

## JOURNAL OF THE SENATE

## Fifty-ninth Legislative Assembly

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Bismarck, February 16, 2005

The Senate convened at 8:05 a.m., with President Dalrymple presiding.

The prayer was offered by Senator Tollefson.

The roll was called and all members were present except Senators Bercier and Traynor.

A quorum was declared by the President.

## CORRECTION AND REVISION OF THE JOURNAL

**MR. PRESIDENT:** Your **Committee on Correction and Revision of the Journal (Sen. Espgaard, Chairman)** has carefully examined the Journal of the Twenty-eighth Day and recommends that it be corrected as follows and when so corrected, recommends that it be approved:

Page 420, line 47, replace "3" with "0" and replace "0" with "3"

**SEN. ESPEGARD MOVED** that the report be adopted, which motion prevailed.

## CONSIDERATION OF AMENDMENTS

**SB 2270: SEN. ESPEGARD (Industry, Business and Labor Committee) MOVED** that the amendments on SJ page 495 be adopted with **DO PASS**, which motion prevailed.

## MOTION

**SEN. CHRISTMANN MOVED** that Engrossed SB 2270 be rereferred to the **Appropriations Committee**, which motion prevailed. Pursuant to Sen. Christmann's motion, Engrossed SB 2270 was rereferred.

## SECOND READING OF SENATE BILL

**SB 2019:** A BILL for an Act to provide an appropriation for defraying the expenses of the state board for career and technical education.

## 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 45 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Brown; Christmann; Cook; Dever; Erbele; Espgaard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; O'Connell; Robinson; Schobinger; Seymour; Stenehjerm; Syverson; Tallackson; Taylor; Thane; Tollefson; Trenbeath; Triplett; Urlacher; Wardner; Warner

**ABSENT AND NOT VOTING:** Bercier; Traynor

Engrossed SB 2019 passed and the title was agreed to.

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## SECOND READING OF SENATE BILL

**SB 2281:** A BILL for an Act to amend and reenact sections 57-38.6-01, 57-38.6-02, 57-38.6-03, and 57-38.6-04 of the North Dakota Century Code, relating to agricultural business investment income tax credits; and to provide an effective date.

## 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 38 YEAS, 7 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Brown; Christmann; Erbele; Espgaard; Every; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heitkamp; Holmberg; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Nelson; Nething; O'Connell; Robinson;

Schobinger; Seymour; Syverson; Tallackson; Taylor; Thane; Tollefson; Triplett; Urlacher; Wardner; Warner

**NAYS:** Cook; Dever; Fairfield; Kilzer; Mutch; Stenehjem; Trenbeath

**ABSENT AND NOT VOTING:** Bercier; Traynor

Engrossed SB 2281 passed and the title was agreed to.

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### SECOND READING OF SENATE BILL

**SB 2301:** A BILL for an Act to create and enact three new sections to chapter 50-09 of the North Dakota Century Code, relating to county payment of costs of the child support agency, employment of duly appointed special assistant attorneys general, and employees of county child support agencies; to amend and reenact sections 14-09-09.10, 35-34-01, and 50-01.2-00.1, subsection 3 of section 50-01.2-03.2, sections 50-03-10 and 50-09-01, subsection 16 of section 50-09-02, and sections 50-09-03, 50-09-08, 50-09-15.1, 50-24.1-03.1, and 50-24.1-03.2 of the North Dakota Century Code, relating to state administration of the child support enforcement program; to provide a statement of legislative intent; to provide an appropriation; to provide a continuing appropriation; and to provide an effective date.

### 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 42 YEAS, 3 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Brown; Christmann; Cook; Dever; Erbele; Espgaard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mutch; Nething; O'Connell; Robinson; Schobinger; Seymour; Stenehjem; Syverson; Tallackson; Taylor; Thane; Tollefson; Trenbeath; Urlacher; Wardner; Warner

**NAYS:** Mathern; Nelson; Triplett

**ABSENT AND NOT VOTING:** Bercier; Traynor

Engrossed SB 2301 passed and the title was agreed to.

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### SECOND READING OF SENATE BILL

**SB 2336:** A BILL for an Act to amend and reenact sections 16.1-07-01, 16.1-07-05, 16.1-07-06, 16.1-07-08, 16.1-07-08.1, and 16.1-07-12 of the North Dakota Century Code, relating to absentee voting.

### 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 45 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Brown; Christmann; Cook; Dever; Erbele; Espgaard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; O'Connell; Robinson; Schobinger; Seymour; Stenehjem; Syverson; Tallackson; Taylor; Thane; Tollefson; Trenbeath; Triplett; Urlacher; Wardner; Warner

**ABSENT AND NOT VOTING:** Bercier; Traynor

Engrossed SB 2336 passed and the title was agreed to.

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### SECOND READING OF SENATE BILL

**SB 2341:** A BILL for an Act to create and enact a new section to chapter 19-03.1 of the North Dakota Century Code, relating to drug abuse treatment for first-time felons; to amend and reenact subsections 7 and 8 of section 19-03.1-23 and section 62.1-02-01 of the North Dakota Century Code, relating to drug abuse treatment for first-time felons; to

repeal section 19-03.1-30 of the North Dakota Century Code, relating to conditional discharge for possession as first offense; 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 45 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Brown; Christmann; Cook; Dever; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; O'Connell; Robinson; Schobinger; Seymour; Stenehjerm; Syverson; Tallackson; Taylor; Thane; Tollefson; Trenbeath; Triplett; Urlacher; Wardner; Warner

**ABSENT AND NOT VOTING:** Bercier; Traynor

Engrossed SB 2341 passed and the title was agreed to.

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#### SECOND READING OF SENATE BILL

**SB 2343:** A BILL for an Act to create and enact a new section to chapter 23-06.5 of the North Dakota Century Code, relating to health care directives; to amend and reenact subsection 2 of section 12.1-31-07 and sections 23-06.5-01, 23-06.5-02, 23-06.5-03, 23-06.5-04, 23-06.5-05, 23-06.5-06, 23-06.5-07, 23-06.5-08, 23-06.5-09, 23-06.5-10, 23-06.5-11, 23-06.5-12, 23-06.5-13, 23-06.5-15, 23-06.5-16, 23-06.5-17, and 23-06.5-18 of the North Dakota Century Code, relating to health care decisions and directives; and to repeal chapter 23-06.4 of the North Dakota Century Code, relating to treatment declarations.

#### 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 45 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Brown; Christmann; Cook; Dever; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; O'Connell; Robinson; Schobinger; Seymour; Stenehjerm; Syverson; Tallackson; Taylor; Thane; Tollefson; Trenbeath; Triplett; Urlacher; Wardner; Warner

**ABSENT AND NOT VOTING:** Bercier; Traynor

Engrossed SB 2343 passed and the title was agreed to.

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#### SECOND READING OF SENATE BILL

**SB 2349:** A BILL for an Act to provide for an office of faith-based and community initiatives and an advisory commission on faith-based and community initiatives.

#### MOTION

**SEN. COOK MOVED** that Reengrossed SB 2349 be amended as follows, which motion prevailed on a voice vote.

Page 3, line 1, remove "are entitled to be compensated at a"

Page 3, line 2, remove "rate of seventy-five dollars per day and"

Renumber accordingly

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 45 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Brown; Christmann; Cook; Dever; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; O'Connell; Robinson; Schobinger; Seymour; Stenehjerm; Syverson; Tallackson; Taylor; Thane; Tollefson; Trenbeath; Triplett; Urlacher; Wardner; Warner

**ABSENT AND NOT VOTING:** Bercier; Traynor

Reengrossed SB 2349 passed and the title was agreed to.

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

**SB 2353:** A BILL for an Act to amend and reenact sections 44-06-02, 44-06-13, and 44-06-13.1 of the North Dakota Century Code, relating to regulation of notaries public.

### **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 41 YEAS, 4 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Brown; Christmann; Cook; Dever; Erbele; Espgaard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; Schobinger; Seymour; Syverson; Tallackson; Taylor; Thane; Tollefson; Trenbeath; Triplett; Urlacher; Wardner

**NAYS:** O'Connell; Robinson; Stenehjem; Warner

**ABSENT AND NOT VOTING:** Bercier; Traynor

Engrossed SB 2353 passed and the title was agreed to.

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

**SB 2361:** A BILL for an Act to create and enact a new section to chapter 14-03 of the North Dakota Century Code, relating to premarital counseling; and to amend and reenact section 14-03-22 of the North Dakota Century Code, relating to marriage license fees.

### **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 35 YEAS, 10 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Christmann; Cook; Dever; Erbele; Espgaard; Every; Fairfield; Flakoll; Freborg; Grindberg; Hacker; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Mathern; Nething; Robinson; Seymour; Tallackson; Taylor; Thane; Tollefson; Triplett; Urlacher; Wardner; Warner

**NAYS:** Brown; Fischer; Lyson; Mutch; Nelson; O'Connell; Schobinger; Stenehjem; Syverson; Trenbeath

**ABSENT AND NOT VOTING:** Bercier; Traynor

Engrossed SB 2361 passed and the title was agreed to.

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### **MOTION**

**SEN. CHRISTMANN MOVED** that Senate Rule 601-1-g be amended to read "thirtieth" in place of "thirty-second", which motion prevailed.

### **MOTION**

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

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

**THE SENATE RECOGNIZED THE PRESENCE OF:**

Former Senator Jim Yockim.

**CONSIDERATION OF AMENDMENTS**

**SB 2243, as engrossed: SEN. COOK (Appropriations Committee) MOVED** that the amendments on SJ pages 494-495 be adopted and then be placed on the Eleventh order with **DO PASS**, which motion prevailed.

**SECOND READING OF SENATE BILL**

**SB 2243:** A BILL for an Act to amend and reenact section 57-01-05 of the North Dakota Century Code, relating to an annual audit of property tax assessments and property tax exemption decisions; and to provide an appropriation.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 36 YEAS, 9 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Bowman; Brown; Christmann; Cook; Dever; Erbele; Espgaard; Every; Fischer; Flakoll; Freborg; Grindberg; Hacker; Holmberg; Kilzer; Klein; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lyson; Mathern; Nething; O'Connell; Schobinger; Seymour; Stenehjerm; Syverson; Tallackson; Taylor; Thane; Tollefson; Trenbeath; Triplett; Urlacher; Wardner

**NAYS:** Andrist; Fairfield; Heitkamp; Krauter; Lindaas; Mutch; Nelson; Robinson; Warner

**ABSENT AND NOT VOTING:** Bercier; Traynor

Reengrossed SB 2243 passed and the title was agreed to.

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**CONSIDERATION OF AMENDMENTS**

**SB 2395, as engrossed: SEN. WARNER (Appropriations Committee) MOVED** that the amendments on SJ page 501 be adopted and then be placed on the Eleventh order with **DO PASS**, which motion prevailed.

**SECOND READING OF SENATE BILL**

**SB 2395:** A BILL for an Act to create and enact a new section to chapter 50-10 of the North Dakota Century Code, relating to a department of human services treatment program for children with Russell-Silver syndrome; to amend and reenact subsection 12 of section 50-10-06 of the North Dakota Century Code, relating to income eligibility for Russell-Silver syndrome treatment and services; to direct the department of human services to apply for a medical waiver; to provide for a legislative council study; to provide an appropriation; and to declare an emergency.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 45 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Brown; Christmann; Cook; Dever; Erbele; Espgaard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; O'Connell; Robinson; Schobinger; Seymour; Stenehjerm; Syverson; Tallackson; Taylor; Thane; Tollefson; Trenbeath; Triplett; Urlacher; Wardner; Warner

**ABSENT AND NOT VOTING:** Bercier; Traynor

Reengrossed SB 2395 passed, the title was agreed to, and the emergency clause was declared carried.

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**CONSIDERATION OF AMENDMENTS**

**SB 2002: SEN. KILZER (Appropriations Committee) MOVED** that the amendments on SJ pages 471-474 be adopted and then be placed on the Eleventh order with **DO PASS**.

**POINT OF INQUIRY**

**SEN. NETHING REQUESTED** a ruling from the President regarding the divisibility of the proposed amendments to SB 2002.

**RULING BY THE PRESIDENT**

**PRESIDENT DALRYMPLE RULED** that the proposed amendments to SB 2002 were not divisible.

The question being the adoption of the proposed amendments to SB 2002, the amendments were adopted on a voice vote. Engrossed SB 2002 was placed on the Eleventh 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; and 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.

#### **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, 6 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Brown; Christmann; Cook; Dever; Erbele; Espegard; Every; Fischer; Flakoll; Freborg; Grindberg; Hacker; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nething; Robinson; Schobinger; Stenehjerm; Syverson; Tallackson; Taylor; Thane; Tollefson; Trenbeath; Triplett; Urlacher; Wardner

**NAYS:** Fairfield; Heitkamp; Nelson; O'Connell; Seymour; Warner

**ABSENT AND NOT VOTING:** Bercier; Traynor

Engrossed SB 2002 passed and the title was agreed to.

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#### **CONSIDERATION OF AMENDMENTS**

**SB 2006: SEN. HOLMBERG (Appropriations Committee) MOVED** that the amendments on SJ pages 474-475 be adopted and then be placed on the Eleventh order with **DO PASS**, which motion prevailed.

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

**SB 2006:** A BILL for an Act to provide an appropriation for defraying the expenses of the aeronautics commission.

#### **ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 45 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Brown; Christmann; Cook; Dever; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; O'Connell; Robinson; Schobinger; Seymour; Stenehjerm; Syverson; Tallackson; Taylor; Thane; Tollefson; Trenbeath; Triplett; Urlacher; Wardner; Warner

**ABSENT AND NOT VOTING:** Bercier; Traynor

Engrossed SB 2006 passed and the title was agreed to.

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#### **CONSIDERATION OF AMENDMENTS**

**SB 2013: SEN. TALLACKSON (Appropriations Committee) MOVED** that the amendments on SJ pages 475-476 be adopted and then be placed on the Eleventh order with **DO PASS**, which motion prevailed.

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

**SB 2013:** A BILL for an Act to provide an appropriation for defraying the expenses of the commissioner of university and school lands; to provide a continuing appropriation; to provide for distribution amounts from permanent funds; and to create and enact a new section to chapter 15-08.1 of the North Dakota Century Code, relating to a continuing appropriation from the lands and minerals trust fund.

#### **ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 45 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Brown; Christmann; Cook; Dever; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heitkamp; Holmberg; Kilzer; Klein;

Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; O'Connell; Robinson; Schobinger; Seymour; Stenehjerm; Syverson; Tallackson; Taylor; Thane; Tollefson; Trenbeath; Triplett; Urlacher; Wardner; Warner

**ABSENT AND NOT VOTING:** Bercier; Traynor

Engrossed SB 2013 passed and the title was agreed to.

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**PRESIDING OFFICER**

**PRESIDENT PRO TEM GRINDBERG** assumed the chair.

**CONSIDERATION OF AMENDMENTS**

**SB 2014: SEN. SCHOBINGER (Appropriations Committee) MOVED** that the amendments on SJ pages 476-479 be adopted and then be placed on the Eleventh order with **DO PASS**, which motion prevailed.

**SECOND READING OF SENATE BILL**

**SB 2014:** A BILL for an Act to provide an appropriation for defraying the expenses of the state industrial commission and the agencies under the management of the industrial commission; to authorize transfers; to amend and reenact sections 38-08-04.2, 38-12-02, 38-12-03, and 38-12.1-04, subsection 1 of section 38-12.1-05, sections 38-15-03, 38-19-03, and 38-19-04, subsection 10 of section 38-15-02, subsection 3 of section 54-17.4-01, and sections 54-17.4-05, 54-17.4-06, and 54-17.4-07 of the North Dakota Century Code, relating to appointment of a director of mineral resources and transferring the state geologist's functions to the director of mineral resources; and to declare an emergency.

**ROLL CALL**

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

**YEAS:** Andrist; Brown; Christmann; Cook; Dever; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; O'Connell; Robinson; Schobinger; Seymour; Stenehjerm; Syverson; Tallackson; Taylor; Thane; Tollefson; Trenbeath; Triplett; Urlacher; Wardner

**NAYS:** Bowman; Warner

**ABSENT AND NOT VOTING:** Bercier; Traynor

Engrossed SB 2014 passed, the title was agreed to, and the emergency clause was declared carried.

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**CONSIDERATION OF AMENDMENTS**

**SB 2016: SEN. MATHERN (Appropriations Committee) MOVED** that the amendments on SJ pages 479-480 be adopted and then be placed on the Eleventh order with **DO PASS**, which motion prevailed.

**SECOND READING OF SENATE BILL**

**SB 2016:** A BILL for an Act to provide an appropriation for defraying the expenses of job service North Dakota.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 45 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Brown; Christmann; Cook; Dever; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; O'Connell; Robinson; Schobinger; Seymour; Stenehjerm; Syverson; Tallackson; Taylor; Thane; Tollefson; Trenbeath; Triplett; Urlacher; Wardner; Warner

**ABSENT AND NOT VOTING:** Bercier; Traynor

Engrossed SB 2016 passed and the title was agreed to.

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**CONSIDERATION OF AMENDMENTS**

**SB 2020: SEN. BOWMAN (Appropriations Committee) MOVED** that the amendments on SJ pages 480-486 be adopted and then be placed on the Eleventh order with **DO PASS**, which motion prevailed.

**SECOND READING OF SENATE BILL**

**SB 2020:** A BILL for an Act to provide an appropriation for defraying the expenses of the extension service, northern crops institute, upper great plains transportation institute, main research center, branch research centers, and agronomy seed farm; to provide legislative intent; to provide for a legislative council study; and to declare an emergency.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 45 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Brown; Christmann; Cook; Dever; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; O'Connell; Robinson; Schobinger; Seymour; Stenehjem; Syverson; Tallackson; Taylor; Thane; Tollefson; Trenbeath; Triplett; Urlacher; Wardner; Warner

**ABSENT AND NOT VOTING:** Bercier; Traynor

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

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**CONSIDERATION OF AMENDMENTS**

**SB 2021: SEN. ROBINSON (Appropriations Committee) MOVED** that the amendments on SJ pages 486-487 be adopted and then be placed on the Eleventh order with **DO PASS**, which motion prevailed.

**SECOND READING OF SENATE BILL**

**SB 2021:** A BILL for an Act to provide an appropriation for defraying the expenses of the information technology department; to amend and reenact subsection 4 of section 54-59-05 of the North Dakota Century Code, relating to the powers and duties of the information technology department; and to declare an emergency.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 45 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Brown; Christmann; Cook; Dever; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; O'Connell; Robinson; Schobinger; Seymour; Stenehjem; Syverson; Tallackson; Taylor; Thane; Tollefson; Trenbeath; Triplett; Urlacher; Wardner; Warner

**ABSENT AND NOT VOTING:** Bercier; Traynor

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

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**CONSIDERATION OF AMENDMENTS**

**SB 2023: SEN. KRINGSTAD (Appropriations Committee) MOVED** that the amendments on SJ pages 487-492 be adopted and then be placed on the Eleventh order with **DO PASS**, which motion prevailed.

**SECOND READING OF SENATE BILL**

**SB 2023:** A BILL for an Act to provide an appropriation for capital projects of various state departments; to provide an appropriation for state facility energy improvement capital projects of various state departments and institutions; to authorize the industrial commission to issue and sell evidences of indebtedness for capital projects; to provide for a legislative council study; and to declare an emergency.



**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 44 YEAS, 1 NAY, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Brown; Christmann; Cook; Dever; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Nelson; Nething; O'Connell; Robinson; Schobinger; Seymour; Stenehjem; Syverson; Tallackson; Taylor; Thane; Tollefson; Trenbeath; Triplett; Urlacher; Wardner; Warner

**NAYS:** Mutch

**ABSENT AND NOT VOTING:** Bercier; Traynor

Engrossed SB 2023 passed, the title was agreed to, and the emergency clause was declared carried.

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**MOTION**

**SEN. CHRISTMANN MOVED** that the Senate stand in recess until 4:00 p.m., which motion prevailed.

**THE SENATE RECONVENED** pursuant to recess taken, with President Pro Tem Grindberg presiding.

**MOTION**

**SEN. ANDRIST MOVED** that the Senate reconsider its action whereby Engrossed SB 2222 failed to pass, which motion prevailed on a verification vote.

Engrossed SB 2222 was placed on the Eleventh order on the calendar.

**MOTION**

**SEN. CHRISTMANN MOVED** that SB 2282 be moved to the top of the Sixth order, which motion prevailed.

**CONSIDERATION OF AMENDMENTS**

**SB 2282: SEN. NETHING (Industry, Business and Labor Committee) MOVED** that the amendments on SJ pages 495-496 be adopted and then be placed on the Eleventh order with **DO PASS**.

**REQUEST**

**SEN. ANDRIST REQUESTED** a recorded roll call vote on the motion to adopt the proposed amendments to SB 2282, which request was granted.

**ROLL CALL**

The question being the motion to adopt the amendments to SB 2282, the roll was called and there were 9 YEAS, 34 NAYS, 0 EXCUSED, 4 ABSENT AND NOT VOTING.

**YEAS:** Brown; Flakoll; Grindberg; Klein; Lyson; Mutch; Nething; Tallackson; Thane

**NAYS:** Andrist; Bowman; Christmann; Cook; Dever; Erbele; Every; Fairfield; Fischer; Freborg; Hacker; Heitkamp; Holmberg; Kilzer; Krauter; Krebsbach; Kringstad; Lee, G.; Lindaas; Mathern; Nelson; O'Connell; Robinson; Schobinger; Seymour; Stenehjem; Syverson; Taylor; Tollefson; Trenbeath; Triplett; Urlacher; Wardner; Warner

**ABSENT AND NOT VOTING:** Bercier; Espegard; Lee, J.; Traynor

The motion to adopt the amendments to SB 2282 failed to pass.

SB 2282 was placed on the Eleventh order on the calendar.

**SECOND READING OF SENATE BILL**

**SB 2282:** A BILL for an Act to create and enact a new section to chapter 26.1-26.4 of the North Dakota Century Code, relating to independent review procedures for health care utilization review agents; to amend and reenact sections 26.1-26.4-02, 26.1-26.4-04, and 65-02-20 of the North Dakota Century Code, relating to minimum standards of utilization review agents and workforce safety and insurance procedures for dispute resolution; and to provide an effective date.

**MOTION**

**SEN. KREBSBACH MOVED** that SB 2282 be amended as follows, which motion prevailed on a voice vote.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 26.1-12 of the North Dakota Century Code, relating to nonprofit mutual insurance company independent external review requirements.

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

**SECTION 1.** A new section to chapter 26.1-12 of the North Dakota Century Code is created and enacted as follows:

**Independent external review.** A nonprofit mutual insurance company that offers an accident and health line of insurance shall establish and implement an independent external review mechanism to review and determine whether medical care rendered was medically necessary and appropriate to the claim as submitted by the provider."

Renumber accordingly

**SB 2282:** A BILL for an Act to create and enact a new section to chapter 26.1-12 of the North Dakota Century Code, relating to nonprofit mutual insurance company independent external review requirements.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 44 YEAS, 1 NAY, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Christmann; Cook; Dever; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; O'Connell; Robinson; Schobinger; Seymour; Stenehjerm; Syverson; Tallackson; Taylor; Thane; Tollefson; Trenbeath; Triplett; Urlacher; Wardner; Warner

**NAYS:** Brown

**ABSENT AND NOT VOTING:** Bercier; Traynor

Engrossed SB 2282 passed and the title was agreed to.

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**MOTION**

**SEN. CHRISTMANN MOVED** that Senate Rule 601-3-a be suspended, thereby allowing SB 2018 and SB 2032 to be placed on the calendar today, which motion prevailed.

**SECOND READING OF SENATE BILL**

**SB 2222:** A BILL for an Act to amend and reenact section 15.1-06-04 of the North Dakota Century Code, relating to the commencement of the elementary and secondary school year; and to provide an effective date.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 22 YEAS, 23 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Bowman; Christmann; Cook; Dever; Espegard; Fairfield; Fischer; Freborg; Grindberg; Lindaas; Lyson; Nething; Schobinger; Stenehjerm; Taylor; Thane; Tollefson; Trenbeath; Triplett; Urlacher; Wardner; Warner

**NAYS:** Andrist; Brown; Erbele; Every; Flakoll; Hacker; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Mathern; Mutch; Nelson; O'Connell; Robinson; Seymour; Syverson; Tallackson

**ABSENT AND NOT VOTING:** Bercier; Traynor

Engrossed SB 2222 lost.

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**PRESIDING OFFICER****PRESIDENT DALRYMPLE** assumed the chair.**CONSIDERATION OF AMENDMENTS**

**SB 2027, as engrossed: SEN. KILZER (Appropriations Committee) MOVED** that the amendments on SJ pages 492-493 be adopted and then be placed on the Eleventh order with **DO PASS**, which motion prevailed on a verification vote.

**SECOND READING OF SENATE BILL**

**SB 2027:** A BILL for an Act to establish the commission on legal counsel for indigents for the purpose of providing indigent defense services; to amend and reenact section 27-20-49, subsection 2 of section 28-32-01, and subsections 1 and 4 of section 29-07-01.1 of the North Dakota Century Code, relating to the commission; to provide an appropriation; to provide for transition; and to provide an effective date.

**MOTION**

**SEN. TRIPLETT MOVED** that Reengrossed SB 2027 be amended as follows:

Page 8, line 18, after the second boldfaced period insert "There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,135,285, or so much of the sum as may be necessary, to the commission on legal counsel for indigents for the purpose of establishing the commission, for the biennium beginning July 1, 2005, and ending June 30, 2007."

Renumber accordingly

**REQUEST**

**SEN. TRIPLETT REQUESTED** a recorded roll call vote on the motion to adopt the proposed amendments to Reengrossed SB 2027, which request was granted.

**ROLL CALL**

The question being on the motion to adopt the proposed amendments to Reengrossed SB 2027, the roll was called and there were 17 YEAS, 28 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Espgaard; Every; Fairfield; Heitkamp; Krauter; Lindaas; Mathern; Nelson; Nothing; O'Connell; Robinson; Seymour; Tallackson; Taylor; Trenbeath; Triplett; Warner

**NAYS:** Andrist; Bowman; Brown; Christmann; Cook; Dever; Erbele; Fischer; Flakoll; Freborg; Grindberg; Hacker; Holmberg; Kilzer; Klein; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lyson; Mutch; Schobinger; Stenehjem; Syverson; Thane; Tollefson; Urlacher; Wardner

**ABSENT AND NOT VOTING:** Bercier; Traynor

The proposed amendments to Reengrossed SB 2027 failed.

**ROLL CALL**

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

**YEAS:** Andrist; Bowman; Brown; Christmann; Cook; Dever; Erbele; Espgaard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heitkamp; Holmberg; Kilzer; Klein; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mutch; Nelson; Nothing; O'Connell; Robinson; Schobinger; Seymour; Stenehjem; Syverson; Tallackson; Taylor; Thane; Tollefson; Trenbeath; Triplett; Urlacher; Wardner; Warner

**NAYS:** Krauter; Mathern

**ABSENT AND NOT VOTING:** Bercier; Traynor

Reengrossed SB 2027 passed and the title was agreed to.

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**CONSIDERATION OF AMENDMENTS**

**SB 2028: SEN. FISCHER (Appropriations Committee) MOVED** that the amendments on SJ page 493 be adopted and then be placed on the Eleventh order with **DO PASS**, which motion prevailed on a verification vote.

**SECOND READING OF SENATE BILL**

**SB 2028:** A BILL for an Act to provide for a guardianship services system; and to provide an appropriation.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 45 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Brown; Christmann; Cook; Dever; Erbele; Espesgaard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; O'Connell; Robinson; Schobinger; Seymour; Stenehjem; Syverson; Tallackson; Taylor; Thane; Tollefson; Trenbeath; Triplett; Urlacher; Wardner; Warner

**ABSENT AND NOT VOTING:** Bercier; Traynor

Engrossed SB 2028 passed and the title was agreed to.

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**CONSIDERATION OF AMENDMENTS**

**SB 2059: SEN. TALLACKSON (Appropriations Committee) MOVED** that the amendments on SJ page 493 be adopted and then be placed on the Eleventh order with **DO PASS**, which motion prevailed.

**SECOND READING OF SENATE BILL**

**SB 2059:** A BILL for an Act to amend and reenact section 54-03-20 of the North Dakota Century Code, relating to lodging expense reimbursement for members of the legislative assembly; to provide an effective date; and to declare an emergency.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 36 YEAS, 9 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Brown; Christmann; Cook; Dever; Erbele; Espesgaard; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heitkamp; Holmberg; Kilzer; Klein; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Nething; O'Connell; Robinson; Schobinger; Seymour; Stenehjem; Syverson; Tallackson; Thane; Tollefson; Trenbeath; Urlacher; Wardner

**NAYS:** Every; Fairfield; Krauter; Mathern; Mutch; Nelson; Taylor; Triplett; Warner

**ABSENT AND NOT VOTING:** Bercier; Traynor

Engrossed SB 2059 passed, the title was agreed to, and the emergency clause was declared carried.

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**CONSIDERATION OF AMENDMENTS**

**SB 2087: SEN. CHRISTMANN (Appropriations Committee) MOVED** that the amendments on SJ pages 493-494 be adopted and then be placed on the Eleventh order with **DO PASS**, which motion prevailed.

**SECOND READING OF SENATE BILL**

**SB 2087:** A BILL for an Act to amend and reenact sections 44-08-18, 54-21-17.1, and 54-21-18 of the North Dakota Century Code, relating to the transfer of capitol security from the office of management and budget to the highway patrol.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 45 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Brown; Christmann; Cook; Dever; Erbele; Espesgaard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; O'Connell; Robinson; Schobinger; Seymour; Stenehjem; Syverson; Tallackson; Taylor; Thane; Tollefson; Trenbeath; Triplett; Urlacher; Wardner; Warner

**ABSENT AND NOT VOTING:** Bercier; Traynor

Engrossed SB 2087 passed and the title was agreed to.

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#### CONSIDERATION OF AMENDMENTS

**SB 2121: SEN. ROBINSON (Appropriations Committee) MOVED** that the amendments on SJ page 494 be adopted and then be placed on the Eleventh order with **DO PASS**, which motion prevailed.

#### SECOND READING OF SENATE BILL

**SB 2121:** A BILL for an Act to amend and reenact section 54-44.1-11 of the North Dakota Century Code, relating to unexpended appropriations for roadway maintenance operations; and to declare an emergency.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 44 YEAS, 0 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Brown; Christmann; Cook; Dever; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; O'Connell; Robinson; Schobinger; Seymour; Stenehjem; Syverson; Tallackson; Taylor; Thane; Tollefson; Trenbeath; Triplett; Urlacher; Wardner; Warner

**ABSENT AND NOT VOTING:** Bercier; Lee, J.; Traynor

Engrossed SB 2121 passed, the title was agreed to, and the emergency clause was declared carried.

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#### CONSIDERATION OF AMENDMENTS

**SB 2133: SEN. KRAUTER (Appropriations Committee) MOVED** that the amendments on SJ page 494 be adopted and then be placed on the Eleventh order with **DO PASS**, which motion prevailed.

#### SECOND READING OF SENATE BILL

**SB 2133:** A BILL for an Act to amend and reenact section 49-22-22 of the North Dakota Century Code, relating to energy conversion and transmission facility siting process expense recovery and to creation of a special fund; to provide a continuing appropriation; to provide for retroactive application; and to declare an emergency.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 45 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Brown; Christmann; Cook; Dever; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; O'Connell; Robinson; Schobinger; Seymour; Stenehjem; Syverson; Tallackson; Taylor; Thane; Tollefson; Trenbeath; Triplett; Urlacher; Wardner; Warner

**ABSENT AND NOT VOTING:** Bercier; Traynor

Engrossed SB 2133 passed, the title was agreed to, and the emergency clause was declared carried.

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#### CONSIDERATION OF AMENDMENTS

**SB 2228: SEN. BOWMAN (Appropriations Committee) MOVED** that the amendments on SJ page 494 be adopted and then be placed on the Eleventh order with **DO PASS**, which motion prevailed.

#### SECOND READING OF SENATE BILL

**SB 2228:** A BILL for an Act to provide an appropriation to the parks and recreation department to assist with the construction costs of the international arts center at the international music camp.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 44 YEAS, 1 NAY, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Brown; Christmann; Cook; Dever; Erbele; Espgaard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heitkamp; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; O'Connell; Robinson; Schobinger; Seymour; Stenehjerm; Syverson; Tallackson; Taylor; Thane; Tollefson; Trenbeath; Triplett; Urlacher; Wardner; Warner

**NAYS:** Holmberg

**ABSENT AND NOT VOTING:** Bercier; Traynor

Engrossed SB 2228 passed and the title was agreed to.

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**CONSIDERATION OF AMENDMENTS**

**SB 2248, as engrossed: SEN. LINDAAS (Appropriations Committee) MOVED** that the amendments on SJ page 495 be adopted and then be placed on the Eleventh order with **DO PASS**, which motion prevailed.

**SECOND READING OF SENATE BILL**

**SB 2248:** A BILL for an Act to amend and reenact subsection 1 of section 4-41-02, sections 12-60-16.6, 12-60-16.9, 12-60-24, and 15.1-13-14, subsection 1 of section 15.1-13-20, section 15.1-13-23, subsection 4 of section 43-17-07.1, and sections 43-30-06, 50-11.1-06.2, and 54-59-20 of the North Dakota Century Code, relating to criminal history record checks; and to declare an emergency.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 45 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Brown; Christmann; Cook; Dever; Erbele; Espgaard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; O'Connell; Robinson; Schobinger; Seymour; Stenehjerm; Syverson; Tallackson; Taylor; Thane; Tollefson; Trenbeath; Triplett; Urlacher; Wardner; Warner

**ABSENT AND NOT VOTING:** Bercier; Traynor

Reengrossed SB 2248 passed, the title was agreed to, and the emergency clause was declared carried.

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**CONSIDERATION OF AMENDMENTS**

**SB 2266: SEN. LYSON (Appropriations Committee) MOVED** that the amendments on SJ page 495 be adopted and then be placed on the Eleventh order with **DO PASS**, which motion prevailed.

**SECOND READING OF SENATE BILL**

**SB 2266:** A BILL for an Act to amend and reenact section 43-17.2-01, subsection 5 of section 43-17.2-02, subsection 3 of section 43-17.2-03, and section 43-17.2-08 of the North Dakota Century Code, relating to the state-community matching physician loan repayment program and powers of the state health council.

**ROLL CALL**

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

**YEAS:** Andrist; Bowman; Brown; Cook; Dever; Espgaard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; O'Connell; Robinson; Schobinger; Seymour; Stenehjerm; Syverson; Tallackson; Taylor; Thane; Tollefson; Trenbeath; Triplett; Urlacher; Wardner; Warner

**NAYS:** Christmann; Erbele

**ABSENT AND NOT VOTING:** Bercier; Traynor

Engrossed SB 2266 passed and the title was agreed to.

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#### **CONSIDERATION OF AMENDMENTS**

**SB 2283: SEN. BROWN (Human Services Committee) MOVED** that the amendments on SJ page 496 be adopted and then be placed on the Eleventh order with **DO PASS**, which motion prevailed.

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

**SB 2283:** A BILL for an Act to amend and reenact section 43-15-35 of the North Dakota Century Code, relating to hospital ownership of a pharmacy.

#### **MOTION**

**SEN. STENEHJEM MOVED** that the question be put at 5:31 p.m., which motion prevailed.

#### **ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 7 YEAS, 38 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Brown; Dever; Erbele; Flakoll; Krebsbach; Lee, G.; Lee, J.

**NAYS:** Andrist; Bowman; Christmann; Cook; Espegard; Every; Fairfield; Fischer; Freborg; Grindberg; Hacker; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Kringstad; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; O'Connell; Robinson; Schobinger; Seymour; Stenehjem; Syverson; Tallackson; Taylor; Thane; Tollefson; Trenbeath; Triplett; Urlacher; Wardner; Warner

**ABSENT AND NOT VOTING:** Bercier; Traynor

Engrossed SB 2283 lost.

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#### **CONSIDERATION OF AMENDMENTS**

**SB 2300: SEN. ESPEGARD (Industry, Business and Labor Committee) MOVED** that the amendments on SJ page 496 be adopted and then be placed on the Eleventh order with **DO PASS**, which motion prevailed.

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

**SB 2300:** A BILL for an Act to amend and reenact sections 23-12-09, 23-12-10, 23-12-10.2, and 23-12-11 of the North Dakota Century Code, relating to smoke-free environments; to repeal section 23-12-10.1 of the North Dakota Century Code, relating to smoking area signage; and to provide a penalty.

#### **ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 28 YEAS, 17 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Brown; Dever; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Grindberg; Hacker; Heitkamp; Holmberg; Kilzer; Krauter; Krebsbach; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Nelson; Nething; Robinson; Seymour; Tollefson; Triplett; Warner

**NAYS:** Bowman; Christmann; Cook; Freborg; Klein; Kringstad; Mutch; O'Connell; Schobinger; Stenehjem; Syverson; Tallackson; Taylor; Thane; Trenbeath; Urlacher; Wardner

**ABSENT AND NOT VOTING:** Bercier; Traynor

Engrossed SB 2300 passed and the title was agreed to.

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#### **MOTION**

**SEN. CHRISTMANN MOVED** that SB 2018 and SB 2032 be moved to the top of the Sixth order, which motion prevailed.

## REPORT OF STANDING COMMITTEE

**SB 2018: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (15 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2018 was placed on the Sixth order on the calendar.

Page 1, line 2, replace "exemption; to provide a continuing appropriation for the centers of" with "appropriation to the office of management and budget; to provide exemptions; to create and enact a new section to chapter 54-34.3, a new section to chapter 54-44.4, three new sections to chapter 54-60, and a new section to chapter 57-38.5 of the North Dakota Century Code, relating to a division of economic development and finance local economic developer certification program, an office of management and budget procurement information program, department of commerce target industry requirements, a department of commerce state employee image training program, a department of commerce business hotline program, and seed capital investment tax credit treatment of investments in excess of caps on credits; to amend and reenact sections 15-10-41, 57-38.5-01, 57-38.5-02, 57-38.5-03, 57-38.5-04, and 57-38.5-05 of the North Dakota Century Code, relating to the centers of excellence program and the seed capital investment tax credit; to repeal section 15-10-41 of the North Dakota Century Code, relating to the centers of excellence program; to provide for state agency studies, reports to the legislative council, and legislative council studies; to provide an appropriation; to provide an effective date; and to provide an expiration date."

Page 1, remove lines 3 and 4

Page 1, line 23, replace "455,981" with "426,658"

Page 2, line 3, replace "5,000,000" with "2,500,000"

Page 2, line 5, replace "(191,055)" with "(191,929)"

Page 2, line 6, replace "(7,000)" with "453,000"

Page 2, line 7, replace "81,301" with "80,858"

Page 2, line 8, replace "7,193,830" with "5,123,190"

Page 2, line 9, replace "3,079,389" with "3,069,937"

Page 2, line 10, replace "4,114,441" with "2,053,253"

Page 2, line 17, replace "7,169,321" with "7,139,998"

Page 2, line 21, replace "5,000,000" with "2,500,000"

Page 2, line 22, replace "2,792,124" with "2,791,250"

Page 2, line 23, replace "1,440,127" with "1,900,127"

Page 2, line 24, replace "3,933,212" with "3,932,769"

Page 2, line 25, replace "78,561,660" with "76,491,020"

Page 2, line 26, replace "55,432,496" with "55,423,044"

Page 2, line 27, replace "23,129,164" with "21,067,976"

Page 2, after line 27, insert:

**"SECTION 4. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$50,000, or so much of the sum as may be necessary, to the office of management and budget for the purpose of establishing and maintaining procurement information on the internet and for performing the procurement assistance study, for the biennium beginning July 1, 2005, and ending June 30, 2007."

Page 3, line 6, replace "\$5,000,000" with "\$2,500,000"

Page 3, line 7, remove "cash investments or debt service payments for"



Page 3, replace lines 11 through 19 with:

**"SECTION 8. EXEMPTION.** The funds appropriated in the discretionary funds line item in section 3 of this Act are not subject to section 54-44.1-11 and any unexpended funds from this line item may be spent during the biennium beginning July 1, 2007, and ending June 30, 2009."

Page 3, line 22, replace "debt service" with "expenditure"

Page 3, replace lines 24 through 30 with:

**"SECTION 10. ECONOMIC DEVELOPMENT INITIATIVES - DISCRETIONARY FUNDS.** The discretionary funds line item in section 3 of this Act includes \$385,000 from the general fund for the following economic development initiatives for the biennium beginning July 1, 2005, and ending June 30, 2007:

Target industry identification and report	\$25,000
Image information program	50,000
Business hotline program	30,000
Local economic developer certification and training program	50,000
Dakota manufacturing initiative	100,000
Intellectual property rights study and report	50,000
Economic development incentives study and report	30,000
Business climate initiative study	<u>50,000</u>
Total	\$385,000

**SECTION 11. LIFE SCIENCES SECTOR DEVELOPMENT GRANT - DISCRETIONARY FUNDS.** The department of commerce shall provide a \$100,000 grant from funds appropriated in the discretionary funds line item in section 3 of this Act to an economic development corporation in the Red River Valley research corridor by June 30, 2006, to increase opportunities in the state for expanded research and business development in the life sciences sector for the biennium beginning July 1, 2005, and ending June 30, 2007.

**SECTION 12. WIND TO HYDROGEN DEMONSTRATION PROJECT GRANT - DISCRETIONARY FUNDS.** The department of commerce shall provide a \$25,000 grant from funds appropriated in the discretionary funds line item in section 3 of this Act to a North Dakota city with a population exceeding 75,000 for a wind to hydrogen demonstration project for the biennium beginning July 1, 2005, and ending June 30, 2007.

**SECTION 13. WHEAT SCAB RESEARCH GRANT - AGRICULTURAL PRODUCTS UTILIZATION COMMISSION.** The agricultural products utilization commission shall provide a grant of \$100,000 from its funding available for the 2005-07 biennium to a private company within the state doing research on sensor technology for the purpose of obtaining more detailed environmental data relating to wheat scab disease and to improve the management of the disease for the biennium beginning July 1, 2005, and ending June 30, 2007."

Page 4, remove lines 1 through 31

Page 5, remove lines 1 through 30

Page 6, remove lines 1 through 31

Page 7, remove lines 1 through 30

Page 8, remove lines 1 and 2

Page 8, remove lines 26 through 29

Page 9, after line 3, insert:

**"SECTION 21. AMENDMENT.** Section 15-10-41 of the North Dakota Century Code is amended and reenacted as follows:

**15-10-41. Centers of excellence -** Centers of excellence commission - Report to budget section.

1. The state board of higher education shall establish a centers of excellence program relating to economic development ~~consistent with the purpose under subsection 2~~ through which the commission makes center funding award recommendations for institutions of higher education under control of the board, tribal colleges located in the state, private baccalaureate-granting institutions of higher education located in the state, and university-related or college-related foundations of public or private institutions of higher education located in the state.
2. In this section, unless the context otherwise requires:
  - a. "Board" means the state board of higher education.
  - b. "Center" means a center of excellence relating to economic development.
  - c. "Commission" means the centers of excellence commission.
  - d. "Foundation" means the North Dakota economic development foundation.
  - e. "Industry cluster" means one of the following industries:
    - (1) Advanced manufacturing;
    - (2) Energy;
    - (3) Information and technology;
    - (4) Tourism;
    - (5) Value-added agriculture; or
    - (6) An industry, including the aerospace industry, specifically identified by the department of commerce as an industry that will contribute to the gross state product.
3. The centers of excellence commission consists of six members. The foundation shall appoint three members of the commission and the board shall appoint three members of the commission. The commission members shall designate a chairman and a vice chairman of the commission. Each member of the commission shall serve for a term of three years, beginning July first of each odd-numbered year; may be reappointed for additional terms; and serves at the pleasure of the appointing entity. Terms of initial commission board members must be staggered. A commission member may receive compensation and travel and expense reimbursement from the appointing entity. The commission shall meet as necessary to review all complete applications; approve, disapprove, or approve conditionally the applications; and make center funding award recommendations. The board shall provide the commission with appropriate staff services as may be requested by the commission.
4. The board shall provide application forms, accept applications, review applications for completeness and compliance with board policy, and forward complete applications to the commission according to guidelines established by the commission. ~~The board shall designate centers of excellence. A designation by the board of a center of excellence within the economic development category does not preclude the board or a higher education institution from designating a center of excellence in an academic or service area. Centers of excellence relating to economic development include the North Dakota state university center for technology enterprise and the university of North Dakota center for innovation.~~

~~Before January 1, 2004, the board, in consultation with the North Dakota economic development foundation and with private sector input, shall establish definitions and eligibility criteria for centers of excellence relating to economic development. The board shall present the definitions and eligibility criteria for the centers of excellence relating to economic development to an interim committee designated by the legislative council.~~

~~The North Dakota economic development foundation may identify and recommend high priority centers of excellence relating to economic development for consideration by the state board of higher education for future budget requests. The legislative assembly may designate a center.~~

- ~~2. The purpose of the program is to develop~~
5. Before the commission may consider an application for center funding, the applicant shall establish in the application how the center will:
  - a. Develop and engage strategies for science and technology research and development, commercialization, entrepreneurship, infrastructure, growth and expansion utilization to assist the growth and expansion of knowledge-based industries, and other activities in the state to develop innovative approaches that expand the gross state product; to assist.
  - b. Create private sector employment opportunities for residents of this state.
  - c. Assist efforts to attract private and federal assistance for science and technology research and development and for commercialization in growth.
  - d. Assist efforts to commercialize and expand industry clusters most likely to increase the gross state product; to increase.
  - e. Increase collaboration among state, federal, and private science and technology research and development and technology commercialization organizations in the state; to strengthen the leadership and support of the national science foundation experimental program to stimulate competitive research programs and to encourage partnerships with other state institutions for expanded efforts to stimulate economic growth in identified industry clusters; to provide leadership in science and technology policy at a regional, a national, and an international level; and to create employment opportunities for North Dakota university system graduates. Identified industry clusters include advanced manufacturing, aerospace, energy, information and technology, tourism, and value-added agriculture.
6. In considering an application, the commission shall:
  - a. Make a determination that the requirements of subsection 5 have been established by the applicant.
  - b. Consider whether the center will:
    - (1) Promote private sector job growth and expansion of knowledge-based industries or the development of new products, high-tech companies, or skilled jobs in this state;
    - (2) Create high-value private sector employment opportunities in this state;
    - (3) Provide for public-private sector involvement and partnerships;
    - (4) Leverage other funding;
    - (5) Increase research and development activities that may involve federal funding from the national science foundation experimental program to stimulate competitive research;
    - (6) Foster and practice entrepreneurship;
    - (7) Link to targeted industry clusters; and
    - (8) Include provisions for becoming self-sustaining.
7. Following approval by the board, foundation, and commission, the board and commission shall report the details of a proposed designated center to

the budget section. An approved award determination reported to the budget section must include details regarding the terms under which the board will distribute allocated funds.

- ~~3. The state board of higher education shall allocate funds from appropriations for undesignated centers of excellence relating to economic development based on the criteria established and The board, in partnership with the commission and foundation, shall report to the budget section annually on such the status of allocations, in partnership with the North Dakota economic development foundation, to the budget section and actual fund distributions.~~
8. A recipient of funds awarded under this section shall use the funds to enhance capacity;<sub>i</sub> enhance infrastructure;<sub>i</sub> and leverage state, federal, and private sources of funding. ~~Funds~~ A recipient of funds awarded under this section may not ~~be used~~ use the funds to supplant funding for current operations or academic instruction or to pay indirect costs. ~~The board may award funds under this section to research universities, university related foundations, and public institutions that are located in the state which demonstrate the potential to deliver expertise and service to industry elusters that will contribute to the gross state product. A recipient of funds under this section which is~~
9. Before funds awarded under this section are distributed to an institution of higher education under the control of the board of higher education or which is to a nonprofit university-related or college-related foundation of an institution of higher education under control of the board, the recipient shall:
  - a. ~~Provide~~ provide the board of higher education with detailed documentation of the availability of two dollars of matching funds for each dollar of funds awarded under this section ~~as a condition of eligibility for receipt of funds under this section; and.~~
  - b. ~~Provide~~ An institution of higher education under the control of the board or a nonprofit university-related or college-related foundation of an institution of higher education under control of the board which receives funds under this section shall provide the board of higher education, governor, and North Dakota economic development foundation with annual reports for four fiscal years following receipt of the funds.

**SECTION 22.** A new section to chapter 54-34.3 of the North Dakota Century Code is created and enacted as follows:

Local economic developer certification program. The director shall implement a certification program through which the division provides training to assist local economic developers in meeting the needs of businesses. The director may contract with a third-party service provider to assist in implementing the program. The director may set and charge a fee for the receipt of services under this program.

**SECTION 23.** A new section to chapter 54-44.4 of the North Dakota Century Code is created and enacted as follows:

Procurement information - Web site.

1. The office of management and budget shall establish and maintain a procurement information web site on the internet. This procurement information web site must provide current information regarding North Dakota government procurement opportunities in order to inform potential vendors of the commodities and services sought by state agencies and institutions. Notwithstanding section 54-44.4-09, for each purchase of services or commodities over the amount established for small purchases, the office of management and budget and every purchasing agency shall provide procurement information on the web site. The time period and manner of providing procurement information on the web site must be in accordance with rules adopted by the office of management and budget. The office of management and budget may contract with a third party to assist in providing or maintaining the procurement information web site.

2. A state agency or institution may elect to use the procurement information web site for the purchase of services and commodities that are not subject to the procurement requirements of this chapter, including:
  - a. Commodities and services exempted under section 54-44.4-02;
  - b. Public improvements under title 48;
  - c. Architect, engineer, construction management, and land surveying services under chapter 54-44.7; and
  - d. Concessions under chapter 48-09.

**SECTION 24.** A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

Target industries - Report to legislative council. The commissioner shall identify target industries on which the commissioner shall focus economic development efforts. The commissioner shall designate one of these target industries as a special focus target industry. In identifying and updating target industries, the commissioner shall solicit the advice of the foundation and the North Dakota university system. The commissioner may contract for the services of a third party in identifying target industries. The commissioner shall report biennially to the legislative council. This report must include information regarding the process used and factors considered in identifying and updating the target industries, the specific tactics the department has used to specifically address the needs of the target industries, the unique tactics and the specific incentives the department has used to support the growth of the special focus target industry, and any recommended legislative changes necessary to better focus economic development services on these industries.

**SECTION 25.** A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

North Dakota image information program. The commissioner shall implement a program for use by state agencies to assist state agencies and state agencies' employees to present to the public a positive image of the state. The commissioner may expand the program to include use of the program by the private sector.

**SECTION 26.** A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

Business hotline. The commissioner shall create and implement a business hotline program. The program must provide for a telephone number through which the department shall provide, during regular business hours, in-state and out-of-state callers with information regarding how to do business in the state, the services and assistance available to businesses, the advantages of doing business in the state, and information on state and other resources that provide assistance to businesses in the state. In addition to directly providing information, the department may use the business hotline as a clearinghouse through which to refer callers to other federal, state, local, or private sector economic developers. The program must include an in-state and out-of-state marketing campaign in support of the program. The commissioner shall follow up on business leads gained through the program and shall gather data on the results of calls, including business expansion, location, and startup.

**SECTION 27. AMENDMENT.** Section 57-38.5-01 of the North Dakota Century Code is amended and reenacted as follows:

**57-38.5-01. Definitions.** As used in this chapter, unless the context otherwise requires:

1. "Director" means the director of the department of commerce division of economic development and finance.
2. "New wealth" means revenues to a North Dakota business which are generated by sales of products or services to customers outside of the state. "New wealth" also includes revenues to a qualified business the customers of which previously were unable to acquire, or had limited availability of, the product or service from a North Dakota provider.

3. "Passthrough entity" means a corporation that for the applicable tax year is treated as an S corporation or a general partnership, limited partnership, limited liability partnership, trust, or limited liability company and which for the applicable tax year is not taxed as a corporation under chapter 57-38.
4. "Primary sector business" means a qualified business that through the employment of knowledge or labor adds value to a product, process, or service and which results in the creation of new wealth but does not include an ethanol production facility.
4. 5. "Qualified business" means a business other than a real estate investment trust which is:
  - a. A primary sector business that:
    - (1) Is incorporated or its satellite operation is incorporated as a for-profit corporation or is a partnership, limited partnership, limited liability company, limited liability partnership, or joint venture;
    - (2) Is in compliance with the requirements for filings with the securities commissioner under the securities laws of this state;
    - (3) Has North Dakota residents as a majority of its employees in the North Dakota principal office or the North Dakota satellite operation; and
    - (4) Has its principal office in this state and has the majority of its business activity performed in this state, except sales activity, or has a significant operation in North Dakota that has or is projected to have more than ten employees or one hundred fifty thousand dollars of sales annually; or
  - b. An organization that:
    - (1) ~~Is in compliance with the requirements for filings with the securities commissioner under the securities laws of this state; and~~
    - (2) ~~Attracts investments to build and own a value added agricultural processing facility that it leases with an option to purchase to a primary sector business that qualifies under subdivision a~~ is a primary sector business as described in subdivision a which is operated in partnership with a research university, university-related foundation, or public institution eligible to receive funding under section 15-10-41.
5. 6. "Taxpayer" means an individual, estate, or trust or a corporation or passthrough entity but does not include a real estate investment trust.

**SECTION 28. AMENDMENT.** Section 57-38.5-02 of the North Dakota Century Code is amended and reenacted as follows:

**57-38.5-02. Certification - Investment reporting by qualified businesses -** Maximum investments in qualified businesses. The director shall certify whether a business that has requested to become a qualified business meets the requirements of subsection 4 of section 57-38.5-01 and the certification must include the period of time the certification covers. The director shall establish the necessary forms and procedures for certifying qualified businesses. For investments made after December 31, 2004, the maximum aggregate amount of qualified investments a qualified business may receive is limited to five hundred thousand dollars under this chapter. The limitation on investments under this section may not be interpreted to limit additional investment by a taxpayer for which that taxpayer is not applying for a credit.

**SECTION 29. AMENDMENT.** Section 57-38.5-03 of the North Dakota Century Code is amended and reenacted as follows:

**57-38.5-03. Seed capital investment tax credit.** If a taxpayer makes a qualified investment in a qualified business, the taxpayer is entitled to a credit against state income tax liability under section 57-38-29, 57-38-30, or 57-38-30.3. The amount

of the credit to which a taxpayer is entitled is forty-five percent of the amount invested by the taxpayer in qualified businesses during the taxable year, subject to the following:

1. The aggregate annual investment for which a taxpayer may obtain a tax credit under this section is not ~~less than five thousand dollars and not more than two hundred fifty thousand dollars~~. This subsection may not be interpreted to limit additional investment by a taxpayer for which that taxpayer is not applying for a credit.
2. In any taxable year, a taxpayer may claim no more than one-third of the credit under this section which is attributable to investments in a single taxable year.
3. Any amount of credit under this section not allowed because of the limitations in this section may be carried forward for up to four taxable years after the taxable year in which the investment was made.
4. A ~~partnership~~ passthrough entity that invests in a qualified business must be considered to be the taxpayer for purposes of the investment limitations in this section and the amount of the credit allowed with respect to a ~~partnership's~~ passthrough entity's investment in a qualified business must be determined at the ~~partnership~~ passthrough entity level. The amount of the total credit determined at the ~~partnership~~ passthrough entity level must be allowed to the ~~partners, limited to individuals, estates, and trusts,~~ members in proportion to their respective interests in the ~~partnership~~ passthrough entity.
5. The investment must be at risk in the business. An investment for which a credit is received under this section must remain in the business for at least three years. Investments placed in escrow do not qualify for the credit.
6. The entire amount of an investment for which a credit is claimed under this section must be expended by the qualified business for plant, equipment, research and development, marketing and sales activity, or working capital for the qualified business.
7. A taxpayer who owns a controlling interest in the qualified business or whose full-time professional activity is the operation of the business is not entitled to a credit under this section. A member of the immediate family of a taxpayer disqualified by this subsection is not entitled to the credit under this section. For purposes of this subsection, "immediate family" means the taxpayer's spouse, parent, sibling, or child or the spouse of any such person.
8. The tax commissioner may disallow any credit otherwise allowed under this section if any representation by a business in the application for certification as a qualified business proves to be false or if the taxpayer or qualified business fails to satisfy any conditions under this section or any conditions consistent with this section otherwise determined by the tax commissioner. The amount of any credit disallowed by the tax commissioner that reduced the taxpayer's income tax liability for any or all applicable tax years, plus penalty and interest as provided under section 57-38-45, must be paid by the taxpayer.

**SECTION 30. AMENDMENT.** Section 57-38.5-04 of the North Dakota Century Code is amended and reenacted as follows:

**57-38.5-04. Taxable year for seed capital investment tax credit.** The tax credit under section 57-38.5-03 must be credited against the taxpayer's income tax liability for the taxable year in which ~~full consideration for~~ the investment in the qualified business was received by the qualified business.

**SECTION 31. AMENDMENT.** Section 57-38.5-05 of the North Dakota Century Code is amended and reenacted as follows:

**57-38.5-05. Seed capital investment tax credit limits.** The aggregate amount of seed capital investment tax credit allowed for investments under this chapter ~~through calendar year 2002 is limited to one million dollars and after calendar year 2002 is limited to two million five hundred thousand dollars~~ for each calendar year. If investments in qualified businesses reported to the commissioner under section

57-38.5-07 exceed the limits on tax credits for investments imposed by this section, the credit must be allowed to taxpayers in the chronological order of their investments in qualified businesses as determined from the forms filed under section 57-38.5-07.

**SECTION 32.** A new section to chapter 57-38.5 of the North Dakota Century Code is created and enacted as follows:

Credit for investments made before 2005. An investment made before January 1, 2005, which did not qualify for the tax credit under this chapter because of the two million five hundred thousand dollar credit limitation in effect before the effective date of this Act is entitled to a credit against state income tax liability under section 57-38-29 or 57-38-30.3 in the amount of forty-five percent of the amount invested by the taxpayer in a qualified business subject to the following:

1. The aggregate investment for which a taxpayer may obtain a credit under this section is not less than five thousand dollars and not more than two hundred fifty thousand dollars.
2. In any taxable year, a taxpayer may claim no more than one-fourth of the credit under this section which is attributable to investments made before January 1, 2005.
3. Any amount of credit under this section not allowed because of the limitations in this section may be carried forward for up to five taxable years after the taxable year in which the investment was made.
4. This section does not apply to investments made in an ethanol production facility.

**SECTION 33. REPEAL.** Section 15-10-41 of the North Dakota Century Code is repealed.

**SECTION 34. DAKOTA MANUFACTURING INITIATIVE.** The department of commerce shall seek to contract with the Dakota manufacturing extension partnership, incorporated, to implement the Dakota manufacturing initiative. The initiative includes building a membership association of manufacturers in North Dakota and South Dakota, complementing existing national, regional, and local manufacturing entities; providing nonduplicative services to the association's manufacturing members which address critical needs, including identifying and developing private procurement opportunities; and developing a consortium of major manufacturers in North Dakota and South Dakota to design and support overall supply chain development and supplier development. Under the initiative, state funds must be leveraged with additional public and private funds, which may include federal funding sources, South Dakota state funding, and funding from manufacturers.

**SECTION 35. NORTH DAKOTA BUSINESS CLIMATE INITIATIVE - LEGISLATIVE COUNCIL STUDY.** During the 2005-06 and 2007-08 interims, the legislative council shall study the state's business climate through a business climate initiative. The business climate initiative must include receipt of agency reports regarding economic development legislation introduced by the legislative council during previous legislative sessions, active participation in business climate focus groups across the state, and active participation in biennial business congresses. The focus groups shall discuss ways to enhance the state's business climate to stimulate job growth and enhance economic prosperity by encouraging the growth of existing businesses in the state, creating new businesses in the state, and encouraging expansion or relocation of businesses to this state. Each business congress must receive a report on the activities of the focus group discussions, shall identify methods to enhance the state's business climate to stimulate job growth and enhance economic prosperity, and shall evaluate the impact of existing state economic development programs. The department of commerce shall organize the business climate focus groups and the business congresses. Before each business congress, which must be held before June 1, 2006, and before June 1, 2008, the department shall hold a minimum of six focus group discussions, two of which specifically focus on local economic developers and four of which specifically focus on private business needs. The department shall consult with the legislative council in compiling focus group and business congress participant invitation lists and drafting and distributing invitations, establishing focus group and business congress dates and locations, and preparing agendas for focus groups and business congresses. The legislative council shall contract with a third party to provide professional services to plan, facilitate, report on, and coordinate followup for the focus groups and business congresses. The legislative



council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixtieth and sixty-first legislative assemblies.

**SECTION 36. CENTERS OF EXCELLENCE - REPORT TO LEGISLATIVE COUNCIL.** During the 2005-06 interim, the state board of higher education and the centers of excellence commission shall report to the legislative council on the status of the centers of excellence program under section 15-10-41. The report must include information regarding funding, private sector participation, and accomplishments of each center of excellence and whether there are potential changes that could be made to improve the centers of excellence program.

**SECTION 37. LOCAL ECONOMIC DEVELOPERS CERTIFICATION PROGRAM - REPORT TO LEGISLATIVE COUNCIL.** During the 2005-06 interim, the commissioner of commerce shall report to the legislative council on the status of the certification program through which the division of economic development and finance provides training services to local economic developers under section 22 of this Act. The report must include information regarding what services have been provided under the program to assist local economic developers, to whom the services were provided, local economic developer level of satisfaction with the program, whether the program should continue, and whether there are changes that could be made to better assist local economic developers.

**SECTION 38. PROCUREMENT ASSISTANCE STUDY - REPORT TO LEGISLATIVE COUNCIL.** During the 2005-06 interim, the director of the office of management and budget shall report to the legislative council on the status of providing procurement information through the internet under section 23 of this Act; perform a study on the most effective manner in which to provide for a procurement assistance center; and report to the legislative council on the outcome of the procurement assistance center study, including what services might be provided by such a center, how services might be provided by such a center, and what legislative changes would be required to implement such a center.

**SECTION 39. IMAGE INFORMATION PROGRAM - REPORT TO LEGISLATIVE COUNCIL.** During the 2005-06 interim, the commissioner of commerce shall report to the legislative council on the status of the image information program under section 25 of this Act. The report must include information regarding what information the program provides to state agencies and state agencies' employees, the manner in which the information is provided, the state agencies reached through the program, whether the program has been expanded to provide information to the private sector, whether the program should continue, and whether there are potential changes that could be made to better enhance the state's and private sector's ability to present a positive image of the state.

**SECTION 40. BUSINESS HOTLINE PROGRAM - REPORT TO LEGISLATIVE COUNCIL.** During the 2005-06 interim, the commissioner of commerce shall report to the legislative council on the status of the business hotline program under section 26 of this Act. This report must include information regarding what information the program provides to callers; the number of calls made to the business hotline number; the manner in which the information is provided to callers; followup data; how the program is marketed; whether the program should continue; and whether there are potential changes that could be made to improve the dissemination of business information to businesses in the state, to persons planning on starting a business in the state, and to businesses wishing to do business in the state.

**SECTION 41. TAX STUDY - REPORT TO LEGISLATIVE COUNCIL.** During the 2005-06 interim, the tax commissioner shall conduct a study of the corporate taxing system and tax incentives to stimulate business. The study must include consideration of gaps in tax incentives, include consideration of successful actions taken by other states to improve their tax environment for doing business, and focus on approaches that are specifically tailored to the state's unique circumstances. The tax commissioner may contract with a third party to conduct the study. Before July 1, 2006, the tax commissioner shall report to the legislative council the outcome of the study and identify proposed legislative changes necessary to implement any recommendations to stimulate the state's business climate.

**SECTION 42. DAKOTA MANUFACTURING INITIATIVE - REPORT TO LEGISLATIVE COUNCIL.** During the 2005-06 interim, the commissioner of commerce shall report to the legislative council on the status of the Dakota manufacturing initiative provided for under section 34 of this Act. This report must include information regarding

how the initiative has been established and regarding the activities of the Dakota manufacturing extension partnership, incorporated. The commissioner shall include in the report whether the state should continue this initiative or whether the goal of assisting manufacturers would be better served by alternative means. The commissioner shall report whether there are potential changes that could be made to improve the networking of manufacturing businesses and other suppliers in this state.

**SECTION 43. INTELLECTUAL PROPERTY RIGHTS STUDY - REPORT TO LEGISLATIVE COUNCIL.** During the 2005-06 interim, the department of commerce, in consultation with the state board of higher education, shall conduct a study of the state's intellectual property laws as they relate to the protection of intellectual property rights. The study must include a review of the state's intellectual property laws, including barriers that may inhibit research and development in the state, and must include consideration of successful actions taken by other states to improve the protection of intellectual property rights. The department shall contract with a third party in performing this study. Before July 1, 2006, the commissioner of commerce shall report to the legislative council the outcome of the study and identify proposed legislative changes necessary to implement any recommendations to improve the protection of intellectual property rights.

**SECTION 44. ACCOUNTABILITY MEASURES - REPORTING.** The commissioner of the department of commerce shall monitor and report annually during the 2005-06 interim to either the budget section or an interim committee designated by the legislative council regarding the following North Dakota economic goals and associated benchmarks:

1. Develop unified efforts for economic development based on collaboration and accountability:
  - a. Site selection ranking of the North Dakota department of commerce.
  - b. Share of local economic development organizations participating in statewide marketing strategy.
2. Strengthen cooperation between the university system, economic development organizations, and private businesses:
  - a. Academic research and development expenditures as percentage of gross state product.
  - b. Industry research and development expenditures as percentage of gross state product.
3. Create quality jobs that retain North Dakota's workforce and attract new high-skilled labor:
  - a. Net job growth.
  - b. New private sector businesses per one hundred thousand residents.
  - c. Average annual wage.
  - d. Net migration.
4. Create a strong marketing image that builds on the state's numerous strengths, including workforce, education, and quality of life:
  - a. Positive national and out-of-state media exposure (favorable mentions).
  - b. Number of North Dakota department of commerce web site hits per months.
  - c. Number of leads generated by the North Dakota department of commerce.
5. Accelerate job growth in sustainable, diversified industry clusters to provide opportunities for the state's economy:
  - a. Net job growth in manufacturing.

- b. Net job growth in business services.
  - c. New private sector businesses in manufacturing.
  - d. New private sector businesses in business services.
  - e. Number of utility patents per one hundred thousand residents.
6. Strengthen North Dakota's business climate to increase international competitiveness:
- a. Gross state product (annual growth rate).
  - b. Venture capital investments (thousands).
  - c. Merchandise export value (per capita).

The department, in cooperation with job service North Dakota, the department of human services, and the university system, shall include in its report the number of individuals trained and the number who became employed as a result of each department's workforce development and training programs, including the state's investment, the areas of occupational training, the average annual salary of those employed, and the average increase in earnings twelve months after completion of training.

**SECTION 45. EFFECTIVE DATE - EXPIRATION DATE.** Sections 27 through 31 of this Act are effective for taxable years beginning after December 31, 2004. Section 32 of this Act is effective for taxable year 2004 and is thereafter ineffective, except any unused credit may be carried forward as provided in section 31 of this Act. Section 33 of this Act becomes effective August 1, 2009.

**SECTION 46. EXPIRATION DATE.** Section 26 of this Act is effective through July 31, 2007, and after that date is ineffective. Section 25 of this Act is effective through July 31, 2009, and after that date is ineffective."

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### Senate Bill No. 2018 - Summary of Senate Action

	EXECUTIVE BUDGET	SENATE CHANGES	SENATE VERSION
Office of Management and Budget			
Total all funds	\$0	\$50,000	\$50,000
Less estimated income			
General fund	\$0	\$50,000	\$50,000
Department of Commerce			
Total all funds	\$128,561,660	(\$52,070,640)	\$76,491,020
Less estimated income	105,432,496	(50,009,452)	55,423,044
General fund	\$23,129,164	(\$2,061,188)	\$21,067,976
Bill Total			
Total all funds	\$128,561,660	(\$52,020,640)	\$76,541,020
Less estimated income	105,432,496	(50,009,452)	55,423,044
General fund	\$23,129,164	(\$2,011,188)	\$21,117,976

#### Senate Bill No. 2018 - Office of Management and Budget - Senate Action

	EXECUTIVE BUDGET	SENATE CHANGES	SENATE VERSION
Operating expenses		\$50,000	\$50,000
Total all funds		\$50,000	\$50,000
Less estimated income			
General fund	\$0	\$50,000	\$50,000
FTE	0.00	0.00	0.00

#### Dept. 110 - Office of Management and Budget - Detail of Senate Changes

FUNDING FOR	TOTAL SENATE
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	WEB SITE <sup>1</sup>	CHANGES
Operating expenses	<u>\$50,000</u>	<u>\$50,000</u>
Total all funds	\$50,000	\$50,000
Less estimated income		
General fund	\$50,000	\$50,000
FTE	0.00	0.00

<sup>1</sup> A \$50,000 general fund appropriation is provided to the Office of Management and Budget for establishing and maintaining a state procurement web site.

### Senate Bill No. 2018 - Department of Commerce - Senate Action

	EXECUTIVE BUDGET	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$7,169,321	(\$29,323)	\$7,139,998
Operating expenses	8,722,128		8,722,128
Capital assets	25,000		25,000
Grants	49,479,748		49,479,748
Centers of excellence	5,000,000	(2,500,000)	2,500,000
Agricultural products utilization	2,792,124	(874)	2,791,250
Discretionary funds	1,440,127	460,000	1,900,127
Lewis and Clark Bicentennial	3,933,212	(443)	3,932,769
Centers of excellence - Borrowing	<u>50,000,000</u>	<u>(50,000,000)</u>	
Total all funds	\$128,561,660	(\$52,070,640)	\$76,491,020
Less estimated income	<u>105,432,496</u>	<u>(50,009,452)</u>	<u>55,423,044</u>
General fund	\$23,129,164	(\$2,061,188)	\$21,067,976
FTE	59.00	0.00	59.00

### Dept. 601 - Department of Commerce - Detail of Senate Changes

	REDUCES COMPENSATION PACKAGE TO 3/4	ADJUSTS CENTERS OF EXCELLENCE FUNDING <sup>1</sup>	ADDS DISCRETIONARY FUNDS <sup>2</sup>	TOTAL SENATE CHANGES
Salaries and wages	(\$29,323)			(\$29,323)
Operating expenses				
Capital assets				
Grants				
Centers of excellence		(\$2,500,000)		(2,500,000)
Agricultural products utilization	(874)			(874)
Discretionary funds			\$460,000	460,000
Lewis and Clark Bicentennial	(443)			(443)
Centers of excellence - Borrowing		<u>(50,000,000)</u>		<u>(50,000,000)</u>
Total all funds	(\$30,640)	(\$52,500,000)	\$460,000	(\$52,070,640)
Less estimated income	<u>(9,452)</u>	<u>(50,000,000)</u>		<u>(50,009,452)</u>
General fund	(\$21,188)	(\$2,500,000)	\$460,000	(\$2,061,188)
FTE	0.00	0.00	0.00	0.00

<sup>1</sup> Funding for centers of excellence is changed by removing the \$50 million of borrowing authority from the Bank of North Dakota and reducing the \$5 million appropriation from the general fund to \$2.5 million.

<sup>2</sup> The following adjustments are made to the discretionary funds line item:

Adjustment	Amount
Removes dairy recruitment and retention funding	(\$50,000)
Adds funding for the following initiatives, programs, and studies:	
Life science sector development	100,000
Wind to hydrogen demonstration project	25,000
Target industry identification and report	25,000
Image information program	50,000
Business hotline program	30,000
Local economic developer certification and training program	50,000
Dakota manufacturing initiative	100,000
Intellectual property rights study and report	50,000
Economic development incentives study and report	30,000
Business climate initiative study	<u>50,000</u>
Total	\$460,000

In addition to the funding changes, this amendment also:

- Allows the department to continue the appropriation authority included in the discretionary funds line item beyond the 2005-07 biennium.
- Changes the Governor's proposed centers of excellence program.
- Provides for a state procurement web site.

- Implements a local economic developer certification program, a North Dakota image information program, and a business hotline program.
- Changes the seed capital investment tax credit.
- Provides for a Dakota Manufacturing Initiative.
- Requires reports to the Legislative Council and a Legislative Council study.
- Provides for performance and accountability reporting by the department.

#### CONSIDERATION OF AMENDMENTS

**SB 2018: SEN. GRINDBERG (Appropriations Committee) MOVED** that the amendments be adopted and then be placed on the Eleventh order with **DO PASS**.

#### REQUEST

**SEN. MATHERN REQUESTED** a recorded roll call vote on the proposed amendments to SB 2018, which request was granted.

#### REQUEST

**SEN. HEITKAMP REQUESTED** that the Senate divide the amendments to SB 2018, which request was granted.

**DIVISION A:** All of the proposed amendments with the exception of paragraph 9.

**DIVISION B:** Paragraph 9 of the proposed amendments.

#### REQUEST

**SEN. HEITKAMP REQUESTED** a recorded roll call vote on Divisions A and B of the proposed amendments to SB 2018, which request was granted.

#### ROLL CALL

The question being the adoption of Division A of the proposed amendments to SB 2018, the roll was called and there were 38 YEAS, 7 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Brown; Christmann; Cook; Dever; Erbele; Espgaard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heitkamp; Holmberg; Kilzer; Klein; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lyson; Mutch; Nelson; Nething; Schobinger; Seymour; Stenehjem; Syverson; Taylor; Thane; Tollefson; Trenbeath; Triplett; Urlacher; Wardner

**NAYS:** Krauter; Lindaas; Mathern; O'Connell; Robinson; Tallackson; Warner

**ABSENT AND NOT VOTING:** Bercier; Traynor

Division A of the proposed amendments to SB 2018 was adopted.

#### ROLL CALL

The question being the adoption of Division B of the proposed amendments to SB 2018, the roll was called and there were 26 YEAS, 19 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Brown; Christmann; Cook; Dever; Erbele; Fischer; Flakoll; Freborg; Grindberg; Hacker; Holmberg; Kilzer; Klein; Kringstad; Lee, G.; Lee, J.; Lyson; Schobinger; Stenehjem; Syverson; Thane; Trenbeath; Triplett; Wardner

**NAYS:** Espgaard; Every; Fairfield; Heitkamp; Krauter; Krebsbach; Lindaas; Mathern; Mutch; Nelson; Nething; O'Connell; Robinson; Seymour; Tallackson; Taylor; Tollefson; Urlacher; Warner

**ABSENT AND NOT VOTING:** Bercier; Traynor

Division B of the proposed amendments to SB 2018 was adopted.

Therefore, the question being the adoption of the proposed amendments to SB 2018, which include Divisions A and B, The roll was called and there were 39 YEAS, 6 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Brown; Christmann; Cook; Dever; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heitkamp; Holmberg; Kilzer; Klein; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lyson; Mutch; Nelson; Nething; Schobinger; Seymour; Stenehjerm; Syverson; Taylor; Thane; Tollefson; Trenbeath; Triplett; Urlacher; Wardner; Warner

**NAYS:** Krauter; Lindaas; Mathern; O'Connell; Robinson; Tallackson

**ABSENT AND NOT VOTING:** Bercier; Traynor

The proposed amendments were adopted.

Engrossed SB 2018 was placed on the Eleventh order for immediate second reading.

### SECOND READING OF SENATE BILL

**SB 2018:** A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; to provide an appropriation to the office of management and budget; to provide exemptions; to create and enact a new section to chapter 54-34.3, a new section to chapter 54-44.4, three new sections to chapter 54-60, and a new section to chapter 57-38.5 of the North Dakota Century Code, relating to a division of economic development and finance local economic developer certification program, an office of management and budget procurement information program, department of commerce target industry requirements, a department of commerce state employee image training program, a department of commerce business hotline program, and seed capital investment tax credit treatment of investments in excess of caps on credits; to amend and reenact sections 15-10-41, 57-38.5-01, 57-38.5-02, 57-38.5-03, 57-38.5-04, and 57-38.5-05 of the North Dakota Century Code, relating to the centers of excellence program and the seed capital investment tax credit; to repeal section 15-10-41 of the North Dakota Century Code, relating to the centers of excellence program; to provide for state agency studies, reports to the legislative council, and legislative council studies; to provide an appropriation; to provide an effective date; and to provide an expiration date.

### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 45 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Brown; Christmann; Cook; Dever; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; O'Connell; Robinson; Schobinger; Seymour; Stenehjerm; Syverson; Tallackson; Taylor; Thane; Tollefson; Trenbeath; Triplett; Urlacher; Wardner; Warner

**ABSENT AND NOT VOTING:** Bercier; Traynor

Engrossed SB 2018 passed and the title was agreed to.

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### REPORT OF STANDING COMMITTEE

**SB 2032, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (15 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2032 was placed on the Sixth order on the calendar.

Page 1, line 1, remove ", a new section to"

Page 1, line 2, remove "chapter 54-34.3, a new section to chapter 54-44.4, and three new sections to chapter 54-60"

Page 1, line 4, remove ", a division of economic development and finance local"

Page 1, remove lines 5 through 7

Page 1, line 8, remove "hotline program" and remove "15-10-41,"

Page 1, line 10, after the first comma insert "and" and remove ", and sections 57-38.5-01, 57-38.5-02, 57-38.5-03,"

Page 1, line 11, remove "and 57-38.5-05"

Page 1, line 13, remove "the centers of excellence program,"

Page 1, line 14, after the comma insert "and"

Page 1, line 15, remove ", and the seed capital investment tax credit"

Page 1, line 16, remove "and section 15-10-41"

Page 1, line 17, replace the first comma with "and" and remove ", and the"

Page 1, line 18, remove "centers of excellence program"

Page 1, line 19, after "and" insert "a" and replace "studies" with "study"

Page 1, line 20, after "provide" insert "an" and replace "dates" with "date"

Page 11, remove lines 27 through 30

Page 12, remove lines 1 through 31

Page 13, remove lines 1 through 31

Page 14, remove lines 1 through 30

Page 15, remove lines 1 through 30

Page 16, remove lines 1 through 11

Page 17, remove lines 7 through 31

Page 18, remove lines 1 through 5

Page 19, line 2, after "~~appropriations~~" insert "The commissioner may contract with a third party for the provision of services for the division of international trade" and remove the overstrike over the overstruck period

Page 19, remove lines 3 through 31

Page 20, remove lines 1 through 4

Page 27, remove lines 27 through 30

Page 28, remove lines 1 through 31

Page 29, remove lines 1 through 30

Page 30, remove lines 1 through 31

Page 31, remove lines 1 through 10

Page 31, remove lines 13 through 31

Page 32, remove lines 1 through 8

Page 32, remove lines 24 through 31

Page 33, remove lines 1 through 13

Page 33, remove lines 22 through 27

Page 33, line 31, replace "5" with "4"

Page 34, remove lines 12 through 31

Page 35, remove lines 1 through 8

Page 36, remove lines 21 through 31

Page 37, remove lines 1 through 30

Page 38, remove lines 1 through 31

Page 39, line 1, remove "Sections 16, 17, 18, and 19 of this Act are effective"

Page 39, line 2, remove "for taxable years beginning after December 31, 2004." and replace "20" with "10"

Page 39, line 3, replace "14" with "8" and replace "15" with "9"

Page 39, line 4, remove "Section 21 of this Act becomes effective August 1, 2009."

Page 39, line 5, remove "Section 13 of this Act is effective through July 31,"

Page 39, line 6, replace "2007, and after that date is ineffective. Sections 5 and 12" with "Section 4" and replace "are" with "is"

Page 39, line 7, replace "are" with "is"

Renumber accordingly

#### CONSIDERATION OF AMENDMENTS

**SB 2032, as engrossed: SEN. GRINDBERG (Appropriations Committee) MOVED** that the amendments be adopted and then be placed on the Eleventh order with **DO PASS**, which motion prevailed.

#### SECOND READING OF SENATE BILL

**SB 2032:** A BILL for an Act to create and enact a new section to chapter 15-20.1 of the North Dakota Century Code, relating to a department of career and technical education cooperative work experience program; to amend and reenact sections 6-09-15, 10-04-05, 10-30.5-04, and 54-34.3-03, subsection 1 of section 54-34.3-06, section 54-60-02, subsection 1 of section 57-38-01.2, and subsection 1 of section 57-38-71 of the North Dakota Century Code, relating to the authority of the Bank of North Dakota to invest funds, cross-references affected by the repeal of the venture capital corporation law, organization of the department of commerce and division of economic development and finance, and duties of the North Dakota American Indian business development office; to repeal chapters 10-30.1 and 10-30.2 of the North Dakota Century Code, relating to venture capital corporations and the Myron G. Nelson Fund, Incorporated; to provide for state agency studies, reports to the legislative council, and a legislative council study; to provide appropriations; to provide effective dates; and to provide an expiration date.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 45 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Brown; Christmann; Cook; Dever; Erbele; Espgaard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; O'Connell; Robinson; Schobinger; Seymour; Stenehjerm; Syverson; Tallackson; Taylor; Thane; Tollefson; Trenbeath; Triplett; Urlacher; Wardner; Warner

**ABSENT AND NOT VOTING:** Bercier; Traynor

Reengrossed SB 2032 passed and the title was agreed to.

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

**MR. SPEAKER:** The Senate has passed and your favorable consideration is requested on: SB 2007, SB 2008, SB 2009, SB 2010, SB 2017, SB 2022, SB 2069, SB 2157, SB 2195, SB 2274, SB 2290, SB 2295, SB 2325, SB 2333.

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

**MR. SPEAKER:** The Senate has passed, the emergency clause carried, and your favorable consideration is requested on: SB 2001.

#### MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)

**MR. PRESIDENT:** The House has passed and your favorable consideration is requested on: HB 1172, HB 1181, HB 1239, HB 1254, HB 1398, HB 1488.



**MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)**

**MR. PRESIDENT:** The House has passed and your favorable consideration is requested on: HCR 3001, HCR 3002, HCR 3008, HCR 3009, HCR 3010, HCR 3011, HCR 3013, HCR 3014, HCR 3016, HCR 3021, HCR 3022, HCR 3023, HCR 3025, HCR 3026, HCR 3028, HCR 3029, HCR 3031, HCR 3033, HCR 3034, HCR 3036, HCR 3038, HCR 3039, HCR 3040.

**MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)**

**MR. PRESIDENT:** The House has passed, the emergency clause carried, and your favorable consideration is requested on: HB 1148, HB 1370, HB 1399.

**MOTION**

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

**MOTION**

**SEN. CHRISTMANN MOVED** that the Senate be on the Fifth, Ninth, and Thirteenth orders of business and at the conclusion of those orders, the Senate stand adjourned until 8:30 a.m., Thursday, February 17, 2005, which motion prevailed.

**REPORT OF STANDING COMMITTEE**

**SB 2003: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (15 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2003 was placed on the Sixth order on the calendar.

Page 1, line 3, replace "amend and reenact sections" with "provide for a report to the budget section; to provide for a performance audit of the university of North Dakota school of medicine and health sciences"

Page 1, remove lines 4 and 5

Page 1, line 6, remove "appropriations, and unexpended appropriations"

Page 5, replace lines 1 through 31 with:

**"SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION.** The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the North Dakota university system office and to the various entities and institutions under the supervision of the board of higher education which are included in the appropriation in section 3 of this Act as follows:

## Subdivision 1.

## NORTH DAKOTA UNIVERSITY SYSTEM OFFICE AND INSTITUTIONS

Capital assets	\$1,487,452
Competitive research program	440,000
Centers for excellence	(1,550,000)
Board initiatives	1,130,634
System governance	1,047,862
Common information services	(4,115,556)
Contingency and capital emergency	(1,315,844)
Professional liability insurance	(500,000)
Student financial assistance grants	1,846,073
Professional student exchange program	35,480
Scholars program	45,709
Native American scholarships	47,902
Education incentive programs	397,902
Total all funds - Adjustments/enhancements	(\$1,002,386)
Less estimated income - Adjustments/enhancements	(1,518,231)
Total general fund - Adjustments/enhancements	\$515,845

## Subdivision 2.

## BISMARCK STATE COLLEGE

Operations	\$769,695
Capital assets	(1,288,719)
Total all funds - Adjustments/enhancements	(\$519,024)
Less estimated income - Adjustments/enhancements	(1,282,200)
Total general fund - Adjustments/enhancements	\$763,176

## Subdivision 3.

## LAKE REGION STATE COLLEGE

Operations	\$361,425
Capital assets	<u>(32,294)</u>
Total all funds - Adjustments/enhancements	\$329,131
Less estimated income - Adjustments/enhancements	<u>(375,000)</u>
Total general fund - Adjustments/enhancements	\$704,131

## Subdivision 4.

## WILLISTON STATE COLLEGE

Operations	\$371,523
Capital assets	<u>6,907,685</u>
Total all funds - Adjustments/enhancements	\$7,279,208
Less estimated income - Adjustments/enhancements	<u>6,910,000</u>
Total general fund - Adjustments/enhancements	\$369,208

## Subdivision 5.

## UNIVERSITY OF NORTH DAKOTA

Operations	\$8,070,453
Capital assets	<u>1,038,409</u>
Total all funds - Adjustments/enhancements	\$9,108,862
Less estimated income - Adjustments/enhancements	<u>1,100,000</u>
Total general fund - Adjustments/enhancements	\$8,008,862

## Subdivision 6.

## NORTH DAKOTA STATE UNIVERSITY

Operations	\$8,290,440
Capital assets	<u>(26,045,305)</u>
Total all funds - Adjustments/enhancements	(\$17,754,865)
Less estimated income - Adjustments/enhancements	<u>(26,000,000)</u>
Total general fund - Adjustments/enhancements	\$8,245,135

## Subdivision 7.

## NORTH DAKOTA STATE COLLEGE OF SCIENCE

Operations	\$1,072,000
Capital assets	<u>(3,320,168)</u>
Total all funds - Adjustments/enhancements	(\$2,248,168)
Less estimated income - Adjustments/enhancements	<u>(3,300,000)</u>
Total general fund - Adjustments/enhancements	\$1,051,832

## Subdivision 8.

## DICKINSON STATE UNIVERSITY

Operations	\$1,006,685
Capital assets	<u>(5,892,319)</u>
Total all funds - Adjustments/enhancements	(\$4,885,634)
Less estimated income - Adjustments/enhancements	<u>(5,882,047)</u>
Total general fund - Adjustments/enhancements	\$996,413

## Subdivision 9.

## MAYVILLE STATE UNIVERSITY

Operations	\$409,157
Capital assets	<u>(4,060,595)</u>
Total all funds - Adjustments/enhancements	(\$3,651,438)
Less estimated income - Adjustments/enhancements	<u>(4,005,000)</u>
Total general fund - Adjustments/enhancements	\$353,562

## Subdivision 10.

## MINOT STATE UNIVERSITY

Operations	\$1,469,553
Capital assets	<u>3,519,020</u>
Total all funds - Adjustments/enhancements	\$4,988,573
Less estimated income - Adjustments/enhancements	<u>3,535,000</u>
Total general fund - Adjustments/enhancements	\$1,453,573

## Subdivision 11.

## VALLEY CITY STATE UNIVERSITY

Operations	\$512,599
Capital assets	<u>(3,810,218)</u>
Total all funds - Adjustments/enhancements	(\$3,297,619)
Less estimated income - Adjustments/enhancements	<u>(4,053,300)</u>
Total general fund - Adjustments/enhancements	\$755,681

## Subdivision 12.

## MINOT STATE UNIVERSITY - BOTTINEAU

Operations	\$235,629
Capital assets	<u>3,400,062</u>
Total all funds - Adjustments/enhancements	\$3,635,691
Less estimate income - Adjustments/enhancements	<u>3,500,000</u>
Total general fund - Adjustments/enhancements	\$135,691

## Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH  
SCIENCES

Operations	\$1,209,963
Total general fund - Adjustments/enhancements	\$1,209,963

## Subdivision 14.

## NORTH DAKOTA FOREST SERVICE

Capital assets	(\$44,423)
Operations	<u>213,000</u>
Total all funds - Adjustments/enhancements	\$168,577
Less estimated income - Adjustments/enhancements	<u>(115,000)</u>
Total general fund - Adjustments/enhancements	\$283,577
Total general fund - Section 2	\$24,846,649
Total estimated income - Section 2	(\$31,485,778)
Total all funds - Section 2	(\$6,639,129)"

**SECTION 3. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the North Dakota university system office and the various entities and institutions under the supervision of the board of higher education for the purpose of defraying the expenses of those entities and institutions, for the biennium beginning July 1, 2005, and ending June 30, 2007, as follows:

## Subdivision 1.

## NORTH DAKOTA UNIVERSITY SYSTEM OFFICE AND INSTITUTIONS

Capital assets	\$14,278,141
Competitive research program	5,190,000
Board initiatives	1,615,940
System governance	5,520,712
Title II	695,600
Common information services	20,974,083
Operations pool	578,417
Contingency and capital emergency	436,923
Professional liability insurance	1,350,000
Student financial assistance grants	4,776,288
Professional student exchange program	1,713,780
Scholars program	862,077
Native American scholarships	251,988
Education incentive programs	<u>1,227,902</u>
Total all funds	\$59,471,851
Less estimated income	<u>2,337,276</u>
Total general fund appropriation	\$57,134,575

## Subdivision 2.

## BISMARCK STATE COLLEGE

Operations	\$16,882,022
Capital assets	<u>746,281</u>
Total all funds	\$17,628,303
Less estimated income	<u>502,800</u>
Total general fund appropriation	\$17,125,503

## Subdivision 3.

## LAKE REGION STATE COLLEGE

Operations	\$5,394,107
Capital assets	<u>387,537</u>
Total general fund appropriation	\$5,781,644

## Subdivision 4.

## WILLISTON STATE COLLEGE

Operations	\$5,758,894
Capital assets	<u>6,996,475</u>
Total all funds	\$12,755,369
Less estimated income	<u>6,910,000</u>
Total general fund appropriation	\$5,845,369

## Subdivision 5.

## UNIVERSITY OF NORTH DAKOTA

Operations	\$92,628,579
Capital assets	<u>56,700,545</u>
Total all funds	\$149,329,124
Less estimated income	<u>54,400,000</u>
Total general fund appropriation	\$94,929,124

## Subdivision 6.

## NORTH DAKOTA STATE UNIVERSITY

Operations	\$75,867,399
Capital assets	<u>1,692,226</u>
Total general fund appropriation	\$77,559,625

## Subdivision 7.

## NORTH DAKOTA STATE COLLEGE OF SCIENCE

Operations	\$25,008,824
Capital assets	<u>1,122,252</u>
Total all funds	\$26,131,076
Less estimated income	<u>368,920</u>
Total general fund appropriation	\$25,762,156

## Subdivision 8.

## DICKINSON STATE UNIVERSITY

Operations	\$14,605,516
Capital assets	<u>5,383,690</u>
Total all funds	\$19,989,206
Less estimated income	<u>5,000,000</u>
Total general fund appropriation	\$14,989,206

## Subdivision 9.

## MAYVILLE STATE UNIVERSITY

Operations	\$9,011,492
Capital assets	<u>1,708,994</u>
Total all funds	\$10,720,486
Less estimated income	<u>1,500,000</u>
Total general fund appropriation	\$9,220,486

## Subdivision 10.

## MINOT STATE UNIVERSITY

Operations	\$27,239,131
Capital assets	<u>4,131,870</u>
Total all funds	\$31,371,001
Less estimated income	<u>3,535,000</u>
Total general fund appropriation	\$27,836,001

## Subdivision 11.

## VALLEY CITY STATE UNIVERSITY

Operations	\$11,817,271
Capital assets	<u>540,416</u>
Total all funds	\$12,357,687
Less estimated income	<u>32,000</u>
Total general fund appropriation	\$12,325,687

## Subdivision 12.

## MINOT STATE UNIVERSITY - BOTTINEAU

Operations	\$4,338,485
Capital assets	<u>3,609,725</u>
Total all funds	\$7,948,210
Less estimated income	<u>3,500,000</u>
Total general fund appropriation	\$4,448,210

## Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH  
SCIENCES

Operations	\$31,375,828
Total general fund appropriation	\$31,375,828

## Subdivision 14.

## NORTH DAKOTA FOREST SERVICE

Capital assets	\$101,638
Operations	2,928,016
Total all funds	\$3,029,654
Less estimated income	975,001
Total general fund appropriation	\$2,054,653
Total general fund appropriation - Section 3	\$386,388,067
Total estimated income appropriation - Section 3	\$79,060,997
Total all funds appropriation - Section 3	\$465,449,064
Grand total general fund appropriation - S.B. 2003	\$386,388,067
Grand total estimated income appropriation - S.B. 2003	\$162,403,497
Grand total all funds appropriation - S.B. 2003	\$548,791,564"

Page 6, remove lines 1 through 30

Page 7, remove lines 1 through 31

Page 8, remove lines 1 through 30

Page 9, remove lines 1 through 31

Page 10, remove lines 1 through 31

Page 11, remove lines 1 through 3

Page 11, line 4, replace "\$915,940" with "\$1,615,940"

Page 11, remove lines 13 through 23

Page 11, line 28, replace "\$21,924,083" with "\$20,974,083"

Page 12, line 6, remove ", **EXTRAORDINARY REPAIRS,**"

Page 12, line 7, replace "\$7,114,339" with "\$436,923"

Page 12, line 8, remove ", extraordinary repairs,"

Page 12, line 9, remove "for ongoing campus extraordinary repairs and"

Page 12, line 11, remove "No less than \$6,677,417 of the sum must be allocated to support"

Page 12, remove line 12

Page 12, replace lines 13 through 16 with:

**"SECTION 9. STUDENT FINANCIAL ASSISTANCE GRANTS.** The funding appropriated for student financial assistance grants in subdivision 1 of section 3 of this Act may be allocated for the student financial assistance grant program and a child care grant program as determined by the state board of higher education. The board shall consider applicants demonstrating the greatest unmet financial need in making the allocations."

Page 13, line 23, replace "1,800,000" with "2,617,500"

Page 13, line 24, replace "1,500,000" with "2,100,000"

Page 13, line 25, replace "12,000,000" with "19,000,000"

Page 13, line 26, replace "16,000,000" with "20,000,000"

Page 13, line 28, replace "22,000,000" with "22,000,000"

Page 13, after line 28, insert:

"Minot state university - Crane hall renovation

5,000,000

Bismarck state college may obtain and utilize special funds to assist in the construction of a new residence hall. There is appropriated to Bismarck state college the sum of \$625,000, or so much of the sum as may be necessary, from any other funds that may become available for this project, for the biennium beginning July 1, 2005, and ending June 30, 2007."

Page 13, line 29, replace "65,300,000" with "83,342,500"

Page 14, line 2, after "foundation" insert "or other private entity"

Page 14, after line 4, insert:

**"SECTION 16. MINOT STATE UNIVERSITY - CRANE HALL RENOVATION.**

The state board of higher education may enter into an agreement or agreements with a private vendor and do all things necessary and proper to authorize renovation and operation of crane hall on the Minot state university campus as a residence hall using auxiliary revenues.

**SECTION 17. LEGISLATIVE INTENT - LONG-TERM FINANCE PLAN REVIEW - REPORT TO THE BUDGET SECTION.**

It is the intent of the fifty-ninth legislative assembly that the state board of higher education conduct a review of the long-term finance plan, including a review of peer institutions and a review of the allocation of funds between equity and parity within the plan, during the 2005-06 interim. A representative of the board shall periodically report to the appropriate committee of the legislative council and the budget section on the status of the review during the 2005-06 interim.

**SECTION 18. LEGISLATIVE INTENT - NORTH DAKOTA UNIVERSITY SYSTEM - EXECUTIVE BUDGET RECOMMENDATION.**

It is the intent of the fifty-ninth legislative assembly that the office of the budget submit for introduction to the sixtieth legislative assembly the North Dakota university system appropriations bill for the 2007-09 biennium in the same format as approved by the fifty-ninth legislative assembly."

**SECTION 19. UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES - PERFORMANCE AUDIT.**

The state auditor shall conduct a performance audit of the university of North Dakota school of medicine and health sciences during the biennium beginning July 1, 2005, and ending June 30, 2007. The results of the performance audit must be presented to the legislative audit and fiscal review committee and to the appropriations committees of the sixtieth legislative assembly. Subject to the provisions of subsection 4 of section 54-10-01, the university of North Dakota school of medicine and health sciences shall pay for the cost of any consultant approved for the audit."

Page 15, remove lines 20 through 31

Page 16, remove lines 1 through 31

Page 17, remove lines 1 through 31

Page 18, remove lines 1 through 31

Page 19, remove lines 1 through 31

Page 20, remove lines 1 through 31

Page 21, remove lines 1 through 30

Page 22, remove lines 1 through 31

Page 23, remove lines 1 through 31

Page 24, remove lines 1 through 30

Page 25, remove lines 1 and 2

Page 25, line 3, remove ", extraordinary"

Page 25, line 4, remove "repairs,", after "sections" insert "14,", and remove "16,"

Page 25, line 5, replace "17" with "20"

Renumber accordingly

# STATEMENT OF PURPOSE OF AMENDMENT:

## Senate Bill No. 2003 - Summary of Senate Action

	EXECUTIVE BUDGET	SENATE CHANGES	SENATE VERSION
University System office			
Total all funds	\$387,926,815	(\$328,454,964)	\$59,471,851
Less estimated income	<u>2,337,276</u>		<u>2,337,276</u>
General fund	\$385,589,539	(\$328,454,964)	\$57,134,575
Bismarck State College			
Total all funds	\$2,302,800	\$18,568,003	\$20,870,803
Less estimated income	<u>2,302,800</u>	<u>1,442,500</u>	<u>3,745,300</u>
General fund	\$0	\$17,125,503	\$17,125,503
Lake Region State College			
Total all funds	\$343,875	\$5,437,769	\$5,781,644
Less estimated income			
General fund	<u>\$343,875</u>	<u>\$5,437,769</u>	<u>\$5,781,644</u>
Williston State College			
Total all funds	\$6,910,000	\$5,845,369	\$12,755,369
Less estimated income	<u>6,910,000</u>		<u>6,910,000</u>
General fund	\$0	\$5,845,369	\$5,845,369
University of North Dakota			
Total all funds	\$54,331,554	\$136,097,570	\$190,429,124
Less estimated income	<u>54,331,554</u>	<u>41,168,446</u>	<u>95,500,000</u>
General fund	\$0	\$94,929,124	\$94,929,124
UND Medical Center			
Total all funds	\$0	\$31,375,828	\$31,375,828
Less estimated income			
General fund	<u>\$0</u>	<u>\$31,375,828</u>	<u>\$31,375,828</u>
North Dakota State University			
Total all funds	\$34,000,000	\$77,559,625	\$111,559,625
Less estimated income	<u>34,000,000</u>		<u>34,000,000</u>
General fund	\$0	\$77,559,625	\$77,559,625
State College of Science			
Total all funds	\$368,920	\$25,762,156	\$26,131,076
Less estimated income	<u>368,920</u>		<u>368,920</u>
General fund	\$0	\$25,762,156	\$25,762,156
Dickinson State University			
Total all funds	\$5,000,000	\$14,989,206	\$19,989,206
Less estimated income	<u>5,000,000</u>		<u>5,000,000</u>
General fund	\$0	\$14,989,206	\$14,989,206
Mayville State University			
Total all funds	\$1,500,000	\$9,220,486	\$10,720,486
Less estimated income	<u>1,500,000</u>		<u>1,500,000</u>
General fund	\$0	\$9,220,486	\$9,220,486
Minot State University			
Total all funds	\$3,535,000	\$32,836,001	\$36,371,001
Less estimated income	<u>3,535,000</u>	<u>5,000,000</u>	<u>8,535,000</u>
General fund	\$0	\$27,836,001	\$27,836,001
Valley City State University			
Total all funds	\$282,000	\$12,075,687	\$12,357,687
Less estimated income	<u>32,000</u>		<u>32,000</u>
General fund	\$250,000	\$12,075,687	\$12,325,687
Minot State University - Bottineau			
Total all funds	\$0	\$7,948,210	\$7,948,210
Less estimated income		<u>3,500,000</u>	<u>3,500,000</u>
General fund	<u>\$0</u>	<u>\$4,448,210</u>	<u>\$4,448,210</u>
Forest Service			
Total all funds	\$3,029,654	\$0	\$3,029,654
Less estimated income	<u>975,001</u>		<u>975,001</u>
General fund	\$2,054,653	\$0	\$2,054,653
Bill Total			
Total all funds	\$499,530,618	\$49,260,946	\$548,791,564
Less estimated income	<u>111,292,551</u>	<u>51,110,946</u>	<u>162,403,497</u>
General fund	\$388,238,067	(\$1,850,000)	\$386,388,067

## Senate Bill No. 2003 - General Fund Summary

	EXECUTIVE BUDGET	SENATE CHANGES	SENATE VERSION
University System office	\$385,589,539	(\$328,454,964)	\$57,134,575
Bismarck State College		17,125,503	17,125,503
Lake Region State College	343,875	5,437,769	5,781,644
Williston State College		5,845,369	5,845,369
University of North Dakota		94,929,124	94,929,124

UND Medical Center		31,375,828	32,375,828
North Dakota State University		77,559,625	77,559,625
State College of Science		25,762,156	25,762,156
Dickinson State University		14,989,206	14,989,206
Mayville State University		9,220,486	9,220,486
Minot State University		27,836,001	27,836,001
Valley City State University	250,000	12,075,687	12,325,687
Minot State University - Bottineau		4,448,210	4,448,210
Forest Service	<u>2,054,653</u>		<u>2,054,653</u>
Total general fund	\$388,238,067	(\$1,850,000)	\$386,388,067

### Detail of Senate Changes to the General Fund

	ALLOCATES FUNDING FOR CAMPUS OPERATIONS <sup>1</sup>	ALLOCATES FUNDING FOR CAMPUS EXTRAORDINARY REPAIRS <sup>2</sup>	REMOVES FUNDING FOR CAMPUS ENERGY IMPROVEMENT PROJECTS <sup>3</sup>	ADJUSTS FUNDING FOR MAJOR CAPITAL PROJECTS <sup>4</sup>	REMOVES FUNDING FOR THE LEARNING MANAGEMENT SYSTEM <sup>5</sup>	REMOVES FUNDING FOR THE CHILD CARE GRANT PROGRAM <sup>6</sup>
University System office	(\$319,927,548)	(\$6,677,416)			(\$950,000)	(\$2,000,000)
Bismarck State College	16,882,022	243,481				
Lake Region State College	5,394,107	43,662				
Williston State College	5,758,894	86,475				
University of North Dakota	92,628,579	2,300,545				
UND Medical Center	31,375,828					
North Dakota State University	75,867,399	1,692,226				
State College of Science	25,008,824	753,332				
Dickinson State University	14,605,516	383,690				
Mayville State University	9,011,492	208,994				
Minot State University	27,239,131	596,870				
Valley City State University	11,817,271	258,416				
Minot State University - Bottineau	4,338,485	109,725				
Forest Service						
Total general fund	\$0	\$0	\$0	\$0	(\$950,000)	(\$2,000,000)

	PROVIDES ADDITIONAL FUNDING FOR STUDENT FINANCIAL ASSISTANCE GRANTS <sup>7</sup>	INCREASES FUNDING FOR BOARD INITIATIVES <sup>8</sup>	TOTAL GENERAL FUND CHANGES
University System office	\$400,000	\$700,000	(\$328,454,964)
Bismarck State College			17,125,503
Lake Region State College			5,437,769
Williston State College			5,845,369
University of North Dakota			94,929,124
UND Medical Center			31,375,828
North Dakota State University			77,559,625
State College of Science			25,762,156
Dickinson State University			14,989,206
Mayville State University			9,220,486
Minot State University			27,836,001
Valley City State University			12,075,687
Minot State University - Bottineau			4,448,210
Forest Service			
Total general fund	\$400,000	\$700,000	(\$1,850,000)

### Senate Bill No. 2003 - Other Funds Summary

	EXECUTIVE BUDGET	SENATE CHANGES	SENATE VERSION
University System office	\$2,337,276		\$2,337,276
Bismarck State College	2,302,800	\$1,442,500	3,745,300
Lake Region State College			
Williston State College	6,910,000		6,910,000
University of North Dakota	54,331,554	41,168,446	95,500,000
UND Medical Center			
North Dakota State University	34,000,000		34,000,000
State College of Science	368,920		368,920
Dickinson State University	5,000,000		5,000,000
Mayville State University	1,500,000		1,500,000
Minot State University	3,535,000	5,000,000	8,535,000
Valley City State University	32,000		32,000
Minot State University - Bottineau		3,500,000	3,500,000
Forest Service	<u>975,001</u>		<u>975,001</u>
Total other funds	\$111,292,551	\$51,110,946	\$162,403,497

### Detail of Senate Changes to Other Funds

	ALLOCATES FUNDING FOR CAMPUS OPERATIONS <sup>1</sup>	ALLOCATES FUNDING FOR CAMPUS EXTRAORDINARY REPAIRS <sup>2</sup>	REMOVES FUNDING FOR CAMPUS ENERGY IMPROVEMENT PROJECTS <sup>3</sup>	ADJUSTS FUNDING FOR MAJOR CAPITAL PROJECTS <sup>4</sup>	REMOVES FUNDING FOR THE LEARNING MANAGEMENT SYSTEM <sup>5</sup>	REMOVES FUNDING FOR THE CHILD CARE GRANT PROGRAM <sup>6</sup>
University System office						
Bismarck State College				\$1,442,500		



Lake Region State College						
Williston State College						
University of North Dakota			(\$2,331,554)	43,500,000		
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University				5,000,000		
Valley City State University						
Minot State University - Bottineau				3,500,000		
Forest Service						
Total other funds	\$0	\$0	(\$2,331,554)	\$53,442,500	\$0	\$0

	PROVIDES ADDITIONAL FUNDING FOR STUDENT FINANCIAL ASSISTANCE GRANTS 7	INCREASES FUNDING FOR BOARD INITIATIVES 8	TOTAL OTHER FUNDS CHANGES
University System office			
Bismarck State College			\$1,442,500
Lake Region State College			
Williston State College			
University of North Dakota			41,168,446
UND Medical Center			
North Dakota State University			
State College of Science			
Dickinson State University			
Mayville State University			
Minot State University			5,000,000
Valley City State University			
Minot State University - Bottineau			3,500,000
Forest Service			
Total other funds	\$0	\$0	\$51,110,946

## Senate Bill No. 2003 - All Funds Summary

	EXECUTIVE BUDGET	SENATE CHANGES	SENATE VERSION
University System office	\$387,926,815	(\$328,454,964)	\$59,471,851
Bismarck State College	2,302,800	18,568,003	20,870,803
Lake Region State College	343,875	5,437,769	5,781,644
Williston State College	6,910,000	5,845,369	12,755,369
University of North Dakota	54,331,554	136,097,570	190,429,124
UND Medical Center		31,375,828	31,375,828
North Dakota State University	34,000,000	77,559,625	111,559,625
State College of Science	368,920	25,762,156	26,131,076
Dickinson State University	5,000,000	14,989,206	19,989,206
Mayville State University	1,500,000	9,220,486	10,720,486
Minot State University	3,535,000	32,836,001	36,371,001
Valley City State University	282,000	12,075,687	12,357,687
Minot State University - Bottineau		7,948,210	7,948,210
Forest Service	3,029,654		3,029,654
Total all funds	\$499,530,618	\$49,260,946	\$548,791,564
FTE	2196.67	0.00	2196.67

## Detail of Senate Changes to All Funds

	ALLOCATES FUNDING FOR CAMPUS OPERATIONS 1	ALLOCATES FUNDING FOR CAMPUS EXTRAORDINARY REPAIRS 2	REMOVES FUNDING FOR CAMPUS ENERGY IMPROVEMENT PROJECTS 3	ADJUSTS FUNDING FOR MAJOR CAPITAL PROJECTS 4	REMOVES FUNDING FOR THE LEARNING MANAGEMENT SYSTEM 5	REMOVES FUNDING FOR THE CHILD CARE GRANT PROGRAM 6
University System office	(\$319,927,548)	(\$6,677,416)			(\$950,000)	(\$2,000,000)
Bismarck State College	16,882,022	243,481		\$1,442,500		
Lake Region State College	5,394,107	43,662				
Williston State College	5,758,894	86,475				
University of North Dakota	92,628,579	2,300,545	(\$2,331,554)	43,500,000		
UND Medical Center	31,375,828					
North Dakota State University	75,867,399	1,692,226				
State College of Science	25,008,824	753,332				
Dickinson State University	14,605,516	383,690				
Mayville State University	9,011,492	208,994				
Minot State University	27,239,131	596,870		5,000,000		
Valley City State University	11,817,271	258,416				
Minot State University - Bottineau	4,338,485	109,725		3,500,000		
Forest Service						
Total all funds	\$0	\$0	(\$2,331,554)	\$53,442,500	(\$950,000)	(\$2,000,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

PROVIDES ADDITIONAL FUNDING FOR STUDENT FINANCIAL ASSISTANCE GRANTS 7	INCREASES FUNDING FOR BOARD INITIATIVES 8	TOTAL ALL FUNDS CHANGES
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University System office	\$400,000	\$700,000	(\$328,454,964)
Bismarck State College			18,568,003
Lake Region State College			5,437,769
Williston State College			5,845,369
University of North Dakota			136,097,570
UND Medical Center			31,375,828
North Dakota State University			77,559,625
State College of Science			25,762,156
Dickinson State University			14,989,206
Mayville State University			9,220,486
Minot State University			32,836,001
Valley City State University			12,075,687
Minot State University - Bottineau			7,948,210
Forest Service			
Total all funds	\$400,000	\$700,000	\$49,260,946
FTE	0.00	0.00	0.00

<sup>1</sup> The executive budget recommendation consolidates the funding for support of the operations of the higher education institutions in the University System office line item campus operations. This amendment allocates the funding of \$319,927,548 from the general fund provided in the University System office campus operations line item to the individual higher education institutions.

<sup>2</sup> The executive budget recommendation for the University System office contingency, extraordinary repairs, and capital emergency line item includes funding of \$6,677,416 from the general fund for campus extraordinary repairs. This amendment allocates the funding to individual higher education institutions.

<sup>3</sup> The executive budget recommendation includes funding of \$2,331,554 from bonding proceeds for energy improvement projects at the University of North Dakota. The funding for these projects is inadvertently included in both Senate Bill No. 2003 and Senate Bill No. 2023; therefore, this amendment removes the funding included for the projects from Senate Bill No. 2003.

<sup>4</sup> This amendment adjusts funding for major capital projects as follows:

	EXECUTIVE BUDGET			SENATE VERSION		
	SPECIAL FUNDS	REVENUE BOND PROCEEDS	TOTAL	SPECIAL FUNDS	REVENUE BOND PROCEEDS	TOTAL
BSC - New residence hall		\$1,800,000	\$1,800,000	\$625,000	\$2,617,500	\$3,242,500
UND - O'Kelly Hall				3,500,000		3,500,000
UND - New nursing facility				3,900,000		3,900,000
UND - Bio-containment laboratory				31,000,000		31,000,000
UND - American Indian Center	\$3,500,000		3,500,000			
UND - Carnegie Library renovation	3,000,000		3,000,000			
UND - Parking ramp construction		12,000,000	12,000,000		19,000,000	19,000,000
UND - Housing replacement project		16,000,000	16,000,000		20,000,000	20,000,000
UND - Dining center renovation		1,500,000	1,500,000		2,100,000	2,100,000
MiSU - Crane Hall renovation	3,500,000		3,500,000		5,000,000	5,000,000
MiSU - Center for applied professional education				3,500,000		3,500,000
MiSU - Bottineau - Entrepreneurial center for horticulture				3,500,000		3,500,000
Total	\$10,000,000	\$31,300,000	\$41,300,000	\$46,025,000	\$48,717,500	\$94,742,500
	INCREASE (DECREASE) FROM SENATE VERSION TO EXECUTIVE BUDGET					
BSC - New residence hall	\$1,442,500					
UND - O'Kelly Hall	3,500,000					
UND - New nursing facility	3,900,000					
UND - Bio-containment laboratory	31,000,000					
UND - American Indian Center	(3,500,000)					
UND - Carnegie Library renovation	(3,000,000)					
UND - Parking ramp construction	7,000,000					
UND - Housing replacement project	4,000,000					
UND - Dining center renovation	600,000					
MiSU - Crane Hall renovation	1,500,000					
MiSU - Center for applied professional education	3,500,000					
MiSU - Bottineau - Entrepreneurial center for horticulture	3,500,000					
Total	\$53,442,500					

This amendment changes the purpose of the Governor's recommended special funds appropriation of \$3,535,000 for Minot State University from renovation to Crane Hall to construction of a Center for Applied Professional Education from other institutional and private resources. The amendment also adds bonding authority of \$5,000,000 for Minot State University for renovation of Crane Hall and adds a new section to the bill to allow Minot State University to enter into a contract/lease arrangement for the renovation and operation of the hall.

<sup>5</sup> This amendment reduces funding for common information services by \$950,000, from \$21,924,083 to \$20,974,083, to remove funding associated with the implementation of a new learning management system.

<sup>6</sup> This amendment removes funding of \$2,000,000 from the general fund for the recommended child care component of student financial assistance grant program.

<sup>7</sup> This amendment adds funding of \$400,000 from the general fund for the student financial assistance grant program. The amendment also changes Section 10 of the bill as introduced to provide that the funding in the student financial assistance grant line item may be allocated for the student financial assistance grant program and a child care grant program as determined by the State Board of Higher Education. The board is to consider applicants demonstrating the greatest unmet financial need in making the allocations.

<sup>8</sup> This amendment increases funding for the board initiatives line item by \$700,000 from the general fund from \$915,940 to \$1,615,940.

**Senate Bill No. 2003 - Other Changes - Senate Action**

This amendment also:

- Removes Sections 19, 20, 21, and 22 of the bill as introduced relating to the continuation of statutory provisions relating to continuing appropriation authority for higher education institutions' special revenue funds, budget requests and block grant appropriations, and unexpended general fund appropriations as these provisions were included in Senate Bill Nos. 2034, 2035, and 2036.
- Amends Section 16 of the bill as introduced to clarify that North Dakota State University's College of Business Building could be constructed by the North Dakota State University Foundation or other private entity.
- Adds a section providing that the State Board of Higher Education is to conduct a review of the long-term finance plan, including a review of peer institutions and a review of the allocation of funds between equity and equity within the plan, during the 2005-06 interim. The board is to report periodically to the appropriate committee of the Legislative Council and the Budget Section on the status of the review during the 2005-06 interim.
- Adds a section of legislative intent providing that the Office of Management and Budget shall submit the appropriations bill for the North Dakota University System for the 2007-09 biennium for introduction to the 60th Legislative Assembly in the same format as approved by the 59th Legislative Assembly.
- Adds a section to the bill to provide for a performance audit of the University of North Dakota School of Medicine and Health Sciences.

**REPORT OF STANDING COMMITTEE**

**SB 2004: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). SB 2004 was placed on the Sixth order on the calendar.

Page 1, line 2, after "health" insert "; to amend and reenact subsection 1 of section 19-02.1-24, section 19-08-04, subsections 5 and 8 of section 23-09-01, and sections 23-09-16, 23-09-24, 23-09.1-02.2, and 23-10-03 of the North Dakota Century Code, relating to licensure of food vending machines, beverage sales, food and lodging establishments, assisted living facilities, pushcarts, mobile food units, salvaged food distributors, bed and breakfasts, mobile home parks, trailer parks, and campgrounds; to repeal sections 19-08-05, 23-09-17, 23-09.1-03, and 23-10-05 of the North Dakota Century Code, relating to license fee amounts for beverage sales, food and lodging establishments, mobile food units, pushcarts, bed and breakfasts, mobile home parks, trailer parks, and campgrounds; and to provide for a legislative council study"

Page 1, line 21, replace "2,843,552" with "2,712,149"

Page 1, line 22, replace "1,171,383" with "1,288,653"

Page 1, line 24, replace "5,776,038" with "5,901,038"

Page 2, line 1, replace "905,965" with "903,645"

Page 2, line 4, replace "6,976,570" with "7,085,117"

Page 2, line 5, replace "5,638,554" with "6,826,931"

Page 2, line 6, replace "1,338,016" with "258,186"

Page 2, line 12, replace "32,816,481" with "32,685,078"

Page 2, line 13, replace "25,322,640" with "25,439,910"

Page 2, line 15, replace "42,466,666" with "42,591,666"

Page 2, line 16, replace "8,689,062" with "8,686,742"

Page 2, line 18, replace "126,559,318" with "126,667,865"

Page 2, line 19, replace "112,120,210" with "113,308,587"

Page 2, line 20, replace "14,439,108" with "13,359,278"

Page 2, line 30, after the period insert "This amount includes \$50,000 for a grant to the North Dakota stockmen's association environmental services program."

Page 3, after line 20, insert:

**"SECTION 11. AMENDMENT.** Subsection 1 of section 19-02.1-24 of the North Dakota Century Code is amended and reenacted as follows:

1. ~~No~~ An establishment may ~~not~~ sell any type of prepackaged food from a food vending machine without first obtaining a license from the department. ~~A license may be issued upon payment of a fee of fifteen dollars annually. The license expires on June thirtieth of each year. The department may adopt rules establishing the amount and the procedures for the collection of license fees. License fees collected pursuant to this section must be deposited in the department's operating fund in the state treasury and any expenditure from the fund is subject to appropriation by the legislative assembly.~~

**SECTION 12. AMENDMENT.** Section 19-08-04 of the North Dakota Century Code is amended and reenacted as follows:

**19-08-04. License required.** The department may, ~~in its discretion,~~ require manufacturers, importers, jobbers, or other retailers to furnish suitable samples to the department for inspection and chemical analysis. If any beverage does not meet all requirements of law, the department shall refuse to license ~~it~~ the beverage and shall prevent ~~its~~ sale of the beverage. The license fee must be paid annually during the month of December or ~~prior to~~ before placing the beverage on the market. The license expires December thirty-first next following its issuance. If the manufacturer or jobber secures a license for a product, subsequent sellers, including retailers and dispensers, need not again secure a license for the same product, and no dispenser may be required to secure a license for a product prepared for the dispenser's own use from a product already licensed. The department may adopt rules establishing the amount and the procedures for the collection of annual license fees. License fees collected pursuant to this section must be deposited in the department's operating fund in the state treasury and any expenditure from the fund is subject to appropriation by the legislative assembly.

**SECTION 13. AMENDMENT.** Subsections 5 and 8 of section 23-09-01 of the North Dakota Century Code are amended and reenacted as follows:

5. "Food establishment" means any fixed restaurant, limited restaurant, coffee shop, cafeteria, short-order cafe, luncheonette, grill, tearoom, sandwich shop, soda fountain, tavern, bar, catering kitchen, delicatessen, bakery, grocery store, meat market, food processing plant, school, child care, or similar place in which food or drink is prepared for sale or service to the public on the premises or elsewhere with or without charge.
8. "Lodging establishment" includes every building or structure, or any part thereof, which is kept, used, maintained, or held out to the public as a place where sleeping accommodations are furnished for pay to ~~four or more~~ transient guests. The term does not include a facility providing personal care services directly or through contract services as defined in section 23-09.3-01 or 50-32-01.

**SECTION 14. AMENDMENT.** Section 23-09-16 of the North Dakota Century Code is amended and reenacted as follows:

**23-09-16. License - Application.** Before any food establishment, lodging establishment, pushcart, mobile food unit, or assisted living facility may be operated in this state, it must be licensed by the department. The department shall waive the license requirement for any food establishment, lodging establishment, or assisted living facility licensed by a city or district health unit if the local health unit's sanitation, safety, and inspection rules are approved by the department. Application for license must be made to the department during December of every year, or before the operating of the food establishment, lodging establishment, pushcart, mobile food unit, or assisted living facility, as the case may be. The application must be in writing on forms furnished by the department and must be accompanied by the required fee. An additional amount of

fifty percent of the license fee must be imposed upon renewal if the license was not renewed before February first following the expiration date. A reduced license fee in the amount of one-half the applicable license fee must be charged for a new food establishment, lodging establishment, pushcart, mobile food unit, or assisted living facility beginning operations after July first of each year and for changes in ownership and location of such existing establishments after July first of each year. The department may adopt rules establishing the amount and the procedures for the collection of annual license fees. The fees must be based on the cost of reviewing construction plans, conducting routine and complaint inspections, and necessary enforcement action. License fees collected pursuant to this section must be deposited in the department's operating fund in the state treasury and any expenditure from the fund is subject to appropriation by the legislative assembly.

**SECTION 15. AMENDMENT.** Section 23-09-24 of the North Dakota Century Code is amended and reenacted as follows:

**23-09-24. Salvaged food - License required.** It is unlawful for a person to claim to be a salvaged food distributor or to engage in the activity of selling, distributing, or otherwise trafficking in distressed or salvaged food, or both, at wholesale, without a license issued under ~~section 23-09-17~~ this chapter authorizing that person to operate as a salvaged food distributor. A salvaged food distributor license may not be issued absent compliance with this section and any rules adopted to implement this section. The department may adopt rules establishing the amount and the procedures for the collection of annual license fees under this section. License fees collected under this section must be deposited in the department's operating fund in the state treasury and any expenditure from the fund is subject to appropriation by the legislative assembly.

**SECTION 16. AMENDMENT.** Section 23-09.1-02.2 of the North Dakota Century Code is amended and reenacted as follows:

**23-09.1-02.2. License required - Application - Issuance.** Before any bed and breakfast facility may operate in this state~~it~~, the facility must be licensed by the department. Licenses expire on December thirty-first following the date of issuance unless canceled by failure to comply with this chapter or with any of the rules adopted under to implement this chapter. Renewal application for license must be made to the department during December of every year. A license must be issued upon compliance by the applicant with provisions of this chapter and any rules adopted under to implement this chapter. The application must be in writing on forms furnished by the department and must be accompanied by the required fee. Licenses issued by the department are not transferable nor applicable to any premises other than those for which the license was issued. The department may adopt rules establishing the amount of and the procedures for the collection of annual license fees. License fees collected pursuant to this section must be deposited in the department's operating fund in the state treasury and any expenditure from the fund is subject to appropriation by the legislative assembly.

**SECTION 17. AMENDMENT.** Section 23-10-03 of the North Dakota Century Code is amended and reenacted as follows:

**23-10-03. License required - Application.** ~~No~~A person may not establish, maintain, or enlarge a mobile home park, trailer park, or campground in this state without first obtaining a license from the department. The application for the license must be made in writing to the department and must state the location and type of the mobile home park, trailer park, or campground, the proposed water supply, the proposed method of sewerage and garbage disposal, and such other information as may be required by the department. Application forms must be prepared by the department and distributed upon request. The department shall waive the license fee for any mobile home park, trailer park, or campground owned by the state, a municipality, or a nonprofit organization. The department shall waive all or a portion of the license fee for any mobile home park, trailer park, or campground that is subject to local sanitation, safety, and inspection requirements accepted by the department under section 23-10-02.1. A prorated annual license fee may be charged for new mobile home parks, trailer parks, and campgrounds. The department may adopt rules establishing the amount and the procedures for the collection of annual license fees. License fees collected pursuant to this section must be deposited in the department's operating fund in the state treasury and any expenditure from the fund is subject to appropriation by the legislative assembly.

**SECTION 18. REPEAL.** Sections 19-08-05, 23-09-17, 23-09.1-03, and 23-10-05 of the North Dakota Century Code are repealed.

**SECTION 19. LEGISLATIVE COUNCIL STUDY - HEALTHY NORTH DAKOTA PROGRAM.** The legislative council shall consider studying, during the 2005-06 interim, the costs and benefits of adopting a comprehensive healthy North Dakota and workplace wellness program funded by grants, fees, and increases in tobacco taxes in collaboration with the state department of health, health insurers and other third-party payers, workforce safety and insurance, interested nonprofit health-related agencies, and others who have an interest in establishing accident and disease prevention programs. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixtieth legislative assembly."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

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

	EXECUTIVE BUDGET	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$32,816,481	(\$131,403)	\$32,685,078
Operating expenses	25,322,640	117,270	25,439,910
Capital assets	1,514,469		1,514,469
Grants	42,466,666	125,000	42,591,666
Tobacco prevention and control	8,689,062	(2,320)	8,686,742
WIC food payments	<u>15,750,000</u>		<u>15,750,000</u>
Total all funds	\$126,559,318	\$108,547	\$126,667,865
Less estimated income	<u>112,120,210</u>	<u>1,188,377</u>	<u>113,308,587</u>
General fund	\$14,439,108	(\$1,079,830)	\$13,359,278
FTE	317.00	0.00	317.00

**Dept. 301 - State Department of Health - Detail of Senate Changes**

	CHANGES FUNDING SOURCE FOR FOOD AND LODGING INSPECTIONS <sup>1</sup>	RESTORES OPERATIONS FOR FOOD AND LODGING INSPECTIONS <sup>2</sup>	ADDS FUNDING FOR THE PHYSICIAN LOAN REPAYMENT PROGRAM <sup>3</sup>	CHANGES FUNDING FOR HEALTHY NORTH DAKOTA <sup>4</sup>	REDUCES COMPENSATION PACKAGE TO 3/4	TOTAL SENATE CHANGES
Salaries and wages					(\$131,403)	(\$131,403)
Operating expenses		\$117,270				117,270
Capital assets						
Grants			\$125,000			125,000
Tobacco prevention and control					(2,320)	(2,320)
WIC food payments						
Total all funds	\$0	\$117,270	\$125,000	\$0	(\$133,723)	\$108,547
Less estimated income	<u>639,958</u>	<u>117,270</u>		<u>517,766</u>	<u>(86,617)</u>	<u>1,188,377</u>
General fund	(\$639,958)	\$0	\$125,000	(\$517,766)	(\$47,106)	(\$1,079,830)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

<sup>1</sup> This amendment changes the funding source for food and lodging inspections from the general fund to special funds from license fees.

<sup>2</sup> This amendment restores \$117,270 for operating expenses for food and lodging expenses that were removed in the executive budget recommendation.

<sup>3</sup> This amendment adds \$125,000 from the general fund for the state-community matching physician loan repayment program established in North Dakota Century Code Chapter 43-17.2 and the state-community matching loan repayment program for nurse practitioners, physician assistants, and certified nurse midwives established by Chapter 43-12.2.

<sup>4</sup> This amendment changes the funding source for the Healthy North Dakota program from the general fund to other federal or special funds.

Sections 11 through 18 of the amendment relate to making the food and lodging inspection function within the State Department of Health self-supporting from annual license fees and provides that the related license fees are determined by department rules rather than provided for in the North Dakota Century Code. The executive recommendation included \$332,880 of general fund revenues from food and lodging license fees and this amendment will deposit those fees in a special fund.

Section 19 provides for a Legislative Council study of the costs and benefits of adopting a comprehensive Healthy North Dakota program.

## REPORT OF STANDING COMMITTEE

**SB 2005: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (15 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2005 was placed on the Sixth order on the calendar.

Page 1, line 14, replace "28,022" with "26,633"

Page 1, line 16, replace "50,985" with "49,596"

Page 1, line 18, replace "30,985" with "29,596"

Page 2, line 1, replace "342,333" with "340,944"

Page 2, line 3, replace "406,228" with "404,839"

Page 2, line 5, replace "386,228" with "384,839"

ReNUMBER accordingly

## STATEMENT OF PURPOSE OF AMENDMENT:

## Senate Bill No. 2005 - Indian Affairs Commission - Senate Action

	EXECUTIVE BUDGET	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$342,333	(\$1,389)	\$340,944
Operating expenses	<u>63,895</u>		<u>63,895</u>
Total all funds	\$406,228	(\$1,389)	\$404,839
Less estimated income	<u>20,000</u>		<u>20,000</u>
General fund	\$386,228	(\$1,389)	\$384,839
FTE	3.00	0.00	3.00

## Dept. 316 - Indian Affairs Commission - Detail of Senate Changes

	REDUCES COMPENSATION PACKAGE TO 3/4	TOTAL SENATE CHANGES
Salaries and wages	(\$1,389)	(\$1,389)
Operating expenses		
Total all funds	(\$1,389)	(\$1,389)
Less estimated income		
General fund	(\$1,389)	(\$1,389)
FTE	0.00	0.00

## REPORT OF STANDING COMMITTEE

**SB 2011: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2011 was placed on the Sixth order on the calendar.

Page 1, line 16, replace "114,308" with "106,028"

Page 1, line 17, replace "511,446" with "426,648"

Page 1, line 18, replace "41,265" with "38,843"

Page 1, line 19, replace "667,019" with "571,519"

Page 1, line 20, replace "(926,949)" with "(739,628)"

Page 1, line 21, replace "1,593,968" with "1,311,147"

Page 2, line 3, replace "2,355,742" with "2,347,462"

Page 2, line 4, replace "30,946,277" with "30,861,479"

Page 2, line 5, replace "1,057,609" with "1,055,187"

Page 2, line 6, replace "34,359,628" with "34,264,128"

Page 2, line 7, replace "14,554,138" with "14,741,459"

Page 2, line 8, replace "19,805,490" with "19,522,669"

ReNUMBER accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### Senate Bill No. 2011 - Highway Patrol - Senate Action

	EXECUTIVE BUDGET	SENATE CHANGES	SENATE VERSION
Administration	\$2,355,742	(\$8,280)	\$2,347,462
Field operations	30,946,277	(84,798)	30,861,479
Law Enforcement Training Academy	1,057,609	(2,422)	1,055,187
Total all funds	\$34,359,628	(\$95,500)	\$34,264,128
Less estimated income	<u>14,554,138</u>	<u>187,321</u>	<u>14,741,459</u>
General fund	\$19,805,490	(\$282,821)	\$19,522,669
FTE	186.00	1.00	187.00

#### Dept. 504 - Highway Patrol - Detail of Senate Changes

	REDUCES COMPENSATION PACKAGE TO 3/4	ADDS FUNDING FOR TROOPER <sup>1</sup>	REMOVES FUNDING FOR CASE MANAGEMENT SYSTEM <sup>2</sup>	TOTAL SENATE CHANGES
Administration	(\$8,280)			(\$8,280)
Field operations	(74,798)	\$190,000	(\$200,000)	(84,798)
Law Enforcement Training Academy	(2,422)			(2,422)
Total all funds	(\$85,500)	\$190,000	(\$200,000)	(\$95,500)
Less estimated income	<u>(2,679)</u>	<u>190,000</u>		<u>187,321</u>
General fund	(\$82,821)	\$0	(\$200,000)	(\$282,821)
FTE	0.00	1.00	0.00	1.00

<sup>1</sup> The field operations line item is increased by \$190,000 of federal funds for an additional trooper position. The position is authorized only for the period of time that federal funds are available to provide for the cost of the position.

<sup>2</sup> Funding added in the executive budget for replacing the Highway Patrol's case management computer software system is removed. The Highway Patrol may replace the system if funding becomes available from other areas of the patrol's budget.

#### REPORT OF STANDING COMMITTEE

**SB 2012: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (15 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2012 was placed on the Sixth order on the calendar.

Page 1, line 2, after "transportation" insert "; to create and enact section 24-02-40.1 and a new section to chapter 24-08 of the North Dakota Century Code, relating to grant or revenue anticipation financing by the department of transportation and naming of the medal of honor bridge; to amend and reenact section 24-01-03 of the North Dakota Century Code, relating to highway and bridge maintenance; and to declare an emergency"

Page 1, line 20, replace "27,227,294" with "27,185,848"

Page 1, line 21, replace "20,081,797" with "20,048,706"

Page 1, line 22, replace "736,823,693" with "789,997,698"

Page 1, line 23, replace "43,280,168" with "43,271,158"

Page 1, line 24, replace "43,027,034" with "96,117,492"

Page 2, line 6, replace "27,227,294" with "27,185,848"



Page 2, line 7, replace "20,081,797" with "20,048,706"

Page 2, line 8, replace "736,823,693" with "789,997,698"

Page 2, line 9, replace "43,280,168" with "43,271,158"

Page 2, line 10, replace "827,412,952" with "880,503,410"

Page 2, after line 17, insert:

**"SECTION 5. AMENDMENT.** Section 24-01-03 of the North Dakota Century Code is amended and reenacted as follows:

**24-01-03. Responsibility for state highway system.** The director is responsible for the construction, maintenance, and operation of the state highway system and ~~is authorized to may enter into~~ a cooperative agreement with any municipality for the construction, maintenance, or repair of any urban connecting street. The director may not divest the state from responsibility for the maintenance of any bridge over a navigable water of this state which is currently maintained by the state.

The jurisdiction, control, and duty of the state and municipality with respect to such urban connecting streets must be as follows:

1. The director has no authority to change or establish any grade of any such street without approval of the governing body of such municipality.
2. The municipality shall maintain at its own expense ~~maintain~~ all underground facilities in such streets and has the right to construct such additional underground facilities as may be necessary in such streets.
3. The municipality has the right to grant the privilege to open the surface of any such street, but all damage occasioned thereby must ~~promptly~~ be repaired promptly by said municipality at its direction and without cost to the department.
4. The municipality has exclusive right to grant franchises over, beneath, and upon such streets.

**SECTION 6.** Section 24-02-40.1 of the North Dakota Century Code is created and enacted as follows:

24-02-40.1. Grant or revenue anticipation financing. Notwithstanding any other provision of law, the department, whenever needed, may arrange with any state-owned or private financing agency or underwriter, including the Bank of North Dakota, grant or revenue anticipation financing through the issuance of evidences of indebtedness on such terms and conditions as the department determines if construction funds on hand are insufficient to meet current obligations or to achieve cost-savings or efficiencies in road construction. The department may refund the evidences of indebtedness as often as it is advantageous to do so. Evidences of indebtedness may be sold at public or private sale and must mature not more than fifteen years from their date or dates, and the proceeds of the sale may be invested on such terms and conditions as the department determines. Grant or revenue anticipation financing must be in amounts no larger than can be repaid from moneys known or reasonably anticipated to be due and forthcoming. The grant or revenue anticipation financing may not be used in anticipation of increased federal aid highway grants or increased state highway user revenue funds, and the financing may not be obligated for road construction that cannot be financed from known sources of grants or revenue. The department may pledge any federal aid grants received or to be received for debt service and related issuance costs for evidences of indebtedness issued under this section directly to a trustee in trust for payment to holders of the evidences of indebtedness. The department may also pledge any biennially appropriated revenues for debt service on the evidences of indebtedness directly to a trustee in trust for payment to holders of the evidences of indebtedness. Any evidences of indebtedness issued under this section are not general obligations or debt of the state, the department, or any public officer or employee of the department or this state. The principal of and interest on the evidences of indebtedness are limited obligations payable solely from grants or revenues received or to be received by the department. The department may capitalize from proceeds of the evidences of indebtedness all expenses incidental to issuing the evidences of indebtedness, including any reserves for payment of the evidences of indebtedness.

**SECTION 7.** A new section to chapter 24-08 is created and enacted as follows:

Medal of honor bridge. A bridge replacing the bridge between Mandan and Bismarck presently known as the liberty memorial bridge is designated the medal of honor bridge upon the completion of the replacement bridge.

**SECTION 8. EMERGENCY.** Section 6 of this Act is declared to be an emergency measure."

Renumber accordingly

# STATEMENT OF PURPOSE OF AMENDMENT:

## Senate Bill No. 2012 - Department of Transportation - Senate Action

	EXECUTIVE BUDGET	SENATE CHANGES	SENATE VERSION
Administration	\$27,227,294	(\$41,446)	\$27,185,848
Driver's and vehicle services	20,081,797	(33,091)	20,048,706
Highways	736,823,693	53,174,005	789,997,698
Fleet Services	43,280,168	(9,010)	43,271,158
Total all funds	\$827,412,952	\$53,090,458	\$880,503,410
Less estimated income	<u>827,412,952</u>	<u>53,090,458</u>	<u>880,503,410</u>
General fund	\$0	\$0	\$0
FTE	1,044.50	0.00	1,044.50

## Dept. 801 - Department of Transportation - Detail of Senate Changes

	REDUCES COMPENSATION PACKAGE TO 3/4	ADDS FUNDING FROM GARVEE BONDS <sup>1</sup>	TOTAL SENATE CHANGES
Administration	(\$41,446)		(\$41,446)
Driver's and vehicle services	(33,091)		(33,091)
Highways	(325,995)	\$53,500,000	53,174,005
Fleet Services	(9,010)		(9,010)
Total all funds	(\$409,542)	\$53,500,000	\$53,090,458
Less estimated income	<u>(409,542)</u>	<u>53,500,000</u>	<u>53,090,458</u>
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

<sup>1</sup> Funding for the Highway 2 four-lane project and the Memorial Bridge project in Bismarck is added from grant anticipation revenue vehicle (GARVEE) bond proceeds. A section is added as an emergency authorizing the department to issue GARVEE bonds.

A new section is added requiring the department to continue to maintain bridges that it is currently maintaining over navigable waters in the state.

## REPORT OF STANDING COMMITTEE

**SB 2015: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). SB 2015 was placed on the Sixth order on the calendar.

Page 1, line 2, after "rehabilitation" insert "; to create and enact a new section to chapter 12-44.1 of the North Dakota Century Code, relating to the incarceration of female inmates in grade one correctional facilities; and to provide an expiration date"

Page 1, line 18, replace "\$5,862,616" with "(\$21,087,058)"

Page 1, line 19, replace "8,491,186" with "(72,022,798)"

Page 1, line 20, replace "(1,681,139)" with "(9,629,163)"

Page 1, line 21, replace "1,349,448" with "(11,577,679)"

Page 1, after line 21, insert:

"Adult services  
Juvenile services

105,918,493  
20,838,606"

Page 1, line 22, replace "1,000,000" with "1,100,000"

Page 1, line 23, replace "15,022,111" with "13,540,401"

Page 2, line 1, replace "(4,429,671)" with "(4,018,278)"

Page 2, line 2, replace "19,451,782" with "17,558,679"

Page 2, replace lines 9 through 12 with:

"Adult services	\$105,918,493
Juvenile services	20,838,606"

Page 2, line 13, replace "1,000,000" with "1,100,000"

Page 2, line 14, replace "129,338,809" with "127,857,099"

Page 2, line 15, replace "28,150,416" with "28,561,809"

Page 2, line 16, replace "101,188,393" with "99,295,290"

Page 2, after line 31, insert:

**"SECTION 7.** A new section to chapter 12-44.1 of the North Dakota Century Code is created and enacted as follows:

**Female inmates in grade one correctional facilities.** Notwithstanding section 12-44.1-06, a grade one correctional facility that has a contract with the department of corrections and rehabilitation to confine female inmates who have been sentenced to the legal and physical custody of the department of corrections and rehabilitation may confine the female inmate for more than one year in accordance with the terms of the contract. A female inmate who has been sentenced to the legal and physical custody of the department of corrections and rehabilitation and who is confined in a grade one correctional facility under a contract with the department of corrections and rehabilitation has the same rights to sentence reduction for good and meritorious conduct and to pardon and parole as an inmate confined in a department of corrections and rehabilitation prisons division facility.

**SECTION 8. EXPIRATION DATE.** Section 7 of this Act is effective through June 30, 2007, and after that date is ineffective."

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### Senate Bill No. 2015 - Department of Corrections and Rehabilitation - Senate Action

	EXECUTIVE BUDGET	SENATE CHANGES	SENATE VERSION
Field Services	\$26,949,674	(\$26,949,674)	
Prisons Division	80,513,984	(80,513,984)	
Juvenile Community Services	7,948,024	(7,948,024)	
Youth Correctional Center	12,927,127	(12,927,127)	
Adult Services		105,918,493	\$105,918,493
Juvenile Services		20,838,606	20,838,606
Equity pool	<u>1,000,000</u>	<u>100,000</u>	<u>1,100,000</u>
Total all funds	\$129,338,809	(\$1,481,710)	\$127,857,099
Less estimated income	<u>28,150,416</u>	<u>411,393</u>	<u>28,561,809</u>
General fund	\$101,188,393	(\$1,893,103)	\$99,295,290
FTE	675.28	0.50	675.78

#### Dept. 530 - Department of Corrections and Rehabilitation- Detail of Senate Changes

	REDUCES COMPENSATION PACKAGE TO 3/4	REMOVES 2.5 NEW FTE SEXUAL OFFENDER POSITIONS AND SALARIES 1	REDUCES FIELD SERVICES GENERAL FUND SUPPORT 2	REDUCES FUNDING FOR INMATE CONTRACT HOUSING 3	INCREASES EQUITY POOL 4	ADDS SPECIAL FUNDS AUTHORITY AND 3 FTE POSITIONS FOR COMMUNITY COMMITMENT SUPERVISION 5
Field Services	(\$37,158)		(\$226,748)			\$427,410
Prisons Division	(151,994)	(\$256,675)		(\$1,300,000)		
Juvenile Community Services	(10,905)					

Youth Correctional Center	(25,640)					
Adult Services						
Juvenile Services						
Equity pool					\$100,000	
Total all funds	(\$225,697)	(\$256,675)	(\$226,748)	(\$1,300,000)	\$100,000	\$427,410
Less estimated income	<u>(16,017)</u>					<u>427,410</u>
General fund	(\$209,680)	(\$256,675)	(\$226,748)	(\$1,300,000)	\$100,000	\$0
FTE	0.00	(2.50)	0.00	0.00	0.00	3.00

	COMBINES LINE ITEMS 6	TOTAL SENATE CHANGES
Field Services	(\$27,113,178)	(\$26,949,674)
Prisons Division	(78,805,315)	(80,513,984)
Juvenile Community Services	(7,937,119)	(7,948,024)
Youth Correctional Center	(12,901,487)	(12,927,127)
Adult Services	105,918,493	105,918,493
Juvenile Services	20,838,606	20,838,606
Equity pool		<u>100,000</u>
Total all funds	\$0	(\$1,481,710)
Less estimated income		<u>411,393</u>
General fund	\$0	(\$1,893,103)
FTE	0.00	0.50

<sup>1</sup> This amendment removes 2.5 new FTE positions and related salaries for sexual offender treatment from the Prisons Division. The 2.5 FTE positions consist of 1 social worker II ( State Penitentiary), 1 licensed psychologist II (James River Correctional Center), and .5 administrative assistant II (James River Correctional Center).

<sup>2</sup> This amendment removes the increase in general fund support that was provided to the Field Services Division as a result of the reduction or elimination of various federal grants for various community corrections programs.

<sup>3</sup> This amendment removes \$1,300,000 from the Prisons Division for inmate contract housing.

<sup>4</sup> This amendment provides a \$100,000 increase to the equity pool line item for a total of \$1,100,000. The additional \$100,000 would be used to provide equity adjustments for all eligible Department of Corrections and Rehabilitation staff instead of only correctional officers.

<sup>5</sup> This amendment provides additional special funds spending authority of \$427,410 and authority to hire up to 3 FTE positions for community commitment supervision.

<sup>6</sup> This amendment combines the Field Services and Prisons Division line items into the Adult Services line item and combines the Juvenile Community Services and the Youth Correctional Center line items into the Juvenile Services line item.

### REPORT OF STANDING COMMITTEE

**SB 2144: Transportation Committee (Sen. Trenbeath, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (4 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). SB 2144 was placed on the Sixth order on the calendar.

Page 1, after "A BILL" replace the remainder of the bill with "for an act to amend and reenact sections 39-04-19, 57-43.1-02, and 57-43.2-02 of the North Dakota Century Code, relating to registration fees for motor vehicles and fuels taxes; to repeal section 7 of chapter 12 of the 2003 Session Laws, relating to registration fee allocation; and to provide an effective date.

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

**SECTION 1. AMENDMENT.** Section 39-04-19 of the North Dakota Century Code is amended and reenacted as follows:

**39-04-19. Motor vehicle registration fees and mile tax.** Motor vehicles required to pay registration fees or a mile tax shall pay the following fees:

1. Nonresidents electing to pay mile tax in lieu of registration, when authorized to do so by the department, shall pay a fee of twenty dollars for a trip permit which is valid for a period of seventy-two hours. All fees collected under the provisions of this subsection must be credited to the highway construction fund.
2. Motor vehicles required to be registered in this state must be furnished license plates upon the payment of the following annual fees; however, if a motor vehicle, including a motorcycle or trailer, first becomes subject to registration other than at the beginning of the registration period, such fees must be prorated on a monthly basis. The minimum fee charged hereunder must be five dollars:

## a. Passenger motor vehicles:

Gross Weights	YEARS REGISTERED			
	1st, 2nd, 3rd, 4th, 5th, and 6th Years	7th, 8th, and 9th Years	10th, 11th, and 12th Years	13th and Subsequent Years
Less than 3,200	<del>\$60</del> <u>\$68</u>	<del>\$52</del> <u>\$60</u>	<del>\$44</del> <u>\$52</u>	<del>\$36</del> <u>\$44</u>
3,200 - 4,499	<del>80</del> <u>88</u>	<del>68</del> <u>76</u>	<del>56</del> <u>64</u>	<del>44</del> <u>52</u>
4,500 - 4,999	<del>98</del> <u>106</u>	<del>84</del> <u>89</u>	<del>66</del> <u>74</u>	<del>50</del> <u>58</u>
5,000 - 5,999	<del>129</del> <u>137</u>	<del>107</del> <u>115</u>	<del>86</del> <u>93</u>	<del>63</del> <u>71</u>
6,000 - 6,999	<del>162</del> <u>170</u>	<del>133</del> <u>141</u>	<del>104</del> <u>112</u>	<del>76</del> <u>84</u>
7,000 - 7,999	<del>195</del> <u>203</u>	<del>159</del> <u>167</u>	<del>124</del> <u>132</u>	<del>89</del> <u>97</u>
8,000 - 8,999	<del>228</del> <u>236</u>	<del>186</del> <u>194</u>	<del>144</del> <u>152</u>	<del>102</del> <u>110</u>
9,000 and over	<del>264</del> <u>269</u>	<del>212</del> <u>220</u>	<del>164</del> <u>172</u>	<del>115</del> <u>123</u>

A house car is subject to registration at the rates prescribed for other vehicles under this subdivision modified by using the weight applicable to a vehicle whose weight is forty percent of that of the house car, but not using a weight of less than four thousand pounds [1814.35 kilograms].

## b. Schoolbuses, buses for hire, buses owned and operated by religious, charitable, or nonprofit organizations and used exclusively for religious, charitable, or other public nonprofit purposes, and trucks or combination trucks and trailers, including commercial and noncommercial trucks, except those trucks or combinations of trucks and trailers which qualify for registration under subsection 5:

Gross Weights	YEARS REGISTERED				
	1st Through 6th Years	7th Through 9th Years	10th Through 12th Years	13th Through 19th Years	20th and Subsequent Years
Not over 4,000	<del>\$58</del> <u>\$66</u>	<del>\$45</del> <u>\$53</u>	<del>\$40</del> <u>\$48</u>	<del>\$37</del> <u>\$45</u>	<del>\$36</del> <u>\$44</u>
4,001 - 6,000	<del>63</del> <u>71</u>	<del>50</del> <u>58</u>	<del>44</del> <u>52</u>	<del>38</del> <u>46</u>	<del>37</del> <u>45</u>
6,001 - 8,000	<del>68</del> <u>76</u>	<del>55</del> <u>63</u>	<del>48</del> <u>56</u>	<del>39</del> <u>47</u>	<del>38</del> <u>46</u>
8,001 - 10,000	<del>73</del> <u>81</u>	<del>60</del> <u>68</u>	<del>52</del> <u>60</u>	<del>44</del> <u>49</u>	<del>40</del> <u>48</u>
10,001 - 12,000	<del>78</del> <u>86</u>	<del>65</del> <u>73</u>	<del>56</del> <u>64</u>	<del>43</del> <u>51</u>	<del>42</del> <u>50</u>
12,001 - 14,000	<del>83</del> <u>91</u>	<del>70</del> <u>78</u>	<del>60</del> <u>68</u>	<del>46</del> <u>54</u>	<del>45</del> <u>53</u>
14,001 - 16,000	<del>88</del> <u>96</u>	<del>75</del> <u>83</u>	<del>64</del> <u>72</u>	<del>49</del> <u>57</u>	<del>48</del> <u>56</u>
16,001 - 18,000	<del>93</del> <u>101</u>	<del>80</del> <u>88</u>	<del>68</del> <u>76</u>	<del>54</del> <u>59</u>	<del>50</del> <u>58</u>
18,001 - 20,000	<del>96</del> <u>104</u>	<del>83</del> <u>91</u>	<del>70</del> <u>78</u>	<del>52</del> <u>60</u>	<del>54</del> <u>59</u>

Gross Weights	YEARS REGISTERED		
	1st, 2nd, 3rd, 4th, 5th, 6th, and 7th Years	8th, 9th, 10th, 11th, and 12th Years	13th and Subsequent Years
20,001 - 22,000	<del>\$126</del> <u>\$134</u>	<del>\$100</del> <u>\$108</u>	<del>\$87</del> <u>\$95</u>
22,001 - 26,000	<del>178</del> <u>186</u>	<del>148</del> <u>156</u>	<del>132</del> <u>140</u>
26,001 - 30,000	<del>239</del> <u>247</u>	<del>197</del> <u>205</u>	<del>175</del> <u>183</u>
30,001 - 34,000	<del>305</del> <u>313</u>	<del>250</del> <u>258</u>	<del>222</del> <u>230</u>
34,001 - 38,000	<del>366</del> <u>374</u>	<del>299</del> <u>307</u>	<del>265</del> <u>273</u>
38,001 - 42,000	<del>427</del> <u>435</u>	<del>348</del> <u>356</u>	<del>307</del> <u>315</u>
42,001 - 46,000	<del>488</del> <u>496</u>	<del>396</del> <u>404</u>	<del>350</del> <u>358</u>
46,001 - 50,000	<del>549</del> <u>557</u>	<del>445</del> <u>453</u>	<del>393</del> <u>401</u>
50,001 - 54,000	<del>619</del> <u>627</u>	<del>503</del> <u>511</u>	<del>444</del> <u>452</u>
54,001 - 58,000	<del>680</del> <u>688</u>	<del>552</del> <u>560</u>	<del>487</del> <u>495</u>
58,001 - 62,000	<del>742</del> <u>750</u>	<del>604</del> <u>609</u>	<del>530</del> <u>538</u>
62,001 - 66,000	<del>802</del> <u>810</u>	<del>649</del> <u>657</u>	<del>573</del> <u>581</u>
66,001 - 70,000	<del>863</del> <u>871</u>	<del>698</del> <u>706</u>	<del>615</del> <u>623</u>
70,001 - 74,000	<del>924</del> <u>932</u>	<del>747</del> <u>755</u>	<del>658</del> <u>666</u>
74,001 - 78,000	<del>985</del> <u>993</u>	<del>796</del> <u>804</u>	<del>704</del> <u>709</u>
78,001 - 82,000	<del>1,046</del> <u>1,054</u>	<del>846</del> <u>853</u>	<del>744</del> <u>752</u>
82,001 - 86,000	<del>1,109</del> <u>1,117</u>	<del>896</del> <u>904</u>	<del>784</del> <u>792</u>
86,001 - 90,000	<del>1,171</del> <u>1,179</u>	<del>946</del> <u>954</u>	<del>824</del> <u>832</u>
90,001 - 94,000	<del>1,233</del> <u>1,241</u>	<del>996</del> <u>1,004</u>	<del>864</del> <u>872</u>
94,001 - 98,000	<del>1,295</del> <u>1,303</u>	<del>1,046</del> <u>1,054</u>	<del>904</del> <u>912</u>
98,001 - 102,000	<del>1,357</del> <u>1,365</u>	<del>1,096</del> <u>1,104</u>	<del>944</del> <u>952</u>
102,001 - 105,500	<del>1,419</del> <u>1,427</u>	<del>1,146</del> <u>1,154</u>	<del>984</del> <u>992</u>

- c. Motorcycles, fifteen dollars.
3. Motor vehicles acquired by disabled veterans under the provisions of Public Law 79-663 [38 U.S.C. 3901] are exempt from the payment of state sales or use tax and, if paid, such veterans are entitled to a refund. This exemption also applies to any passenger motor vehicle or pickup truck not exceeding ten thousand pounds [4535.92 kilograms] gross weight but shall apply to no more than two such motor vehicles owned by a disabled veteran at any one time.
  4. Every trailer, semitrailer, and farm trailer required to be registered under this chapter must be furnished registration plates upon the payment of a twenty dollar annual fee. Every trailer, semitrailer, or farm trailer not required to be registered under this chapter must be furnished an identification plate upon the payment of a fee of five dollars. Upon the request of a person with a trailer or farm trailer to whom a registration or identification plate is provided under this subsection, the department shall provide a plate of the same size as provided for a motorcycle. The department shall provide notification of this option to the person before the replacement or issuance of the plate.
  5. Trucks or combinations of trucks and trailers weighing more than twenty thousand but not more than one hundred five thousand five hundred pounds [more than 9071.84 but not more than 47854.00 kilograms] which are used as farm vehicles only, are entitled to registration under the following fee schedule and the provisions of this subsection. Farm vehicles are considered, for the purpose of this subsection, as trucks or combinations of trucks and trailers weighing more than twenty thousand but not more than one hundred five thousand five hundred pounds [more than 9071.84 but not more than 47854.00 kilograms] owned, or leased for at least one year by a bona fide resident farmer who uses the vehicles exclusively for transporting the farmer's own property or other property on a farm work exchange basis with other farmers between farms and the usual local trading places but not in connection with any commercial retail or wholesale business being conducted from those farms, nor otherwise for hire. In addition to the penalty provided in section 39-04-41, any person violating this subsection shall license for the entire license period the farm vehicle at the higher commercial vehicle rate in accordance with the weight carried by the farm vehicle at the time of the violation.

## YEARS REGISTERED

Gross Weights	1st, 2nd, 3rd, 4th, 5th, and 6th Years	7th and 8th Years	9th and 10th Years	11th and Subsequent Years
20,001 - 22,000	<del>\$98</del> <u>\$106</u>	<del>\$84</del> <u>\$92</u>	<del>\$70</del> <u>\$78</u>	<del>\$52</del> <u>\$60</u>
22,001 - 24,000	<del>403</del> <u>111</u>	<del>88</del> <u>96</u>	<del>73</del> <u>81</u>	<del>54</del> <u>62</u>
24,001 - 26,000	<del>444</del> <u>119</u>	<del>94</del> <u>102</u>	<del>77</del> <u>85</u>	<del>56</del> <u>64</u>
26,001 - 28,000	<del>422</del> <u>130</u>	<del>402</del> <u>110</u>	<del>83</del> <u>91</u>	<del>60</del> <u>68</u>
28,001 - 30,000	<del>434</del> <u>139</u>	<del>440</del> <u>118</u>	<del>89</del> <u>97</u>	<del>64</del> <u>72</u>
30,001 - 32,000	<del>446</del> <u>154</u>	<del>423</del> <u>131</u>	<del>400</del> <u>108</u>	<del>73</del> <u>81</u>
32,001 - 34,000	<del>456</del> <u>164</u>	<del>434</del> <u>139</u>	<del>406</del> <u>114</u>	<del>77</del> <u>85</u>
34,001 - 36,000	<del>466</del> <u>174</u>	<del>439</del> <u>147</u>	<del>412</del> <u>120</u>	<del>84</del> <u>89</u>
36,001 - 38,000	<del>476</del> <u>184</u>	<del>447</del> <u>155</u>	<del>418</del> <u>126</u>	<del>85</del> <u>93</u>
38,001 - 40,000	<del>486</del> <u>194</u>	<del>455</del> <u>163</u>	<del>424</del> <u>132</u>	<del>89</del> <u>97</u>
40,001 - 42,000	<del>496</del> <u>204</u>	<del>463</del> <u>171</u>	<del>430</del> <u>138</u>	<del>93</del> <u>101</u>
42,001 - 44,000	<del>206</del> <u>214</u>	<del>474</del> <u>179</u>	<del>436</del> <u>144</u>	<del>97</del> <u>105</u>
44,001 - 46,000	<del>216</del> <u>224</u>	<del>479</del> <u>187</u>	<del>442</del> <u>150</u>	<del>404</del> <u>109</u>
46,001 - 48,000	<del>226</del> <u>234</u>	<del>487</del> <u>195</u>	<del>448</del> <u>156</u>	<del>405</del> <u>113</u>
48,001 - 50,000	<del>236</del> <u>244</u>	<del>495</del> <u>203</u>	<del>454</del> <u>162</u>	<del>409</del> <u>117</u>
50,001 - 52,000	<del>256</del> <u>264</u>	<del>243</del> <u>221</u>	<del>470</del> <u>178</u>	<del>423</del> <u>131</u>
52,001 - 54,000	<del>266</del> <u>274</u>	<del>224</del> <u>229</u>	<del>476</del> <u>184</u>	<del>427</del> <u>135</u>
54,001 - 56,000	<del>276</del> <u>284</u>	<del>229</del> <u>237</u>	<del>482</del> <u>190</u>	<del>434</del> <u>139</u>
56,001 - 58,000	<del>286</del> <u>294</u>	<del>237</del> <u>245</u>	<del>488</del> <u>196</u>	<del>435</del> <u>143</u>
58,001 - 60,000	<del>296</del> <u>304</u>	<del>245</del> <u>253</u>	<del>494</del> <u>202</u>	<del>439</del> <u>147</u>
60,001 - 62,000	<del>306</del> <u>314</u>	<del>253</del> <u>261</u>	<del>200</del> <u>208</u>	<del>443</del> <u>151</u>
62,001 - 64,000	<del>316</del> <u>324</u>	<del>264</del> <u>269</u>	<del>206</del> <u>214</u>	<del>447</del> <u>155</u>
64,001 - 66,000	<del>326</del> <u>334</u>	<del>269</del> <u>277</u>	<del>212</del> <u>220</u>	<del>454</del> <u>159</u>
66,001 - 68,000	<del>336</del> <u>344</u>	<del>277</del> <u>285</u>	<del>218</del> <u>226</u>	<del>455</del> <u>163</u>
68,001 - 70,000	<del>346</del> <u>354</u>	<del>285</del> <u>293</u>	<del>224</del> <u>232</u>	<del>459</del> <u>167</u>
70,001 - 72,000	<del>356</del> <u>364</u>	<del>293</del> <u>301</u>	<del>230</del> <u>238</u>	<del>463</del> <u>171</u>

72,001 - 74,000	<del>366</del> 374	<del>304</del> 309	<del>236</del> 244	<del>467</del> 175
74,001 - 76,000	<del>376</del> 384	<del>309</del> 317	<del>242</del> 250	<del>474</del> 179
76,001 - 78,000	<del>386</del> 394	<del>317</del> 325	<del>248</del> 256	<del>475</del> 183
78,001 - 80,000	<del>396</del> 404	<del>325</del> 333	<del>254</del> 262	<del>479</del> 187
80,001 - 82,000	<del>406</del> 414	<del>333</del> 341	<del>260</del> 268	<del>483</del> 191
82,001 - 84,000	<del>416</del> 424	<del>355</del> 363	<del>303</del> 311	<del>259</del> 267
84,001 - 86,000	<del>436</del> 444	<del>372</del> 380	<del>317</del> 325	<del>274</del> 279
86,001 - 88,000	<del>456</del> 464	<del>389</del> 397	<del>334</del> 339	<del>283</del> 291
88,001 - 90,000	<del>476</del> 484	<del>406</del> 414	<del>345</del> 353	<del>295</del> 303
90,001 - 92,000	<del>496</del> 504	<del>423</del> 431	<del>359</del> 367	<del>307</del> 315
92,001 - 94,000	<del>516</del> 524	<del>440</del> 448	<del>373</del> 381	<del>319</del> 327
94,001 - 96,000	<del>536</del> 544	<del>457</del> 465	<del>387</del> 395	<del>334</del> 339
96,001 - 98,000	<del>556</del> 564	<del>474</del> 482	<del>404</del> 409	<del>343</del> 351
98,001 - 100,000	<del>576</del> 584	<del>494</del> 499	<del>415</del> 423	<del>355</del> 363
100,001 - 102,000	<del>596</del> 604	<del>508</del> 516	<del>429</del> 437	<del>367</del> 375
102,001 - 104,000	<del>616</del> 624	<del>525</del> 533	<del>443</del> 451	<del>379</del> 387
104,001 - 105,500	<del>636</del> 644	<del>542</del> 550	<del>457</del> 465	<del>394</del> 399

6. A motor vehicle registered in subsection 5 may be used for custom combining operations by displaying identification issued by the department and upon payment of a fee of twenty-five dollars.
7. Eleven dollars of each registration fee collected under subsections 2 and 5 must be deposited in the state highway fund.

**SECTION 2. AMENDMENT.** Section 57-43.1-02 of the North Dakota Century Code is amended and reenacted as follows:

**57-43.1-02. Tax imposed on motor vehicle fuels.**

1. Except as otherwise provided in this section, a tax of ~~twenty-one~~ twenty-two cents per gallon [3.79 liters] is imposed on all motor vehicle fuel sold or used in this state.
2. A supplier or distributor shall remit the tax imposed by this section on motor vehicle fuel used, on the wholesale distribution of motor vehicle fuel to a retailer, and on direct sales of motor vehicle fuel to a consumer.
3. The tax imposed by this section does not apply on a sale by a supplier to another supplier, on a sale by a supplier to a distributor, on a sale by a distributor to another distributor, on an export, or on a sale to an exempt consumer.
4. The person required to remit the tax imposed by this section shall pass the tax on to the retailer and to the consumer. A retailer who paid the tax to the supplier or distributor shall pass the tax on to the consumer.
5. The person required to remit the tax imposed by this section shall pay the tax to the commissioner by the twenty-fifth day of the calendar month after the month during which the motor vehicle fuel was sold or used by the person. When the twenty-fifth day of the calendar month falls on a Saturday, Sunday, or legal holiday, the due date is the first working day after the Saturday, Sunday, or legal holiday. When payment is made by mail, the payment is timely if the envelope containing the payment is postmarked by the United States postal service or other postal carrier service before midnight of the due date.
6. The commissioner shall pay over all of the money received during each calendar month to the state treasurer.

**SECTION 3. AMENDMENT.** Section 57-43.2-02 of the North Dakota Century Code is amended and reenacted as follows:

**57-43.2-02. (Contingent effective date - See note - Effective through June 30, 2005) Tax imposed.**

1. Except as otherwise provided in this chapter, an excise tax of ~~twenty-one~~ twenty-two cents per gallon [3.79 liters] is imposed on the sale or delivery of all special fuel sold or used in this state. For the purpose of determining the tax upon compressed natural gas under this section, one hundred

twenty cubic feet [3.40 cubic meters] of compressed natural gas is equal to one gallon [3.79 liters] of other special fuel. The tax under this subsection is reduced by one and five-hundredths cents per gallon [3.79 liters] on the sale or delivery of diesel fuel that contains at least two percent biodiesel fuel by weight.

2. A supplier, distributor, or retailer shall remit the tax imposed by this section on special fuel used and on direct sales of special fuel to a customer.
3. The tax imposed by this section does not apply on sales by a supplier to another supplier, on a sale by a supplier to a distributor, on a sale by a distributor to another distributor, on a sale by a distributor to a retailer, on an export, or on a sale to an exempt consumer.
4. The person required to remit the tax imposed by this section shall pass the tax on to the customer.
5. The person required to remit the tax imposed by this section shall pay the tax to the commissioner by the twenty-fifth day of the calendar month after the month during which the special fuel was sold or used by the person. When the twenty-fifth day of the calendar month falls on a Saturday, Sunday, or legal holiday, the due date is the first working day after the Saturday, Sunday, or legal holiday. When payment is made by mail, the payment is timely if the envelope containing the payment is postmarked by the United States postal service or other postal carrier service before midnight of the due date.
6. The commissioner shall pay over all of the money received during each calendar month to the state treasurer.

**(Effective after June 30, 2005) Tax imposed.**

1. Except as otherwise provided in this chapter, an excise tax of ~~twenty-one~~ **twenty-two** cents per gallon [3.79 liters] is imposed on the sale or delivery of all special fuel sold or used in this state. For the purpose of determining the tax upon compressed natural gas under this section, one hundred twenty cubic feet [3.40 cubic meters] of compressed natural gas is equal to one gallon [3.79 liters] of other special fuel.
2. A supplier, distributor, or retailer shall remit the tax imposed by this section on special fuel used and on direct sales of special fuel to a customer.
3. The tax imposed by this section does not apply on sales by a supplier to another supplier, on a sale by a supplier to a distributor, on a sale by a distributor to another distributor, on a sale by a distributor to a retailer, on an export, or on a sale to an exempt consumer.
4. The person required to remit the tax imposed by this section shall pass the tax on to the customer.
5. The person required to remit the tax imposed by this section shall pay the tax to the commissioner by the twenty-fifth day of the calendar month after the month during which the special fuel was sold or used by the person. When the twenty-fifth day of the calendar month falls on a Saturday, Sunday, or legal holiday, the due date is the first working day after the Saturday, Sunday, or legal holiday. When payment is made by mail, the payment is timely if the envelope containing the payment is postmarked by the United States postal service or other postal carrier service before midnight of the due date.
6. The commissioner shall pay over all of the money received during each calendar month to the state treasurer.

**SECTION 4. REPEAL.** Section 7 of chapter 12 of the 2003 Session Laws is repealed.

**SECTION 5. EFFECTIVE DATE.** Sections 2 and 3 of this Act apply to taxable events occurring after June 30, 2005."



**REPORT OF STANDING COMMITTEE**

**SB 2145: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (8 YEAS, 6 NAYS, 1 ABSENT AND NOT VOTING). SB 2145 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for acquisition of certain land by the parks and recreation department; to provide an appropriation; to provide for a legislative council study; to provide for reports to the legislative council; and to declare an emergency.

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

**SECTION 1. ACQUISITION OF LAND AUTHORIZED.** The parks and recreation department may acquire 5,225.2 acres of land, more or less, in western North Dakota. The land acquired under this authorization is subject to the following conditions and restrictions:

1. Land acquired pursuant to this Act must remain open to grazing, hunting, the current purposes for which the land is used, and other normal recreational activities and use as otherwise provided in the general area.
2. Energy exploration, development, and extraction activities may not be limited or restricted on any land acquired under this Act.
3. Land acquired pursuant to this Act must be leased so as to maintain current grazing activities and relationships in the general area.
4. Land acquired pursuant to this Act may not be encumbered by a conservation easement, preservation easement, or similar land use restriction.
5. Land acquired pursuant to this Act may not be sold, conveyed, or transferred to the United States or any instrumentality of the United States.
6. Land acquired pursuant to this Act is subject to existing or future right-of-way easements acquired pursuant to title 24 or 32 for public transportation requirements identified by political subdivisions or the state.
7. The attorney general shall approve all documents necessary to effectuate the acquisition authorized by this Act as to form and legality.

**SECTION 2. APPROPRIATION.** There is appropriated \$522,520 from the game and fish fund, \$2,476,760 from the accumulated undivided profits of the Bank of North Dakota, and \$524,720 from federal or other special funds, or so much of the amounts as may be necessary to the parks and recreation department, for the purpose of defraying the expenses of the purchase of the land described in section 1 of this Act, for the period beginning with the effective date of this Act and ending June 30, 2007.

**SECTION 3. USE OF PROCEEDS OF SALE.** The parks and recreation department may sell any parcel or parcels of land included in the acquisition authorized by this Act, subject to the restrictions in subsection 5 of section 1 of this Act and the restriction that the department reserve any minerals the department acquires pursuant to this Act. Funds received by the parks and recreation department from such sales must be used to restore the funds utilized from the accumulated undivided profits of the Bank of North Dakota and the game and fish fund in the same ratio that these funds are used to make the land acquisition authorized by this Act.

**SECTION 4. NO NET GAIN OF STATE LAND - SALE OF LAND BY BOARD OF UNIVERSITY AND SCHOOL LANDS AUTHORIZED.** The acquisition authorized by this Act may not result in a net gain of state-owned land. To ensure that the acquisition authorized by this Act does not result in a net gain of state-owned land, the board of university and school lands shall sell 5,225.2 acres of land in Slope, Golden Valley, Billings, and McKenzie Counties less any parcel or parcels of land sold by the parks and recreation department under section 3 of this Act within the period beginning with the effective date of this Act and ending July 31, 2011. The board shall reserve all minerals it currently owns on any land sold pursuant to this section.

**SECTION 5. LEGISLATIVE COUNCIL STUDY - REPORTS - PARKS AND RECREATION DEPARTMENT LAND ACQUISITION STUDY.** The legislative council shall study, during the 2005-06 interim, issues related to the parks and recreation department land acquisition authorized by this Act. The legislative council shall monitor the acquisition and efforts of the parks and recreation department and board of university and school lands to comply with the no net gain of state land requirements of this Act. The study must include a determination of the future public usefulness and benefit of the land acquired by this Act, how much of the main parcel the state should retain, and how much and which lands the state should divest to ensure compliance with the no net gain of state land requirements of this Act. The legislative council shall recommend which parcel or parcels of land the board of university and school lands shall divest to comply with the no net gain of state land requirements of this Act. The parks and recreation department and the board of university and school lands shall report periodically to the legislative council the status of the acquisition authorized by this Act and the progress toward complying with the no net gain of state land requirements of this Act. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixtieth legislative assembly.

**SECTION 6. EMERGENCY.** This Act is declared to be an emergency measure."

Renumber accordingly

#### REPORT OF STANDING COMMITTEE

**SB 2168, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed SB 2168 was placed on the Sixth order on the calendar.

Page 8, line 26, replace "\$3,000,000" with "\$2,000,000"

Page 9, remove lines 4 through 6

Page 9, line 7, replace "c." with "b."

Page 9, line 10, replace "d." with "c." and replace "\$1,000,000" with "\$590,000"

Page 9, line 11, remove "in the amount of \$10"

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

This amendment decreases the general fund appropriation provided to the Department of Public Instruction for providing funding to eligible educational associations from \$3 million to \$2 million as recommended in the Governor's executive budget.

#### REPORT OF STANDING COMMITTEE

**SB 2217: Finance and Taxation Committee (Sen. Urlacher, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (4 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). SB 2217 was placed on the Sixth order on the calendar.

In lieu of the amendments as printed on page 424 of the Senate Journal, Senate Bill No. 2217 is amended as follows:

Page 1, line 1, replace the comma with "and"

Page 1, line 2, remove ", and a new section to chapter 57-43.2"

Page 1, line 4, remove "and to provide for a transfer to the highway tax"

Page 1, remove line 5

Page 1, line 6, remove "Century Code, relating to a special fuels tax reduction for sale of biodiesel fuel"

Page 1, line 11, remove "licensed" and after "supplier" insert "licensed pursuant to section 57-43.2-05"

Page 2, line 7, after the underscored period insert "A taxpayer may not claim a credit under this section for any taxable year before the taxable year in which the facility begins selling biodiesel fuel containing at least two percent biodiesel fuel by volume, but eligible costs incurred before the taxable year sales begin may be claimed for purposes of the credit under this section for taxable years on or after the taxable year sales of biodiesel fuel begin."

Page 2, remove lines 15 through 31

Page 3, remove lines 1 through 4

Page 3, line 6, replace "Sections" with "Section", remove ", 4, and 5", and replace "are" with "is"

Renumber accordingly

#### REPORT OF STANDING COMMITTEE

**SB 2247, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (10 YEAS, 4 NAYS, 1 ABSENT AND NOT VOTING). Engrossed SB 2247 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide an appropriation for state employee bonus payments; and to declare an emergency."

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

**SECTION 1. APPROPRIATION - STATE EMPLOYEE COMPENSATION ADJUSTMENTS.** The sums hereinafter listed, or so much of the sums as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds or other income as indicated to the agencies and institutions of state government for the purpose of providing a one-time bonus payment to employees of the various agencies and institutions in accordance with section 2 of this Act for the period beginning January 1, 2005, and ending June 30, 2005.

AGENCY OR INSTITUTION	GENERAL FUND	SPECIAL FUNDS	TOTAL
Governor	\$6,950		\$6,950
Secretary of state	6,647	\$152	6,799
Office of management and budget	28,249	7,024	35,273
Information technology department	6,362	96,053	102,415
State auditor	13,883	6,387	20,270
State treasurer	1,944		1,944
Attorney general	43,886	15,757	59,643
Tax commissioner	40,008		40,008
Administrative hearings office		3,233	3,233
Legislative council	14,075		14,075
Judicial branch	94,226	2,985	97,211
Retirement and investment office		5,966	5,966
Public employees retirement system		8,639	8,639
Department of public instruction	9,983	20,554	30,537
Board of university and school lands		6,781	6,781
State library	5,833	773	6,606
School for the deaf	8,414	586	9,000
Vision services - school for the blind	2,784	1,101	3,885
Board for career and technical education	6,512	3,294	9,806
State department of health	35,332	64,670	100,002
Veterans' home	19,651		19,651
Indian affairs commission	1,042		1,042
Department of veterans' affairs	1,500		1,500
Department of human services	352,608	205,375	557,983
Protection and advocacy project	1,790	6,087	7,877
Job service	287	108,067	108,354
Insurance commissioner		15,654	15,654
Industrial commission	16,105	2,617	18,722

Labor commissioner	2,606	815	3,421
Public service commission	10,369	5,745	16,114
Aeronautics commission		2,131	2,131
Department of financial institutions		10,631	10,631
Securities commissioner	3,466		3,466
Bank of North Dakota		54,828	54,828
Housing finance agency		13,404	13,404
Workforce safety and insurance		78,743	78,743
Highway patrol	62,077	2,010	64,087
Division of emergency management	9,391	8,474	17,865
Department of corrections and rehabilitation	163,469	16,208	179,677
Adjutant general	12,052	30,910	42,962
Department of commerce	15,900	7,090	22,990
Agriculture commissioner	10,916	8,362	19,278
Seed department		8,963	8,963
Upper great plains transportation institute	1,068	24,130	25,198
Branch research centers	21,521	6,714	28,235
NDSU extension service	56,563	39,572	96,135
Northern crops institute	2,083	7,495	3,578
Main research center	99,013	51,306	150,319
Agronomy seed farm		1,223	1,223
Historical society	14,207	1,773	15,980
Council on the arts	1,368		1,368
Game and fish department		52,611	52,611
Parks and recreation department	12,356	1,167	13,523
Water commission	4,161	25,446	29,607
Department of transportation		<u>307,338</u>	<u>307,338</u>
Total	\$1,220,657	\$1,342,844	\$2,563,501

**SECTION 2. 2003-05 BIENNIUM STATE EMPLOYEE BONUS PAYMENTS - GUIDELINES.** Each state agency or institution shall provide, within the limits of appropriations provided in this Act, a one-time bonus payment to permanent state employees of one and one-half percent of the employee's monthly salary for the six-month period January 1, 2005, through June 30, 2005.

Employees whose documented performance levels do not meet standards are not eligible for the bonus payment.

Employees hired after January 1, 2005, are not eligible for the bonus payment.

Probationary employees on January 1, 2005, are not entitled to the bonus payment.

Payments provided under this Act shall not be considered a fiscal irregularity pursuant to section 54-14-03.1.

For purposes of retirement, bonus payments made under this Act are considered salary and must be annualized pursuant to rules adopted by the public employees retirement system.

**SECTION 3. EMERGENCY.** This Act is to declared to be an emergency measure."

Renumber accordingly

#### REPORT OF STANDING COMMITTEE

**SB 2269: Human Services Committee (Sen. J. Lee, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (5 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2269 was placed on the Sixth order on the calendar.

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

Page 1, line 3, after "penalty" insert "; and to provide for a legislative council study"

Page 2, line 12, replace "**54-53-02**" with "**43-53-02**" and replace "**Prohibited acts**" with "**Representation to the public**"

Page 2, line 13, replace "an individual who is licensed under this chapter may not" with "only an individual licensed under this chapter may use the title "marriage and family therapist" or the abbreviations "LMFT". A licensee shall display prominently the licensee's license at the principal place of business of the licensee."

Page 2, remove lines 14 through 17

Page 2, line 21, remove the colon

Page 2, line 22, replace "(1) A" with "a"

Page 2, line 24, replace "; or" with a period

Page 2, remove lines 25 and 26

Page 2, line 30, remove the comma and replace the second "the" with ":

- (1) The individual is a student in a master's program of marriage and family therapy; and
- (2) The"

Page 3, after line 5, insert:

- "d. The individual is a member of the clergy of any religious denomination and providing services within the scope of ministerial duties.
- e. The individual is a volunteer for or is employed by a nonprofit agency or community organization and the individual does not hold out to the public that the individual is a professional marriage and family therapist."

Page 3, line 7, replace ", as long as" with "if"

Page 3, line 8, after "a" insert "professional"

Page 5, after line 3, insert:

- "5. The board shall adopt a nationally recognized code of ethics for the practice of marriage and family therapy.
6. The board shall establish continuing education requirements for license renewal.
7. The board shall publish an annual list of the names and addresses of all individuals licensed under this chapter."

Page 6, line 4, replace "an" with "a national"

Page 6, line 17, remove "**Temporary permits -**"

Page 6, remove lines 18 through 22

Page 6, line 23, remove "2."

Page 7, line 2, after the period insert "The fees established under this section must be adequate to establish and maintain the operation of the board."

Page 7, line 3, remove "**Renewal of license.** On or before November fifteenth of the year preceding"

Page 7, remove lines 4 and 5

Page 7, line 6, remove "**43-53-11.**"

Page 8, line 6, replace "**43-53-12**" with "**43-53-11**"

Page 8, line 24, replace "**43-53-13**" with "**43-53-12**"

Page 8, after line 25, insert:

**"SECTION 2. LEGISLATIVE COUNCIL STUDY.** The legislative council shall consider studying, during the 2005-06 interim, the fiscal impact and the feasibility and desirability of establishing an umbrella licensing organization for a group consisting of counselors, psychologists, marriage and family therapists, and social workers. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixtieth legislative assembly."

Renumber accordingly

#### REPORT OF STANDING COMMITTEE

**SB 2270, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (10 YEAS, 1 NAY, 4 ABSENT AND NOT VOTING). Engrossed SB 2270 was placed on the Sixth order on the calendar.

Page 1, replace lines 9 and 10 with "If an ethanol plant that was in operation in this state before July 1, 1995, increases its production by the lesser of ten million gallons [37854000 liters] or fifty percent of its production capacity during any twelve-month period beginning on or after the effective date of this Act, that plant is eligible to receive ethanol production incentive payments under section 4-14.1-08 on its increased production."

Renumber accordingly

#### REPORT OF STANDING COMMITTEE

**SB 2323, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO NOT PASS** (8 YEAS, 7 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2323 was placed on the Sixth order on the calendar.

Page 2, line 9, replace "department of health" with "board of higher education"

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides a \$1 million general fund appropriation to the State Board of Higher Education instead of the State Department of Health for the purpose of funding a cancer detection or treatment grant.

#### REPORT OF STANDING COMMITTEE

**SB 2330: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (12 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING). SB 2330 was placed on the Sixth order on the calendar.

Page 1, line 2, remove "refundable"

Page 1, line 3, remove "and" and after "date" insert "; and to provide an expiration date"

Page 1, line 7, remove "refundable"

Page 1, line 12, remove "refundable" and replace "may" with "must"

Page 1, line 13, remove "either", remove "current", and replace "or refunded to the" with "as provided in this section."

Page 1, replace lines 14 through 17 with "For purposes of this subsection:

- a. The taxpayer is entitled to a credit of:
  - (1) The amount of the overpayment that was made under chapter 57-35 plus the amount of any interest paid by the taxpayer on this portion of the overpayment; and
  - (2) Interest at the rate of two and one-half percent per year on the uncredited amount under paragraph 1 from the date tax and

interest under paragraph 1 was paid by the taxpayer to December 31, 2006.

- b. The taxpayer is entitled to a credit of:
  - (1) The amount of the overpayment that was made under chapter 57-35.2 plus the amount of any interest paid by the taxpayer on this portion of the overpayment; and
  - (2) Interest at the rate of two and one-half percent per year on the unrefunded amount under paragraph 1 from the date tax and interest under paragraph 1 was paid by the taxpayer to April 15, 2006.
- c. For purposes of determining distributions to and by counties under section 57-35.3-09 in any year a credit under subdivision a is claimed:
  - (1) The balance in the financial institution tax distribution fund and the amount of the payment received by each county from the state shall be determined as if any credit allowed under subdivision a had not been claimed and the full amount of the tax otherwise due had been timely paid;
  - (2) The credited amount under subdivision a must be deducted from the distributions that would otherwise be made to and by the county that received the tax overpayment until the sum of the deductions under this paragraph equals the amount of the credit under subdivision a; and
  - (3) The deductions from distributions made by a county to each distributee must be proportionate to the overpayment of tax received by each distributee.
- d. The entire amount of the credit under subdivision a must be deducted from the portion of the tax payable by the taxpayer that would be deposited in the financial institution tax distribution fund. The entire amount of the credit under subdivision b must be deducted from the amount payable by the taxpayer that would be deposited in the state general fund.
- e. The amount of the credit under subdivision a is limited to not more than fifty percent of the taxpayer's liability under this chapter that would be payable to the county that received the overpayment unless the board of county commissioners of that county approves allowing a greater amount of the credit. The board of county commissioners must notify the tax commissioner, by December thirty-first of the taxable year for which the credit will be claimed, if the board of county commissioners approves allowing a greater amount of the credit under this subdivision.
- f. Any amount not allowed as a credit because of the limitations under this section may be carried forward to the next taxable year."

Page 1, line 18, after "**APPLICATION**" insert "- **EXPIRATION DATE**"

Page 1, line 19, after "2001" insert ", and is ineffective for any refund claim filed after February 15, 2005"

Renumber accordingly

#### **REPORT OF STANDING COMMITTEE**

**SB 2348: Transportation Committee (Sen. Trenbeath, Chairman)** recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (5 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2348 was rereferred to the **Appropriations Committee**.

#### **REPORT OF STANDING COMMITTEE**

**SB 2400: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS**

(15 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2400 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide a statement of legislative intent regarding state employee compensation adjustments."

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

**SECTION 1. LEGISLATIVE INTENT - STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES.** It is the intent of the fifty-ninth legislative assembly that 2005-07 biennium compensation adjustments for permanent state employees are to be average increases of three percent beginning with the month of July 2005, to be paid in August 2005, and of four percent beginning with the month of July 2006, to be paid in August 2006. The increases are to be a minimum of \$35 per month for each permanent state employee for each year of the biennium. Employees whose documented performance levels do not meet standards are not eligible for the general increases.

Probationary employees are not entitled to the general increases. However, probationary employees may be given all or a portion of the increases upon completion of probation, at the discretion of the appointing authority.

During the biennium, no salary increase other than the three percent in July 2005, with a \$35 per month minimum, and the four percent in July 2006, with a \$35 per month minimum, may be given to an employee whose salary exceeds or would exceed the salary range maximum.

Each agency appropriation for salaries and wages is increased by three percent the first year and four percent the second year of the 2005-07 biennium for these compensation adjustments."

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**SCR 4018: Transportation Committee (Sen. Trenbeath, Chairman)** recommends **DO NOT PASS** (4 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). SCR 4018 was placed on the Eleventh order on the calendar.

**REPORT OF STANDING COMMITTEE**

**HB 1086, as engrossed: Judiciary Committee (Sen. Trenbeath, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (5 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed HB 1086 was placed on the Sixth order on the calendar.

Page 1, line 3, after "site" insert "; and to declare an emergency"

Page 1, after line 18, insert:

**"SECTION 2. EMERGENCY.** This Act is declared to be an emergency measure."

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**HB 1087: Judiciary Committee (Sen. Traynor, Chairman)** recommends **DO PASS** (5 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1087 was placed on the Fourteenth order on the calendar.

**REPORT OF STANDING COMMITTEE**

**HB 1088: Judiciary Committee (Sen. Traynor, Chairman)** recommends **DO PASS** (5 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1088 was placed on the Fourteenth order on the calendar.

**REPORT OF STANDING COMMITTEE**

**HB 1090: Judiciary Committee (Sen. Traynor, Chairman)** recommends **DO PASS** (5 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1090 was placed on the Fourteenth order on the calendar.



**REPORT OF STANDING COMMITTEE**

**HB 1178, as engrossed: Judiciary Committee (Sen. Traynor, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (5 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed HB 1178 was placed on the Sixth order on the calendar.

Page 5, line 6, after "return" insert "at least fifty percent of" and remove "bail"

Page 5, line 7, remove "bond agent" and overstrike ", less five percent for court costs" and insert immediately thereafter "bail bond agent"

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**HB 1214, as engrossed: Judiciary Committee (Sen. Traynor, Chairman)** recommends **DO NOT PASS** (5 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed HB 1214 was placed on the Fourteenth order on the calendar.

**FIRST READING OF SENATE CONCURRENT RESOLUTIONS**

Sens. Grindberg, Flakoll and Rep. Hawken introduced:

**SCR 4036:** A concurrent resolution directing the Legislative Council to study the history of the Fargo Public School District and its current and future relationship with the West Fargo Public School District, with a view to clarifying issues regarding the ownership and control of public school property by the Board of Education of the city of Fargo.

Was read the first time and referred to the **Finance and Taxation Committee**.

Sen. Christmann and Rep. Devlin introduced:

**SCR 4037:** A concurrent resolution directing the Legislative Council to study the laws pertaining to fences and their relevancy in the 21st century.

Was read the first time and referred to the **Judiciary Committee**.

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

**William R. Horton, Secretary**

