05 biennium.
- The section providing that \$200,000 of the Workforce Development Division grants line item be allocated for grants to local communities and regions for labor availability research and for identification of employer workforce needs.

## Senate Bill No. 2019 - Department of Commerce - Administration - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages		\$877,474	(\$877,474)			
Operating expenses		187,516	(187,516)			
Economic development foundation		100,000	(100,000)			
Total all funds	\$0	\$1,164,990	(\$1,164,990)	\$0	\$0	\$0
Less estimated income		<u>249,487</u>	<u>(249,487)</u>			
General fund	\$0	\$915,503	(\$915,503)	\$0	\$0	\$0
FTE	0.00	8.00	(8.00)	0.00	0.00	0.00

## Dept. 606 - Department of Commerce - Administration - Detail of Conference Committee Changes

	COMBINE FUNDING <sup>1</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	(\$877,474)	(\$877,474)
Operating expenses	(187,516)	(187,516)
Economic development foundation	(100,000)	(100,000)
Total all funds	(\$1,164,990)	(\$1,164,990)
Less estimated income	<u>(249,487)</u>	<u>(249,487)</u>
General fund	(\$915,503)	(\$915,503)
FTE	(8.00)	(8.00)

<sup>1</sup> Funding for the Department of Commerce is combined into one subdivision as recommended by Governor Hoeven and included in the House version. The Senate appropriated funding separately to each of the divisions of the department.

## Senate Bill No. 2019 - Department of Commerce - Economic Development - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages		\$2,388,822	(\$2,388,822)			
Operating expenses		4,453,499	(4,453,499)			
Equipment		111,058	(111,058)			
Grants		1,723,292	(1,723,292)			
North Dakota development fund		1,616,000	(1,616,000)			
Agricultural products utilization		5,007,270	(5,007,270)			
Total all funds	\$0	\$15,299,941	(\$15,299,941)	\$0	\$0	\$0
Less estimated income		<u>5,390,203</u>	<u>(5,390,203)</u>			
General fund	\$0	\$9,909,738	(\$9,909,738)	\$0	\$0	\$0
FTE	0.00	19.00	(19.00)	0.00	0.00	0.00

## Dept. 607 - Department of Commerce - Economic Development - Detail of Conference Committee Changes

	COMBINE FUNDING <sup>1</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	(\$2,388,822)	(\$2,388,822)
Operating expenses	(4,453,499)	(4,453,499)
Equipment	(111,058)	(111,058)
Grants	(1,723,292)	(1,723,292)
North Dakota development fund	(1,616,000)	(1,616,000)
Agricultural products utilization	(5,007,270)	(5,007,270)
Total all funds	(\$15,299,941)	(\$15,299,941)
Less estimated income	<u>(5,390,203)</u>	<u>(5,390,203)</u>
General fund	(\$9,909,738)	(\$9,909,738)
FTE	(19.00)	(19.00)

<sup>1</sup> Funding for the Department of Commerce is combined into one subdivision as recommended by Governor Hoeven and included in the House version. The Senate appropriated funding separately to each of the divisions of the department.

**Senate Bill No. 2019 - Department of Commerce - Community Services - Conference Committee Action**

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages		\$1,665,525	(\$1,665,525)			
Operating expenses		2,539,380	(2,539,380)			
Equipment		73,500	(73,500)			
Grants		<u>34,306,934</u>	<u>(34,306,934)</u>			
Total all funds	\$0	\$38,585,339	(\$38,585,339)	\$0	\$0	\$0
Less estimated income		<u>37,503,285</u>	<u>(37,503,285)</u>			
General fund	\$0	\$1,082,054	(\$1,082,054)	\$0	\$0	\$0
FTE	0.00	15.00	(15.00)	0.00	0.00	0.00

**Dept. 608 - Department of Commerce - Community Services - Detail of Conference Committee Changes**

	COMBINE FUNDING <sup>1</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	(\$1,665,525)	(\$1,665,525)
Operating expenses	(2,539,380)	(2,539,380)
Equipment	(73,500)	(73,500)
Grants	<u>(34,306,934)</u>	<u>(34,306,934)</u>
Total all funds	(\$38,585,339)	(\$38,585,339)
Less estimated income	<u>(37,503,285)</u>	<u>(37,503,285)</u>
General fund	(\$1,082,054)	(\$1,082,054)
FTE	(15.00)	(15.00)

<sup>1</sup> Funding for the Department of Commerce is combined into one subdivision as recommended by Governor Hoeven and included in the House version. The Senate appropriated funding separately to each of the divisions of the department.

**Senate Bill No. 2019 - Department of Commerce - Tourism - Conference Committee Action**

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages		\$905,785	(\$905,785)			
Operating expenses		3,300,437	(3,300,437)			
Equipment		15,378	(15,378)			
Grants		100,000	(100,000)			
Lewis and Clark bicentennial		<u>755,751</u>	<u>(755,751)</u>			
Total all funds	\$0	\$5,077,351	(\$5,077,351)	\$0	\$0	\$0
Less estimated income		<u>363,000</u>	<u>(363,000)</u>			
General fund	\$0	\$4,714,351	(\$4,714,351)	\$0	\$0	\$0
FTE	0.00	9.00	(9.00)	0.00	0.00	0.00

**Dept. 609 - Department of Commerce - Tourism - Detail of Conference Committee Changes**

	COMBINE FUNDING <sup>1</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	(\$905,785)	(\$905,785)
Operating expenses	(3,300,437)	(3,300,437)
Equipment	(15,378)	(15,378)
Grants	(100,000)	(100,000)
Lewis and Clark bicentennial	<u>(755,751)</u>	<u>(755,751)</u>
Total all funds	(\$5,077,351)	(\$5,077,351)
Less estimated income	<u>(363,000)</u>	<u>(363,000)</u>
General fund	(\$4,714,351)	(\$4,714,351)
FTE	(9.00)	(9.00)

<sup>1</sup> Funding for the Department of Commerce is combined into one subdivision as recommended by Governor Hoeven and included in the House version. The Senate appropriated funding separately to each of the divisions of the department.

**Senate Bill No. 2019 - Department of Commerce - Workforce Development - Conference Committee Action**

EXECUTIVE	SENATE	CONFERENCE COMMITTEE	CONFERENCE COMMITTEE	HOUSE	COMPARISON
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	BUDGET	VERSION	CHANGES	VERSION	VERSION	TO HOUSE
Salaries and wages		\$191,287	(\$191,287)			
Operating expenses		50,000	(50,000)			
Equipment		25,000	(25,000)			
Grants		675,000	(675,000)			
Total all funds	\$0	\$941,287	(\$941,287)	\$0	\$0	\$0
Less estimated income		60,584	(60,584)			
General fund	\$0	\$880,703	(\$880,703)	\$0	\$0	\$0
FTE	0.00	2.00	(2.00)	0.00	0.00	0.00

### Dept. 610 - Department of Commerce - Workforce Development - Detail of Conference Committee Changes

	COMBINE FUNDING <sup>1</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	(\$191,287)	(\$191,287)
Operating expenses	(50,000)	(50,000)
Equipment	(25,000)	(25,000)
Grants	(675,000)	(675,000)
Total all funds	(\$941,287)	(\$941,287)
Less estimated income	(60,584)	(60,584)
General fund	(\$880,703)	(\$880,703)
FTE	(2.00)	(2.00)

<sup>1</sup> Funding for the Department of Commerce is combined into one subdivision as recommended by Governor Hoeven and included in the House version. The Senate appropriated funding separately to each of the divisions of the department.

The following schedule compares Governor Schafer's recommendation, Governor Hoeven's recommendation, the Senate version, the House version, and the Conference Committee version:

	2001-03 SCHAFFER RECOMMENDATION	2001-03 HOEVEN RECOMMENDATION	SENATE VERSION	HOUSE VERSION	CONFERENCE COMMITTEE VERSION
Department of Economic Development and Finance - SB 2019	\$20,411,391				
Tourism Department - HB 1022	4,960,778				
Division of Community Services - HB 1015	39,098,238				
Department of Commerce - SB 2019 as amended		\$60,968,908	\$61,068,908	\$61,015,117	\$51,534,012
Total	\$64,470,407	\$60,968,908	\$61,068,908	\$61,015,117	\$61,534,012
General fund	\$19,805,180	\$17,402,349	\$17,502,349	\$17,424,226	\$17,880,287
Other funds	\$44,665,227	\$43,566,559	\$43,566,559	\$43,590,891	\$43,653,725
FTE	62.00	53.00	53.00	57.00	57.00

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

### REPORT OF CONFERENCE COMMITTEE

**SB 2021, as engrossed:** Your conference committee (Sens. Solberg, Bowman, Tomac and Reps. Wald, Boehm, Gulleon) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1250-1256, adopt amendments as follows, and place SB 2021 on the Seventh order:

That the House recede from its amendments as printed on pages 1250-1256 of the Senate Journal and pages 1368-1373 of the House Journal and that Engrossed Senate Bill No. 2021 be amended as follows:

Page 1, line 4, replace the second "section" with "sections", after "4-05.1-16" insert ", 4-05.1-17, 4-05.1-19,", and remove "subsection 1 of section"

Page 1, line 5, remove "changing", remove "voting", and after "membership" insert "and duties"

Page 1, line 6, after "education" insert ", the compensation of board members,", replace "use of" with "the", and remove "annual"

Page 1, line 7, remove "proceeds"

Page 2, line 15, replace "55,178,597" with "54,962,097"

Page 2, line 17, replace "28,365,985" with "28,149,485"

Page 2, line 20, replace "3,811,153" with "3,577,653"

Page 2, line 25, replace "1,493,786" with "1,413,786"

Page 2, line 26, replace "2,959,679" with "3,259,679"

Page 2, line 27, replace "14,666,145" with "14,652,645"

Page 2, line 28, replace "6,848,485" with "6,618,485"

Page 2, line 29, replace "7,817,660" with "8,034,160"

Page 3, line 4, replace "62,334,583" with "62,104,583"

Page 3, line 5, replace "114,077,478" with "113,847,478"

Page 3, line 12, remove "the state board of higher"

Page 3, line 13, remove the first "education," and remove the second comma

Page 3, line 23, replace "\$650,000" with "\$500,000"

Page 3, after line 25, insert:

**"SECTION 6. LEGISLATIVE INTENT - DICKINSON OIL REVENUE INITIATIVES.** It is the intent of the fifty-seventh legislative assembly that \$745,000 of special funds from Dickinson oil revenues be allocated for the beefline initiative, which includes \$300,000 for a modern feedmill and feedlot at the Carrington research extension center that will address genetic, management, marketing, coproduct and environmental research needs, barley feeding research, and include outside consultation from the beef cattle industry to work with the state board of agricultural research and education to develop a complete research program with goals and priorities. The state board of agricultural research and education and researchers shall cooperatively develop the intent of the beefline initiative before implementation of the program.

**SECTION 7. LEGISLATIVE INTENT - MALT BARLEYS.** It is the intent of the fifty-seventh legislative assembly that the agricultural experiment station allocate from the main research center \$288,000, or so much of the sum as may be necessary, for the purpose of developing, in conjunction with the research centers, western North Dakota malt barleys.

**SECTION 8. LEGISLATIVE INTENT - LIVESTOCK MARKETING CLUBS.** It is the intent of the fifty-seventh legislative assembly that the North Dakota state university extension service may allocate resources for the establishment of two pilot livestock marketing clubs in western North Dakota.

**SECTION 9. LEGISLATIVE INTENT - LAND PURCHASE.** It is the intent of the fifty-seventh legislative assembly that the main research center may enter a financial arrangement with the north central research center to assist with the purchase of land in Ward County, North Dakota."

Page 4, line 24, replace ", who serves in an ex officio" with "or the president's designee"

Page 4, line 25, remove "nonvoting capacity"

Page 4, line 26, after "university" insert ", who serves in an ex officio nonvoting capacity"

Page 5, line 8, overstrike "and"

Page 5, line 10, after "capacity" insert "; and

- i. Two members of the legislative assembly appointed by the chairman of the legislative council. The chairman shall appoint one member from each political faction. The terms of members are for two years, and members may be reappointed. The legislative council shall pay the compensation and expense reimbursement for the legislative members"

Page 6, after line 8, insert:

**"SECTION 13. AMENDMENT.** Section 4-05.1-17 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**4-05.1-17. Compensation of board members - Expenses.** Each appointed member of the state board of agricultural research and education is entitled to receive ~~sixty-two~~ seventy-five dollars and ~~fifty cents~~ per day as compensation for the time actually spent devoted to the duties of office and is entitled to receive necessary expenses in the same manner and amounts as state officials for attending meetings and performing other functions of office.

**SECTION 14. AMENDMENT.** Section 4-05.1-19 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**4-05.1-19. State board of agricultural research and education - Duties.** Within the policies of the state board of higher education, the state board of agricultural research and education is responsible for ~~the budgeting, supervision, and policymaking responsibilities associated with the supervision of the agricultural experiment station and the North Dakota state university extension service.~~ The board of agricultural research and education board shall:

1. Determine the causes of any adverse economic impacts on crops and livestock produced in this state;
2. Develop ongoing strategies for the provision of research solutions and resources to negate adverse economic impacts on crops and livestock produced in this state;
3. ~~Make available financial resources, including grants and salaries, and make available equipment and facilities to implement~~ Develop ongoing strategies for the dissemination of research information through the extension service;
4. ~~Implement the strategies developed under~~ subsection subsections 2 and 3, subject to approval by the state board of higher education;
4. ~~5.~~ 5. ~~Develop an annual budget for the operation of,~~ with the agricultural experiment station and the North Dakota state university extension service, ~~an annual budget for the operations of these entities;~~
5. ~~6.~~ 6. ~~Develop a biennial budget request and submit that request to the president of North Dakota state university and the state board of higher education on or before March first of each even-numbered year;~~
6. ~~7.~~ 7. ~~Maximize the use of existing financial resources, equipment, and facilities to generate the greatest economic benefit from research and extension efforts and to promote efficiency;~~
7. ~~8.~~ 8. ~~Annually evaluate the results of research and extension activities and expenditures and report the findings to the legislative council and the state board of higher education;~~
8. ~~9.~~ 9. ~~Advise the administration, president of North Dakota state university regarding the recruitment and, selection, and performance of the vice president of agricultural affairs, the extension service director, and the station director; and~~
9. ~~10.~~ 10. ~~Develop ongoing strategies for the dissemination of research information and the best practices for management of the extension service. Present a status report to the budget section of the legislative council."~~

Page 6, line 9, replace "Subsection 1 of section" with "Section"

Page 6, replace lines 11 through 26 with:

**"4-05.1-21. State board of agricultural research and education - Apportionment of research funds.**

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

**SECTION 16. TRANSFER AUTHORITY.** Upon approval from the state board of agricultural research and education, the director of the North Dakota agricultural experiment station may transfer appropriation authority within subdivisions 1, 4, and 5 of section 1 of this Act of up to \$90,000 of estimated income for beef quality assurance and up to \$60,000 of estimated income for applied research initiatives, for the biennium beginning July 1, 2001, and ending June 30, 2003."

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### Senate Bill No. 2021 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
<b>Transportation Institute</b>						
Total all funds	\$7,888,427	\$7,888,427	\$0	\$7,888,427	\$7,888,427	\$0
Less estimated income	7,383,348	7,383,348		7,383,348	7,383,348	
General fund	\$505,079	\$505,079	\$0	\$505,079	\$505,079	\$0
<b>Branch Research Centers</b>						
Total all funds	\$13,772,645	\$14,666,145	(\$13,500)	\$14,652,645	\$14,937,645	(\$285,000)
Less estimated income	5,873,485	6,848,485	(230,000)	6,618,485	6,903,485	(285,000)
General fund	\$7,899,160	\$7,817,660	\$216,500	\$8,034,160	\$8,034,160	\$0
<b>NDSU Extension Service</b>						
Total all funds	\$33,678,046	\$33,628,046	\$0	\$33,628,046	\$33,628,046	\$0
Less estimated income	19,298,301	19,298,301		19,298,301	19,298,301	
General fund	\$14,379,745	\$14,329,745	\$0	\$14,329,745	\$14,329,745	\$0
<b>Northern Crops Institute</b>						
Total all funds	\$1,457,123	\$1,457,123	\$0	\$1,457,123	\$1,457,123	\$0
Less estimated income	732,697	732,697		732,697	732,697	
General fund	\$724,426	\$724,426	\$0	\$724,426	\$724,426	\$0
<b>Main Research Station</b>						
Total all funds	\$55,228,597	\$55,178,597	(\$216,500)	\$54,962,097	\$54,818,597	\$143,500
Less estimated income	26,812,612	26,812,612		26,812,612	26,812,612	
General fund	\$28,415,985	\$28,365,985	(\$216,500)	\$28,149,485	\$28,005,985	\$143,500
<b>Agronomy Seed Farm</b>						
Total all funds	\$1,259,140	\$1,259,140	\$0	\$1,259,140	\$1,259,140	\$0

Less estimated income	1,259,140	1,259,140	—	1,259,140	1,259,140	—
General fund	\$0	\$0	\$0	\$0	\$0	\$0
<b>Bill Total</b>						
Total all funds	\$113,283,978	\$114,077,478	(\$230,000)	\$113,847,478	\$113,988,978	(\$141,500)
Less estimated income	61,359,583	62,334,583	(230,000)	62,104,583	62,389,583	(285,000)
General fund	\$51,924,395	\$51,742,895	\$0	\$51,742,895	\$51,599,395	\$143,500

### Senate Bill No. 2021 - Transportation Institute - Conference Committee Action

The Conference Committee did not change the House or Senate version for the Transportation Institute.

### Senate Bill No. 2021 - Branch Research Centers - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Dickinson Research Center	\$3,132,653	\$3,811,153	(\$233,500)	\$3,577,653	\$3,782,653	(\$205,000)
Central Grasslands Research Center	1,413,982	1,413,982		1,413,982	1,413,982	
Hettinger Research Center	1,559,583	1,559,583		1,559,583	1,559,583	
Langdon Research Center	1,781,894	1,916,894		1,916,894	1,916,984	
North Central Research Center	1,511,068	1,511,068		1,511,068	1,511,068	
Williston Research Center	1,413,786	1,493,786	(80,000)	1,493,786	1,493,786	(80,000)
Carrington Research Center	2,959,679	2,959,679	300,000	3,259,679	3,259,679	
Total all funds	\$13,772,645	\$14,666,145	(\$13,500)	\$14,652,645	\$14,937,645	(\$285,000)
Less estimated income	5,873,485	6,848,485	(230,000)	6,618,485	6,903,485	(285,000)
General fund	\$7,899,160	\$7,817,660	\$216,500	\$8,034,160	\$8,034,160	\$0
FTE	76.36	76.36	0.00	76.36	76.36	0.00

### Dept. 628 - Branch Research Centers - Detail of Conference Committee Changes

	RESTORE FUNDING <sup>1</sup>	CHANGE FUNDING FOR LEARNING CENTER <sup>2</sup>	REDUCE FUNDING FOR BEEFLINE <sup>3</sup>	PROVIDE FUNDING FOR MODERN FEEDMILL AND FEEDLOT <sup>4</sup>	REMOVE FUNDING FOR WILLISTON LAND PURCHASE <sup>5</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Dickinson Research Center	\$66,500		(\$300,000)			(\$233,500)
Central Grasslands Research Center						
Hettinger Research Center						
Langdon Research Center						
North Central Research Center						
Williston Research Center					(\$80,000)	(80,000)
Carrington Research Center				\$300,000		300,000
Total all funds	\$66,500	\$0	(\$300,000)	\$300,000	(\$80,000)	(\$13,500)
Less estimated income		(150,000)	(300,000)	300,000	(80,000)	(230,000)
General fund	\$66,500	\$150,000	\$0	\$0	\$0	\$216,500
FTE	0.00	0.00	0.00	0.00	0.00	0.00

<sup>1</sup> Restores funding to the Dickinson Research Center which was removed by the Senate.

<sup>2</sup> Changes funding of \$150,000 from special funds to general fund moneys for the Langdon Learning Center. The total authorization for the project is \$810,000, \$300,000 from the general fund and \$510,000 of special funds. The section requiring \$650,000 in cash or pledges before construction can begin is lowered to \$500,000.

<sup>3</sup> Reduces funding authority to the Dickinson Research Center for the beefline initiative from \$745,000 to \$445,000.

<sup>4</sup> Provides funding from Dickinson oil revenues for the development of a modern feedmill and feedlot to be established at the Carrington Research Center.

<sup>5</sup> The Conference Committee removed the \$80,000 of special funds that was included in the engrossed Senate bill for purchase of land in the Nesson Valley irrigation project. The appropriation for this land purchase is included in House Bill No. 1200.

### Senate Bill No. 2021 - NDSU Extension Service - Conference Committee Action

The Conference Committee did not change the House or Senate version for the NDSU Extension Service.

### Senate Bill No. 2021 - Northern Crops Institute - Conference Committee Action

The Conference Committee did not change the House or Senate version for the Northern Crops Institute.

**Senate Bill No. 2021 - Main Research Station - Conference Committee Action**

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	\$40,952,648					
Operating expenses	10,027,903					
Equipment	1,532,746					
Capital improvements	415,300					
Agricultural research grants	2,000,000					
Animal replacement	300,000					
Main Research Station		<u>\$55,178,597</u>	<u>(\$216,500)</u>	<u>\$54,962,097</u>	<u>\$54,818,597</u>	<u>\$143,500</u>
Total all funds	\$55,228,597	\$55,178,597	(\$216,500)	\$54,962,097	\$54,818,597	\$143,500
Less estimated income	<u>26,812,612</u>	<u>26,812,612</u>		<u>26,812,612</u>	<u>26,812,612</u>	
General fund	\$28,415,985	\$28,365,985	(\$216,500)	\$28,149,485	\$28,005,985	\$143,500
FTE	351.28	351.28	(1.80)	349.48	349.48	(0.00)

**Dept. 640 - Main Research Station - Detail of Conference Committee Changes**

	REDUCE OPERATING LINE ITEM 1	REMOVE VACANT POSITIONS 2	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages			
Operating expenses			
Equipment			
Capital improvements			
Agricultural research grants			
Animal replacement			
Main Research Station	<u>(\$216,500)</u>		<u>(\$216,500)</u>
Total all funds	(\$216,500)	\$0	(\$216,500)
Less estimated income			
General fund	(\$216,500)	\$0	(\$216,500)
FTE	0.00	(1.80)	(1.80)

1 The Conference Committee added back \$143,500 of the total \$360,000 operating line item reduction made by the House.

2 Intent is to remove the vacant FTE positions, but the funding for the positions is to remain for reallocation purposes.

Assistant professor	(.45)
Information processing position	(.95)
Information systems position	(.25)
Public information position	(.15)
Total FTEs reduced	(1.8)

**Senate Bill No. 2021 - Agronomy Seed Farm - Conference Committee Action**

The Conference Committee did not change the House or Senate version for the Agronomy Seed Farm.

**Senate Bill No. 2021 - Other Changes - Conference Committee Action**

The State Board of Higher Education is removed from the transfer authority approval process in Section 3.

New Section 6 as adjusted in Conference Committee provides intent for the beeline initiative, including barley feeding research and the establishment of a modern feedmill and feedlot at the Carrington Research Center.

New Section 7 provides intent that up to \$288,000 be allocated from the Main Research Center for developing western North Dakota malt barleys.

New Section 8 provides intent for the establishment of livestock marketing clubs in western North Dakota.

The Conference Committee added new Section 9 to provide intent that the Main Research Center enter into a financial agreement to assist the North Central Research Center with the purchase of land.

The Conference Committee added two members from the Legislative Assembly, one from each political faction as appointed by the chairman of the Legislative Council, to serve on the State Board of Agricultural Research and Education for a two-year term with the possibility of reappointment. The vice president of agricultural affairs at North Dakota State University, the administrator of the Agricultural Experiment Station, and the director of the NDSU Extension Service were made nonvoting members.

Section 13 changes the per diem of the members of the State Board of Agricultural Research and Education from \$62.50 to \$75.00.

The duties of the State Board of Agricultural Research and Education are redefined in Section 14 to include a status report to the Budget Section.

The administrative expenses of the State Board of Agricultural Research and Education are limited to 10 percent of the proceeds of the agricultural research fund, not to exceed \$50,000.

Transfer authority among the Extension Service, Main Research Center, and research centers of up to \$150,000 is authorized in Section 16 for funding of beef quality assurance (\$90,000) and applied research initiatives (\$60,000).

The Conference Committee did not include \$205,000 of authority from Dickinson oil revenues for beefline and feed barley research contained in the House version.

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

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

**SB 2361, as reengrossed:** Your conference committee (Sens. Lee, Fischer, Polovitz and Reps. Galvin, Pollert, Niemeier) recommends that the **SENATE ACCEDE** to the House amendments on SJ page 854 and place SB 2361 on the Seventh order.

Reengrossed SB 2361 was placed on the Seventh order of business on the calendar.

#### **MOTION**

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

#### **MOTION**

**REP. MONSON MOVED** that the House be on the Fifth, Twelfth, and Sixteenth orders of business and at the conclusion of those orders, the House stand adjourned until 8:30 a.m., Wednesday, April 25, 2001, which motion prevailed.

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

**MARK L. JOHNSON, Chief Clerk**

