

JOURNAL OF THE SENATE

Fifty-ninth Legislative Assembly

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Bismarck, April 23, 2005

The Senate convened at 8:00 a.m., with President Dalrymple presiding.

The prayer was offered by Senator J. Lee.

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

A quorum was declared by the President.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. KRINGSTAD MOVED that the conference committee report on Engrossed SB 2023 as printed on SJ pages 1704-1709 be adopted, which motion failed on a voice vote.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. SCHOBINGER MOVED that the conference committee report on Engrossed HB 1020 as printed on SJ pages 1715-1718 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1020, as amended, was placed on the Fourteenth order.

SECOND READING OF HOUSE BILL

HB 1020: A BILL for an Act to provide an appropriation for defraying the expenses of the parks and recreation department and the International Peace Garden; to designate department of commerce tourism division Lewis and Clark bicentennial grants; 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; Stenehjerm; Syverson; Tallackson; Taylor; Thane; Tollefson; Traynor; Trenbeath; Triplett; Urlacher; Wardner; Warner

ABSENT AND NOT VOTING: Bercier; Seymour

Engrossed HB 1020, as amended, passed, the title was agreed to, and the emergency clause was declared carried.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. FREBORG MOVED that the conference committee report on Reengrossed HB 1154 as printed on SJ pages 1718-1742 be adopted, which motion failed on a voice vote.

MOTION

SEN. CHRISTMANN MOVED that Engrossed SB 2012 be placed at the top of the Seventh order on the calendar which motion prevailed.

REPORT OF CONFERENCE COMMITTEE

SB 2012, as engrossed: Your conference committee (Sens. Trenbeath, Schobinger, Tallackson and Reps. Timm, Weisz, Williams) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1118-1125, adopt amendments as follows, and place SB 2012 on the Seventh order:

That the House recede from its amendments as printed on pages 1118-1125 of the Senate Journal and pages 1294-1301 of the House Journal and that Engrossed Senate Bill No. 2012 be amended as follows:

Page 1, line 2, after "enact" insert "a new section to chapter 24-01,", replace the second "and" with a comma, and after "24-08" insert ", and section 57-43.1-03.2"

Page 1, line 3, after "to" insert "the highway performance classification plan,"

Page 1, line 4, replace the first "and" with a comma, replace "medal of honor" with "liberty memorial", and after "bridge" insert ", and refunds of certain fuels taxes paid by native Americans"

Page 1, line 5, replace "section" with "sections" and after "24-01-03" insert ", 24-01-51, 39-04-19, 57-40.3-10, 57-43.1-02, and 57-43.2-02"

Page 1, line 6, after "maintenance" insert ", haying of no-mow areas, motor vehicle registration fees, motor vehicle excise tax revenue, and motor vehicle fuels and special fuels tax rates; to repeal section 39-04-39.5 of the North Dakota Century Code, relating to allocation of motor vehicle registration fees; to provide an effective date; to provide a contingent expiration date"

Page 1, line 24, replace "27,185,848" with "27,174,242"

Page 2, line 1, replace "20,048,706" with "20,035,352"

Page 2, line 2, replace "789,997,698" with "863,644,411"

Page 2, line 3, replace "43,271,158" with "43,268,038"

Page 2, line 4, replace "96,117,492" with "169,736,125"

Page 2, line 10, replace "27,185,848" with "27,174,242"

Page 2, line 11, replace "20,048,706" with "20,035,352"

Page 2, line 12, replace "789,997,698" with "863,644,411"

Page 2, line 13, replace "43,271,158" with "43,268,038"

Page 2, line 14, replace "880,503,410" with "954,122,043"

Page 2, line 28, replace "the maintenance" with "maintaining the structural integrity"

Page 2, line 29, after "state" insert "unless an agreement is reached with the municipality"

Page 3, after line 10, insert:

"SECTION 6. A new section to chapter 24-01 of the North Dakota Century Code is created and enacted as follows:

Highway performance classification plan. To the extent possible, the department of transportation shall implement the highway performance classification plan.

SECTION 7. AMENDMENT. Section 24-01-51 of the North Dakota Century Code is amended and reenacted as follows:

24-01-51. (Effective January 1, 2006 2008) Haying of no-mow areas. Notwithstanding any other provision of law, a person owning land adjacent to an area within the right of way of a highway which is designated as a no-mow or managed-mow area may hay the no-mow or managed-mow area after July fifteenth without any payment or penalty."

Page 3, line 14, after "needed" insert "for the liberty memorial bridge improvement project and the United States highway 2 project improvements"

Page 4, line 9, replace "Medal of honor" with "Liberty memorial"

Page 4, line 10, replace "medal of honor" with "liberty memorial"

Page 4, after line 11, insert:

"SECTION 10. 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	\$60	\$70	\$52	\$62	\$44	\$54	\$36	\$46		
3,200 - 4,499	80	90	68	78	56	66	44	54		
4,500 - 4,999	98	108	84	94	66	76	50	60		
5,000 - 5,999	129	139	107	117	85	95	63	73		
6,000 - 6,999	162	172	133	143	104	114	76	86		
7,000 - 7,999	195	205	159	169	124	134	89	99		
8,000 - 8,999	228	238	186	196	144	154	102	112		
9,000 and over	264	274	212	222	164	174	115	125		

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].

A pickup truck is subject to registration at the rates prescribed for other vehicles under this subdivision by applying the shipping weight of the vehicle to the fee schedule. At a minimum, the registered gross weight displayed on the registration card for a pickup truck must be twice the shipping weight of the vehicle. Unless otherwise exempted by this chapter, the owner of a pickup truck shall request the registered gross weight of the pickup truck be increased to ensure the registered gross weight is sufficient to include the total weight of the vehicle and any load transported on or by the vehicle. For purposes of this subdivision, a pickup truck is a motor vehicle with a manufacturer's gross vehicle weight rating of less than eleven thousand five hundred pounds [5216.31 kilograms], with an unladen weight of less than eight thousand pounds [3628.74 kilograms], and which is equipped with an open box-type bed not exceeding nine feet [2.74 meters] in length.

- 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 this subsection or 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	\$58	\$68	\$45	\$55	\$40	\$50	\$37	\$47	\$36	\$46
4,001 - 6,000	63	73	50	60	44	54	38	48	37	47
6,001 - 8,000	68	78	55	65	48	58	39	49	38	48
8,001 - 10,000	73	83	60	70	52	62	41	51	40	50
10,001 - 12,000	78	88	65	75	56	66	43	53	42	52
12,001 - 14,000	83	93	70	80	60	70	46	56	45	55

14,001 - 16,000	88 98	75 85	64 74	49 59	48 58
16,001 - 18,000	93 103	80 90	68 78	54 61	50 60
18,001 - 20,000	96 106	83 93	70 80	52 62	54 61

YEARS REGISTERED

Gross Weights	1st, 2nd, 3rd, 4th, 5th, 6th, and 7th Years		8th, 9th, 10th, 11th, and 12th Years		13th and Subsequent Years	
20,001 - 22,000	\$126	\$136	\$100	\$110	\$87	\$97
22,001 - 26,000	178	188	148	158	132	142
26,001 - 30,000	239	249	197	207	175	185
30,001 - 34,000	305	315	250	260	222	232
34,001 - 38,000	366	376	299	309	265	275
38,001 - 42,000	427	437	348	358	307	317
42,001 - 46,000	488	498	396	406	350	360
46,001 - 50,000	549	559	445	455	393	403
50,001 - 54,000	619	629	503	513	444	454
54,001 - 58,000	680	690	552	562	487	497
58,001 - 62,000	742	752	604	611	530	540
62,001 - 66,000	802	812	649	659	573	583
66,001 - 70,000	863	873	698	708	615	625
70,001 - 74,000	924	934	747	757	658	668
74,001 - 78,000	985	995	796	806	704	711
78,001 - 82,000	1,046	1,056	845	855	744	754
82,001 - 86,000	1,169	1,179	950	960	831	841
86,001 - 90,000	1,291	1,301	1,054	1,064	918	928
90,001 - 94,000	1,413	1,423	1,159	1,169	1,005	1,015
94,001 - 98,000	1,535	1,545	1,264	1,274	1,093	1,103
98,001 - 102,000	1,657	1,667	1,368	1,378	1,180	1,190
102,001 - 105,500	1,779	1,789	1,473	1,483	1,267	1,277

- c. Notwithstanding the fees provided by subdivision a of subsection 2, only one-half of the increase in registration fees, rounded up to the nearest dollar, resulting from the reclassification of pickup trucks in 2005 from subdivision b of subsection 2 to subdivision a of subsection 2 is effective from July 1, 2005, through June 30, 2007.
- d. Motorcycles, fifteen dollars.
- 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.
 - 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.
 - 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.

Gross Weights	YEARS REGISTERED				
	1st, 2nd, 3rd, 4th, 5th, and 6th Years	7th and 8th Years	9th and 10th Years	11th and Subsequent Years	
20,001 - 22,000	\$98 \$108	\$84 \$94	\$70 \$80	\$52	\$62
22,001 - 24,000	403 113	88 98	73 83	54	64
24,001 - 26,000	444 121	94 104	77 87	56	66
26,001 - 28,000	422 132	402 112	83 93	60	70
28,001 - 30,000	434 141	440 120	89 99	64	74
30,001 - 32,000	446 156	423 133	400 110	73	83
32,001 - 34,000	456 166	434 141	406 116	77	87
34,001 - 36,000	466 176	439 149	412 122	84	91
36,001 - 38,000	476 186	447 157	418 128	85	95
38,001 - 40,000	486 196	455 165	424 134	89	99
40,001 - 42,000	496 206	463 173	430 140	93	103
42,001 - 44,000	206 216	474 181	436 146	97	107
44,001 - 46,000	246 226	479 189	442 152	404	111
46,001 - 48,000	226 236	487 197	448 158	405	115
48,001 - 50,000	236 246	495 205	454 164	409	119
50,001 - 52,000	256 266	243 223	470 180	423	133
52,001 - 54,000	266 276	224 231	476 186	427	137
54,001 - 56,000	276 286	229 239	482 192	434	141
56,001 - 58,000	286 296	237 247	488 198	435	145
58,001 - 60,000	296 306	245 255	494 204	439	149
60,001 - 62,000	306 316	253 263	200 210	443	153
62,001 - 64,000	346 326	264 271	206 216	447	157
64,001 - 66,000	326 336	269 279	212 222	454	161
66,001 - 68,000	336 346	277 287	218 228	455	165
68,001 - 70,000	346 356	285 295	224 234	459	169
70,001 - 72,000	356 366	293 303	230 240	463	173
72,001 - 74,000	366 376	304 311	236 246	467	177
74,001 - 76,000	376 386	309 319	242 252	474	181
76,001 - 78,000	386 396	347 327	248 258	475	185
78,001 - 80,000	396 406	325 335	254 264	479	189
80,001 - 82,000	406 416	333 343	260 270	483	193
82,001 - 84,000	416 426	355 365	303 313	259	269
84,001 - 86,000	436 446	372 382	347 327	274	281
86,001 - 88,000	456 466	389 399	334 341	283	293
88,001 - 90,000	476 486	406 416	345 355	295	305
90,001 - 92,000	496 506	423 433	359 369	307	317
92,001 - 94,000	516 526	440 450	373 383	319	329
94,001 - 96,000	536 546	457 467	387 397	334	341
96,001 - 98,000	556 566	474 484	404 411	343	353
98,001 - 100,000	576 586	494 501	415 425	355	365
100,001 - 102,000	596 606	508 518	429 439	367	377
102,001 - 104,000	616 626	525 535	443 453	379	389
104,001 - 105,500	636 646	542 552	457 467	394	401

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. Thirteen dollars of each registration fee collected under subsections 2 and 5 must be deposited in the state highway fund.

SECTION 11. AMENDMENT. Section 57-40.3-10 of the North Dakota Century Code is amended and reenacted as follows:

57-40.3-10. Transfer of revenue. All moneys collected and received under this chapter must be transmitted monthly by the director of the department of transportation to the state treasurer to be transferred and credited ~~to the general fund.~~ as follows:

1. The first one hundred fifty million dollars received during a biennium must be deposited in the state general fund.
2. The first thirty-seven million five hundred thousand dollars received during a biennium exceeding the amount allocated under subsection 1 must be deposited in the state highway fund.
3. Amounts received in excess of the amount allocated under subsections 1 and 2 must be allocated eighty percent to the state general fund and twenty percent to the state highway fund.

SECTION 12. 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-three 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 13. Section 57-43.1-03.2 of the North Dakota Century Code is created and enacted as follows:

57-43.1-03.2. Refund of tax for fuel purchased by native Americans - Fuels tax refund reserve fund - Continuing appropriation.

1. A native American may file a claim with the tax commissioner for a refund of motor vehicle fuel taxes paid by that person under this chapter or special fuel taxes paid under chapter 57-43.2 if the motor vehicle fuel or special fuel was purchased from a retail fuel dealer located on the Indian reservation where the native American is an enrolled member and the fuel was delivered to the native American on that reservation. The refund provisions of this chapter apply to refund claims made under this section.
2. A fuels tax refund reserve fund is created as a special fund in the state treasury. The tax commissioner shall deposit in that fund such amounts from motor vehicle fuel tax and special fuel tax collections as the attorney general determines necessary to be expended for refunds to which native American government entities may be entitled under qualifying circumstances and conditions determined by the attorney general. There is appropriated as a continuing appropriation out of funds set aside under this subsection so much of the funds as the attorney general determines is necessary to meet the expenditures authorized under this subsection and such funds may be expended for that purpose.

SECTION 14. 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 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-three 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 15. REPEAL. Section 39-04-39.5 of the North Dakota Century Code is repealed.

SECTION 16. EFFECTIVE DATE - CONTINGENT EXPIRATION DATE. Section 13 of this Act is effective for qualifying motor vehicle and special fuel purchases made after December 31, 2004, and is effective until the first day of the first month after the tax commissioner, with the approval of the attorney general, certifies to the governor and the office of the legislative council that an Act of Congress has specifically authorized, or a United States Supreme Court decision has held or may be interpreted to have held, that a state may impose its motor vehicle and special fuel tax laws on native Americans who purchase motor vehicle fuels and special fuels from a retail fuel dealer located on the Indian reservation where the native American is enrolled. Sections 10, 11, 12, and 14 of this Act are effective for registrations and taxable events occurring after June 30, 2005. Section 15 of this Act is effective for registrations occurring after June 30, 2005."

Page 4, line 12, replace "6" with "8"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2012 - Department of Transportation - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Administration	\$27,227,294	\$27,185,848	(\$11,606)	\$27,174,242	\$27,174,242	
Driver's and Vehicle Services	20,081,797	20,048,706	(13,354)	20,035,352	20,035,352	
Highways	736,823,693	789,997,698	73,646,713	863,644,411	863,094,411	\$550,000
Fleet Services	43,280,168	43,271,158	(3,120)	43,268,038	43,268,038	
Total all funds	\$827,412,952	\$880,503,410	\$73,618,633	\$954,122,043	\$953,572,043	\$550,000
Less estimated income	<u>827,412,952</u>	<u>880,503,410</u>	<u>73,618,633</u>	<u>954,122,043</u>	<u>953,572,043</u>	<u>550,000</u>
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	1044.50	1044.50	0.00	1044.50	1044.55	0.00

Dept. 801 - Department of Transportation - Detail of Conference Committee Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE	ADDS FUNDING FOR ONE CALL 1	ADDS HIGHWAY CONSTRUCTION FUNDS 2	ADDS FUNDING FOR EMERGENCY RELIEF PROJECTS 3	ADDS FUNDING FOR PUBLIC TRANSPORTATION GRANTS 4	TOTAL CONFERENCE COMMITTEE CHANGES
Administration	(\$11,606)					(\$11,606)
Driver's and Vehicle Services	(13,354)					(13,354)
Highways	(100,589)	\$168,520	\$17,900,000	\$54,128,782	\$1,550,000	73,646,713
Fleet Services	(3,120)					(3,120)
Total all funds	(\$128,669)	\$168,520	\$17,900,000	\$54,128,782	\$1,550,000	\$73,618,633
Less estimated income	<u>(128,669)</u>	<u>168,520</u>	<u>17,900,000</u>	<u>54,128,782</u>	<u>1,550,000</u>	<u>73,618,633</u>
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

¹ The highways line item is increased by \$168,520 from the highway fund for costs of complying with provisions of Senate Bill No. 2209 which require the department to provide data on the location of utilities on highway rights of way, the same as the House version.

² The highways line item is increased by \$17,900,000, of which \$15,900,000 is federal funds and \$2,000,000 is from the highway fund for highway projects in anticipation of receiving \$202.3 million of federal highway construction funds in federal fiscal year 2005 and \$205 million in federal fiscal year 2006, the same as the House version.

³ The highways line item is increased by \$54,128,782, of which \$43,968,332 is federal funds, \$8,472,520 is state matching, and \$1,687,930 is from the counties for emergency relief projects on highways, the same as the House version.

⁴ The highways line item is increased by \$1,550,000 from the public transportation fund to increase the funding available for public transportation grants as a result of provisions of Senate Bill No. 2348, which increase the public transportation fee on motor vehicle registrations from \$2 to \$3 per year.

The section added by the Senate requiring the department to maintain bridges over navigable waters in the state that it is currently maintaining is changed to require the department to maintain the structural integrity of these bridges unless the department enters into an agreement with the municipality, the same as the House version.

A section is added delaying the effective date from January 1, 2006, to January 1, 2008, of provisions allowing a landowner owning land next to a no-mow area to hay the no-mow or managed-mow area after July 15 without payment or penalty, the same as the House version.

The section added by the Senate authorizing the department to issue grant anticipation revenue vehicle (GARVEE) bonds is changed to limit the authorization to only the Liberty Memorial Bridge project and the United States Highway 2 project, the same as the House version.

The section added by the Senate naming the replacement bridge for the Liberty Memorial Bridge between Bismarck and Mandan the Medal of Honor Bridge is changed to name the replacement bridge the Liberty Memorial Bridge, the same as the House version.

A section is added providing for refunds of fuels taxes paid by Native Americans.

Sections are added providing additional state highway revenue beginning in the 2005-07 biennium by:

- Increasing the motor vehicle fuel (gasoline and gasohol) and special fuels (diesel) tax rate by 2 cents per gallon, from 21 to 23 cents. This revenue will be deposited in the highway tax distribution fund.
- Making pickup registration fees equivalent to passenger vehicles by providing for 50 percent of the increase necessary to make this change during the 2005-07 biennium and the remainder beginning July 2007. This revenue will be deposited in the highway tax distribution fund.
- Increasing annual motor vehicle registration fees by \$10. This revenue will be deposited directly in the state highway fund providing a total of \$13 of each registration fee that is deposited directly in the highway fund.

A section is added allocating motor vehicle excise tax revenues between the general fund and the state highway fund. State aid distribution fund allocations from motor vehicle excise tax collections are not affected.

The following provisions included in the House version for generating additional state highway revenue are removed:

- Increasing the motor vehicle fuel (gasoline and gasohol) and special fuels (diesel) tax rate by 2 cents per gallon, from 21 to 23 cents for deposit in the highway tax distribution fund.
- Increasing the motor vehicle fuel (gasoline and gasohol) tax rate by an additional 2 cents per gallon, from 23 to 25 cents each year during the months of May through October, for deposit in the highway tax distribution fund.
- Increasing annual motor vehicle registration fees by \$10, for deposit directly in the state highway fund providing a total of \$13 of each registration fee that is deposited directly in the highway fund.

Sections added by the House are removed which would have provided that effective July 1, 2009, collections from 1 percent of the current 5 percent motor vehicle excise tax that would have been deposited in the state highway fund rather than in the state aid distribution fund and the general fund.

The section added by the House is removed which would have precluded cities and counties from receiving the additional revenue resulting from provisions of this bill until they develop, in collaboration with the Department of Transportation, a roadway plan. Provisions added by the House are also removed which would have provided \$1 million to the Department of Transportation from funds transferred from the cities' and counties' share of the additional revenue generated by this bill for the development of a roadway plan for cities and counties.

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

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. SCHOBINGER MOVED that the conference committee report on Engrossed SB 2012 be adopted, which motion prevailed on a verification vote.

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

SECOND READING OF SENATE BILL

SB 2012: A BILL for an Act to provide an appropriation for defraying the expenses of the department of transportation; to create and enact a new section to chapter 24-01, section 24-02-40.1, a new section to chapter 24-08, and section 57-43.1-03.2 of the North Dakota Century Code, relating to the highway performance classification plan, grant or revenue anticipation financing by the department of transportation, naming of the liberty memorial bridge, and refunds of certain fuels taxes paid by native Americans; to amend and reenact sections 24-01-03, 24-01-51, 39-04-19, 57-40.3-10, 57-43.1-02, and 57-43.2-02 of the North Dakota Century Code, relating to highway and bridge maintenance, haying of no-mow areas, motor vehicle registration fees, motor vehicle excise tax revenue, and motor vehicle fuels and special fuels tax rates; to repeal section 39-04-39.5 of the North Dakota Century Code, relating to allocation of motor vehicle registration fees; to provide an effective date; to provide a contingent expiration date; and to declare an emergency.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 31 YEAS, 14 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Andrist; Bowman; Brown; Dever; Erbele; Fischer; Flakoll; Freborg; Grindberg; Heitkamp; Kilzer; Klein; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Nelson; Nething; Robinson; Schobinger; Syverson; Tallackson; Thane; Tollefson; Traynor; Triplett; Urlacher; Wardner

NAYS: Christmann; Cook; Espgaard; Every; Fairfield; Hacker; Holmberg; Krauter; Mutch; O'Connell; Stenehjem; Taylor; Trenbeath; Warner

ABSENT AND NOT VOTING: Bercier; Seymour

Reengrossed SB 2012 passed, the title was agreed to, but the emergency clause lost.

MOTION

SEN. CHRISTMANN MOVED that Sen. Taylor replace Sen. Seymour on the Conference Committee on HB 1154, which motion prevailed.

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

MR. SPEAKER: The Senate has adopted the conference committee report, subsequently passed, and the emergency clause failed to pass: SB 2012.

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

MR. SPEAKER: The Senate has not adopted the conference committee report on: SB 2023.

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

MR. SPEAKER: The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1020.

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

MR. SPEAKER: The Senate has not adopted the conference committee report on: HB 1154.

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

MR. SPEAKER: The President has appointed Sen. Taylor to replace Sen. Seymour on the Conference Committee on HB 1154.

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

MR. PRESIDENT: The House has adopted the conference committee report and subsequently passed: SB 2373.

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

MR. PRESIDENT: The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2003, SB 2021.

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

MR. SPEAKER: The President has signed: HB 1002, HB 1003, HB 1004, HB 1008, HB 1009, HB 1016, HB 1018, HB 1195, HB 1252.

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

MR. PRESIDENT: Your signature is respectfully requested on: HB 1019, HB 1021.

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

MR. PRESIDENT: Your signature is respectfully requested on: HB 1530.

MOTION

SEN. CHRISTMANN MOVED that the Senate stand in recess until 10:00 a.m., which motion prevailed.

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

REPORT OF CONFERENCE COMMITTEE

SB 2037, as engrossed: Your conference committee (Sens. Krebsbach, Fischer, Nelson and Reps. Skarphol, Monson, Glasheim) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 971-972, adopt amendments as follows, and place SB 2037 on the Seventh order:

That the House recede from its amendments as printed on pages 971 and 972 of the Senate Journal and pages 1238-1240 of the House Journal and that Engrossed Senate Bill No. 2037 be amended as follows:

Page 1, line 1, after "15-10" insert "and a new section to chapter 54-59"

Page 1, line 2, after "technology" insert "and information technology planning"

Page 4, line 28, remove "or"

Page 4, line 29, remove the overstrike over "~~or~~"

Page 4, remove the overstrike over lines 30 and 31

Page 5, remove the overstrike over lines 1 and 2

Page 5, line 20, after "~~systems~~" insert an underscored comma

Page 5, line 27, after "the" insert "state information technology", remove the overstrike over "advisory", and after "committee" insert "and the information technology committee"

Page 8, after line 22, insert:

"16. Shall establish specific standards, policies, and guidelines to support the migration to a small number of operating system platforms."

Page 10, line 6, after the second boldfaced period insert:

"1."

Page 10, line 14, after the period insert "The asset management plan must include data regarding each business application asset of the entity, the age of the asset, and the planned replacement cycle for the asset."

"2."

Page 10, line 20, after the period insert:

"3."

Page 10, line 25, after the period insert:

"4."

Page 11, line 1, replace "1." with "a."

Page 11, line 5, replace "2." with "b."

Page 11, line 6, replace "3." with "c."

Page 11, line 9, replace "4." with "d."

Page 11, after line 10, insert:

"5. The department shall develop a long-term plan for the cost-effective, needs-based replacement or upgrade of all business applications over a period of ten years or more. The process must include participation of affected agencies and institutions and must incorporate the standards, policies, and guidelines developed by the enterprise architecture process. The state information technology advisory committee shall prioritize each application replacement project as provided in section 54-59-02.1."

Page 12, line 23, overstrike "the public employees retirement system, the retirement"

Page 12, line 24, overstrike "and investment office," and remove "the oil and gas division and the geological survey"

Page 12, line 25, remove "of the industrial commission, the public service commission, the water commission,"

Page 13, line 3, after the period insert "This chapter does not require or permit the public employees retirement system or the retirement and investment office to engage in activities or make expenditures that may affect their compliance with the qualification statutes and regulations promulgated by the internal revenue service. Notwithstanding section 12 of this Act, an exemption granted to the oil and gas division and the geological survey of the industrial commission, the public service commission, or the water commission by the office of management and budget under this section before the effective date of this Act must continue in effect until August 1, 2009."

SECTION 12. A new section to chapter 54-59 of the North Dakota Century Code is created and enacted as follows:

Information technology planning - Exemptions - Appeals. Except as otherwise provided in section 54-59-22, the department shall review any exemption granted under section 54-59-22 when the exempted agency or institution determines to replace an application or data base. Based upon the information provided by the agency or institution, the chief information officer shall determine whether to allow the continuation of the exemption. In making the determination whether to continue an exemption, the chief information officer shall consider the information provided in the technology plan of the agency or institution, the business case of the agency or institution for the exemption, and the need to create overall government efficiencies, cost-savings, and improvement of services. If the agency or institution disagrees with the decision of the chief information officer, the agency or institution may appeal the decision to the state information technology advisory committee. An agency or institution may appeal a decision of the state information technology advisory committee to the director of the office of management and budget, who may make a final decision regarding the continuation of an exemption."

Renumber accordingly

Engrossed SB 2037 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. CHRISTMANN MOVED that the conference committee report on Engrossed SB 2037 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2037, as amended, was placed on the Eleventh order.

SECOND READING OF SENATE BILL

SB 2037: A BILL for an Act to create and enact a new section to chapter 15-10 and new section to chapter 54-59 of the North Dakota Century Code, relating to higher education information technology and information technology planning; and to amend and reenact subsection 11 of section 28-32-01 and sections 54-35-15.2, 54-59-02.1, 54-59-05, 54-59-07, 54-59-09, 54-59-11, 54-59-19, 54-59-21, and 54-59-22 of the North Dakota Century Code, relating to exclusion of certain policies, standards, and guidelines of the information technology department from compliance with the Administrative Agencies Practice Act, powers and duties of the information technology committee and the information technology department, prioritization of proposed major information technology projects, access to the criminal justice information sharing system, and information technology plans and reports.

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

ABSENT AND NOT VOTING: Kringstad; Seymour

Reengrossed SB 2037 passed and the title was agreed to.

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: SB 2037.

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

MR. PRESIDENT: The House has adopted the conference committee report and subsequently passed: SB 2012.

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

MR. PRESIDENT: Your signature is respectfully requested on: HB 1020.

MOTION

SEN. CHRISTMANN MOVED that the Senate stand in recess until 11:00 a.m., which motion prevailed.

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

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.

MOTION

SEN. STENEHJEM MOVED that the Senate be on the Fifteenth order for the purpose of electing an Interim President Pro Tem, which motion prevailed.

NOMINATIONS FOR INTERIM PRESIDENT PRO TEM

SEN. GRINDBERG: It is a pleasure to nominate Sen. John Andrist as our next President Pro Tem. John and I were both elected in 1992 and have served the past four sessions together on the Appropriations Committee. Senator Andrist has served with distinction, demonstrated a high degree of moral character and is well respected all across North Dakota as a leader. He has a strong sense of humor and a natural gift of conveying his thoughts and opinions with his writing skills. John will be an effective and esteemed President Pro Tem. I am honored to place my friend, Senator John Andrist's name in nomination as our next President Pro Tem.

SEN. NELSON: Mr. President. In 1995 I moved over to the Senate from the House. That year, you were also introduced to Sen. Les LaFountain, District 9 (one of my former students at NDSU) and a young, energetic redhead from Mantador. He occupied the seat now occupied

by Sen. Hacker and those around him tried to show him the ropes and keep him occupied - we would all soon know why the latter was necessary. The following session, this young redhead joined the leadership team of Mathern and Krauter. He rallied our troops well. He held forth on his committees and people were listening. Later, he became assistant leader and learned that job well too. There was an advantage to him being on Appropriations - it kept him busy - especially during these conference committee days. Black clips on jackets, certain sound machines showing up in strange places, desk phones being greased, connected or disconnected, weird e-mails, some caught it more than others. Who could blame anyone in this chamber for retaliatory actions? Despite all this, our candidate for President Pro Tem has endeared himself to most, is loved by the media and, as soon as we are gone from here, will be part of the media. We wish him well in his new venture. Keep alert - he may call you. I'm pleased to place in nomination for President Pro Tem - Sen. Joel Heitkamp of District 26. Thank you, Mr. President.

ANNOUNCEMENT

PRESIDENT DALRYMPLE ANNOUNCED that the vote for the office of Interim President Pro Tem showed that the Senate was in favor of electing Sen. Andrist as Interim President Pro Tem.

REMARKS BY SENATOR HEITKAMP

I want to thank the good Senator from Fargo for pointing out everything I have been up to the past couple of days and for a wonderful nomination. She has been a great friend in the Senate for quite a while and I couldn't have had anybody better. It's an honor to be nominated and it's an honor to ask you, Members of the Senate, to cast a unanimous ballot for Sen. Andrist from Crosby.

MOTION

The motion made by Sen. Heitkamp to cast a unanimous ballot for Sen. Andrist for Interim President Pro Tem prevailed.

OATH OF OFFICE

SEN. STENEHJEM MOVED that a committee of two be appointed to escort Sen. Andrist to the rostrum, which motion prevailed.

THE PRESIDENT APPOINTED Sens. G. Lee and Lindaas to escort Sen. Andrist to the rostrum for the Oath of Office, which was administered by the President.

REMARKS OF INTERIM PRESIDENT PRO TEM ANDRIST

Mr. President and My very good friends in the Senate: All boys have dreams, and I remember visiting the legislature many times as a young man, and thinking, "Wow! Wouldn't it be wonderful to be able to do that some day". It was another of those dreams that I didn't take seriously, along with my aspiration to be a professional basketball player. Yet here I am, testament to the fact some dreams can come true.

Alex Haley, late author of the book "Roots" once said, "When you see a turtle sitting on a fence post, you know he had a lot of help". And one of the things I've learned along the way is that we never achieve anything without the help of enablers. Mr. President, my life has been full of enablers - my wife, my family members, my community, my newspaper colleagues, and you, my friends, on both the right and left.

I have enormous respect for the leadership skills of Sen. Heitkamp, who deserves this honor as much as I do. I am grateful to Sen. Grindberg, my Senate soul mate since 1993, and to all of you for helping this very short country boy reach a little bit higher to snare one more impossible dream. Again, thank you. I'll do my very best to serve you honestly and fairly.

MOTION

SEN. CHRISTMANN MOVED that the remarks of Sens. Grindberg, Nelson, Heitkamp, and Andrist be printed in the Journal, which motion prevailed.

MOTION

SEN. FREBORG MOVED that the name of Sen. Flakoll be placed in nomination for the position of member of the Education Commission of the States, which motion prevailed.

MOTION

SEN. O'CONNELL MOVED that nominations cease and that the Senate cast a unanimous ballot in favor of electing Sen. Flakoll to the Education Commission of the States, which motion prevailed.

SENATE INTERIM COMMITTEES
PRESIDENT DALRYMPLE ANNOUNCED the following Senate Interim Committees:

Legislative Council

Sen. Holmberg
Sen. Krebsbach
Sen. Lyson
Sen. Dever
Sen. Robinson
Sen. Krauter

Capitol Grounds Planning Commission

Sen. Cook
Sen. Bercier

State Council for Interstate Adult Offender Supervision

Sen. Lyson

MOTION

SEN. CHRISTMANN MOVED that the Senate stand in recess until 2:30 p.m., which motion prevailed.

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

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

MR. PRESIDENT: The House has not adopted the conference committee report on: HB 1154.

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

MR. SPEAKER: Your signature is respectfully requested on: SB 2002, SB 2003, SB 2004, SB 2007, SB 2010, SB 2011, SB 2012, SB 2014, SB 2016, SB 2018, SB 2019, SB 2020, SB 2021, SB 2031, SB 2032, SB 2059, SB 2157, SB 2228, SB 2267, SB 2373.

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

MR. SPEAKER: The President has signed: HB 1012.

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

MR. PRESIDENT: The House has concurred in the Senate amendments and subsequently passed: HB 1050.

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

MR. PRESIDENT: The Speaker has signed: SB 2002, SB 2003, SB 2004, SB 2007, SB 2010, SB 2011, SB 2012, SB 2014, SB 2016, SB 2018, SB 2019, SB 2020, SB 2021, SB 2031, SB 2032, SB 2059, SB 2157, SB 2228, SB 2267, SB 2373.

MOTION

SEN. STENEHJEM MOVED that the Senate stand in recess until 4:30 p.m., which motion prevailed.

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

REPORT OF CONFERENCE COMMITTEE

SB 2023, as engrossed: Your conference committee (Sens. Kringstad, Grindberg, Krauter and Reps. Carlson, Skarphol, Glassheim) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1154-1158, adopt amendments as follows, and place SB 2023 on the Seventh order:

That the House recede from its amendments as printed on pages 1154-1158 of the Senate Journal and pages 1363-1366 of the House Journal and that Engrossed Senate Bill No. 2023 be amended as follows:

Page 1, line 4, after "projects" insert "; to provide a statement of legislative intent" and after "study" insert "; to provide an appropriation; to amend and reenact section 48-01.1-09 of the North Dakota Century Code, relating to the use of a construction manager"

Page 1, line 20, replace "3,500,000" with "3,632,691"

Page 1, line 21, replace "3,300,000" with "3,500,000"

Page 2, line 7, replace "350,000" with "270,000"

Page 2, line 13, replace "28,595,557" with "28,848,248"

Page 2, after line 19, insert:

"The central grasslands research extension center may obtain and utilize federal and other funds to assist in the construction of an office addition at the central grasslands research extension center. There is appropriated to the central grasslands research extension center the sum of \$80,000, or so much of the sum as may be necessary, from any federal acts, private grants, gifts and donations, or other funds that may become available for this project for the period beginning with the effective date of this Act and ending June 30, 2007."

Page 3, line 11, replace "35,895,557" with "36,228,248"

Page 4, after line 2, insert:

"SECTION 4. LEGISLATIVE INTENT - OLD MAIN RENOVATION. It is the intent of the fifty-ninth legislative assembly that no state funding be used for any renovation projects of old main at Minot state university - Bottineau."

Page 4, line 4, remove "- HERITAGE CENTER"

Page 4, line 7, remove "This study must include the long-term needs of the North Dakota heritage center."

Page 4, after line 9, insert:

"SECTION 6. APPROPRIATION - HERITAGE CENTER STUDY. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$150,000, or so much of the sum as may be necessary, to the office of management and budget for the purpose of conducting a study regarding an expanded heritage center, including archive storage, exhibit area, and all other such spaces necessary to complete the facility as outlined in the North Dakota state capitol complex master plan dated December 14, 2000. The study also must examine an alternate location for a comparable replacement facility on the capitol grounds taking into account the cost to retrofit the existing heritage center and long-range plans for the capitol grounds. The office of management and budget shall present the results of the study to the sixtieth legislative assembly.

SECTION 7. AMENDMENT. Section 48-01.1-09 of the North Dakota Century Code is amended and reenacted as follows:

48-01.1-09. Use of construction manager. If a governing body uses a construction manager on a public improvement, the construction manager must be a licensed contractor. The architect awarded the design contract and the construction manager awarded the construction management contract for a public improvement shall carry out their contractual duties as agents to the public improvement entity. The architect and construction manager may not construct any portion of the public improvement and may not contract with any contractor or subcontractor to construct any portion of the work. The construction manager awarded the contract for ~~construction of~~ a public improvement shall bond the entire cost of the project through a single bond; or through bonds provided by all bid packages and the construction manager's bond for the full amount of the construction manager's services. If the total of the bonds is less than the total project bid, the construction manager shall bond the difference between the total of the bonds and the total project bid."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2023 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Office of Management and Budget						
Total all funds	\$3,155,000	\$3,155,000	\$150,000	\$3,305,000	\$3,305,000	\$0
Less estimated income	<u>3,155,000</u>	<u>3,155,000</u>		<u>3,155,000</u>	<u>3,155,000</u>	

General fund	\$0	\$0	\$150,000	\$150,000	\$150,000	\$0
Attorney General						
Total all funds	\$3,632,691	\$3,500,000	\$132,691	\$3,632,691	\$3,632,691	\$0
Less estimated income	<u>3,632,691</u>	<u>3,500,000</u>	<u>132,691</u>	<u>3,632,691</u>	<u>3,632,691</u>	
General fund	\$0	\$0	\$0	\$0	\$0	\$0
University of North Dakota						
Total all funds	\$2,331,554	\$2,331,554	\$0	\$2,331,554	\$2,331,554	\$0
Less estimated income	<u>2,331,554</u>	<u>2,331,554</u>		<u>2,331,554</u>	<u>2,331,554</u>	
General fund	\$0	\$0	\$0	\$0	\$0	\$0
North Dakota State University						
Total all funds	\$3,500,000	\$3,300,000	\$200,000	\$3,500,000	\$3,500,000	\$0
Less estimated income	<u>3,500,000</u>	<u>3,300,000</u>	<u>200,000</u>	<u>3,500,000</u>	<u>3,500,000</u>	
General fund	\$0	\$0	\$0	\$0	\$0	\$0
State College of Science						
Total all funds	\$736,000	\$736,000	\$0	\$736,000	\$736,000	\$0
Less estimated income	<u>736,000</u>	<u>736,000</u>		<u>736,000</u>	<u>736,000</u>	
General fund	\$0	\$0	\$0	\$0	\$0	\$0
Dickinson State University						
Total all funds	\$4,100,557	\$4,100,557	\$0	\$4,100,557	\$4,100,557	\$0
Less estimated income	<u>4,100,557</u>	<u>4,100,557</u>		<u>4,100,557</u>	<u>4,100,557</u>	
General fund	\$0	\$0	\$0	\$0	\$0	\$0
Minot State University - Bottineau						
Total all funds	\$0	\$2,500,000	\$0	\$2,500,000	\$2,500,000	\$0
Less estimated income		<u>2,500,000</u>		<u>2,500,000</u>	<u>2,500,000</u>	
General fund	\$0	\$0	\$0	\$0	\$0	\$0
Department of Human Services						
Total all funds	\$455,000	\$0	\$0	\$0	\$0	\$0
Less estimated income	<u>455,000</u>					
General fund	\$0	\$0	\$0	\$0	\$0	\$0
Department of Corrections and Rehabilitation						
Total all funds	\$3,586,510	\$1,564,000	\$0	\$1,564,000	\$1,564,000	\$0
Less estimated income	<u>3,586,510</u>	<u>1,564,000</u>		<u>1,564,000</u>	<u>1,564,000</u>	
General fund	\$0	\$0	\$0	\$0	\$0	\$0
Branch Research Centers						
Total all funds	\$1,320,000	\$2,040,000	\$0	\$2,040,000	\$1,690,000	\$350,000
Less estimated income	<u>1,320,000</u>	<u>2,040,000</u>		<u>2,040,000</u>	<u>1,690,000</u>	<u>350,000</u>
General fund	\$0	\$0	\$0	\$0	\$0	\$0
Main Research Station						
Total all funds	\$4,500,000	\$7,000,000	\$0	\$7,000,000	\$7,000,000	\$0
Less estimated income	<u>4,500,000</u>	<u>7,000,000</u>		<u>7,000,000</u>	<u>7,000,000</u>	
General fund	\$0	\$0	\$0	\$0	\$0	\$0
State Historical Society						
Total all funds	\$1,600,000	\$7,300,000	\$0	\$7,300,000	\$1,600,000	\$5,700,000
Less estimated income	<u>1,600,000</u>	<u>7,300,000</u>		<u>7,300,000</u>	<u>1,600,000</u>	<u>5,700,000</u>
General fund	\$0	\$0	\$0	\$0	\$0	\$0
Parks and Recreation Department						
Total all funds	\$700,000	\$700,000	\$0	\$700,000	\$700,000	\$0
Less estimated income	<u>700,000</u>	<u>700,000</u>		<u>700,000</u>	<u>700,000</u>	
General fund	\$0	\$0	\$0	\$0	\$0	\$0
Bill Total						
Total all funds	\$29,617,312	\$38,227,111	\$482,691	\$38,709,802	\$32,659,802	\$6,050,000
Less estimated income	<u>29,617,312</u>	<u>38,227,111</u>	<u>332,691</u>	<u>38,559,802</u>	<u>32,509,802</u>	<u>6,050,000</u>
General fund	\$0	\$0	\$150,000	\$150,000	\$150,000	\$0

Senate Bill No. 2023 - Office of Management and Budget - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Operating expenses			\$150,000	\$150,000	\$150,000	
Capital assets	\$3,155,000	\$3,155,000		<u>3,155,000</u>	<u>3,155,000</u>	
Total all funds	\$3,155,000	\$3,155,000	\$150,000	\$3,305,000	\$3,305,000	\$0
Less estimated income	<u>3,155,000</u>	<u>3,155,000</u>		<u>3,155,000</u>	<u>3,155,000</u>	
General fund	\$0	\$0	\$150,000	\$150,000	\$150,000	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Dept. 110 - Office of Management and Budget - Detail of Conference Committee Changes

	PROVIDES FUNDING FOR A STUDY OF EXPANDING THE HERITAGE CENTER ¹	TOTAL CONFERENCE COMMITTEE CHANGES
Operating expenses	\$150,000	\$150,000
Capital assets		
Total all funds	\$150,000	\$150,000

Less estimated income	_____	_____
General fund	\$150,000	\$150,000
FTE	0.00	0.00

¹ This amendment provides a \$150,000 general fund appropriation to the Office of Management and Budget for the purpose of conducting a study regarding an expansion of the Heritage Center, the same as the House version.

Senate Bill No. 2023 - Attorney General - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Capital assets	<u>\$3,632,691</u>	<u>\$3,500,000</u>	<u>\$132,691</u>	<u>\$3,632,691</u>	<u>\$3,632,691</u>	_____
Total all funds	\$3,632,691	\$3,500,000	\$132,691	\$3,632,691	\$3,632,691	\$0
Less estimated income	<u>3,632,691</u>	<u>3,500,000</u>	<u>132,691</u>	<u>3,632,691</u>	<u>3,632,691</u>	_____
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Dept. 125 - Attorney General - Detail of Conference Committee Changes

	RESTORES FUNDING FOR CRIME LAB ADDITION AND RENOVATION ¹	TOTAL CONFERENCE COMMITTEE CHANGES
Capital assets	<u>\$132,691</u>	<u>\$132,691</u>
Total all funds	\$132,691	\$132,691
Less estimated income	<u>132,691</u>	<u>132,691</u>
General fund	\$0	\$0
FTE	0.00	0.00

¹ This amendment fully restores funding for the crime lab addition and renovation to \$3,632,691, the same as the House version.

Senate Bill No. 2023 - University of North Dakota - Conference Committee Action

The conference committee did not change the House or Senate version for the University of North Dakota.

Senate Bill No. 2023 - North Dakota State University - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Capital assets	<u>\$3,500,000</u>	<u>\$3,300,000</u>	<u>\$200,000</u>	<u>\$3,500,000</u>	<u>\$3,500,000</u>	_____
Total all funds	\$3,500,000	\$3,300,000	\$200,000	\$3,500,000	\$3,500,000	\$0
Less estimated income	<u>3,500,000</u>	<u>3,300,000</u>	<u>200,000</u>	<u>3,500,000</u>	<u>3,500,000</u>	_____
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Dept. 235 - North Dakota State University - Detail of Conference Committee Changes

	RESTORES FUNDING FOR HAZARDOUS MATERIAL HANDLING AND STORAGE FACILITY ¹	TOTAL CONFERENCE COMMITTEE CHANGES
Capital assets	<u>\$200,000</u>	<u>\$200,000</u>
Total all funds	\$200,000	\$200,000
Less estimated income	<u>200,000</u>	<u>200,000</u>
General fund	\$0	\$0
FTE	0.00	0.00

¹ This amendment fully restores funding for the hazardous material handling and storage facility to \$3,500,000, the same as the House version.

Senate Bill No. 2023 - State College of Science - Conference Committee Action

The conference committee did not change the House or Senate version for the State College of Science.

Senate Bill No. 2023 - Dickinson State University - Conference Committee Action

The conference committee did not change the House or Senate version for Dickinson State University.

Senate Bill No. 2023 - Minot State University - Bottineau - Conference Committee Action

The conference committee did not change the House or Senate version for Minot State University - Bottineau Thatcher Hall addition but added a section of legislative intent regarding the renovation of Old Main at Minot State University - Bottineau.

Senate Bill No. 2023 - Department of Human Services - Conference Committee Action

The conference committee did not change the House or Senate version for the Department of Human Services.

Senate Bill No. 2023 - Department of Corrections and Rehabilitation - Conference Committee Action

The conference committee did not change the House or Senate version for the Department of Corrections and Rehabilitation.

Senate Bill No. 2023 - Branch Research Centers - Conference Committee Action

The conference committee provided a total of \$350,000 to the Central Grasslands Research Extension Center for an office addition, with \$270,000 from bond proceeds and \$80,000 from federal and other funds. The Senate version provided \$350,000 for the office addition, all from bond proceeds, and the House version had removed funding for this project.

Senate Bill No. 2023 - Main Research Station - Conference Committee Action

The conference committee did not change the House or Senate version for the Main Research Station.

Senate Bill No. 2023 - State Historical Society - Conference Committee Action

The conference committee provided total funding of \$5,700,000 for the Historical Society and Heritage Center research collections expansion project, consisting of \$5,500,000 of bond proceeds and \$200,000 of federal and other funds, the same as the Senate version. The House had removed funding for this project.

Senate Bill No. 2023 - Parks and Recreation Department - Conference Committee Action

The conference committee did not change the House or Senate version for the Parks and Recreation Department.

Senate Bill No. 2023 - Other Changes - Conference Committee Action

This amendment also adds a section to amend Section 48-01.1-09 relating to the use of a construction manager, the same as the House version.

Engrossed SB 2023 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. KRINGSTAD MOVED that the conference committee report on Engrossed SB 2023 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2023, as amended, was placed on the Eleventh order.

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 a statement of legislative intent; to provide for a legislative council study; to provide an appropriation; to amend and reenact section 48-01.1-09 of the North Dakota Century Code, relating to the use of a construction manager; 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; Bercier; Bowman; Brown; Christmann; Cook; Dever; Erbele; Espesgard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heitkamp; Holmberg; Kilzer; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; O'Connell; Robinson; Schobinger; Stenehjem; Syverson; Taylor; Thane; Tollefson; Traynor; Trenbeath; Triplett; Urlacher; Wardner; Warner

ABSENT AND NOT VOTING: Klein; Seymour; Tallackson

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

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

MR. SPEAKER: The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2023.

MOTION

SEN. CHRISTMANN MOVED that the Senate stand in recess until 6:30 p.m., which motion prevailed.

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

CONSIDERATION OF AMENDMENTS

HB 1035, as engrossed: SEN. CHRISTMANN (Appropriations Committee) MOVED that the amendments on SJ pages 1699-1700 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed.

SECOND READING OF HOUSE BILL

HB 1035: A BILL for an Act to provide for a state government performance and accountability system pilot project.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 34 YEAS, 10 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

YEAS: Andrist; Bercier; Bowman; Brown; Christmann; Cook; Dever; Erbele; Every; Fairfield; Flakoll; Freborg; Grindberg; Krauter; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mutch; Nelson; Nething; O'Connell; Robinson; Schobinger; Stenehjem; Syverson; Taylor; Thane; Tollefson; Traynor; Trenbeath; Urlacher; Wardner

NAYS: Espesgard; Fischer; Hacker; Heitkamp; Holmberg; Kilzer; Krebsbach; Mathern; Triplett; Warner

ABSENT AND NOT VOTING: Klein; Seymour; Tallackson

Engrossed HB 1035, as amended, passed and the title was agreed to.

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

MR. SPEAKER: The Senate has amended and subsequently passed: HB 1035.

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

MR. PRESIDENT: The House has adopted the conference committee report, subsequently passed, and the emergency clause failed to pass: SB 2023.

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

MR. PRESIDENT: The House has concurred in the Senate amendments and subsequently passed: HB 1035.

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

MR. PRESIDENT: The House has adopted the conference committee report, subsequently passed, and the emergency clause failed: HB 1154.

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

MR. PRESIDENT: The House has adopted the conference committee report and subsequently failed to pass: SB 2037.

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

MR. PRESIDENT: Your signature is respectfully requested on: HB 1050.

MOTION

SEN. CHRISTMANN MOVED that the Senate stand in recess until 8:00 p.m., which motion prevailed.

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

REPORT OF CONFERENCE COMMITTEE

HB 1154, as reengrossed: Your conference committee (Sens. Freborg, Flakoll, Taylor and Reps. R. Kelsch, Haas, Mueller) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1507-1523, adopt amendments as follows, and place HB 1154 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1507-1523 of the House Journal and pages 1000-1016 of the Senate Journal and that Reengrossed House Bill No. 1154 be amended as follows:

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 15.1-07 of the North Dakota Century Code, relating to educational association board reimbursement; to amend and reenact sections 15.1-06-04, 15.1-06-06, 15.1-07-28, 15.1-09-01, 15.1-12-26, 15.1-12-27, 15.1-12-29, 15.1-18-07, 15.1-22-01, 15.1-27-04, 15.1-27-05, 15.1-27-06, 15.1-27-07, 15.1-27-11, 15.1-27-15, 15.1-27-35, 15.1-27-37, 15.1-27-39, 15.1-27-40, 15.1-28-03, 15.1-29-03, 15.1-29-04, and 15.1-29-12 of the North Dakota Century Code and section 37 of chapter 667 of the 2003 Session Laws, relating to school calendars, school boards, teacher qualifications, school district dissolutions, the school district equalization factor, weighting factors, supplemental payments, isolated schools, and tuition payments; to repeal sections 15.1-09-42, 15.1-12-11.1, and 15.1-12-11.2 of the North Dakota Century Code, relating to instructional conferences and reorganization bonus payments; to provide for transportation grants; to provide for contingent payments; to provide for teacher compensation; to provide for a report to the legislative council; to provide an appropriation; to provide an effective date; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 15.1-06-04 of the North Dakota Century Code is amended and reenacted as follows:

15.1-06-04. School calendar - Length.

1. During each school year, a school district shall provide for a school calendar of at least one hundred eighty days, apportioned as follows:
 - a. One hundred seventy-three full days of instruction;
 - b. Three holidays listed in subdivisions b through j of subsection 1 of section 15.1-06-02 and selected by the school board in consultation with district teachers;
 - c. ~~Two days for the attendance of teachers at the North Dakota education association instructional conference; and~~

- e. Up to two full days during which parent-teacher conferences are held or which are deemed by the school board to be compensatory time for parent-teacher conferences held outside regular school hours; and
 - d. Two days for professional development activities.
2. a. In meeting the requirements for two days of professional development activities under subsection 1, a school district may require that its teachers attend the North Dakota education association instructional conference and may pay teachers for attending the conference, provided attendance is verified.
- b. In meeting the requirements for two days of professional development activities under subsection 1, a school district may consider attendance at the North Dakota education association instructional conference to be optional, elect not to pay teachers for attending the instructional conference, and instead direct any resulting savings toward providing alternate professional development opportunities.
3. A school district may not require the attendance of teachers in school or at any school-sponsored, school-directed, school sanctioned, or school related activities and may not schedule classroom instruction time nor alternate professional development activities on any day that conflicts with the North Dakota education association instructional conference.
2. 4. A full day of instruction consists of:
- a. At least five and one-half hours for elementary students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction; and
 - b. At least six hours for high school students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction.
3. 5. If a school's calendar provides for an extension of each schoolday beyond the statutorily required minimum number of hours, and if the extensions when aggregated over an entire school year amount to more than eighty-four hours of additional classroom instruction during the school year, the school is exempt from having to make up six hours of instruction time lost as a result of weather-related closure. In order to make up lost classroom instruction time beyond the six hours, the school must extend its normal school calendar day by at least thirty minutes.
4. 6. A school that does not qualify under the provisions of subsection 3 must extend its normal schoolday by at least thirty minutes to make up classroom instruction time lost as a result of weather-related closure.
5. 7. If because of weather a school must dismiss before completing a full day of instruction, the school is responsible for making up only those hours and portions of an hour between the time of early dismissal and the conclusion of a full day of classroom instruction.

SECTION 2. AMENDMENT. Section 15.1-06-06 of the North Dakota Century Code is amended and reenacted as follows:

15.1-06-06. Approval of public and nonpublic schools. Each public and nonpublic school in this state offering elementary or secondary education to students must be approved by the superintendent of public instruction. Except as otherwise provided by law, the superintendent may not approve a school unless:

- 1. Each classroom teacher ~~holds a valid teaching certificate issued~~ is licensed to teach by the education standards and practices board or approved to teach by the education standards and practices board;
- 2. Each classroom teacher is teaching only in those course areas or fields for which the teacher is licensed or for which the teacher has received an exception under section 2 of House Bill No. 1076, as approved by the fifty-ninth legislative assembly;

3. The students are offered all subjects required by law; and
3. 4. The school is in compliance with all local and state health, fire, and safety laws.

SECTION 3. AMENDMENT. Section 15.1-07-28 of the North Dakota Century Code is amended and reenacted as follows:

15.1-07-28. Educational association - Joint powers agreement - Approval Review by superintendent of public instruction - Criteria. ~~¶ Before school districts participating in an educational association governed by a joint powers agreements under chapter 54-40.3 wish to agreement may receive reimbursement for expenses any moneys, as provided in section 15.1-27-40, the school districts must request that the superintendent of public instruction approve their shall review the joint powers agreement. In order for the superintendent of public instruction to approve a joint powers agreement, the superintendent shall determine and annually and verify that:~~

1. a. The participating school districts are contiguous; and
 - b. ~~(1) The participating in the agreement have:~~
 - a. A combined total land mass of the participating school districts exceeds four at least five thousand eight hundred square miles [4035995 1502193 hectares];
 - (2) The
 - b. A combined total land mass of the participating school districts exceeds two at least four thousand five hundred square miles [647497 1165494 hectares] and the participating school districts number at least six twelve; or
 - (3) The
 - c. A combined total land mass of the participating school districts exceeds two at least four thousand five hundred square miles [1035995 hectares] and the total number of have at least three thousand students in average daily membership in the participating school districts exceeds two thousand five hundred.
2. The joint powers agreement provides that a school district contiguous to any school district already participating in the joint powers agreement may become a participant in the agreement at any time.
3. The joint powers agreement requires that the participating school districts agree to maintain a joint operating fund, agree to share administrative functions, or agree to implement various common requirements; provided that:
 - a. If the participating school districts agree to establish a joint operating fund, the joint powers agreement must require that during the first school year following approval, the participating school districts shall establish a joint operating fund equal to at least two percent of the participating districts' total expenditures for the school year ending on the June thirtieth preceding the date of approval; during the second school year following approval, the participating school districts shall establish a joint operating fund equal to at least four percent of the participating districts' total expenditures for the school year ending on the June thirtieth preceding the date of approval; and during the fifth school year following approval, the participating school districts shall establish a joint operating fund equal to at least six percent of the participating districts' total expenditures for the school year ending on the June thirtieth preceding the date of approval;
 - b. If the participating school districts agree to share administrative functions, the joint powers agreement must require that during the first school year following approval, all of the participating districts shall share in the administration of at least three services; during the third school year following approval, all of the participating districts shall share in the administration of at least five services; and during the fifth

~~school year following approval, all of the participating districts shall share in the administration of at least seven services; and that the list from which the participating districts must select the services to be shared consists of:~~

- ~~(1) Federal title program management;~~
- ~~(2) Staff development;~~
- ~~(3) Special education delivery;~~
- ~~(4) Curriculum development or delivery;~~
- ~~(5) Career and technical education delivery;~~
- ~~(6) Student instructional support;~~
- ~~(7) Media and technology;~~
- ~~(8) Business management;~~
- ~~(9) Distance learning;~~
- ~~(10) Student counseling;~~
- ~~(11) Food and nutrition;~~
- ~~(12) Facility safety and health;~~
- ~~(13) School accreditation and improvement; and~~
- ~~(14) Transportation; and~~

~~e. If the participating school districts agree to implement various common requirements, the joint powers agreement must require that during the first school year following approval, all of the participating districts shall implement at least three requirements; during the third school year following approval, all of the participating districts shall implement at least six requirements; and during the fifth school year following approval, all of the participating districts shall implement at least eight requirements; and that the list from which the participating districts must select the requirements to be implemented consists of:~~

- ~~(1) A common school calendar;~~
- ~~(2) A common class schedule;~~
- ~~(3) A common intranet communication system;~~
- ~~(4) A common class registration process for grades seven through twelve;~~
- ~~(5) A common curriculum for each grade level from kindergarten through six;~~
- ~~(6) A common student data system;~~
- ~~(7) A common school improvement and staff development process;~~
- ~~(8) Common services, as set forth in a five year plan;~~
- ~~(9) A school facilities plan; and~~
- ~~(10) Joint funding of dual credit and advance placement courses; or~~

~~d. A combined total land mass of at least one thousand five hundred square miles [388498 hectares] and have at least seven thousand five hundred students in average daily membership.~~

2. The school districts participating in the agreement are contiguous to each other or, if the districts are not contiguous to each other, the superintendent of public instruction shall verify that the participating districts can provide sound educational opportunities to their students in a fiscally responsible manner without injuring other school districts or educational associations governed by joint powers agreements and without negatively impacting the ability of other school districts or educational associations governed by joint powers agreements from providing sound educational opportunities to their students in a fiscally responsible manner. A decision by the superintendent of public instruction under this subsection may be appealed to the state board of public school education. A decision by the state board is final.
3. The joint powers agreement requires that the participating school districts maintain a joint operating fund and share various administrative functions and student services in accordance with subsection 4.
4.
 - a. During the first two school years in which an educational association governed by a joint powers agreement is operational, each of the participating school districts shall share in at least two administrative functions and two student services, selected by the district.
 - b. During the third and fourth school years in which an educational association governed by a joint powers agreement is operational, each of the participating school districts shall share in at least three administrative functions and three student services, selected by the district.
 - c. During the fifth school year in which an educational association governed by a joint powers agreement is operational, and each year thereafter, each participating school district shall share at least five administrative functions and five student services, selected by the district.
 - d. For purposes of this subsection:
 - (1) "Administrative functions" means:
 - (a) Business management;
 - (b) Career and technical education services management;
 - (c) Curriculum mapping or development;
 - (d) Data analysis;
 - (e) Federal program support;
 - (f) Federal title program management;
 - (g) Grant writing;
 - (h) School improvement;
 - (i) School safety and environment management;
 - (j) Special education services management;
 - (k) Staff development;
 - (l) Staff retention and recruitment;
 - (m) Staff sharing;
 - (n) Technology support; and
 - (o) Any other functions approved by the superintendent of public instruction.
 - (2) Student services means:

- (a) Advanced placement classes;
 - (b) Alternative high schools or alternative high school programs;
 - (c) Career and technical education classes;
 - (d) Counseling services;
 - (e) Common elementary curricula;
 - (f) Distance learning classes;
 - (g) Dual credit classes;
 - (h) Foreign language classes;
 - (i) Library and media services;
 - (j) Summer programs;
 - (k) Supplemental instruction programs; and
 - (l) Any other services approved by the superintendent of public instruction.
- e. For purposes of this subsection, if an educational association governed by a joint powers agreement became operational before July 1, 2005, the 2005-06 school year must be considered the association's first year of operation.
5. The joint powers agreement provides:
- a. Criteria for the future participation of school districts that were not parties to the original joint powers agreement;
 - b. An application process by which school districts that were not parties to the original joint powers agreement can become participating districts; and
 - c. A process by which school districts that were not parties to the original joint powers agreement and whose application to participate in the agreement was denied can appeal the decision to the superintendent of public instruction.
4. 6. The joint powers agreement provides for the employment and compensation of a chief administrator and other any staff necessary to carry out the provisions of the agreement and the requirements of this section and section 15.1-27-37 Act.
7. The joint powers agreement provides for a governing board that consists only of individuals who serve on the boards of the participating school districts or designees of the respective school board members, provided however that a joint powers agreement may allow for the inclusion of ex officio nonvoting members on the educational association's board.
8. The joint powers agreement provides that the board of the educational association shall meet at least quarterly.
9. The joint powers agreement does not permit the educational association to compensate members of the educational association board for attending meetings of the board and that it does not permit the educational association to reimburse members of the board for any expenses incurred in attending meetings of the educational association board.

SECTION 4. A new section to chapter 15.1-07 of the North Dakota Century Code is created and enacted as follows:

Compensation - Reimbursement - Extraordinary service. The board of an educational association established under section 15.1-07-28 may provide

compensation and reimbursement to any board member who, at the direction of the board, performs extraordinary service on behalf of the board. For purposes of this section, "extraordinary service" means duties beyond those reasonably expected of members of the board and includes travel to and attendance at national meetings or conventions.

SECTION 5. AMENDMENT. Section 15.1-09-01 of the North Dakota Century Code is amended and reenacted as follows:

15.1-09-01. School board membership - Size and term adjustments.

1. The board of a school district is must be composed of five, seven, or nine members, ~~unless:~~
 - a. ~~The electors of the district increase the size of the board under this section;~~
 - b. ~~The size of the board was increased under a prior law; or~~
 - e. ~~The board, on July 1, 1971, was composed of more or fewer than five members, in which case the number of members must remain unchanged unless increased under this section.~~
2. The size of ~~any a~~ school district board may be increased to ~~either five,~~ seven; or nine members or decreased to seven or five members if a petition is signed by qualified electors of the school district equal in number to at least one-third of those who voted at the most recent annual school district election and the change is approved by a majority of the qualified electors of the school district voting on the question at a special election called for that purpose.
3. If a majority of the qualified voters in a school district elect to increase the size of the school board, the additional members must be elected to the board at the next annual school district election in the same manner as other board members.
 - a. ~~If the total number of board members after approval of the increase is five, the terms of two members extend until the first annual election, the terms of two members extend until the second annual election, and the term of the remaining member extends until the third annual election.~~
 - b. ~~If the total number of board members after approval of the increase is seven, the terms of three members extend until the first annual election, the terms of two members extend until the second annual election, and the terms of the remaining two members extend until the third annual election.~~
 - e. b. If the total number of board members after approval of the increase is nine, the terms of three members extend until the first annual election, the terms of three members extend until the second annual election, and the terms of the remaining three members extend until the third annual election.
 - d. c. The length of the terms specified in this ~~section~~ subsection must be determined by lot.
 - e. d. All board members shall serve for the terms specified in this ~~section~~ subsection and until their successors are elected and qualified.
 - f. e. The length of any term in existence before the increase in board membership and held by a board member who is duly qualified may not be modified.
 - g. f. Terms subsequent to the first term are for the normal period of three years and extend until a successor is elected and qualified.
4. If on July 1, 2005, the board of any school district contains only three members, the board must be increased to five members and the additional members must be elected at the next annual school district election, in the

same manner as other board members. The initial term of one additional member must be one year and the initial term of the other additional member must be two years. The length of the terms specified in this subsection must be determined by lot. Thereafter, the size of the board may be increased in accordance with subsections 2 and 3.

5. 5. The voters of a school district shall elect school board members at large. If, however, the district has been reorganized, board members may be elected at large, by geographical area, or at large by geographical area.
6. 6. An election on a reorganization proposal takes the place of the petition and election requirements of this section. Approval of the reorganization proposal has the same effect as if the approval were by the election provided for in this section.
7. 7. If the qualified electors of a district approve a reduction in the size of the school board, the excess number of members will serve out existing terms until the number approved by the electors has been reached.
8. 8. If the board of a school district has elected to convert its members' terms to four years and has also increased the number of its board members, the board by lot or by some other random selection method shall provide for a combination of initial terms of office not to exceed four years for the new members. The combination must equalize to the greatest extent possible the number and length of terms for old board members and for new members to be elected during the next three election years. The members' terms must be staggered and must expire in even-numbered years.
9. 9. Notwithstanding the provisions of this section, the board of education of the city of Fargo consists of nine members.

SECTION 6. AMENDMENT. Section 15.1-12-26 of the North Dakota Century Code is amended and reenacted as follows:

15.1-12-26. Dissolution of school district - Grounds.

1. A county committee shall initiate proceedings to dissolve a school district and attach the property to other operating high school districts when it is notified in writing by the county superintendent of schools whose jurisdiction includes the administrative headquarters of the district that:
 - a. The district is financially unable to effectively and efficiently educate its students;
 - b. The district has not operated a school as required by section 15.1-12-24; or
 - c. A school board has determined that dissolution is in the best interest of its students.
2. Except as provided in subsection 3, a county committee shall initiate proceedings under section 15.1-12-27 to attach real property to an operating high school district when it is notified in writing by the county superintendent that:
 - a. Real property has been severed from its school district by the expansion of a city and the severed portion is not contiguous with its district; or
 - b. There exists real property that does not belong to a school district.
3. If a school district reorganization plan which does not include all real property in a district is approved by the electors, the county committee shall, within forty-five days after the election, hold a hearing under section ~~15.1-12-29~~ 15.1-12-27 to attach the remaining property to one or more operating high school districts.
4. Receipt of notice by a county committee under this section:

- a. Renders an annexation petition involving any real property in the district void, unless the annexation has already been approved by the state board; and
 - b. Prohibits the acceptance of a new annexation petition involving any real property in the district until all dissolution proceedings have been completed.
5. One or more annexation petitions may not be used to annex all of the real property in a school district to surrounding school districts.

SECTION 7. AMENDMENT. Section 15.1-12-27 of the North Dakota Century Code is amended and reenacted as follows:

15.1-12-27. Dissolution of school district - Notice - Hearing - Order of attachment.

1. The county superintendent shall schedule and give notice of a public hearing regarding the dissolution of the district and the subsequent attachment of the property to other high school districts. The county superintendent shall publish the notice in the official newspaper of each county that encompasses property in the dissolving district and in the official newspaper of each county that encompasses property in a high school district adjacent to the dissolving district, at least fourteen days before the date of the hearing. The county superintendent shall provide notice of the public hearing to the business manager of each high school district adjacent to the dissolving district.
2. At the hearing, the board of the dissolving district may propose a particular manner of dissolution.
3. The county committee shall consider testimony and documentary evidence regarding:
 - a. The value and amount of property held by the dissolving school district;
 - b. The amount of all outstanding bonded and other indebtedness;
 - c. The distribution of property and assets among the high school districts to which the dissolved district is attached;
 - d. The taxable valuation of the dissolving district and adjacent high school districts and the taxable valuation of adjacent high school districts under the proposed manner of dissolution;
 - e. The size, geographical features, and boundaries of the dissolving district and of adjacent high school districts;
 - f. The number of students in the dissolving district and in adjacent high school districts;
 - g. The general population of the dissolving district and adjacent high school districts;
 - h. Each school in the dissolving district and in adjacent high school districts, including its name, location, condition, accessibility, and the grade levels it offers;
 - i. The location and condition of roads, highways, and natural barriers in the dissolving district and in adjacent high school districts;
 - j. Conditions affecting the welfare of students in the dissolving district and in adjacent high school districts;
 - k. The boundaries of other governmental entities;
 - l. The educational needs of communities in the dissolving district and in adjacent high school districts;

- m. Potential savings in school district transportation and administrative services;
 - n. The anticipated future use of the dissolving districts' buildings, sites, and playfields;
 - o. The potential for a reduction in per student valuation disparities between the high school districts to which the dissolved district is attached;
 - p. The potential to equalize or increase the educational opportunities for students from the dissolving district and for students in adjacent high school districts; and
 - q. All other relevant factors.
4. After the hearing, the county committee shall make findings of fact. Subject to final approval by the state board, the county committee may order the district dissolved and its real property attached to one or more contiguous, operating high school districts.
 5. Any property ordered attached under this section must have at least one minor residing within its boundaries.
 6. The county superintendent shall forward all minutes, records, documentary evidence, and other information regarding the dissolution proceeding together with a copy of the county committee's order to the state board for final approval of the dissolution. The state board shall publish notice of its meeting at which it will consider the dissolution, in the official newspapers of the counties required for publication under subsection 1, at least fourteen days before the meeting.
 7. The order of dissolution becomes effective July first following approval by the state board, unless the county committee provides for a different effective date.
 8. If the boundaries of the dissolving school district cross county lines, the proceeding to dissolve the district must be conducted jointly by the county committees representing counties containing twenty-five percent or more of the dissolving district's taxable valuation. If, after the hearing, a majority of the county committees are unable to agree upon an order of dissolution and attachment, the county superintendent of the county in which the administrative headquarters of the dissolving school district is located shall notify the state board. The state board shall conduct a public hearing, as required in this section, and order the dissolution of the district and the attachment of its real property to adjacent high school districts in the manner it deems appropriate. The state board shall publish notice of the public hearing in the official newspapers of the counties required for publication under subsection 1, at least fourteen days before the date of the hearing.
 9. If any portion of the order providing for the attachment of real property is suspended or voided, the order of dissolution is likewise suspended or voided.

SECTION 8. AMENDMENT. Section 15.1-12-29 of the North Dakota Century Code is amended and reenacted as follows:

15.1-12-29. Dissolution of school district - Unobligated cash balance - Tax credits or refunds.

1. Any After ten thousand dollars is set aside, as required by section 15.1-12-28, and after the required amount is deposited in the reimbursement account for job service North Dakota, as required by section 15.1-12-28.1, any remaining unobligated cash balance ~~in excess of ten thousand dollars, up to an amount equaling a dissolved school district's general fund expenditure for the last school year before the district's dissolution~~ is a credit for real property owners within the boundaries of the dissolved school district, against taxes levied by the district ~~into~~ which their property is now situated. ~~The county auditor shall base the credit on the~~

~~five year average of the total mills levied for education by the dissolved district attached. If property from the dissolved district is attached to more than one school district, the percentage of the total credit that to which each eligible real property owners receive must be owner is entitled must equal the same percentage of the unobligated cash balance as the that the taxable valuation of the individual's real property bears to the total taxable valuation of the dissolved district's property at the time of the attachment order.~~

2. Upon approval of the board of county commissioners, any school district required to provide a tax credit under subsection 1 may provide a cash refund in lieu of the tax credit. At the request of the county auditor, the school district holding the unobligated cash balance available under subsection 1 shall pay to the county treasurer the amount to be paid to those who own real property within the dissolved district. The treasurer shall issue the refund to the owner of the property as shown on the county's assessment list at the time of payment. If there is a lien for unpaid taxes against the property, the treasurer shall first apply the property owner's tax credit toward any outstanding balance. Any amount remaining may then be paid to the property owner. The cash refunds must be calculated proportionately to the total taxable value of the dissolved district during the last year taxes were levied.
3. After the requirements of subsection 1 have been met, the county auditor shall distribute any remaining unobligated cash balance among the school districts to which the real property of the dissolved district was attached. The percentage of the remaining unobligated cash balance to which each school district is entitled equals that percentage of the dissolved district's total taxable valuation which was attached to the receiving school district.

SECTION 9. AMENDMENT. Section 15.1-18-07 of the North Dakota Century Code is amended and reenacted as follows:

15.1-18-07. (Effective after June 30, 2006) Elementary school teacher qualifications.

1. In order to teach any grade ~~from one through six~~ in an elementary school that offers grades one through six, or in order to teach any grade in an elementary school that offers grades one through eight, an individual must be ~~licensed~~:
 - a. Licensed to teach by the education standards and practices board or approved to teach by the education standards and practices board; and:
 - a- b. (1) Have a major in elementary education; or
 - b- (2) Have a major equivalency in elementary education.
2. Notwithstanding the provisions of subsection 1, an individual may teach any grade from one through three in an elementary school provided the individual is ~~licensed~~:
 - a. Licensed to teach by the education standards and practices board or approved to teach by the education standards and practices board; and:
 - a- b. (1) Has a major in early childhood education; or
 - b- (2) Has a major equivalency in early childhood education.
3. ~~In order to teach any grade from one through eight in a self-contained classroom, an individual must be licensed to teach by the education standards and practices board and:~~
 - a. ~~Have a major in elementary education; or~~
 - b. ~~Have a major equivalency in elementary education.~~

SECTION 10. AMENDMENT. Section 15.1-22-01 of the North Dakota Century Code is amended and reenacted as follows:

15.1-22-01. Kindergarten - Establishment by board ~~Petition for establishment~~ Request by parent - Levy.

1. Upon its own motion, the board of a school district may establish a free public kindergarten ~~for the instruction during a school year of resident children below school age.~~
2. If the board receives a ~~petition signed by qualified electors residing in the district equal in number to at least twenty percent of those who voted in the most recent annual school district election, the board must submit the question of establishing a kindergarten to the electorate at the next annual or special school district election. The margins of electoral approval provided in section 57-15-14 must be applied~~ written request to provide kindergarten from the parent of a student who will be enrolled in the kindergarten, the board shall either provide at least a half-day kindergarten program for the student or pay the tuition required for the student to attend at least a half-day kindergarten program in another school district.
3. The board of a school district that establishes a kindergarten under this section may levy a tax pursuant to subdivision p of subsection 1 of section 57-15-14.2.

SECTION 11. AMENDMENT. Section 15.1-27-04 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-04. Per student payment. The per student payment to which each school district is entitled for the first year of the biennium is two thousand ~~five~~ seven hundred ~~ninesixty-five~~ eighty dollars. The per student payment to which each school district is entitled for the second year of the biennium is two thousand ~~six~~ eight hundred ~~twenty threeseventy-nine~~ hundred dollars. The per student amount is the basis for calculating state payments to school districts, as provided in sections 15.1-27-06 and 15.1-27-07.

SECTION 12. AMENDMENT. Section 15.1-27-05 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-05. (Effective through June 30, 2008) School district equalization factor.

1. To determine the amount of payments due a school district, the superintendent of public instruction shall add the tuition apportionment payments, per student payments, special education aid, transportation aid, and teacher compensation payments for which a school district is eligible and from that total subtract the following:
 - a. The product of ~~thirty-six~~ thirty-eight mills times the taxable valuation of property in the district;
 - b. The amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of fifty percent of its actual expenditures, plus twenty thousand dollars; and
 - c. If the mills levied by the district for general fund purposes, plus the mills levied for high school transportation and high school tuition purposes are fewer than one hundred forty, the number of mills by which the district's levies are below one hundred forty multiplied by the taxable valuation of property in the district.
2. Beginning July 1, 2006, and each year thereafter, the number of mills used by the superintendent of public instruction in determining the product required by subdivision a of subsection 1 must be increased by ~~two~~ three over the number of mills used in determining the product required by that subdivision the previous year.

(Effective after June 30, 2008) School district equalization factor.

1. To determine the amount of payments due a school district, the superintendent of public instruction shall add the tuition apportionment

payments, per student payments, special education aid, transportation aid, and teacher compensation payments for which a school district is eligible and from that total subtract the following:

- a. The product of the number of mills prescribed in subsection 2 times the taxable valuation of property in the district;
 - b. The amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty-five percent of its actual expenditures, plus twenty thousand dollars; and
 - c. If the mills levied by the district for general fund purposes, plus the mills levied for high school transportation and high school tuition purposes are fewer than one hundred forty, the number of mills by which the district's levies are below one hundred forty multiplied by the taxable valuation of property in the district.
2. The number of mills used by the superintendent of public instruction in determining the product required by subdivision a of subsection 1 must be increased by ~~two~~ three over the number of mills used in determining the product required by that subdivision the previous year.

SECTION 13. AMENDMENT. Section 15.1-27-06 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-06. Per student payments - Weighting factors - High school students. The superintendent of public instruction shall make payments each year, as provided for in this section, to each school district operating a high school and to each school district contracting to educate high school students in a federal school, subject to adjustment as provided in section 15.1-27-21.

1. Each district having under ~~seventy five~~ one hundred twenty students in average daily membership in grades nine through twelve is entitled to receive the amount of money that results from multiplying the factor ~~4.625~~ adjusted by eighty five percent of the difference between 1.625 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of students in grades nine through twelve who are registered in that district, times the per student payment provided for in section 15.1-27-04. ~~Beginning July 1, 2004, the factor is that which represents the five-year average cost of education per student in this category, as determined by the superintendent of public instruction.~~
2. Each district having at least ~~seventy five~~ one hundred twenty but fewer than ~~one three hundred fifty~~ students in average daily membership in grades nine through twelve is entitled to receive the amount of money that results from multiplying the factor ~~4.335~~ adjusted by eighty five percent of the difference between 1.335 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of students in grades nine through twelve who are registered in that district, times the per student payment provided for in section 15.1-27-04. ~~Beginning July 1, 2004, the factor is that which represents the five-year average cost of education per student in this category, as determined by the superintendent of public instruction.~~
3. Each district having at least ~~one three hundred fifty~~ but fewer than five hundred fifty students in average daily membership in grades nine through twelve is entitled to receive the amount of money that results from multiplying the factor ~~1.24~~ adjusted by eighty five percent of the difference between 1.24 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of students in grades nine through twelve who are registered in that district, times the per student payment provided for in section 15.1-27-04. ~~Beginning July 1, 2004, the factor is that which represents the five-year average cost of education per student in this category, as determined by the superintendent of public instruction.~~

- ~~4. Each district having at least five hundred fifty students in average daily membership in grades nine through twelve is entitled to receive the amount of money that results from multiplying the factor 1.14 adjusted by eighty five percent of the difference between 1.14 and the factor representing the five year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of students in grades nine through twelve who are registered in that district, times the per student payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is that which represents the five year average cost of education per student in this category, as determined by the superintendent of public instruction.~~
5. 4. Each district having an approved alternative high school education program is entitled to receive the amount of money that results from multiplying the factor in:
- a. Subsection 1 by the number of students registered in the alternative education program, times the per student payment provided for in section 15.1-27-04, if fewer than ~~seventy five~~ one hundred twenty students in average daily membership are enrolled in the alternative education program.
 - b. Subsection 2 by the number of students registered in the alternative education program, times the per student payment provided for in section 15.1-27-04, if at least ~~seventy five~~ one hundred twenty but fewer than ~~one~~ three hundred ~~fifty~~ students in average daily membership are enrolled in the alternative education program.
 - c. Subsection 3 by the number of students registered in the alternative education program, times the per student payment provided for in section 15.1-27-04, if at least ~~one~~ three hundred ~~fifty~~ but fewer than ~~five hundred fifty~~ students in average daily membership are enrolled in the alternative education program.
 - ~~d. Subsection 4 by the number of students registered in the alternative education program, times the per student payment provided for in section 15.1-27-04, if at least five hundred fifty students in average daily membership are enrolled in the alternative education program.~~
6. 5. In order to be eligible for enumeration under this section, a student:
- a. Must have completed the work of the eighth grade;
 - b. Must not have completed the work of the twelfth grade; and
 - c. Must be a resident of this state or a nonresident attending a school in this state under the auspices of a foreign student exchange program.
6. In calculating payments under this section and subsections 1 through 4 of section 15.1-27-07, the superintendent of public instruction shall use 1.0 as the factor that represents the lowest five-year average cost of education among all elementary and high school weighting categories other than kindergarten and shall use proportionately increased factors to represent the five-year average cost of education in all remaining weighting categories except kindergarten.

SECTION 14. AMENDMENT. Section 15.1-27-07 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-07. Per student payments - Weighting factors - Elementary school students. The superintendent of public instruction shall make payments each year, as provided for in this section, to each school district operating an elementary school and to each school district contracting to educate elementary students in a federal school, subject to adjustment as provided in section 15.1-27-21.

- ~~1. a. Each district having only a one room rural school is entitled to receive the amount of money that results from multiplying the factor 1.28 adjusted by eighty five percent of the difference between 1.28 and the factor representing the five year average cost of education per student for this category, as determined by the superintendent of public~~

instruction, by the number of students in average daily membership in grades one through eight in that school, times the per student payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is that which represents the five year average cost of education per student in this category, as determined by the superintendent of public instruction. The payment level provided for in this subdivision is applicable only to the first sixteen students.

- b. ~~If the one-room rural school has more than sixteen students in average daily membership in grades one through eight, the district in which the school is located is entitled to receive ninety percent of the per student payment provided for in section 15.1-27-04 for each additional student. The district is not entitled to any payment for more than twenty students in average daily membership.~~
 - e. ~~If a one-room rural school is located in a district having another elementary school, the weighting factor for the students in grades one through six must be based on the average daily membership in the district in grades one through six, as provided in this section.~~
 - d. ~~If a one-room rural school is located in a school district with another school that has students in grade seven or eight, the weighting factor for the students in grade seven or eight must be the same as that provided for in subsection 5.~~
2. 1. ~~Except as provided in subsection 1, each~~ Each school district having fewer than one hundred students in average daily membership in grades one through six is entitled to receive the amount of money that results from multiplying the factor 1.09 adjusted by eighty five percent of the difference between 1.09 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of students in average daily membership in grades one through six in the district, times the per student payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is that which represents the five year average cost of education per student in this category, as determined by the superintendent of public instruction. The payment provided for in this subsection is applicable only to the first twenty five students in average daily membership per classroom or per teacher.
3. 2. ~~Each school district having at least one hundred students but fewer than one thousand students in average daily membership in grades one through six is entitled to receive the amount of money that results from multiplying the factor .905 adjusted by eighty five percent of the difference between .905 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of students in average daily membership in grades one through six in the district, times the per student payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is that which represents the five year average cost of education per student in this category, as determined by the superintendent of public instruction. The payment provided for in this subsection is applicable only to the first thirty students in average daily membership per classroom or per teacher.~~
4. ~~Each school district having at least one thousand students in average daily membership in grades one through six is entitled to receive the amount of money that results from multiplying the factor .95 adjusted by eighty five percent of the difference between .95 and the factor representing the five year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of students in average daily membership in grades one through six in the district, times the per student payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is that which represents the five year average cost of the education per student in this category, as determined by the superintendent of public instruction. The payment provided for in this subsection is applicable only to the first thirty students in average daily membership per classroom or per teacher.~~
5. 3. Each school district having students in grades seven and eight is entitled to receive the amount of money that results from multiplying the factor 4.04

~~adjusted by eighty five percent of the difference between 1.01 and the factor representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of students in average daily membership in grades seven and eight in the district, times the per student payment provided for in section 15.1-27-04. Beginning July 1, 2004, the factor is that which represents the five-year average cost of education per student in this category, as determined by the superintendent of public instruction. The payment provided for in this subsection is applicable only to the first thirty students in average daily membership per classroom or per teacher. The payments provided for in this subsection are not available for students who attend a one-room rural school if that school is the only one in the district that offers educational services to students in grades seven and eight.~~

- ~~6.~~ 4. Each school district having a special education program approved by the director of special education is entitled to receive, for each student who is enrolled in the program and who is at least three years of age but less than the compulsory age for school attendance, the amount of money that results from multiplying the factor ~~1.01 adjusted by eighty five percent of the difference between 1.01 and the factor~~ representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of special education students in average daily membership in the program who are at least three years of age but less than the compulsory age for school attendance, times the per student payment provided for in section 15.1-27-04. ~~Beginning July 1, 2004, the factor is that which represents the five year average cost of education per student in this category, as determined by the superintendent of public instruction.~~
- ~~7.~~ 5. a. Each school district operating a kindergarten as provided for in section 15.1-22-02 is entitled to receive the amount of money that results from multiplying the factor ~~.50 adjusted by eighty five percent of the difference between .50 and the factor~~ representing the five-year average cost of education per student for this category, as determined by the superintendent of public instruction, by the number of kindergarten students in average daily membership in the district, times the per student payment provided for in section 15.1-27-04. ~~Beginning July 1, 2004, the factor is that which represents the five year average cost of education per student in this category, as determined by the superintendent of public instruction.~~ The payment provided for in this subsection is applicable only to the first twenty-five students in average daily membership per classroom or per teacher.
- b. In order to receive the full per student payment available under this section, a district must operate a kindergarten program that provides the equivalent of ninety full days of classroom instruction during a twelve-month period. A district is entitled to a prorated payment under this section if it operates a kindergarten program of shorter duration.
- ~~8.~~ 6. Each school district that educates students who are also enrolled in nonpublic schools is entitled to receive proportionate payments under this section.
- ~~9.~~ 7. Each school district is entitled to receive as much in total payments for elementary students as it would have received if it had the highest number of students in the next lower category.
- ~~10.~~ 8. A school district is not entitled to any payments provided for by this chapter unless each teacher employed by the district:
- a. Holds a teaching license issued by the education standards and practices board; or
- b. Has been approved to teach by the education standards and practices board.
9. In calculating payments under subsections 1 through 4 and under section 15.1-27-06, the superintendent of public instruction shall use 1.0 as the factor that represents the lowest five-year average cost of education among the elementary and high school weighting categories other than

kindergarten and shall use proportionately increased factors to represent the five-year average cost of education in all remaining weighting categories except kindergarten.

SECTION 15. AMENDMENT. Section 15.1-27-11 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-11. High school districts - Supplemental payments.

1. The superintendent of public instruction shall calculate the average valuation of property per student by dividing the number of students in average daily membership in grades one through twelve in a high school district into the sum of:
 - a. The district's latest available net assessed and equalized taxable valuation of property; plus
 - b. All tuition payments and county ~~and unrestricted federal~~ revenue received by the district, divided by the total of the district's general fund levy, high school transportation levy, and high school tuition levy.
2. ~~If the~~ The superintendent of public instruction shall verify that:
 - a. The quotient arrived at under subsection 1 is less than the latest available statewide average taxable valuation per student and if the;
 - b. The district's educational expenditure per student is below the most recent available statewide average cost of education per student;
 - c. The district has a general fund levy of at least one hundred eighty mills; and
 - d. The district's unobligated general fund balance on the preceding June thirtieth is not in excess of thirty-five percent of its actual expenditures, plus twenty thousand dollars.
3. If the superintendent of public instruction determines that the district meets all the requirements of subsection 2, the superintendent ~~of public instruction~~ shall:
 - a. Determine the difference between the latest available statewide average taxable valuation per student and the average taxable valuation per student in the high school district;
 - b. Multiply the result determined under subdivision a by the number of students in average daily membership in grades one through twelve in the high school district;
 - c. Multiply the result determined under subdivision b by the number of general fund mills levied by the district in excess of one hundred fifty, provided that any mills levied by the district which are in excess of two hundred ten may not be used in this calculation; and
 - d. Multiply the result determined under subdivision c by a factor calculated by the superintendent of public instruction to result in the expenditure, over the course of the biennium, of the full amount provided for the purpose of this section.
- e. 4. The result of the calculations under this section is the supplemental payment to which a high school district is entitled, in addition to any other amount provided under chapter 15.1-27.

SECTION 16. AMENDMENT. Section 15.1-27-15 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-15. Per student payments - Isolated schools.

1. If an elementary school has fewer than fifty students and fifteen percent or more of its students would have to travel beyond a fifteen-mile [24.15-kilometer] radius from their residences in order to attend another

school, the weighting factor provided under section 15.1-27-07 must be increased by ~~twenty~~ twenty-five percent ~~for the first fifteen students~~. If the school has fewer than fifteen students, the payment received must be for fifteen students.

2. If a high school has fewer than thirty-five students and fifteen percent or more of its students would have to travel beyond a twenty-mile [32.2-kilometer] radius from their residences in order to attend another school, the weighting factor provided under section 15.1-27-06 must be increased by ~~twenty~~ twenty-five percent ~~for the first twenty students~~. If the school has fewer than twenty students, the payment received must be for twenty students.

SECTION 17. AMENDMENT. Section 15.1-27-35 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-35. Average daily membership - Calculation. Average daily membership is calculated by adding the total number of days that each student in a given classroom, school, or school district is in attendance during a school calendar and the total number of days that each student in a given classroom, school, or school district is absent during a school calendar, and then dividing the sum by one hundred eighty. For purposes of calculating average daily membership, all students are deemed to be in attendance on:

1. The three holidays listed in subdivisions b through j of subsection 1 of section 15.1-06-02 and selected by the school board in consultation with district teachers;
2. The two days set aside for ~~the attendance of teachers at the North Dakota education association instructional conference~~ professional development activities under section 15.1-06-04; and
3. The two full days, or portions thereof, during which parent-teacher conferences are held or which are deemed by the board of the district to be compensatory time for parent-teacher conferences held outside regular school hours.

SECTION 18. AMENDMENT. Section 15.1-27-37 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-37. Compensation of teachers - Claim for reimbursement - Rules.

1. On or before October first of each year or within thirty days after the conclusion of the negotiation process provided for in chapter 15.1-16, the board of a school district may file a claim with the superintendent of public instruction for the reimbursement of moneys to be expended by the district during the school year to at least maintain the level of compensation provided to teachers employed by the district during the ~~2002-03~~ preceding school year.
2. The claim must include:
 - a. The number of full-time equivalent teachers employed by the district as of September fifteenth of the current school year;
 - b. The number of full-time equivalent teachers whose level of compensation will be at least equal to that provided during the ~~2002-03~~ preceding school year; and
 - c. The total amount of any compensation increases provided to full-time equivalent teachers over the level of compensation provided during the ~~2002-03~~ preceding school year.
3. ~~For the 2003-04 school year, the~~ The reimbursement provided for in this section may not exceed three thousand dollars multiplied by the number of full-time equivalent teachers employed by the district as of September ~~15, 2003.~~
 - a. ~~For the 2003-04 school year, the~~ The reimbursement provided for in this section may not exceed three thousand dollars multiplied by the number of full-time equivalent teachers employed by the district as of September ~~15, 2003.~~
 - b. ~~For the 2004-05 school year, the reimbursement provided for in this section may not exceed three thousand dollars multiplied by the~~

~~number of full-time equivalent teachers employed by the district as of September 15, 2004.~~

- e. ~~For the 2003-04 school year, the fifteenth of the current school year.~~
 - b. The reimbursement under this section for each individual employed as of September 15, 2003 fifteenth of the current school year, as a full-time equivalent teacher for the first school year since becoming licensed to teach by the education standards and practices board or approved to teach by the education standards and practices board, may not exceed one thousand dollars.
 - d. ~~For the 2004-05 school year, the reimbursement under this section for each individual employed as of September 15, 2004, as a full-time equivalent teacher for the first school year since becoming licensed to teach by the education standards and practices board or approved to teach by the education standards and practices board, may not exceed one thousand dollars.~~
4. For purposes of this section, the claim of a district may include proportionate expenditures made by the district to compensate individuals employed as teachers by the special education unit or the area career and technology center to which the district belongs.
 5. The superintendent of public instruction may adopt rules regarding claims for and the payment of reimbursements under this section.

SECTION 19. AMENDMENT. Section 15.1-27-39 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-39. Annual salary - Minimum amount.

1. Beginning with the ~~2003-04~~ 2005-06 school year, the board of each school district shall provide to each full-time teacher, under contract for a period of nine months, a minimum salary level for the contract period equal to at least ~~twenty-one~~twenty-two thousand dollars.
2. Beginning with the ~~2004-05~~ 2006-07 school year, the board of each school district shall provide to each full-time teacher, under contract for a period of nine months, a minimum salary level for the contract period equal to at least ~~twenty-one~~twenty-two thousand five hundred dollars.

SECTION 20. AMENDMENT. Section 15.1-27-40 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-40. Approved joint powers agreement - Reimbursement by superintendent of public instruction ~~Report of expenses.~~

1. ~~The individual employed as a chief administrator for the purpose of carrying out the provisions of a joint powers agreement and any requirements under section 15.1-07-27 shall~~ executive director of an educational association governed by a joint powers agreement which the superintendent of public instruction has verified as meeting the requirements of section 15.1-07-28 shall annually submit to the superintendent of public instruction, at the time and in the manner designated by the superintendent, receipts for expenses incurred during a school year in delivering services and programs under section 15.1-07-27.
2. ~~The superintendent of public instruction, upon verifying the receipts, shall reimburse the chief administrator of the joint powers agreement for any expenses incurred in delivering services and programs under the auspices of the joint powers agreement as provided in section 15.1-07-27. The reimbursement may not exceed the lesser of:~~
 - a. ~~The total expenses incurred in delivering services and programs under section 15.1-07-27; or~~
 - b. ~~Fifty thousand dollars.~~

- ~~3. The chief administrator a report detailing all expenses incurred by the educational association and shall attribute the expenses on a per student basis by participating school district.~~
- ~~2. The executive director shall deposit any moneys received under subsection 2 in the participating districts' by or on behalf of the association into the educational association's joint operating fund.~~
- ~~4. The superintendent of public instruction may not provide any reimbursement to a chief administrator under this section unless the joint powers agreement under which the services and programs are delivered has been approved by the superintendent.~~

SECTION 21. AMENDMENT. Section 15.1-28-03 of the North Dakota Century Code is amended and reenacted as follows:

15.1-28-03. State tuition fund - Apportionment - Payment. On or before the third Monday in each January, February, March, April, August, September, October, November, and December, the office of management and budget shall certify to the superintendent of public instruction the amount of the state tuition fund. The superintendent shall apportion the fund among the school districts of the state in proportion to the number of school-age children residing in each district, as shown by the latest enumeration provided for by law and pay the amount apportioned to each school district. The superintendent shall make the payments required by this section at the same time as the per student payments required under chapter 15.1-27.

SECTION 22. AMENDMENT. Section 15.1-29-03 of the North Dakota Century Code is amended and reenacted as follows:

15.1-29-03. Education of students in other districts - Payment of tuition and transportation.

1. After taking into account the best interests of all affected parties, the board of a school district may elect to send its students to another school district. In this instance, the board ~~may~~ shall pay for the students' tuition ~~for the students and transportation~~. The board may arrange, and when petitioned to do so by qualified electors of the district equal in number to at least a majority of those who voted in the most recent annual school district election shall arrange, with other boards to send students to the other districts and to pay for their tuition and transportation.
2. If a district does not provide educational services to an entire grade level, the students in that grade level may attend a public school of their choice outside their district of residence without going through the procedures outlined in section 15.1-29-05. The board of the students' school district of residence shall pay for the students' tuition ~~to the admitting district and transportation~~. For purposes of determining whether educational services are provided to an entire grade level, districts cooperating with each other in the joint provision of educational services under a plan approved by the superintendent of public instruction are considered to be a single district.

SECTION 23. AMENDMENT. Section 15.1-29-04 of the North Dakota Century Code is amended and reenacted as follows:

15.1-29-04. Payment of tuition and transportation by sending districts - Interest on late payments. ~~If a school board approves the payment of the board of a school district agrees to pay tuition for a student attending school in another district or if a district under this chapter, if it is required to make pay tuition payments under the provisions of this chapter, or if it is required to pay tuition and transportation under this chapter, the board of the sending district shall pay at least fifty percent of the annual tuition charge to the admitting district on or before December thirty-first and any remaining amount on or before May thirty-first. If payment is not received by the admitting district within thirty days after the date on which payment is due, simple interest at the rate of six percent per annum accrues to any amount due.~~

SECTION 24. AMENDMENT. Section 15.1-29-12 of the North Dakota Century Code is amended and reenacted as follows:

15.1-29-12. Tuition payments - Determination.

1. Except as provided in section 15.1-29-13, a school district sending a student to another district for purposes of education shall pay the full cost of education incurred by the admitting district.
2.
 - a. The admitting district shall determine the cost of education per student for its kindergarten, elementary, and high school students on the basis of its average daily membership and those expenditures permitted in determining the cost of education per student in section 15.1-27-03.
 - b. To the cost of education per student, the admitting district shall add the latest available statewide average per student cost for extracurricular activities and the state average capital outlay per student. The state average capital outlay per student is determined by dividing the total of all school districts' annual expenditures for sinking and interest funds, tax receipts to the building funds, and general fund expenditures for capital outlay by the average daily membership of the state.
 - c. The admitting district shall subtract the following from the amount arrived at under subdivision b:
 - (1) The weighted per student payment received by the admitting district, less the average amount per North Dakota resident student enrolled in the school district realized from the deductions applied under section 15.1-27-06; and
 - (2) Any credit for taxes paid to the admitting district by the student's parent.
 - d. The amount remaining is the full cost of education incurred by the admitting district and the tuition amount payable for the individual student.
- ~~3. If the student's school district of residence and the student's parent are both paying tuition, the credit allowed under subdivision c of subsection 2 for taxes paid to the admitting district by the student's parent must be proportionately credited to the student's district of residence and the student's parent.~~
4. This chapter does not affect the right of a school board to charge and collect tuition from students who are not residents of this state, in accordance with section 15.1-29-02.

SECTION 25. TRANSPORTATION GRANTS - DISTRIBUTION.

1. During each year of the 2005-07 biennium, the superintendent of public instruction shall distribute from the grants - state school aid line item in House Bill No. 1013, as approved by the fifty-ninth legislative assembly, fifty percent of \$33,500,000 as state transportation aid payments.
2.
 - a. During the first year of the biennium, the superintendent of public instruction shall calculate the payment to which each school district is entitled based on the state transportation formula as it existed on June 30, 2001, except that the superintendent shall provide reimbursement for in-city mileage at the rate of fifty cents for schoolbuses having a capacity of ten or more students and reimbursement for vehicles having a capacity of nine or fewer students and transporting students who live outside the incorporated limits of a city at the rate of forty cents per mile. The superintendent of public instruction shall use the latest available student enrollment count in each school district.
 - b. During the second year of the biennium, the superintendent of public instruction shall distribute to each school district the same amount that the district received under this section for transportation services provided during the first year of the biennium.
3. If insufficient moneys exist to fully meet the requirements of this section, the superintendent of public instruction shall prorate the payments

according to the percentage of the total amount to which each school district is entitled.

4. Nothing in this section permits reimbursement for any costs incurred in providing transportation for student attendance at extracurricular activities or events.

SECTION 26. AMENDMENT. Section 37 of chapter 667 of the 2003 Session Laws is amended and reenacted as follows:

SECTION 37. CONTINGENT PAYMENTS - DISTRIBUTION. If any moneys appropriated for per student payments and transportation payments in the grants - state school aid line item in Senate Bill No. 2013 remain after payment of all statutory obligations for per student and transportation payments during the biennium beginning July 1, 2003, and ending June 30, 2005, the superintendent of public instruction shall distribute the remaining moneys as follows:

1. The superintendent of public instruction shall use the first \$119,190, or so much of that amount as may be necessary, for the purpose of reimbursing eligible school districts that received reduced amounts of state aid. For the purposes of this subsection, an eligible school district is one that received a reduction in state aid during the second year of the 2003-05 biennium because the district's general fund levy fell below one hundred forty mills as the result of a reorganization or the dissolution of a contiguous district. The following affected districts listed are entitled to receive reimbursements:

<u>Velva 1</u>	<u>\$24,355</u>
<u>TGU 60</u>	<u>93,514</u>
<u>Lewis and Clark</u>	<u>1,321</u>

2. The superintendent of public instruction shall return the next \$759,000 to the state general fund.
3. The superintendent of public instruction shall use the ~~first~~ next \$250,000, or so much of that amount as ~~is~~ may be necessary, for the purpose of providing reimbursements to the chief administrators of joint powers agreements pursuant to section 19 of this Act.
- ~~2-~~ 4. The superintendent of public instruction shall use the next \$1,000,000, or so much of that amount as ~~is~~ may be necessary, for the purpose of providing reorganization bonuses, pursuant to section 15.1-12-11.1, to school districts having reorganizations effective after July 1, 2003, and before July 1, 2005. If insufficient moneys exist to fully meet the requirements of this subsection, the superintendent of public instruction shall prorate the payments according to that percentage of the amount available to which a school district is entitled.
- ~~3-~~ 5. The superintendent of public instruction shall use the remainder of the moneys to provide additional per student payments on a prorated basis, according to the average daily membership of each school district during the 2004-05 school year.

SECTION 27. CONTINGENCY - RETURN OF MONEYS TO THE GENERAL FUND. If any moneys appropriated for per student payments and transportation payments in the grants - state school aid line item in House Bill No. 1013, as approved by the fifty-ninth legislative assembly, remain after payment of all statutory obligations for per student and transportation payments during the biennium beginning July 1, 2005, and ending June 30, 2007, and if section 26 of this Act does not become effective before July 1, 2005, the superintendent of public instruction shall return the first \$759,000 to the state general fund.

SECTION 28. CONTINGENCY. If any moneys appropriated for per student payments and transportation payments in the grants - state school aid line item in House Bill No. 1013, as approved by the fifty-ninth legislative assembly, remain after payment of all statutory obligations for per student and transportation payments during the biennium beginning July 1, 2005, and ending June 30, 2007, and after the superintendent of public instruction has fulfilled any directives contained in section 27 of this Act, the superintendent shall distribute the remaining moneys as follows:

1. The superintendent of public instruction shall use the first \$450,000, or so much of that amount as may be necessary, to provide additional payments to school districts serving English language learners in accordance with section 15.1-27-12.
2. The superintendent of public instruction shall use the next \$1,000,000, or so much of that amount as may be necessary, for the purpose of providing additional per student payments to school districts participating in eligible educational associations in accordance with section 32 of this Act.
3. The superintendent of public instruction shall use the remainder of the moneys to provide additional per student payments on a prorated basis according to the latest available average daily membership of each school district.

SECTION 29. CONTINGENCY PAYMENTS - TEACHER COMPENSATION - ADDITIONAL PER STUDENT PAYMENTS. If any moneys appropriated by the legislative assembly to the grants - teacher compensation line item in House Bill No. 1013, as approved by the fifty-ninth legislative assembly, remain after completion of all statutory obligations, the superintendent of public instruction shall use the remaining moneys to provide additional per student payments on a prorated basis, according to the latest available average daily membership of each school district.

SECTION 30. TEACHER COMPENSATION - USE OF NEW MONEYS.

1. During the 2005-07 biennium, the board of each school district shall use an amount equal to at least seventy percent of all new moneys received for per student payments under section 15.1-27-04 and tuition apportionment payments under section 15.1-28-03 for the purpose of increasing the compensation paid to teachers and for the purpose of providing compensation to teachers who begin employment with the district on or after July 1, 2005.
2. For purposes of this section, "new moneys" means any increase in the amount received by a district for per student payments under section 15.1-27-04 and tuition apportionment payments under section 15.1-28-03 between the 2003-05 biennium and the 2005-07 biennium.
3. For purposes of this section, school districts providing educational services under a cooperative agreement approved by the superintendent of public instruction are treated as a single district.
4.
 - a. The provisions of this section do not apply to a school district if the board of the school district, after a public hearing at which public testimony and documentary evidence are accepted, determines in its discretion and by an affirmative vote of two-thirds of its members that complying with the provisions of subsection 1 would place the school district in the position of having insufficient fiscal resources to meet its other obligations.
 - b. Within ten days of the vote required by subdivision a, the board shall notify the superintendent of public instruction of its action and shall file a report detailing the grounds for its determination and action.
 - c. The superintendent of public instruction shall report all notices received under this subsection to an interim committee designated by the legislative council.

SECTION 31. REPORT TO LEGISLATIVE COUNCIL - EDUCATIONAL ASSOCIATIONS GOVERNED BY JOINT POWERS AGREEMENTS. At the conclusion of each school year during the 2005-07 biennium, the superintendent of public instruction shall compile a report covering the operations of each educational association governed by a joint powers agreement and verified by the superintendent of public instruction as meeting the requirements of section 15.1-07-28. The report must include the administrative functions and student services in which members of each educational association participated and the direct and indirect benefits of such participation. The report must specifically address whether school district participation resulted in expanded course offerings, improved state and national test results, administrative consolidations, instructional sharing, increased or improved professional

development opportunities, and cost-savings to each school district. The superintendent of public instruction shall present the reports to an interim committee designated by the legislative council.

SECTION 32. APPROPRIATION - ELIGIBLE EDUCATIONAL ASSOCIATIONS.

1. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,000,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of providing payments to school districts that are members of eligible educational associations, for the biennium beginning July 1, 2005, and ending June 30, 2007.
2.
 - a. During June 2006 the superintendent of public instruction shall distribute seventy-five percent of the money appropriated under subsection 1 to eligible school districts on a per student basis. The total amount to which a school district is entitled under this subdivision may not exceed the amount expended by the school district during the 2005-06 school year to participate in an eligible educational association.
 - b. During June 2007 the superintendent of public instruction shall distribute the remaining money appropriated under subsection 1 to eligible school districts on a per student basis. The total amount to which a school district is entitled under this subdivision may not exceed the amount expended by the school district during the 2006-07 school year to participate in an eligible educational association.
3. For purposes of this section, an "eligible educational association" is one that is governed by a joint powers agreement that the superintendent of public instruction has verified as meeting the requirements of section 15.1-07-28.

SECTION 33. APPROPRIATION - REORGANIZATION BONUSES - CONTINGENCY. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$759,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of providing a reorganization bonus to any school district having a reorganization effective on July 1, 2005, pursuant to section 15.1-12-11.1, for the biennium beginning July 1, 2005, and ending June 30, 2007. If any moneys remain after the superintendent of public instruction completes the payment of bonuses for any reorganization effective on July 1, 2005, the superintendent shall use the remaining moneys to provide additional per student payments on a prorated basis, according to the latest available average daily membership of each school district.

SECTION 34. APPROPRIATION - TRANSPORTATION EFFICIENCY TRAINING. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$30,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of contracting to provide transportation efficiency training to school district personnel, for the biennium beginning July 1, 2005, and ending June 30, 2007.

SECTION 35. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$700,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of providing additional per student payments, for the biennium beginning July 1, 2005, and ending June 30, 2007.

SECTION 36. REPEAL. Section 15.1-09-42 of the North Dakota Century Code is repealed.

SECTION 37. REPEAL. Section 15.1-12-11.2 of the North Dakota Century Code is repealed.

SECTION 38. REPEAL. Section 15.1-12-11.1 of the North Dakota Century Code is repealed.

SECTION 39. EFFECTIVE DATE. Sections 1, 17, and 36 of this Act become effective on July 1, 2006, and section 38 of this Act becomes effective on December 31, 2005.

SECTION 40. EMERGENCY. Section 26 of this Act is declared to be an emergency measure."

Renumber accordingly

Reengrossed HB 1154 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. FLAKOLL MOVED that the conference committee report on Reengrossed HB 1154 be adopted.

REQUEST

SEN. NETHING REQUESTED a recorded roll call vote on the motion to adopt the conference committee report on Reengrossed HB 1154, which request was granted.

ROLL CALL

The question being on the motion to adopt the conference committee report on Reengrossed HB 1154, the roll was called and there were 28 YEAS, 16 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

YEAS: Andrist; Bowman; Brown; Christmann; Cook; Dever; Espegard; Fischer; Flakoll; Freborg; Grindberg; Hacker; Holmberg; Kilzer; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lyson; Nething; Schobinger; Stenehjerm; Syverson; Tollefson; Traynor; Trenbeath; Urlacher; Wardner

NAYS: Bercier; Erbele; Every; Fairfield; Heitkamp; Krauter; Lindaas; Mathern; Mutch; Nelson; O'Connell; Robinson; Taylor; Thane; Triplett; Warner

ABSENT AND NOT VOTING: Klein; Seymour; Tallackson

The conference committee report on Reengrossed HB 1154 was adopted.

Reengrossed HB 1154, as amended, was placed on the Fourteenth order.

ANNOUNCEMENT

SECRETARY HORTON ANNOUNCED that the emergency clause was no longer a part of Reengrossed HB 1154, as it lost in the House.

SECOND READING OF HOUSE BILL

HB 1154: A BILL for an Act to create and enact a new section to chapter 15.1-07 of the North Dakota Century Code, relating to educational association board reimbursement; to amend and reenact sections 15.1-06-04, 15.1-06-06, 15.1-07-28, 15.1-09-01, 15.1-12-26, 15.1-12-27, 15.1-12-29, 15.1-18-07, 15.1-22-01, 15.1-27-04, 15.1-27-05, 15.1-27-06, 15.1-27-07, 15.1-27-11, 15.1-27-15, 15.1-27-35, 15.1-27-37, 15.1-27-39, 15.1-27-40, 15.1-28-03, 15.1-29-03, 15.1-29-04, and 15.1-29-12 of the North Dakota Century Code and section 37 of chapter 667 of the 2003 Session Laws, relating to school calendars, school boards, teacher qualifications, school district dissolutions, the school district equalization factor, weighting factors, supplemental payments, isolated schools, and tuition payments; to repeal sections 15.1-09-42, 15.1-12-11.1, and 15.1-12-11.2 of the North Dakota Century Code, relating to instructional conferences and reorganization bonus payments; to provide for transportation grants; to provide for contingent payments; to provide for teacher compensation; to provide for a report to the legislative council; to provide an appropriation; 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 31 YEAS, 13 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

YEAS: Andrist; Bowman; Brown; Christmann; Cook; Dever; Erbele; Espegard; Fischer; Flakoll; Freborg; Grindberg; Hacker; Holmberg; Kilzer; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lyson; Mutch; Nething; Schobinger; Stenehjerm; Syverson; Thane; Tollefson; Traynor; Trenbeath; Urlacher; Wardner

NAYS: Bercier; Every; Fairfield; Heitkamp; Krauter; Lindaas; Mathern; Nelson; O'Connell; Robinson; Taylor; Triplett; Warner

ABSENT AND NOT VOTING: Klein; Seymour; Tallackson

Reengrossed HB 1154, as amended, passed and the title was agreed to.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. HOLMBERG MOVED that the conference committee report on Engrossed HB 1013 as printed on SJ pages 1709-1715 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1013, as amended, was placed on the Fourteenth order.

SECOND READING OF HOUSE BILL

HB 1013: A BILL for an Act to provide an appropriation for defraying the expenses of the department of public instruction, the school for the deaf, North Dakota vision services - school for the blind, and the state library; to provide an appropriation to the division of independent study; to provide for the distribution of special education payments; to provide for a legislative council study; to provide a statement of legislative intent; to amend and reenact section 15.1-02-02 of the North Dakota Century Code, relating to the salary of the superintendent of public instruction; 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; Bercier; Bowman; Brown; Christmann; Cook; Dever; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heitkamp; Holmberg; Kilzer; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; O'Connell; Robinson; Schobinger; Stenehjem; Syverson; Taylor; Thane; Tollefson; Traynor; Trenbeath; Triplett; Urlacher; Wardner; Warner

ABSENT AND NOT VOTING: Klein; Seymour; Tallackson

Engrossed HB 1013, as amended, passed, the title was agreed to, and the emergency clause was declared carried.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. HOLMBERG MOVED that the conference committee report on Engrossed SB 2001 as printed on SJ pages 1700-1704 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2001, as amended, was placed on the Eleventh order.

SECOND READING OF SENATE BILL

SB 2001: A BILL for an Act providing an appropriation for defraying the expenses of the legislative branch of state government; to provide for governance of a legislative applications replacement system project; to provide for applications and transfers; to provide for a legislative council study; to amend and reenact section 54-03-20 of the North Dakota Century Code, relating to compensation of 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 33 YEAS, 11 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

YEAS: Andrist; Bercier; Bowman; Brown; Cook; Erbele; Espegard; Fischer; Flakoll; Freborg; Grindberg; Hacker; Holmberg; Kilzer; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Nelson; Nething; O'Connell; Stenehjem; Syverson; Taylor; Thane; Traynor; Trenbeath; Triplett; Urlacher; Wardner; Warner

NAYS: Christmann; Dever; Every; Fairfield; Heitkamp; Krauter; Mathern; Mutch; Robinson; Schobinger; Tollefson

ABSENT AND NOT VOTING: Klein; Seymour; Tallackson

Reengrossed SB 2001 passed, the title was agreed to, and the emergency clause was declared carried.

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

MR. SPEAKER: The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2001.

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

MR. SPEAKER: The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1013.

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: HB 1154.

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

MR. SPEAKER: Your signature is respectfully requested on: SB 2023.

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

MR. PRESIDENT: Your signature is respectfully requested on: HB 1035.

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

MR. PRESIDENT: The Speaker has signed: SB 2023.

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

MR. PRESIDENT: The House has adopted the conference committee report, subsequently passed, and the emergency clause failed to pass: SB 2001.

MOTION

SEN. STENEHJEM MOVED that the Senate stand at ease, which motion prevailed.

THE SENATE RECONVENED with President Dalrymple presiding.

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

MR. PRESIDENT: The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1015.

REPORT OF CONFERENCE COMMITTEE

HB 1015, as engrossed: Your conference committee (Sens. Stenehjem, Holmberg, O'Connell and Reps. Berg, Svedjan, Boucher) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1857-1862, adopt amendments as follows, and place HB 1015 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1857-1862 of the House Journal and pages 1548-1554 of the Senate Journal and that Engrossed House Bill No. 1015 be amended as follows:

Page 1, line 4, after the semicolon insert "to create and enact two new sections to House Bill No. 1286, as approved by the fifty-ninth legislative assembly, and a new section to Senate Bill No. 2012, as approved by the fifty-ninth legislative assembly, relating to open records requests and to interpretation of provisions relating to refunds of certain fuels taxes paid by native Americans;" and remove "section 4-28-08,"

Page 1, line 5, remove "subsection 6 of section 37-17.1-06, and" and replace "54-23.2-01, 54-52.1-06, and 57-40.6-12" with "4-01-21, 15.1-02-02, 15.1-06-06, 26.1-01-09, 27-02-02, 27-05-03, 49-01-05, 54-03-20, 54-09-05, 54-10-10, 54-11-13, 54-12-11, 54-44.1-06, 54-44.1-06.1, 57-01-04, and 57-40.6-02"

Page 1, line 6, after "Code" insert "and section 5 of House Bill No. 1518, section 12 of Senate Bill No. 2015, and section 20 of House Bill No. 1043, as approved by the fifty-ninth legislative assembly", after "to" insert "salaries of elected officials, school calendars, lodging reimbursement for members of the legislative assembly, preparation of the budget data, voter approval of imposition of fees for emergency services communication systems,", and replace "fund, the division of" with "levy, a legislative council study of the department of corrections and rehabilitation, and the effective date of streamlined sales tax agreement complying amendments; to repeal section 9 of Senate Bill No. 2015, as approved by the fifty-ninth legislative assembly, relating to composite schedules for teacher salaries; to provide for a legislative council study; to provide legislative intent; and to declare an emergency."

Page 1, remove lines 7 and 8

Page 1, line 24, replace "\$1,876,214" with "\$1,892,438"

Page 1, line 25, replace "(94,850)" with "12,350"

Page 2, line 4, replace "(\$312,926)" with "(\$221,950)"

Page 2, line 5, replace "(514,476)" with "(410,608)"

Page 2, line 6, replace "201,550" with "188,658"

Page 2, line 13, replace "13,512,017" with "13,495,793"

Page 2, line 14, replace "11,233,906" with "11,341,106"

Page 2, line 18, replace "27,316,061" with "27,407,037"

Page 2, line 19, replace "7,374,000" with "7,477,868"

Page 2, line 20, replace "19,942,061" with "19,929,169"

Page 3, line 11, replace "\$5,000,000 or such greater amount as may be available" with "\$6,800,000"

Page 3, replace lines 22 through 31 with:

"SECTION 10. AMENDMENT. Section 4-01-21 of the North Dakota Century Code, as amended by House Bill No. 1009, as approved by the fifty-ninth legislative assembly, is amended and reenacted as follows:

4-01-21. Salary of agriculture commissioner. The annual salary of the agriculture commissioner is ~~seventy-one~~seventy-two thousand ~~nine~~six hundred ~~seventy~~sixty-nine dollars through June 30, 2006, and ~~seventy-four~~seventy-five thousand ~~eight~~eighty-five hundred ~~forty-nine~~seventy-six dollars thereafter.

SECTION 11. AMENDMENT. Section 15.1-02-02 of the North Dakota Century Code, as amended by House Bill No. 1013, as approved by the fifty-ninth legislative assembly, is amended and reenacted as follows:

15.1-02-02. Salary. The annual salary of the superintendent of public instruction is ~~seventy-nine~~eighty thousand ~~seven~~five hundred ~~fifty-seven~~thirty-one dollars through June 30, 2006, ~~eighty-two~~and eighty-three thousand ~~nine~~seventy hundred ~~forty-seven~~fifty-three dollars thereafter.

SECTION 12. AMENDMENT. Section 15.1-06-06 of the North Dakota Century Code, as amended and reenacted by House Bill No. 1154, as approved by the fifty-ninth legislative assembly, is amended and reenacted as follows:

15.1-06-06. Approval of public and nonpublic schools. Each public and nonpublic school in this state offering elementary or secondary education to students must be approved by the superintendent of public instruction. Except as otherwise provided by law, the superintendent may not approve a school unless:

1. Each classroom teacher is licensed to teach by the education standards and practices board or approved to teach by the education standards and practices board;
2. Each classroom teacher is teaching only in those course areas or fields for which the teacher is licensed or for which the teacher has received an exception under section 2 of House Bill No. 1076, as approved by the fifty-ninth legislative assembly;
3. The students are offered all subjects required by law;and
4. ~~The school is in compliance with the calendar requirements set forth in section 15.1-06-04; and~~
5. The school is in compliance with all local and state health, fire, and safety laws.

SECTION 13. AMENDMENT. Section 26.1-01-09 of the North Dakota Century Code, as amended by House Bill No. 1010, as approved by the fifty-ninth legislative assembly, is amended and reenacted as follows:

26.1-01-09. Salary of commissioner. The annual salary of the commissioner is seventy thousand ~~five nine seven hundred thirty-nine~~ dollars through June 30, 2006, and ~~seventy-two seventy-three thousand eight five hundred sixty-one sixty-eight~~ dollars thereafter.

SECTION 14. AMENDMENT. Section 27-02-02 of the North Dakota Century Code, as amended by Senate Bill No. 2002, as approved by the fifty-ninth legislative assembly, is amended and reenacted as follows:

27-02-02. Salaries of justices of supreme court. The annual salary of each justice of the supreme court is one hundred ~~two three thousand ninety-six~~ eighty-seven dollars through June 30, 2006, and one hundred ~~six seven thousand one two hundred eighty ten~~ dollars thereafter. The chief justice of the supreme court is entitled to receive an additional ~~two three thousand nine hundred eighty-six~~ fifteen dollars per annum through June 30, 2006, and three thousand one hundred ~~five thirty-six~~ dollars per annum thereafter.

SECTION 15. AMENDMENT. Section 27-05-03 of the North Dakota Century Code, as amended by Senate Bill No. 2002, as approved by the fifty-ninth legislative assembly, is amended and reenacted as follows:

27-05-03. Salaries and expenses of district judges. The annual salary of each district judge is ~~ninety-three ninety-four thousand three two hundred ninety-one~~ ninety-eight dollars through June 30, 2006, and ~~ninety-seven ninety-eight thousand one hundred twenty seven~~ seventy dollars thereafter. Each district judge is entitled to travel expenses including mileage and subsistence while engaged in the discharge of official duties outside the city in which the judge's chambers are located. The salary and expenses are payable monthly in the manner provided by law. A presiding judge of a judicial district is entitled to receive an additional two thousand seven hundred ~~fifty two~~ seventy-nine dollars per annum; through June 30, 2006, and two thousand eight hundred ~~sixty two~~ ninety dollars thereafter.

SECTION 16. AMENDMENT. Section 49-01-05 of the North Dakota Century Code, as amended by House Bill No. 1008, as approved by the fifty-ninth legislative assembly, is amended and reenacted as follows:

49-01-05. Salary of commissioners. The annual salary of a commissioner is ~~seventy-one seventy-two thousand nine six hundred seventy sixty-nine~~ dollars through June 30, 2006, and ~~seventy-four seventy-five thousand eight five hundred forty nine~~ seventy-six dollars thereafter. All fees received or charged by any commissioner for any act or service rendered in any official capacity must be accounted for and paid over by the commissioner monthly to the state treasurer and must be credited to the general fund of the state.

SECTION 17. AMENDMENT. Section 54-03-20 of the North Dakota Century Code, as amended by section 1 of Senate Bill No. 2059 as approved by the fifty-ninth legislative assembly, is amended and reenacted as follows:

54-03-20. Compensation and expense reimbursement of members of the legislative assembly.

1. Each member of the legislative assembly is entitled to receive as compensation for services the sum of one hundred twenty-five dollars for each calendar day during any organizational, special, or regular legislative session and for each day that member attends a meeting of a legislative committee between the organizational session and the regular session as authorized by legislative rule.
2.
 - a. Each member of the legislative assembly is entitled to receive reimbursement for lodging, which may not exceed a maximum of nine hundred dollars per calendar month for lodging in state, at the rates and in the manner provided in section 44-08-04 for each calendar day during the period of any organizational, special, or regular session.
 - b. Notwithstanding subdivision a:

- (1) A member of the legislative assembly may elect to be reimbursed for less than the amount to which the legislator is entitled under this subsection by claiming the lesser amount on a voucher submitted with the receipt required by section 44-08-04.
 - (2) The legislative council may establish guidelines that may result in a reduced maximum reimbursement for a single dwelling in which two or more legislators share lodging and the total rent for that dwelling exceeds the amount to which a legislator is entitled under subdivision a.
3.
 - a. Members of the legislative assembly who receive reimbursement for lodging are also entitled to reimbursement for travel for not to exceed one round trip taken during any calendar week, or portion of a week, the legislative assembly is in session, between their residences and the place of meeting of the legislative assembly, at the rate provided for state employees with the additional limitation that reimbursement for travel by common carrier may be only at the cost of coach fare and may not exceed one and one-half times the amount the member would be entitled to receive as mileage reimbursement for travel by motor vehicle.
 - b. A member of the legislative assembly who does not receive reimbursement for lodging and whose place of residence in the legislative district that the member represents is not within the city of Bismarck is entitled to reimbursement at the rate provided for state employees for necessary travel for not to exceed one round trip taken per day between the residence and the place of meeting of the legislative assembly when it is in session and may receive reimbursement for lodging at the place of meeting of the legislative assembly as provided in section 44-08-04 for each calendar day for which round trip travel reimbursement is not claimed, provided that the total reimbursement may not exceed nine hundred dollars per month.
4. The amount to which each legislator is entitled must be paid following the organizational session in December and following each month during a regular or special session.
5. If during a special session, the legislative assembly adjourns for more than three days, a member of the legislative assembly is entitled to receive compensation during those days only while in attendance at a standing committee if the legislator is a member of that committee, a majority or minority leader, or a legislator who is not on that committee but who has the approval of a majority or minority leader to attend.
6. A day, or portion of a day, spent in traveling to or returning from an organizational, special, or regular session or a legislative committee meeting must be included as a calendar day during a legislative session or as a day of a legislative committee meeting for the purposes of this section.
7.
 - a. In addition, each member is entitled to receive during the term for which the member was elected, as compensation for the execution of public duties during the biennium, the sum of two hundred fifty dollars a month, which is payable every six months or monthly, at the member's option.
 - b. If a member dies or resigns from office during the member's term, the member may be paid only the allowances provided for in this section for the period for which the member was actually a member.
 - c. The majority and minority leaders of the house and senate and the chairman of the legislative council, if the chairman is not a majority or minority leader, are each entitled to receive as compensation, in addition to any other compensation or expense reimbursement provided by law, the sum of two hundred fifty dollars per month during the biennium for their execution of public duties.
8. Attendance at any organizational, special, or regular session of the legislative assembly by any member is a conclusive presumption of

entitlement as set out in this section and compensation and expense allowances must be excluded from gross income for income tax purposes to the extent permitted for federal income tax purposes under section 127 of the Economic Recovery Tax Act of 1981 [Pub. L. 97-34; 95 Stat. 202; 26 U.S.C. 162(i)].

SECTION 18. AMENDMENT. Section 54-09-05 of the North Dakota Century Code, as amended by House Bill No. 1002, as approved by the fifty-ninth legislative assembly, is amended and reenacted as follows:

54-09-05. Salary of secretary of state. The annual salary of the secretary of state is seventy thousand ~~five~~ ninety-seven hundred ~~thirty-nine~~ thirty-nine dollars through June 30, 2006, and ~~seventy-two~~ seventy-three thousand ~~eight~~ five hundred ~~sixty-one~~ sixty-eight dollars thereafter.

SECTION 19. AMENDMENT. Section 54-10-10 of the North Dakota Century Code, as amended by House Bill No. 1004, as approved by the fifty-ninth legislative assembly, is amended and reenacted as follows:

54-10-10. Salary of state auditor. The annual salary of the state auditor is seventy thousand ~~five~~ ninety-seven hundred ~~thirty-nine~~ thirty-nine dollars through June 30, 2006, ~~seventy-two~~ seventy-three thousand ~~eight~~ five hundred ~~sixty-one~~ sixty-eight dollars thereafter.

SECTION 20. AMENDMENT. Section 54-11-13 of the North Dakota Century Code, as amended by House Bill No. 1005, as approved by the fifty-ninth legislative assembly, is amended and reenacted as follows:

54-11-13. Salary of state treasurer. The annual salary of the state treasurer is sixty-six thousand ~~one~~ eight hundred ~~sixty-two~~ two dollars through June 30, 2006, and ~~sixty-eight~~ sixty-nine thousand ~~eight~~ four hundred ~~six~~ seventy-four dollars thereafter.

SECTION 21. AMENDMENT. Section 54-12-11 of the North Dakota Century Code, as amended by House Bill No. 1003, as approved by the fifty-ninth legislative assembly, is amended and reenacted as follows:

54-12-11. Salary of attorney general. The annual salary of the attorney general is ~~seventy-six~~ seventy-seven thousand ~~nine~~ six hundred ~~eight~~ fifty-five dollars through June 30, 2006, and ~~seventy-nine~~ eighty thousand ~~nine~~ seven hundred ~~eighty-four~~ sixty-one dollars thereafter.

SECTION 22. AMENDMENT. Section 54-44.1-06 of the North Dakota Century Code, as effective after June 30, 2005, is amended and reenacted as follows:

54-44.1-06. (Effective after June 30, 2005) Preparation of the budget data - Contents. The director of the budget, through the office of the budget, shall prepare budget data which must contain and include the following:

1. Summary statements of the financial condition of the state, accompanied by the detailed schedules of assets and liabilities as the director of the budget determines desirable, which must include the following:
 - a. Summary statements of fund balances and assets showing in detail for each fund the surplus or deficit at the beginning of each of the two fiscal years of the previous biennium and the first fiscal year of the present biennium, the actual revenue for those years, the total appropriations for the previous and present biennium, and the total expenditures for those fiscal years; and
 - b. Similar summary statements of the estimated fund balances and assets for the current fiscal year and each of the fiscal years of the next biennium.

Summary statements may include a comparative consolidated balance sheet showing all the assets and liabilities of the state and the surplus or deficit, as the case may be, at the close of the first fiscal year of the current biennium.

2. Statements of actual revenue for the previous biennium, the first year of the present biennium, and the estimated revenue of the current fiscal year and of the next biennium, and a statement of unappropriated surplus expected to have accrued in the state treasury at the beginning of the next fiscal year. The statement of unappropriated surplus for the general fund must reflect any projected deficiency appropriations relating to expenditures from the general fund for the present biennium. The statements of revenue and estimated revenue must be classified by sources and by budget unit collecting them. Existing sources of revenue must be analyzed as to their equity, productivity, and need for revision, and any proposed new sources of revenue must be explained.
3. Summary statements of expenditures of the previous biennium and first year of the present biennium, itemized by budget units and classified as prescribed by the director of the budget.
4. Detailed comparative statements of expenditures and requests for appropriations by funds, budget units and classification of expenditures, showing the expenditures for the previous biennium, the first fiscal year of the present biennium, the budget of the current biennium, and the governor's recommendation for appropriations for each budget unit for the next biennium, all distributed according to the prescribed classification of expenditures. Following the lists of actual and proposed expenditures of each budget unit there must be a brief explanation of the functions of the unit and comments on its policies and plans and on any considerable differences among the amounts recommended, with any descriptive, quantitative, comparative, and other data as to work done, unit costs, and like information as may be considered necessary or desirable. For capital outlay expenditures involving construction projects to be completed in two or more fiscal years, there must be shown the total estimated cost of each such project and the amount thereof recommended to be appropriated and expended in each ensuing fiscal year until completion of the project. Capital outlay needs may be projected for at least two years beyond the period covered by the budget.
5. A detailed statement showing the estimate of all moneys required to be raised or appropriated for the payment of interest upon the funded debt of the state and its other obligations bearing interest, and the amount of money required to be contributed in the two next ensuing fiscal years to the general sinking funds maintained for the redemption and payment of the debts of the state.
6. A summary statement of the unappropriated fund balance estimated to be available at the beginning of the next biennium, and the estimated revenue of the next biennium, as compared with the total recommended amounts of appropriation for all classes of expenditures for the next biennium, and if the total of the recommended expenditures exceeds the total of the estimated resources, recommendations as to how the deficiency is to be met and estimates of any proposed additional revenue.
7. Drafts of a proposed ~~general appropriations act and special~~ appropriations acts for executive branch departments, agencies, and institutions, including institutions of higher education, providing the same funding as approved by the most recently adjourned special or regular session of the legislative assembly and amendments to the drafts of appropriations acts embodying the budget data and recommendations of the governor for appropriations for the next biennium and drafts of such revenues and other acts recommended by the governor for putting into effect the proposed financial plan. ~~The recommended general appropriation for each budget unit must be specified in a separate section of the general appropriations act.~~
8. A list of every individual asset or service, excluding real estate, with a value of at least fifty thousand dollars and every group of assets and services comprising a single system with a combined value of at least fifty thousand dollars acquired through a capital or operating lease arrangement or debt financing arrangement by a state agency or institution. The list must include assets or services acquired in the current biennium and anticipated assets or services to be acquired in the next biennium.

9. A financial plan for a prospective period of six years, including the executive budget recommendation for the next biennium, estimates of anticipated general fund and non-general fund revenues prepared for an additional period of four years, and estimates of the general fund and non-general fund appropriations required for each major program for an additional period of four years. In preparing the financial plan, the office of management and budget may utilize estimates prepared by state agencies or such other information as may be deemed necessary.
10. Any other information as the director of the budget determines desirable or as is required by law.

SECTION 23. AMENDMENT. Section 54-44.1-06.1 of the North Dakota Century Code is amended and reenacted as follows:

54-44.1-06.1. Contents of capital construction bill. The office of management and budget shall continue to prepare capital construction budgets and a capital construction bill. ~~All future~~ The capital construction bill may only include projects involving bonding. All other capital projects funded with general fund moneys or special funds must be included in draft amendments to the appropriate agency's appropriation bill.

SECTION 24. AMENDMENT. Section 57-01-04 of the North Dakota Century Code, as amended by House Bill No. 1006, as approved by the fifty-ninth legislative assembly, is amended and reenacted as follows:

57-01-04. Salary. The annual salary of the state tax commissioner is ~~seventy-six thousand thirty-six~~ seventy-four thousand seven hundred dollars through June 30, 2006, and ~~seventy-nine thousand seventy-seven~~ eight hundred forty-five dollars thereafter.

SECTION 25. AMENDMENT. Section 57-40.6-02 of the North Dakota Century Code is amended and reenacted as follows:

57-40.6-02. Authority of counties or cities to impose fee on telephone exchange access service and on wireless service - Procedure. The governing body of a county or city may impose a fee on the use of telephone exchange access service and on the use of wireless service in accordance with the following requirements:

1. The governing body shall adopt a resolution that proposes the adoption of the fee permitted under this section. The resolution must specify an effective date for the fee which is no more than two years before the expected implementation date of the emergency services communication system to be funded by the fee. The resolution must include a provision for submitting the proposed fee to the electors of the county or city before the imposition of the fee is effective. The resolution must specify a fee that does not exceed one dollar per month per telephone access line and per wireless access line.
2. The question of the adoption of the fee must be submitted on a ballot on which the ballot title of the proposition includes the maximum monthly rate of the proposed fee authorized under subsection 1. The question of the adoption of the fee may be submitted to electors at a general, primary, or special election or at a school district election if the boundaries of the school district are coterminous with the boundaries of the governing body adopting the resolution proposing the adoption of the fee. The fee is not effective unless it is approved by a majority of the electors voting on the proposition. The ballot must be worded so that a "yes" vote authorizes imposition of the fee for an initial six-year period.
3. If the electors have approved imposition of a fee under this section before July 1, 2005, and the governing body of the city or county has not implemented that fee by June 30, 2005, the approval by the electors remains valid until the fee is implemented and, upon implementation, the fee may be imposed for a six-year period and is subject to reimposition under subsection 4.
4. Any political subdivision that desires to increase the fee, subject to the limitations in subsection 1, before the end of the six-year term, must use

the same ballot procedure originally used to authorize the fee. The new ballot question may apply to only the proposed increase and not to the original amount or the original term. If the increase is approved, the new amount may be collected for the balance of the original six-year term. If the fee authorized by this section is approved by the electors, the fee may be reimposed for six additional years without resubmitting the question to the electors.

- 4- 5. In any geographic area, only one political subdivision may impose the fee and imposition must be based on the subscriber service address.
- 5- 6. In the interest of public safety, where the subscriber's telephone exchange access service boundary and the boundary of the political subdivision imposing the fee do not coincide, and where all of the political subdivisions within the subscriber's telephone exchange access service boundary have not complied with subsection 1, and where a majority of the E911 subscribers within the subscriber's telephone exchange access service boundary have voted for the fee, a telephone exchange access service subscriber whose subscriber service address is outside the political subdivision may receive E911 services by signing a contract agreement with the political subdivision providing the emergency services communications system. The telephone exchange access service provider may collect an additional fee, equal in amount to the basic fee on those subscribers within the exchange boundary. The additional fee amounts collected must be remitted as provided in this chapter.
- 6- 7. A fee imposed under this section before August 1, 2001, may be extended to all wireless service at each subscriber service address within the area in which the fee is imposed only if that extension of the fee has been approved by a majority vote of the governing body of the city or county upon at least thirty days' prior notice in the official newspaper of the city or county that the governing body will consider the issue or by majority vote of the electors of the city or county voting on the question upon placement of the question on the ballot by the governing body of the city or county at a regular or special city or county election.

SECTION 26. AMENDMENT. Section 5 of House Bill No. 1518, as approved by the fifty-ninth legislative assembly, is amended and reenacted as follows:

SECTION 5. EFFECTIVE DATE. The increase in the levy imposed by section 2 of this Act applies to all sales occurring on and after ~~the day of the next calendar quarter occurring at least thirty days after the effective date of this Act~~ July 1, 2005.

SECTION 27. REPEAL. Section 9 of Senate Bill No. 2015, as approved by the fifty-ninth legislative assembly, is repealed.

SECTION 28. LEGISLATIVE COUNCIL - STATE EMPLOYEE COMPENSATION STUDY. The legislative council shall study, during the 2005-06 interim, issues related to state employee compensation. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixtieth legislative assembly. The study must include the following issues, which do not limit the scope of the legislative council's study of the state employee compensation system:

1. Total state employee compensation, including wages and salaries, annual leave, pay grades, classification, disaster or emergency services volunteers' leave, employee assistance program benefits, family and medical leave, funeral leave, holidays, hours of work, jury and witness leave, leave without pay, the merit system, military leave, overtime compensation, retirement benefits, health insurance benefits, severance pay, sick leave, benefits for temporary employees, time off to vote, and veterans' preferences.
2. The human resources system, including the development and determination of pay grades, classifications, and the relevance and appropriateness of utilizing information from the central states compensation association and job service North Dakota, as opposed to intrastate private sector employers in determining appropriate compensation levels and job classifications.

3. Retirement benefits.
4. Health insurance benefits, including the availability of health savings accounts, self-insurance, healthy lifestyle incentives, and the appropriateness of current health insurance benefits.
5. The feasibility and desirability of implementing equity pay, merit pay, and pay for performance compensation systems.

SECTION 29. LEGISLATIVE COUNCIL STUDY - DEPARTMENT OF CORRECTIONS AND REHABILITATION EMPLOYEE SALARIES. The legislative council shall consider studying, during the 2005-06 interim, employee salaries of the department of corrections and rehabilitation. The study must include:

1. Input from the office of management and budget human resource management services division regarding a salary comparison of the department's employees to market, the impact on the salary comparison of the salary increases and equity adjustments authorized for the 2005-07 biennium, and a review of the same information from 1995 through 2005, including a comparison of the salaries for the department of corrections and rehabilitation employees to market and any salary increases and equity adjustments provided during that time.
2. Input from the department of corrections and rehabilitation regarding employee salary increases provided by job classification from 1995 through 2005, employee turnover by job classification, salary equity funding requested and provided, and other relevant information.
3. A review by the legislative council of reasons relating to the divergence of salaries for the department of corrections and rehabilitation employees from market, including the related impact of demands on the department's budget due to growth in inmate populations, increase in contract housing of inmates, budget reductions, and agency turnback.

The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixtieth legislative assembly.

SECTION 30. LEGISLATIVE INTENT - RESTORATION OF PILLARS IN THE MEMORIAL HALL. It is the intent of the fifty-ninth legislative assembly that the office of management and budget restore the pillars in the memorial hall of the state capitol prior to December 1, 2006.

SECTION 31. HIGHWAY FUND TRANSFER TO SPECIAL ROAD FUND. The department of transportation shall transfer from the state highway fund to the special road fund the amount necessary to provide \$500,000 in the special road fund for projects, for the biennium beginning July 1, 2005, and ending June 30, 2007.

SECTION 32. TRANSFER. During the biennium beginning July 1, 2005, and ending June 30, 2007, the director of the office of management and budget shall transfer \$55,300,000 from the permanent oil tax trust fund to the general fund.

SECTION 33. APPROPRIATION - JUDICIAL BRANCH. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$114,925, or so much of the sum as may be necessary, to the judicial branch for the purpose of providing additional compensation to elected judges and justices, for the biennium beginning July 1, 2005, and ending June 30, 2007.

SECTION 34. APPROPRIATION - NORTH DAKOTA VISION SERVICES - SCHOOL FOR THE BLIND. There is appropriated out any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$20,000, or so much of the sum as may be necessary, to the North Dakota vision services - school for the blind for the purpose of providing additional funding for temporary salaries, for the biennium beginning July 1, 2005, and ending June 30, 2007.

SECTION 35. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, for the biennium beginning July 1, 2005, and ending June 30, 2007, such amounts as may be necessary, but not to exceed the additional general fund revenues that will become available

pursuant to the sale of oil put options as provided for in section 1 of chapter 491 of the 2003 Session Laws, to the office of management and budget to purchase oil put options through the state investment board.

SECTION 36. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$65,000, or so much of the sum as may be necessary, to the department of human services for providing additional incentive money to the Lake Region child support enforcement unit, for the biennium beginning July 1, 2005, and ending June 30, 2007.

SECTION 37. APPROPRIATION - LEGISLATIVE ASSEMBLY. There is appropriated out of any moneys in the water development trust fund in the state treasury, not otherwise appropriated, the sum of \$20,000, or so much of the sum as may be necessary, to the legislative assembly for the purpose of paying North Dakota's contribution to the legislators' forum for Manitoba, Minnesota, North Dakota, and South Dakota, for the biennium beginning July 1, 2005, and ending June 30, 2007.

SECTION 38. Two new sections to House Bill No. 1286, as approved by the fifty-ninth legislative assembly, are created and enacted as follows:

SECTION 13. EFFECTIVE DATE. Section 7 of this Act is effective for records requests made after December 31, 2004.

SECTION 14. EMERGENCY. This Act is declared to be an emergency measure.

SECTION 39. A new section to Senate Bill No. 2012, as approved by the fifty-ninth legislative assembly, is created and enacted as follows:

LEGISLATIVE INTENT REGARDING INTERPRETATION. Sections 13 and 16 of this Act may not be construed to preclude claims for motor vehicle and special fuel tax refunds by tribal members or tribal entities for taxes on purchases made before January 1, 2005.

SECTION 40. AMENDMENT. Section 20 of House Bill No. 1043, as approved by the fifty-ninth legislative assembly, is amended and reenacted as follows:

SECTION 20. EFFECTIVE DATE - EXPIRATION DATE. Section 13 of this Act is effective for taxable events occurring from ~~January 1, 2006~~ October 1, 2005, through June 30, 2007, and is thereafter ineffective. The remainder of this Act is effective for taxable events occurring after ~~December 31~~ September 30, 2005.

SECTION 41. AMENDMENT. Section 12 of Senate Bill No. 2015, as approved by the fifty-ninth legislative assembly, is amended and reenacted as follows:

SECTION 12. LEGISLATIVE COUNCIL STUDY - STRATEGIC PLAN FOR DEPARTMENT OF CORRECTIONS AND REHABILITATION'S INCARCERATION AND CORRECTIONAL FACILITY NEEDS.

1. The legislative council shall appoint an interim committee, during the 2005-06 interim, to develop a legislative strategic plan, including site and facilities' plans, for the department of corrections and rehabilitation's incarceration and correctional facility needs.
2. ~~The legislative council shall appoint a minimum of ten members of the house of representatives and a minimum of five members of the senate. The legislative council shall appoint the chairman of the appropriations committee of the house of representatives or the senate or the assistant majority leader of the house of representatives or the senate as the chairman of the committee.~~
3. The committee shall:
 - a. Receive information from the department of corrections and rehabilitation, regional authorities with regional corrections centers, counties with county jails, cities with city jails, corporations operating private correctional facilities, and others the committee considers necessary to develop a strategic plan

for the state's incarceration and correctional facility needs for the next twenty years.

- b. Consider using existing facilities; other available state facilities; and county, local, or private facilities.
 - c. Consider any cost and benefits of replacing all or parts of existing correctional facilities or other state property with a modern all-encompassing facility.
 - d. Consider state-operated facilities compared to contract-operated state facilities.
 - e. Consider contracting with a private entity to provide all or part of the state's correctional and rehabilitation needs.
 - f. Consider the impact to the department of corrections and rehabilitation of changing sentencing guidelines, increasing fines as an alternative to incarceration for nonviolent or minor drug offenders, and utilizing alternatives to incarceration and treatment programs, including receiving information regarding the efficiency of treatment programs.
 - g. Develop a strategic plan based on the information received by the committee.
- 4- 3. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixtieth legislative assembly.

SECTION 42. DEPARTMENT OF HUMAN SERVICES - STATE HOSPITAL EMPLOYEE POSITIONS. The fifty-ninth Legislative Assembly authorizes up to twenty-one additional full-time equivalent employee positions at the state hospital relating to the provisions of Senate Bill No. 2373, subject to approval by the emergency commission and the budget section.

SECTION 43. LAKE REGION STATE COLLEGE NORTH HALL. Lake region state college is authorized to change the scope of the project approved by the 2003 legislative assembly to allow for the renovation of the north hall residence facility to include complete remodeling of the entire facility.

SECTION 44. UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES - PERFORMANCE AUDIT. Notwithstanding North Dakota Century Code section 54-10-01, the state auditor may not conduct a performance audit during the 2005-07 biennium of the university of North Dakota school of medicine and health sciences until the completion of the school's accreditation process.

SECTION 45. EMERGENCY. Section 38 of this Act and section 8 of Senate Bill No. 2012, as approved by the fifty-ninth legislative assembly, is declared to be an emergency measure."

Page 4, remove lines 1 through 30

Page 5, remove lines 1 through 30

Page 6, remove lines 1 through 5

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1015 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Office of Management and Budget						
Total all funds	\$33,952,969	\$27,316,061	\$90,976	\$27,407,037	\$27,407,037	\$0
Less estimated income	<u>11,683,281</u>	<u>7,374,000</u>	<u>103,868</u>	<u>7,477,868</u>	<u>7,477,868</u>	

General fund	\$22,269,688	\$19,942,061	(\$12,892)	\$19,929,169	\$19,929,169	\$0
Legislative Assembly						
Total all funds	\$0	\$100,000	(\$80,000)	\$20,000	\$100,000	(\$80,000)
Less estimated income			20,000	20,000		20,000
General fund	\$0	\$100,000	(\$100,000)	\$0	\$100,000	(\$100,000)
Judicial Branch						
Total all funds	\$0	\$0	\$114,925	\$114,925	\$0	\$114,925
Less estimated income						
General fund	\$0	\$0	\$114,925	\$114,925	\$0	\$114,925
Vision Services - School for the Blind						
Total all funds	\$0	\$0	\$20,000	\$20,000	\$0	\$20,000
Less estimated income						
General fund	\$0	\$0	\$20,000	\$20,000	\$0	\$20,000
DHS - Program/Policy						
Total all funds	\$0	\$0	\$65,000	\$65,000	\$0	\$65,000
Less estimated income						
General fund	\$0	\$0	\$65,000	\$65,000	\$0	\$65,000
Bill Total						
Total all funds	\$33,952,969	\$27,416,061	\$210,901	\$27,626,962	\$27,507,037	\$119,925
Less estimated income	11,683,281	7,374,000	123,868	7,497,868	7,477,868	20,000
General fund	\$22,269,688	\$20,042,061	\$87,033	\$20,129,094	\$20,029,169	\$99,925

House Bill No. 1015 - Office of Management and Budget - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$13,558,925	\$13,512,017	(\$16,224)	\$13,495,793	\$13,495,793	
Operating expenses	11,233,906	11,233,906	107,200	11,341,106	11,341,106	
Capital assets	2,644,000	844,000		844,000	844,000	
Grants	179,000	389,000		389,000	389,000	
Prairie Public Broadcasting	1,337,138	1,337,138		1,337,138	1,337,138	
Statewide equity pool	5,000,000					
Total all funds	\$33,952,969	\$27,316,061	\$90,976	\$27,407,037	\$27,407,037	\$0
Less estimated income	11,683,281	7,374,000	103,868	7,477,868	7,477,868	
General fund	\$22,269,688	\$19,942,061	(\$12,892)	\$19,929,169	\$19,929,169	\$0
FTE	130.50	130.50	0.00	130.50	130.50	0.00

Dept. 110 - Office of Management and Budget - Detail of Conference Committee Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE ¹	PROVIDES AUTHORITY FOR SERVER HOSTING SERVICES AND HOMELAND SECURITY ²	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	(\$16,224)		(\$16,224)
Operating expenses		\$107,200	107,200
Capital assets			
Grants			
Prairie Public Broadcasting			
Statewide equity pool			
Total all funds	(\$16,224)	\$107,200	\$90,976
Less estimated income	(3,332)	107,200	103,868
General fund	(\$12,892)	\$0	(\$12,892)
FTE	0.00	0.00	0.00

¹ This amendment reduces funding for state employee health insurance premiums from \$559.15 to \$553.95 per month.

² The conference committee agreed with the Senate amendment to add \$107,200 of funding from a homeland security grant to risk management for the cost of server hosting services at the Information Technology Department.

The conference committee agreed with the Senate amendments relating to the following:

- Amends North Dakota Century Code (NDCC) Section 54-03-20 providing for a member of the Legislative Assembly to elect to be reimbursed for less than the amount to which the legislator is entitled.

- Amends NDCC Section 54-44.1-06 providing that appropriation bills prepared by the Office of Management and Budget provide the same funding as approved by the most recently adjourned special or regular session of the Legislative Assembly, with amendments presented to reflect the executive recommendation. This amendment also provides for the Office of Management and Budget to provide the Legislative Assembly with estimated budget information for an additional four-year period beyond the two-year period covered by the executive recommendation.
- In addition, the Senate amended NDCC Section 54-44.1-06.1 to provide that the capital construction bill include only projects involving bonding and that all other capital projects be included in draft amendments to the appropriate agency's appropriations bill.
- Repeals Section 9 of 2005 Senate Bill No. 2015 relating to preparation of future composite schedules for teacher salaries.
- Removes the section which would have required the North Dakota Wheat Commission to submit a budget request to the Legislative Assembly.
- Provides for a Legislative Council study of employee salaries for the Department of Corrections and Rehabilitation.

House Bill No. 1015 - Legislative Assembly - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Operating expenses			\$20,000	\$20,000		\$20,000
Capital assets		\$100,000	(\$100,000)		\$100,000	(100,000)
Total all funds	\$0	\$100,000	(\$80,000)	\$20,000	\$100,000	(\$80,000)
Less estimated income			20,000	20,000		20,000
General fund	\$0	\$100,000	(\$100,000)	\$0	\$100,000	(\$100,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Dept. 150 - Legislative Assembly - Detail of Conference Committee Changes

	REMOVES FUNDING FOR MEETING ROOM REMODELING PROJECT ¹	ADDS FUNDING FOR LEGISLATORS' FORUM ²	TOTAL CONFERENCE COMMITTEE CHANGES
Operating expenses		\$20,000	\$20,000
Capital assets	(\$100,000)		(100,000)
Total all funds	(\$100,000)	\$20,000	(\$80,000)
Less estimated income		20,000	20,000
General fund	(\$100,000)	\$0	(\$100,000)
FTE	0.00	0.00	0.00

¹ The conference committee removed the funding for the meeting room remodeling project.

² The conference committee added a section appropriating \$20,000 from the water development trust fund to the Legislative Assembly for paying North Dakota's contribution to the Legislators' Forum.

House Bill No. 1015 - Judicial Branch - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages			\$114,925	\$114,925		\$114,925
Total all funds	\$0	\$0	\$114,925	\$114,925	\$0	\$114,925
Less estimated income						
General fund	\$0	\$0	\$114,925	\$114,925	\$0	\$114,925
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Dept. 180 - Judicial Branch - Detail of Conference Committee Changes

	PROVIDES FUNDING FOR PROVIDING SALARY INCREASES TO JUDGES ¹	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	<u>\$114,925</u>	<u>\$114,925</u>
Total all funds	\$114,925	\$114,925
Less estimated income	_____	_____
General fund	\$114,925	\$114,925
FTE	0.00	0.00

¹ The conference committee provided an appropriation from the general fund for the increased cost to the judicial branch of providing judges and justices a 4 percent salary increase for each year of the biennium rather than a 3 percent for the first year and 4 percent the second year.

House Bill No. 1015 - Vision Services - School for the Blind - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	_____	_____	<u>\$20,000</u>	<u>\$20,000</u>	_____	<u>\$20,000</u>
Total all funds	\$0	\$0	\$20,000	\$20,000	\$0	\$20,000
Less estimated income	_____	_____	_____	_____	_____	_____
General fund	\$0	\$0	\$20,000	\$20,000	\$0	\$20,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Dept. 253 - Vision Services - School for the Blind - Detail of Conference Committee Changes

	ADDS FUNDING FOR TEMPORARY SALARIES ¹	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	<u>\$20,000</u>	<u>\$20,000</u>
Total all funds	\$20,000	\$20,000
Less estimated income	_____	_____
General fund	\$20,000	\$20,000
FTE	0.00	0.00

¹ The conference committee provided a \$20,000 general fund appropriation to North Dakota Vision Services - School for the Blind for providing additional funding for temporary salaries.

House Bill No. 1015 - DHS - Program/Policy - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Operating expenses	_____	_____	<u>\$65,000</u>	<u>\$65,000</u>	_____	<u>\$65,000</u>
Total all funds	\$0	\$0	\$65,000	\$65,000	\$0	\$65,000
Less estimated income	_____	_____	_____	_____	_____	_____
General fund	\$0	\$0	\$65,000	\$65,000	\$0	\$65,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Dept. 328 - DHS - Program/Policy - Detail of Conference Committee Changes

	ADDS FUNDING FOR INCENTIVE MONEY ¹	TOTAL CONFERENCE COMMITTEE CHANGES
Operating expenses	<u>\$65,000</u>	<u>\$65,000</u>
Total all funds	\$65,000	\$65,000
Less estimated income	_____	_____
General fund	\$65,000	\$65,000
FTE	0.00	0.00

¹ The conference committee provided an appropriation to the Department of Human Services for providing additional incentive money to the Lake Region child support enforcement unit.

The conference committee made the following changes:

- Adds sections making the statutory changes to provide elected officials, except the Governor and Lieutenant Governor, a 4 percent salary increase for each year of the biennium. An appropriation section is added providing \$114,925 from the general fund for the increased cost to the judicial branch of providing judges and justices a 4 percent salary increase for each year of the biennium rather than 3 percent for the first year and 4 percent for the second year.
- Adds a section providing a transfer from the permanent oil tax trust fund to the general fund.
- Adds a section requiring the Department of Transportation to transfer funds from the state highway fund to a special road fund to make available \$500,000 in the special road fund for projects during the 2005-07 biennium.
- Provides for a transfer of \$6,800,000 from the lands and minerals trust fund to the general fund. The Senate amendment limited the transfer to \$5,000,000.
- Removes sections relating to the transfer of State Radio to the Division of Emergency Management.
- Provides intent for the Office of Management and Budget to restore the pillars in Memorial Hall.
- Creates two new sections to House Bill No. 1286 relating to open records request and to declare an emergency.
- Provides for Legislative Council study of state employee compensation.
- Changes the effective date for the increase in the wheat tax levy.
- Amends Section 12 of 2005 Senate Bill No. 2015 relating to a Legislative Council study of the Department of Corrections and Rehabilitation.
- Amends Section 20 of 2005 House Bill No. 1043 relating to the effective date of streamlined sales tax agreement complying amendments.
- Authorizes change in the scope of the North Hall renovation project at Lake Region State College.
- Adds a section allowing the Office of Management and Budget to purchase oil put options.
- Amends Section 57-40.6-02 relating to voter approval of imposition of fees for emergency services communication systems.
- Amends Section 15.1-06-06 relating to the approval of public and nonpublic schools.
- A section is added making section 8 of Senate Bill No. 2012, the Department of Transportation bill, relating to issuing bonds for the United States Highway 2 and Liberty Memorial Bridge projects an emergency.
- A section is added providing that the State Auditor's office may not conduct a performance audit of the University of North Dakota School of Medicine and Health Sciences until the completion of the school's accreditation process.
- A section is added providing a \$20,000 general fund appropriation to Vision Services - School for the Blind for providing additional funding for temporary salaries.
- A section is added providing legislative intent regarding fuels tax refund by Native Americans.

Engrossed HB 1015 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. HOLMBERG MOVED that the conference committee report on Engrossed HB 1015 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1015, as amended, was placed on the Fourteenth order.

SECOND READING OF HOUSE BILL

HB 1015: A BILL for an Act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; to provide for various transfers and financial transactions; to provide an exemption from the provisions of section 54-44.1-11 of the North Dakota Century Code; to create and enact two new sections to House Bill No. 1286, as approved by the fifty-ninth legislative assembly, and a new section to Senate Bill No. 2012, as approved by the fifty-ninth legislative assembly, relating to open records requests and to interpretation of provisions relating to refunds of certain fuels taxes paid by native Americans; to amend and reenact sections 4-01-21, 15.1-02-02, 15.1-06-06, 26.1-01-09, 27-02-02, 27-05-03, 49-01-05, 54-03-20, 54-09-05, 54-10-10, 54-11-13, 54-12-11, 54-44.1-06, 54-44.1-06.1, 57-01-04, and 57-40.6-02 of the North Dakota Century Code and section 5 of House Bill No. 1518, section 12 of Senate Bill No. 2015, and section 20 of House Bill No. 1043, as approved by the fifty-ninth legislative assembly, relating to salaries of elected officials, school calendars, lodging reimbursement for members of the legislative assembly, preparation of the budget data, voter approval of imposition of fees for emergency services communication systems, the state wheat commission levy, a legislative council study of the department of corrections and rehabilitation, and the effective date of streamlined sales tax agreement complying amendments; to repeal section 9 of Senate Bill No. 2015, as approved by the fifty-ninth legislative assembly, relating to composite schedules for teacher salaries; to provide for a legislative council study; to provide legislative intent; 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; Bercier; Bowman; Brown; Christmann; Cook; Dever; Erbele; Espgaard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Hacker; Heitkamp; Holmberg; Kilzer; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nothing; O'Connell; Robinson; Schobinger; Stenehjem; Syverson; Taylor; Thane; Tollefson; Traynor; Trenbeath; Triplett; Urlacher; Wardner; Warner

ABSENT AND NOT VOTING: Klein; Seymour; Tallackson

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

MOTION

SEN. CHRISTMANN MOVED moved that HB 1015 be messaged to the House immediately, which motion prevailed.

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

MR. SPEAKER: The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1015.

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

MR. SPEAKER: The Senate has not adopted the conference committee report on: SB 2188.

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

MR. SPEAKER: The Senate has reconsidered its action whereby it did not concur with the House amendments to SB 2188 and wishes to inform you that the Senate does now concur with the House amendments to SB 2188 and subsequently passed the same. Also, the Senate has dissolved the Senate Conference Committee on SB 2188.

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

MR. SPEAKER: Your signature is respectfully requested on: SB 2188.

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

MR. PRESIDENT: The Speaker has signed: SB 2188.

MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)
MR. PRESIDENT: Your signature is respectfully requested on: HB 1015.

MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)
MR. PRESIDENT: Your signature is respectfully requested on: HB 1013, HB 1154.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)
MR. SPEAKER: Your signature is respectfully requested on: SB 2001.

MOTION

SEN. CHRISTMANN MOVED that the President appoint a committee of three to notify the House that the Senate has completed its business and is about to adjourn, which motion prevailed.

PRESIDENT DALRYMPLE APPOINTED as such committee, Sens. Cook, Urlacher, and Warner.

MOTION

SEN. CHRISTMANN MOVED that the President appoint a committee of three to notify the Governor that the Senate has completed its business and is about to adjourn, which motion prevailed.

PRESIDENT DALRYMPLE APPOINTED as such committee, Sens. Krebsbach, Flakoll, and Nelson.

MOTION

SEN. CHRISTMANN MOVED that the Senate stand at ease, which motion prevailed.

THE SENATE RECONVENED with President Dalrymple presiding.

REQUEST

SEN. COOK REQUESTED that the committee appointed to notify the House that the Senate has completed its business and is about to adjourn be discharged, as it had completed its task, which request was granted.

REQUEST

SEN. KREBSBACH REQUESTED that the committee appointed to notify the Governor that the Senate has completed its business and is about to adjourn be discharged, as it had completed its task, which request was granted.

REMARKS OF MAJORITY LEADER STENEHJEM

Mr. President and Fellow Senators: When we convened in January we found our state in very good shape. Although it's always easier to begin a legislative session knowing that we have some available funds, we also know that there will be a great demand on those funds and we are always accountable to the taxpayers of North Dakota. I am proud that we've been able to do some very good work for the people of North Dakota.

Our young people are our greatest resource. We've given our schools over \$32 million dollars so they can continue the excellent job of educating our kids. And we've increased funding to our colleges and universities over \$25 million.

What kind of society would we be if we did not take care of those in greatest need? Our human services budget is large, but the need is also great. We've increased funding to those essential services over \$71 million dollars.

We've enacted laws that make it harder to cook illegal drugs that poison our people and clog our prison system.

Our state employees are second to none and we've been able to increase their pay 4% for each of the next two years. Our employees at the Department of Corrections deal with issues every day that we can barely comprehend. Although I think many of us would have liked to do more, we've at least taken a step toward equity pay for these dedicated folks.

We've passed legislation to encourage the development of alternative energy in North Dakota. Ethanol and bio diesel are not only fuels of the future, they also help our farmers today. Our prairie winds are another commodity ripe for harvest so we created a transmission authority and increased the property tax break on wind towers.

None of this could have been accomplished without your tireless dedication and the commitment of our staff. Thank you to the Legislative Council, front desk and office staff,

pages, committee Clerks, sergeants-at-arms and all the other employees of the Senate. We couldn't function without you. I'd also like to thank the employees who take care of this beautiful building. We all know that a legislative season puts additional strain on our facilities and increases the work load for the staff. They take it in stride, always with a smile. Thank you also to our state agencies for their consistent cooperation as we worked through this process.

Thank you to my caucus for the faith you have put in me by allowing me to serve as your Majority Leader. It is truly an honor and an experience that I will never forget. You are an outstanding group of people and I am humbled to serve you. A special Thanks to Senator Randy Christmann, Assistant Majority Leader; Senator Duane Mutch, Dean of the Senate; and Senator Jerry Klein, Caucus Leader. And to our presiding officers, Lieutenant Governor Jack Dalrymple and Senator Tony Grindberg, President Pro Tempore, thanks for the excellent job keeping us all on track.

Thank you, Senator O'Connell, for being open and honest with me and I appreciate being able to be open and honest with you. You have led your caucus with distinction and they have echoed your professionalism. We may come from different political parties, but our common goal is always to do the very best job for our fellow citizens of North Dakota. They, after all, are the only reason any of us are here.

As we close this 59th Legislative Session, I encourage all of you to go back to your communities and tell them what good work we have done together. You can be proud that we have left our great state in great shape.

Please, everyone, drive carefully and have a safe trip home. I look forward to the time when our paths cross again.

REMARKS OF MINORITY LEADER O'CONNELL

I would like to take just a minute of time to acknowledge the wonderful staff we have had working for us here in the Senate during the 59th Legislative Session. This year we have had wonderful coverage from the press. Their presence was always polite and kept the public in the know. Under the supervision of Connie, the pages Amanda, Zach, Dan, and Christine have worked hard to serve our Senators. They kept the Senators organized and deep in printouts. The Sergeants-at-Arms rule the chamber. They make the place run orderly, they can herd a group of school classes through the chambers smoothly, keep lobbyists at bay, and welcome the people of North Dakota in to see their government at work. Mel, Bob, and Jack with help from Arlene when she was not keeping us in supplies, kept the chamber a very respectable and honorable place. Our front desk personnel make everything come together. Lt. Governor Dalrymple, Joe, Tim, Karen, Bill, and Barb, thank you. Your ability to have the bills appear before the Senate in an orderly manner is a great skill. You work together well and brighten everyone's day with the smiles and willingness to help. All of you are important to make our jobs easier. Thank you so much. A special thank you to Hank for keeping the place clean and orderly and the rail fingerprint free. And a big thank you to staff in both the majority and minority offices for their great dedicated work.

MOTION

SEN. CHRISTMANN MOVED that the remarks of Majority Leader Stenehjem and Minority Leader O'Connell be printed in the Journal, which motion prevailed.

MOTION

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

MOTION

SEN. STENEHJEM MOVED that the Senate be on the Fourth, Fifteenth, and Sixteenth orders of business and at the conclusion of those orders, the Senate stand adjourned sine die.

Pursuant to Senator Stenehjem's motion the Senate stood adjourned sine die.

William R. Horton, Secretary