

## JOURNAL OF THE HOUSE

## Sixtieth Legislative Assembly

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Bismarck, February 2, 2007

The House convened at 12:00 p.m., with Speaker Delzer presiding.

The prayer was offered by Representative Ole Aarsvold, District 20, Blanchard.

The roll was called and all members were present except Representatives Grande and Kempenich.

A quorum was declared by the Speaker.

## SIXTH ORDER OF BUSINESS

**SPEAKER DELZER DEEMED** approval of the amendments to HB 1141, HB 1190, HB 1222, HB 1242, HB 1263, HB 1320, HB 1348, HB 1358, HB 1369, HB 1370, HB 1416, HB 1417, HB 1434, HB 1452 and HB 1478.

HB 1320, HB 1348, HB 1358, HB 1370 and HB 1434, as amended, were rereferred to the **Appropriations Committee**.

HB 1141, HB 1190, HB 1222, HB 1242, HB 1263, HB 1369, HB 1416, HB 1417, HB 1452 and HB 1478, as amended, were placed on the Eleventh order of business on the calendar for the succeeding legislative day.

## MOTION

**REP. MONSON MOVED** that Engrossed HB 1195, which is on the Eleventh order, be rereferred to the **Natural Resources Committee**, which motion prevailed. Pursuant to Rep. Monson's motion, Engrossed HB 1195 was rereferred.

## MOTION

**REP. MONSON MOVED** that HB 1409, which is on the Eleventh order, be rereferred to the **Appropriations Committee**, which motion prevailed. Pursuant to Rep. Monson's motion, HB 1409 was rereferred.

## SECOND READING OF HOUSE BILL

**HB 1060:** A BILL for an Act to create and enact chapter 38-21 and a new section to chapter 54-17.4 of the North Dakota Century Code, relating to creation of the geophysical, geothermal, subsurface minerals, and coal exploration and geologic data preservation funds; to amend and reenact sections 38-08-04.4, 38-08-04.5, and 38-19-04 and subsection 5 of section 54-44.4-02 of the North Dakota Century Code, relating to oil well plugging contracts, the oil and gas well plugging and site reclamation fund, geothermal energy extraction permits, and exemptions from procurement practices; to provide a continuing appropriation; to provide for a report to the budget section; to provide an effective date; to provide an expiration date; and to declare an emergency.

## ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 92 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; Damschen; DeKrey; Delmore; Dietrich; Dosch; Drovdal; Ekstrom; Froelich; Froseth; Glassheim; Griffin; Gruchalla; Guleson; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Hunskor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kerzman; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Myxter; Nelson; Nottestad; Onstad; Owens; Pietsch; Pinkerton; Pollert; Porter; Potter; Price; Ruby; Schmidt; Schneider; Skarphol; Solberg; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vig; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wolf; Wrangham; Zaiser; Speaker Delzer

**ABSENT AND NOT VOTING:** Grande; Kempenich

Reengrossed HB 1060 passed, the title was agreed to, and the emergency clause was declared carried.

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### SECOND READING OF HOUSE BILL

**HB 1305:** A BILL for an Act to amend and reenact section 15.1-09-04 of the North Dakota Century Code, relating to membership on rural school boards; and to declare an emergency.

### ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 92 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; Damschen; DeKrey; Delmore; Dietrich; Dosch; Drovda; Ekstrom; Froelich; Froseth; Glassheim; Griffin; Gruchalla; Gulleson; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Hunskor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kerzman; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Myxter; Nelson; Nottestad; Onstad; Owens; Pietsch; Pinkerton; Pollert; Porter; Potter; Price; Ruby; Schmidt; Schneider; Skarphol; Solberg; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vig; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wolf; Wrangham; Zaiser; Speaker Delzer

**ABSENT AND NOT VOTING:** Grande; Kempenich

Engrossed HB 1305 passed, the title was agreed to, and the emergency clause was declared carried.

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### SECOND READING OF HOUSE BILL

**HB 1334:** A BILL for an Act to amend and reenact section 15.1-07-20 of the North Dakota Century Code, relating to requirements for drivers of school vehicles.

### ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 92 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; Damschen; DeKrey; Delmore; Dietrich; Dosch; Drovda; Ekstrom; Froelich; Froseth; Glassheim; Griffin; Gruchalla; Gulleson; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Hunskor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kerzman; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Myxter; Nelson; Nottestad; Onstad; Owens; Pietsch; Pinkerton; Pollert; Porter; Potter; Price; Ruby; Schmidt; Schneider; Skarphol; Solberg; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vig; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wolf; Wrangham; Zaiser; Speaker Delzer

**ABSENT AND NOT VOTING:** Grande; Kempenich

Engrossed HB 1334 passed and the title was agreed to.

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### SECOND READING OF HOUSE BILL

**HB 1338:** A BILL for an Act to amend and reenact sections 35-30-01 and 35-31-01 of the North Dakota Century Code, relating to agricultural processor's and supplier's liens.

### ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 90 YEAS, 1 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; Damschen; DeKrey; Delmore; Dosch;

Drovdal; Ekstrom; Froelich; Froseth; Glassheim; Griffin; Gruchalla; Gulleson; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Hunskor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kerzman; Kingsbury; Klein; Klemm; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Myxter; Nelson; Nottestad; Onstad; Owens; Pietsch; Pinkerton; Pollert; Porter; Potter; Price; Ruby; Schmidt; Schneider; Skarphol; Solberg; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vig; Vigesaa; Wald; Wall; Weiler; Wieland; Williams; Wolf; Wrangham; Zaiser; Speaker Delzer

**NAYS:** Dietrich

**ABSENT AND NOT VOTING:** Grande; Kempenich; Weisz

Engrossed HB 1338 passed and the title was agreed to.

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### SECOND READING OF HOUSE BILL

**HB 1346:** A BILL for an Act to create and enact a new section to chapter 5-02 of the North Dakota Century Code, relating to the sale of wine with a meal.

### ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 89 YEAS, 1 NAYS, 0 EXCUSED, 4 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; Damschen; DeKrey; Delmore; Dietrich; Dosch; Drovdal; Ekstrom; Froelich; Froseth; Glassheim; Griffin; Gruchalla; Gulleson; Hanson; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Hunskor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kerzman; Kingsbury; Klein; Klemm; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Myxter; Nelson; Nottestad; Onstad; Owens; Pietsch; Pinkerton; Pollert; Porter; Potter; Price; Ruby; Schmidt; Schneider; Skarphol; Solberg; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vig; Vigesaa; Wald; Wall; Weiler; Wieland; Williams; Wolf; Wrangham; Zaiser; Speaker Delzer

**NAYS:** Bellew

**ABSENT AND NOT VOTING:** Grande; Haas; Kempenich; Weisz

Engrossed HB 1346 passed and the title was agreed to.

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### SECOND READING OF HOUSE BILL

**HB 1354:** A BILL for an Act to amend and reenact sections 26.1-23-04 and 26.1-23-08 of the North Dakota Century Code, relating to property damage payments from the unsatisfied judgment fund.

### ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO NOT PASS, the roll was called and there were 4 YEAS, 87 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Kaldor; Williams; Wolf

**NAYS:** Amerman; Bellew; Berg; Boe; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; Damschen; DeKrey; Delmore; Dietrich; Dosch; Drovdal; Ekstrom; Froelich; Froseth; Glassheim; Griffin; Gruchalla; Gulleson; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Hunskor; Johnson, D.; Johnson, N.; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kerzman; Kingsbury; Klein; Klemm; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Myxter; Nelson; Nottestad; Onstad; Owens; Pietsch; Pinkerton; Pollert; Porter; Potter; Price; Ruby; Schmidt; Schneider; Skarphol; Solberg; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vig; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Wrangham; Zaiser; Speaker Delzer

**ABSENT AND NOT VOTING:** Belter; Grande; Kempenich

Engrossed HB 1354 lost.

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### SECOND READING OF HOUSE BILL

**HB 1412:** A BILL for an Act to create and enact a new subsection to section 57-38-30.3 and a new subsection to section 57-38-30.5 of the North Dakota Century Code, relating to the applicability of the research and experimental expenditures tax credit to a passthrough entity; and to provide an effective date.

### ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 92 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; Damschen; DeKrey; Delmore; Dietrich; Dosch; Drovda; Ekstrom; Froelich; Froseth; Glassheim; Griffin; Gruchalla; Gulleon; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Hunskor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kerzman; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Myxter; Nelson; Nottestad; Onstad; Owens; Pietsch; Pinkerton; Pollert; Porter; Potter; Price; Ruby; Schmidt; Schneider; Skarphol; Solberg; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vig; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wolf; Wrangham; Zaiser; Speaker Delzer

**ABSENT AND NOT VOTING:** Grande; Kempenich

Engrossed HB 1412 passed and the title was agreed to.

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### SECOND READING OF HOUSE BILL

**HB 1441:** A BILL for an Act to provide an appropriation for elementary and secondary education.

### ROLL CALL

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO NOT PASS, the roll was called and there were 33 YEAS, 59 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Boe; Boucher; Conrad; Delmore; Ekstrom; Froelich; Glassheim; Griffin; Gruchalla; Gulleon; Hanson; Hunskor; Kaldor; Kelsh, S.; Kerzman; Kroeber; Metcalf; Meyer, S.; Mueller; Myxter; Onstad; Pinkerton; Potter; Schmidt; Schneider; Solberg; Thorpe; Vig; Williams; Wolf; Zaiser

**NAYS:** Bellew; Belter; Berg; Boehning; Brandenburg; Carlisle; Carlson; Charging; Clark; Dahl; Damschen; DeKrey; Dietrich; Dosch; Drovda; Froseth; Haas; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Johnson, D.; Johnson, N.; Karls; Kasper; Keiser; Kelsch, R.; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Martinson; Meier, L.; Monson; Nelson; Nottestad; Owens; Pietsch; Pollert; Porter; Price; Ruby; Skarphol; Sukut; Svedjan; Thoreson; Uglem; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Wrangham; Speaker Delzer

**ABSENT AND NOT VOTING:** Grande; Kempenich

HB 1441 lost.

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### SECOND READING OF HOUSE BILL

**HB 1461:** A BILL for an Act to create and enact a new section to chapter 15-10 and a new subsection to section 54-35-15.2 of the North Dakota Century Code, relating to higher education information technology and powers and duties of the information technology committee; and to amend and reenact sections 54-59-05, 54-59-09, and 54-59-11 of the North Dakota Century Code, relating to the information technology department, information technology standards, and information technology plans.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 90 YEAS, 0 NAYS, 0 EXCUSED, 4 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; Damschen; DeKrey; Delmore; Dietrich; Dosch; Drovdal; Ekstrom; Froelich; Froseth; Glassheim; Griffin; Gruchalla; Gulleeson; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Hunskor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kerzman; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Myxter; Nelson; Onstad; Owens; Pietsch; Pinkerton; Pollert; Porter; Potter; Price; Ruby; Schneider; Skarphol; Solberg; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vig; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wolf; Wrangham; Zaiser; Speaker Delzer

**ABSENT AND NOT VOTING:** Grande; Kempenich; Nottestad; Schmidt

Engrossed HB 1461 passed and the title was agreed to.

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**SECOND READING OF HOUSE BILL**

**HB 1514:** A BILL for an Act to amend and reenact section 57-38-01.8 of the North Dakota Century Code, relating to an income tax credit for geothermal, solar, wind, or biomass energy devices; and to provide an effective date.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 90 YEAS, 0 NAYS, 0 EXCUSED, 4 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; Damschen; DeKrey; Delmore; Dietrich; Dosch; Drovdal; Ekstrom; Froelich; Froseth; Glassheim; Griffin; Gruchalla; Gulleeson; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Hunskor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kerzman; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Myxter; Nelson; Onstad; Owens; Pietsch; Pinkerton; Pollert; Porter; Potter; Price; Ruby; Schneider; Skarphol; Solberg; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vig; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wolf; Wrangham; Zaiser; Speaker Delzer

**ABSENT AND NOT VOTING:** Grande; Kempenich; Nottestad; Schmidt

Engrossed HB 1514 passed and the title was agreed to.

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**SECOND READING OF HOUSE BILL**

**HB 1284:** A BILL for an Act to create and enact a new section to chapter 11-10 and a new section to chapter 40-21 of the North Dakota Century Code, relating to restrictions on serving as a member of a city governing body and as a county commissioner.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO NOT PASS, the roll was called and there were 16 YEAS, 74 NAYS, 0 EXCUSED, 4 ABSENT AND NOT VOTING.

**YEAS:** Boehning; DeKrey; Dietrich; Dosch; Haas; Hawken; Johnson, N.; Kasper; Keiser; Klemin; Meier, L.; Meyer, S.; Pietsch; Thorpe; Uglem; Wieland

**NAYS:** Aarsvold; Amerman; Bellew; Belter; Berg; Boe; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; Damschen; Delmore; Drovdal; Ekstrom; Froelich; Froseth; Glassheim; Griffin; Gruchalla; Gulleeson; Hanson; Hatlestad; Headland; Heller; Herbel; Hofstad; Hunskor; Johnson, D.; Kaldor; Karls; Kelsch, R.; Kelsh, S.; Kerzman; Kingsbury; Klein; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Metcalf; Monson; Mueller; Myxter; Nelson; Onstad; Owens; Pinkerton; Pollert; Porter; Potter; Price; Ruby; Schneider; Skarphol; Solberg; Sukut; Svedjan;

Thoreson; Vig; Vigesaa; Wald; Wall; Weiler; Weisz; Williams; Wolf; Wrangham; Zaiser; Speaker Delzer

**ABSENT AND NOT VOTING:** Grande; Kempenich; Nottestad; Schmidt

Engrossed HB 1284 lost.

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### SECOND READING OF HOUSE BILL

**HB 1290:** A BILL for an Act to provide for the state department of health to contract for an evaluation of the state trauma system; to provide for a legislative council report; and to provide an appropriation.

### ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 88 YEAS, 0 NAYS, 0 EXCUSED, 6 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; Damschen; DeKrey; Delmore; Dietrich; Dosch; Drovdal; Ekstrom; Froelich; Froseth; Glassheim; Griffin; Gruchalla; Gulleson; Haas; Hanson; Hatlestad; Hawken; Heller; Herbel; Hofstad; Hunskor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kerzman; Kingsbury; Klein; Klemm; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Myxter; Nelson; Onstad; Owens; Pietsch; Pinkerton; Pollert; Porter; Potter; Price; Ruby; Schneider; Skarphol; Solberg; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vig; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wolf; Wrangham; Zaiser; Speaker Delzer

**ABSENT AND NOT VOTING:** Boe; Grande; Headland; Kempenich; Nottestad; Schmidt

Engrossed HB 1290 passed and the title was agreed to.

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### SECOND READING OF HOUSE BILL

**HB 1327:** A BILL for an Act to amend and reenact subsection 21 of section 43-17-31 of the North Dakota Century Code, relating to disciplinary actions against physicians.

### ROLL CALL

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO NOT PASS, the roll was called and there were 8 YEAS, 80 NAYS, 0 EXCUSED, 6 ABSENT AND NOT VOTING.

**YEAS:** Glassheim; Herbel; Kasper; Potter; Ruby; Wald; Wieland; Wrangham

**NAYS:** Aarsvold; Amerman; Bellew; Belter; Berg; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; Damschen; DeKrey; Delmore; Dietrich; Dosch; Drovdal; Ekstrom; Froelich; Froseth; Griffin; Gruchalla; Gulleson; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Hofstad; Johnson, D.; Johnson, N.; Kaldor; Karls; Keiser; Kelsch, R.; Kelsh, S.; Kerzman; Kingsbury; Klein; Klemm; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Myxter; Nelson; Onstad; Owens; Pietsch; Pinkerton; Pollert; Porter; Price; Schneider; Skarphol; Solberg; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vig; Vigesaa; Wall; Weiler; Weisz; Williams; Wolf; Zaiser; Speaker Delzer

**ABSENT AND NOT VOTING:** Boe; Grande; Hunskor; Kempenich; Nottestad; Schmidt

HB 1327 lost.

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### SECOND READING OF HOUSE BILL

**HB 1353:** A BILL for an Act to amend and reenact section 23-12-09 and subsection 2 of section 23-12-10 of the North Dakota Century Code, relating to exemptions from smoking restrictions.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 42 YEAS, 47 NAYS, 0 EXCUSED, 5 ABSENT AND NOT VOTING.

**YEAS:** Belter; Berg; Boe; Boehning; Carlson; Charging; Clark; Dahl; DeKrey; Delmore; Dietrich; Dosch; Drovdal; Froelich; Griffin; Hawken; Headland; Heller; Hofstad; Johnson, D.; Johnson, N.; Kasper; Kerzman; Meyer, S.; Monson; Myxter; Nelson; Owens; Pinkerton; Pollert; Ruby; Skarphol; Sukut; Thoreson; Vig; Wald; Wall; Weisz; Williams; Wolf; Wrangham; Speaker Delzer

**NAYS:** Aarsvold; Amerman; Bellew; Boucher; Brandenburg; Carlisle; Conrad; Damschen; Ekstrom; Froseth; Glassheim; Gruchalla; Gulleson; Haas; Hanson; Hatlestad; Herbel; Hunskor; Kaldor; Karls; Keiser; Kelsch, R.; Kelsh, S.; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Mueller; Onstad; Pietsch; Porter; Potter; Schneider; Solberg; Svedjan; Thorpe; Uglem; Vigesaa; Weiler; Wieland; Zaiser

**ABSENT AND NOT VOTING:** Grande; Kempenich; Nottestad; Price; Schmidt

Engrossed HB 1353 lost.

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**SECOND READING OF HOUSE BILL**

**HB 1367:** A BILL for an Act to amend and reenact subdivision a of subsection 3 of section 53-06.1-03 of the North Dakota Century Code, relating to the games of chance that may be conducted by licensed organizations at a single site.

**ROLL CALL**

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 80 YEAS, 8 NAYS, 0 EXCUSED, 6 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Berg; Boe; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; DeKrey; Delmore; Dietrich; Dosch; Drovdal; Ekstrom; Froelich; Froseth; Glassheim; Griffin; Gruchalla; Gulleson; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Hunskor; Johnson, D.; Johnson, N.; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Myxter; Nelson; Onstad; Owens; Pietsch; Pinkerton; Pollert; Porter; Potter; Price; Schneider; Solberg; Sukut; Svedjan; Thoreson; Uglem; Vig; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wolf; Wrangham; Zaiser; Speaker Delzer

**NAYS:** Bellew; Belter; Damschen; Kerzman; Mueller; Ruby; Skarphol; Thorpe

**ABSENT AND NOT VOTING:** Grande; Kaldor; Kempenich; Monson; Nottestad; Schmidt

HB 1367 passed and the title was agreed to.

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**SECOND READING OF HOUSE BILL**

**HB 1374:** A BILL for an Act to amend and reenact sections 16.1-16-01 and 16.1-16-07 of the North Dakota Century Code, relating to election recounts.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 89 YEAS, 0 NAYS, 0 EXCUSED, 5 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Bellew; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; Damschen; Delmore; Dietrich; Dosch; Drovdal; Ekstrom; Froelich; Froseth; Glassheim; Griffin; Gruchalla; Gulleson; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Hunskor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kerzman; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Myxter; Nelson; Onstad; Owens; Pietsch; Pinkerton; Pollert; Porter; Potter; Price; Ruby; Schneider; Skarphol; Solberg; Sukut; Svedjan;

Thoreson; Thorpe; Uglen; Vig; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wolf; Wrangham; Zaiser; Speaker Delzer

**ABSENT AND NOT VOTING:** DeKrey; Grande; Kempenich; Nottestad; Schmidt

Engrossed HB 1374 passed and the title was agreed to.

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### SECOND READING OF HOUSE BILL

**HB 1376:** A BILL for an Act to amend and reenact sections 16.1-10-04 and 16.1-10-06.2 of the North Dakota Century Code, relating to corrupt election practices.

### ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 87 YEAS, 2 NAYS, 0 EXCUSED, 5 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Bellew; Berg; Boe; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; Damschen; Delmore; Dietrich; Dosch; Drovdal; Ekstrom; Froelich; Froseth; Glassheim; Griffin; Gruchalla; Gulleeson; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Hunskor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kerzman; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Myxter; Nelson; Onstad; Owens; Pietsch; Pinkerton; Pollert; Porter; Potter; Price; Ruby; Schmidt; Schneider; Skarphol; Solberg; Sukut; Svedjan; Thoreson; Uglen; Vig; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wolf; Wrangham; Zaiser; Speaker Delzer

**NAYS:** Amerman; Thorpe

**ABSENT AND NOT VOTING:** Belter; DeKrey; Grande; Kempenich; Nottestad

Engrossed HB 1376 passed and the title was agreed to.

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### SECOND READING OF HOUSE BILL

**HB 1467:** A BILL for an Act to provide for nursing facility assessments; and to provide a continuing appropriation.

### ROLL CALL

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO NOT PASS, the roll was called and there were 26 YEAS, 65 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Charging; Conrad; Delmore; Drovdal; Ekstrom; Glassheim; Gruchalla; Haas; Hawken; Heller; Johnson, N.; Kasper; Keiser; Kelsh, S.; Kreidt; Meier, L.; Metcalf; Meyer, S.; Mueller; Schmidt; Schneider; Svedjan; Wall; Williams; Wolf; Zaiser

**NAYS:** Aarsvold; Amerman; Bellew; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Clark; Dahl; Damschen; DeKrey; Dietrich; Dosch; Froelich; Froseth; Griffin; Gulleeson; Hanson; Hatlestad; Headland; Herbel; Hofstad; Hunskor; Johnson, D.; Kaldor; Karls; Kelsch, R.; Kerzman; Kingsbury; Klein; Klemin; Koppelman; Kretschmar; Kroeber; Martinson; Monson; Myxter; Nelson; Onstad; Owens; Pietsch; Pinkerton; Pollert; Porter; Potter; Price; Ruby; Skarphol; Solberg; Sukut; Thoreson; Thorpe; Uglen; Vig; Vigesaa; Wald; Weiler; Weisz; Wieland; Wrangham; Speaker Delzer

**ABSENT AND NOT VOTING:** Grande; Kempenich; Nottestad

HB 1467 lost.

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### SECOND READING OF HOUSE BILL

**HB 1521:** A BILL for an Act to prohibit increases in tuition; to provide an appropriation; and to provide an expiration date.



**ROLL CALL**

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO NOT PASS, the roll was called and there were 37 YEAS, 52 NAYS, 0 EXCUSED, 5 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Amerman; Boucher; Conrad; Dahl; Delmore; Dietrich; Dosch; Ekstrom; Froelich; Glassheim; Griffin; Gruchalla; Gulleson; Hanson; Hunskor; Kaldor; Kelsh, S.; Kerzman; Kroeber; Meier, L.; Metcalf; Meyer, S.; Mueller; Myxter; Onstad; Owens; Pinkerton; Potter; Schmidt; Schneider; Solberg; Thorpe; Vig; Williams; Wolf; Zaiser

**NAYS:** Bellew; Belter; Berg; Boehning; Brandenburg; Carlisle; Carlson; Charging; Clark; Damschen; Drovda; Froseth; Haas; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Johnson, D.; Johnson, N.; Karls; Kasper; Keiser; Kelsch, R.; Kingsbury; Klein; Klemm; Koppelman; Kreidt; Kretschmar; Martinson; Monson; Nelson; Pietsch; Pollert; Porter; Price; Ruby; Skarphol; Sukut; Svedjan; Thoreson; Uglem; Vigasaa; Wald; Wall; Weiler; Weisz; Wieland; Wrangham; Speaker Delzer

**ABSENT AND NOT VOTING:** Boe; DeKrey; Grande; Kempenich; Nottestad

HB 1521 lost.

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**ANNOUNCEMENT**

**CHIEF CLERK REICH ANNOUNCED** that the reports received by the House under statutory requirements that reports be filed with the Legislative Assembly are filed with the Legislative Council.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**

**MR. PRESIDENT:** The House has passed and your favorable consideration is requested on: HB 1179, HB 1229, HB 1256, HB 1265.

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

**MR. SPEAKER:** The Senate has passed and your favorable consideration is requested on: SB 2022, SB 2104, SB 2165, SB 2295, SB 2318, SB 2411.

**MOTION**

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

**MOTION**

**REP. MONSON MOVED** that the House be on the Fifth, Ninth, and Thirteenth orders of business and at the conclusion of those orders, the House stand adjourned until 1:00 p.m., Monday, February 5, 2007, which motion prevailed.

**REPORT OF STANDING COMMITTEE**

**HB 1027: Industry, Business and Labor Committee (Rep. Keiser, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (12 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1027 was placed on the Sixth order on the calendar.

Page 1, line 1, remove "two new sections to"

Page 1, line 2, remove "chapter 15-10,"

Page 1, line 3, replace "ten" with "two" and remove "a new section to chapter"

Page 1, line 4, remove "54-60.1,"

Page 1, line 6, remove "a state board of higher education report and grant program,"

Page 1, line 8, remove "a department of commerce"

Page 1, remove line 9

Page 1, line 10, remove "incentives, a tourism enhancement grant program, talent attraction,"

Page 1, line 12, remove "subdivision c of subsection 1 of section"

Page 1, line 13, remove "6-09.15-01, section 6-09.15-03," and remove "15-69-02,"

Page 1, line 15, remove the first "and" and replace "subsections 1 and 3 of" with "and"

Page 1, line 16, remove the first "section" and remove ", and section 57-39.2-04.3"

Page 1, line 17, remove "beginning entrepreneur loan guarantee"

Page 1, line 18, remove the first "program,"

Page 1, line 20, replace "a" with "updating" and replace "division of innovation and technology" with "law"

Page 1, line 23, remove "sales tax exemptions for"

Page 1, line 24, remove "tourism equipment and wireless service provider equipment,"

Page 2, line 1, after the comma insert "a tax expenditure report pilot project and a state business incentive expenditure report pilot project and reports on the pilot projects,"

Page 2, line 3, remove "to provide an expiration date;"

Page 2, remove lines 29 and 30

Page 3, remove lines 1 through 19

Page 3, remove lines 26 through 31

Page 4, remove lines 1 through 23

Page 5, line 1, remove "division of"

Page 5, line 2, remove "innovation and technology"

Page 5, remove lines 3 through 29

Page 6, remove lines 1 through 7

Page 7, line 8, replace "provide" with "consider the potential need"

Page 8, line 3, replace "shall" with "may"

Page 8, line 19, remove "If a"

Page 8, remove line 20

Page 8, line 21, remove "must have specifically designated the center as addressing infrastructure needs."

Page 9, line 5, remove "The commission may not direct distribution of funds if the private sector"

Page 9, line 6, remove "participants cease to participate."

Page 9, after line 17, insert:

"5. The commission may use funds appropriated for the centers of excellence program to pay for the commission's administrative expenses, which may include contracting for independent, expert reviews of complete applications. The amount of funds the commission uses each biennium for administrative expenses may not exceed two and one-half percent of the funds appropriated for the program that biennium."

Page 10, line 31, remove the overstrike over "and"

Page 11, line 1, remove "A division of innovation and technology; and"

Page 11, line 2, remove "f."

Page 12, remove lines 1 through 30

Page 13, remove lines 1 and 2

Page 13, line 3, replace "Nine" with "Two"

Page 13, remove lines 5 through 31

Page 14, remove lines 1 through 31

Page 15, remove lines 1 through 30

Page 16, remove lines 1 and 2

Page 16, line 3, replace "Workforce" with "Division of workforce" and after "internships" insert "and work experience opportunities"

Page 16, line 4, remove "1.", after "The" insert "division of", remove "division", and remove "higher education internship"

Page 16, line 5, after "internships" insert "and work experience opportunities for higher education students"

Page 16, line 8, after "internship" insert "and work experience"

Page 16, remove lines 9 through 18

Page 16, line 19, replace "Workforce" with "Division of workforce", remove "division", and replace "education - Career promotion" with "specialist"

Page 16, line 20, remove "1."

Page 16, line 23, replace "providing" with "promoting North Dakota", replace "education" with "opportunities", replace "kindergarten" with "grades nine", and remove "grade"

Page 16, line 24, replace "subsection" with "section"

Page 16, line 25, replace "counselor" with "specialist"

Page 16, line 26, remove "Each career"

Page 16, remove lines 27 through 31

Page 17, remove lines 1 through 29

Page 20, line 11, remove "specified direct", remove the first "of", and replace "associated with recruitment of" with "incurred during the tax year to recruit and hire"

Page 20, line 12, after "state" insert "for which the annual salary for the position meets or exceeds the state average weekly wage"

Page 20, line 13, remove "the lesser of twenty-five"

Page 20, line 14, remove "thousand dollars or" and replace "direct costs incurred" with "salary paid"

Page 20, line 15, replace "associated with recruiting for a" with "to the employee for the" and remove "in"

Page 20, line 16, remove "this state"

Page 20, replace lines 17 through 31 with:

"a. "Extraordinary recruitment methods" means using one or more of the following:

- (1) A person with the exclusive business purpose of recruiting employees and for which a fee is charged by that recruiter.
- (2) An advertisement in a professional trade journal, magazine, or other publication, the main emphasis of which is providing information to a particular trade or profession.

- (3) A web site, the sole purpose of which is to recruit employees and for which a fee is charged by the web site.
- (4) Participation in a job or career fair.
- (5) Payment for professional licensing or certification required for the position.
- (6) Payment of a signing bonus, moving expenses, or nontypical fringe benefits.
- b. "Hard-to-fill employment position" means a job that requires the employer to use extraordinary recruitment methods.
- c. "State average wage" means the state average wage published annually by job service North Dakota and which is in effect at the time the employee is hired."

Page 21, line 3, replace "passthrough entity that incurs direct costs associated with recruiting for" with "partnership, subchapter S corporation, or limited liability company that for tax purposes is treated like a partnership that is entitled to the credit under this section"

Page 21, line 4, remove "hard-to-fill employment positions within this state"

Page 21, line 5, remove "with"

Page 21, line 6, remove "respect to a passthrough entity's costs associated with that recruiting"

Page 21, line 16, after the underscored period insert "To qualify for the credit under this section, the internship program must meet the following qualifications:

- a. The intern must be an enrolled full-time student in an institution of higher education who is engaged in a major field of study closely related to the work experience performed for the taxpayer;
- b. The internship must be taken for academic credit; and
- c. The intern must be supervised and evaluated by the taxpayer."

Page 21, line 20, remove "For purposes of this subsection:"

Page 21, remove lines 21 through 23

Page 21, line 24, replace "b." with "a."

Page 21, after line 25, insert:

- "b. A partnership, subchapter S corporation, or limited liability company that for tax purposes is treated like a partnership that is entitled to the credit under this section must be considered to be the taxpayer for purposes of calculating the credit. The amount of the allowable credit must be determined at the passthrough entity level. The total credit determined at the entity level must be passed through to the partners, shareholders, or members in proportion to their respective interests in the passthrough entity."

Page 21, line 29, after "57-38-01.25" insert "and subsection 4 of section 57-38-30.5"

Page 22, line 4, after "~~million~~" insert "hundred"

Page 23, line 1, after "assign" insert "or transfer, for consideration,"

Page 23, line 7, replace "If the taxpayer elects to assign an excess credit under this" with:

- "a. A taxpayer's total credit assignment under this section may not exceed one hundred thousand dollars over any combination of taxable years.
- b. If the taxpayer elects to assign or transfer an excess credit under this subsection, the tax credit transferor and the tax credit purchaser jointly

shall file with the tax commissioner a copy of the purchase agreement and a statement containing the names, addresses, and taxpayer identification numbers of the parties to the transfer, the amount of the credit being transferred, the gross proceeds received by the transferor, and the tax year or years for which the credit may be claimed. The taxpayer and the purchaser also shall file a document allowing the tax commissioner to disclose tax information to either party for the purpose of verifying the correctness of the transferred tax credit. The purchase agreement, supporting statement, and waiver must be filed within thirty days after the date the purchase agreement is fully executed.

- c. The purchaser of the tax credit shall claim the credit beginning with the tax year in which the credit purchase agreement was fully executed by the parties. A purchaser of a tax credit under this section has only such rights to claim and use the credit under the terms that would have applied to the tax credit transferor, except the credit purchaser may not carry back the credit as otherwise provided in this section. This subsection does not limit the ability of the tax credit purchaser to reduce the tax liability of the purchaser, regardless of the actual tax liability of the tax credit transferor.
- d. The original purchaser of the tax credit may not sell, assign, or otherwise transfer the credit purchased under this section.
- e. If the amount of the credit available under this section is changed as a result of an amended return filed by the transferor, or as the result of an audit conducted by the internal revenue service or the tax commissioner, the transferor shall report to the purchaser the adjusted credit amount within thirty days of the amended return or within thirty days of the final determination made by the internal revenue service or the tax commissioner. The tax credit purchaser shall file amended returns reporting the additional tax due or claiming a refund as provided in section 57-38-38 or 57-38-40, and the tax commissioner may audit these returns and assess or issue refunds, even though other time periods prescribed in these sections may have expired for the purchaser.
- f. Gross proceeds received by the tax credit transferor must be assigned to North Dakota. The amount assigned under this subsection cannot be reduced by the taxpayer's income apportioned to North Dakota or any North Dakota net operating loss of the taxpayer.
- g. The tax commissioner has four years after the date of the credit assignment to audit the returns of the credit transferor and the purchaser to verify the correctness of the amount of the transferred credit and if necessary assess the credit purchaser if additional tax is found due. This subdivision does not limit or restrict any other time period prescribed in this chapter for the assessment of tax.
- h. The tax commissioner may adopt rules to permit verification of the validity and timeliness of the transferred tax credit."

Page 23, remove lines 8 through 11

Page 23, after line 16, insert:

- "6. If a taxpayer entitled to the credit provided by this section is a member of a group of corporations filing a North Dakota consolidated tax return using the combined reporting method, the credit may be claimed against the aggregate North Dakota tax liability of all the corporations included in the North Dakota consolidated return. This section does not apply to tax credits received or purchased under subsection 5.
- 7. An individual, estate, or trust that purchases a credit under this section is entitled to claim the credit against state income tax liability under section 57-38-29 or 57-38-30.3."

Page 23, line 26, replace "Subsections 1 and 3 of section" with "Section"

Page 23, line 27, replace "are" with "is"

Page 23, replace lines 28 through 31 with:

**"57-38.6-01. Definitions.** As used in this chapter, unless the context otherwise requires:

1. "Agricultural commodity processing facility" means a:
  - a. A facility that through processing involving the employment of knowledge and labor adds value to an agricultural commodity capable of being raised in this state; or
  - b. A livestock feeding, handling, milking, or holding operation that uses as part of its operation a byproduct produced at a biofuels production facility.
2. "Biofuels production facility" means a corporation, limited liability company, partnership, individual, or association in this state:
  - a. Involved in production of diesel fuel containing at least five percent biodiesel meeting the specifications adopted by the American society for testing and materials;
  - b. Involved in the production of corn-based ethanol or cellulose-based ethanol; or
  - c. Involved in a soybean or canola crushing facility.
3. "Director" means the director of the department of commerce division of economic development and finance.
3. 4. "Qualified business" means a cooperative, corporation, partnership, or limited liability company that:
  - a. Is incorporated or organized in this state after December 31, 2000, for the primary purpose of ~~processing and marketing being an~~ agricultural ~~commodities capable of being raised in this state~~ commodity processing facility;
  - b. Has been certified by the securities commissioner to be in compliance under the securities laws of this state;
  - c. Has an agricultural commodity processing facility, or intends to locate one, in this state; and
  - d. Is among the first ten businesses that meets the requirements of this subsection, but not a business that was previously certified as a qualified business under chapter 57-38.5.
4. 5. "Taxpayer" means an individual, estate, trust, corporation, partnership, or limited liability company."

Page 24, remove lines 1 through 31

Page 25, remove lines 1 through 31

Page 26, remove lines 1 through 31

Page 27, remove lines 1 through 31

Page 28, remove lines 1 through 19

Page 31, replace lines 9 through 31 with:

**"SECTION 27. TAX EXPENDITURE REPORT PILOT PROJECT.**

1. During the 2007-09 biennium, the commissioner of commerce, in consultation with the tax commissioner, shall select a tax expenditure for the purposes of conducting a tax expenditure report pilot project.

2. Before the tenth legislative day of the sixty-first legislative assembly, the commissioner of commerce shall submit to the president of the senate and the speaker of the house a tax expenditure report. This report must be based upon information available to the tax commissioner and information available to the department of commerce, and must include an analysis of the selected tax expenditure which includes a description of the annual state revenue losses and benefits and a cyclical analysis of these losses and benefits.
3. The tax commissioner shall compile tax expenditure data and provide this data to the department of commerce. Notwithstanding section 57-38-57 and other confidentiality statutes, the tax commissioner shall provide the department of commerce the information necessary to accomplish and effectuate the intent of this section. The tax commissioner may request the assistance of the office of management and budget as necessary to compile this tax expenditure data.
4. The tax commissioner may establish the procedure by which the tax commissioner will compile the tax expenditure data and the format in which the tax commissioner will provide this data to the department of commerce. The department of commerce may establish the manner in which the tax expenditure data will be analyzed, organized, and presented in the report.
5. Confidential tax information the department of commerce receives from the tax commissioner may not be divulged by the department of commerce unless the information is in the aggregate and in a manner that will not divulge information specific to any taxpayer.
6. For purposes of this section, the term tax expenditure means a provision in the state tax laws, including an exclusion, a deduction, a tax preference, a credit, and a deferral designed to encourage certain activities or to aid a taxpayer in special circumstances.

**SECTION 28. STATE BUSINESS INCENTIVE EXPENDITURE REPORT PILOT PROJECT.**

1. During the 2007-09 biennium, the commissioner of commerce shall select a state business incentive for the purposes of conducting a state business incentive expenditure report pilot project.
2. Before the tenth legislative day of the sixty-first legislative assembly, the commissioner of commerce shall submit to the president of the senate and the speaker of the house a state business incentive expenditure report. This report must be based upon information available to the department and must include an analysis of the selected state business incentive which includes a description of the annual state revenue losses and benefits and a cyclical analysis of these losses and benefits.
3. The administering agency for the selected state business incentive shall compile state business incentive expenditure data and provide this data to the department. The department shall determine the data appropriate to measure the losses and benefits for the selected state business incentive and shall inform the administering agency of the specific data required and the format in which the administering agency shall provide this data to the department.
4. For purposes of this section, the term business incentive does not include a tax expenditure as defined under section 27 of this Act."

Page 32, remove lines 1 through 31

Page 33, remove lines 1 through 10

Page 33, line 23, replace "\$5,000,000" with "\$2,500,000"

Page 33, line 27, replace "\$5,000,000" with "\$2,500,000"

Page 34, line 10, replace "41" with "33" and replace "42" with "34"

Page 34, line 14, replace "41" with "33" and replace "42" with "34"

Page 34, after line 19, insert:

**"SECTION 37. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$50,000, or so much of the sum as may be necessary, to the department of commerce for the purpose of performing the tax expenditure report and state business incentive expenditure report pilot projects, for the biennium beginning July 1, 2007, and ending June 30, 2009.

**SECTION 38. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$500,000, or so much of the sum as may be necessary, to the department of commerce for the business and tourism acceleration commission, for the biennium beginning July 1, 2007, and ending June 30, 2009."

Page 34, line 26, remove "- EXPIRATION DATE" and replace "22, 23, 24, 25, 26," with "16, 17, 18, 19, 20, 21, and 23"

Page 34, line 27, remove "27, and 30" and after the period insert "Section 19 of this Act is effective for tax credits earned and assigned after December 31, 2006."

Page 35, remove lines 1 and 2

Page 35, line 3, replace "3, 4, 11, 41, 42, and 43" with "7, 33, 34, and 35"

Renumber accordingly

#### REPORT OF STANDING COMMITTEE

**HB 1034: Judiciary Committee (Rep. DeKrey, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1034 was placed on the Sixth order on the calendar.

Page 1, line 1, after "enact" insert "a new section to chapter 59-08 and"

Page 1, line 5, remove "and"

Page 1, line 6, after "38-13-01" insert ", and subsection 2 of section 59-08-01" and after "chapters" insert "30.1-32,"

Page 1, line 7, remove "59-04.2,"

Page 8, after line 22, insert:

**"SECTION 13. AMENDMENT.** Subsection 2 of section 59-08-01 is amended and reenacted as follows:

2. "Self-settled special needs trust" means a trust created by an individual with a disability after August 10, 1993, which qualifies under 42 U.S.C. ~~1396p(d)(4)(A)~~ 1396p(d)(4).

**SECTION 14.** A new section to chapter 59-08 of the North Dakota Century Code is created and enacted as follows:

Conflicts with other chapters. If any provision of this chapter conflicts with chapter 59-09, 59-10, 59-11, 59-12, 59-13, 59-14, 59-15, 59-16, 59-17, 59-18, or 59-19, the provision of this chapter takes precedence.

Page 8, line 26, replace "uniform trust code" with "North Dakota Uniform Trust Code"

Page 8, replace lines 27 through 30 with:

"59-09-02. (102) Scope.

1. Except as provided in subsection 2, chapters 59-09, 59-10, 59-11, 59-12, 59-13, 59-14, 59-15, 59-16, 59-17, 59-18, and 59-19 apply to express trusts, whether charitable or noncharitable and testamentary or inter vivos.



and to trusts created pursuant to a statute or a judgment or decree that requires the trust to be administered in the manner of an express trust.

2. Chapters 59-09, 59-10, 59-11, 59-12, 59-13, 59-14, 59-15, 59-16, 59-17, 59-18, and 59-19 do not apply to:
  - a. A trust that is part of an employee benefit arrangement or an individual retirement account.
  - b. A trust account established under a qualified tuition savings program pursuant to section 6-09-38.
  - c. Trust accounts maintained on behalf of clients or customers by licensed service professionals, including trust accounts maintained by attorneys pursuant to the North Dakota Rules of Professional Conduct and by real estate brokers pursuant to chapter 43-23.
  - d. An endowment care fund established by a cemetery authority pursuant to chapter 23-21.
  - e. Funds maintained by public bodies as defined by chapter 1-07 or other governmental unit entities.
  - f. Trust funds held for a single business transaction or an escrow arrangement.
  - g. Trusts created by a depository agreement with a financial institution.
  - h. An account maintained under the North Dakota Uniform Transfers to Minors Act as contained in chapter 47-24.1.
  - i. A fund maintained pursuant to court order in conjunction with a bankruptcy proceeding or a business liquidation.
  - j. A voting trust described in chapter 10-19.1.
  - k. Funds maintained to manage proceeds from class actions.
  - l. A trust created solely to secure the performance of an obligation.
  - m. A trust created on behalf of a resident of a residential facility.
  - n. A trust managed by a nonprofit association for disabled individuals under 42 U.S.C. 1396p(d)(4), as in effect on the effective date of chapters 59-09, 59-10, 59-11, 59-12, 59-13, 59-14, 59-15, 59-16, 59-17, 59-18, and 59-19 and under the rules adopted by the department of human services.
  - o. A resulting or constructive trust."

Page 9, line 1, after the second boldfaced underscored period insert "Any term not specifically defined in this section has the meaning provided in title 30.1."

Page 9, replace lines 3 through 31 with:

1. "Action", with respect to an act of a trustee, includes a failure to act.
2. "Ascertainable standard" means a standard relating to an individual's health, education, support, or maintenance within the meaning of section 2041(b)(1)(A) or 2514(c)(1) of the Internal Revenue Code.
3. "Beneficiary" means a person that:
  - a. Has a present or future beneficial interest in a trust, vested or contingent; including the owner of an interest by assignment or transfer; or
  - b. In a capacity other than that of a trustee, holds a power of appointment over trust property.

4. "Charitable trust" means a trust, or portion of a trust, created for a charitable purpose described in subsection 1 of section 59-12-05.
5. "Conservator" is as defined in section 30.1-01-06.
6. "Distributee" means any person who receives property of a trust from a trustee, other than as a creditor or purchaser.
7. "Environmental law" means a federal, state, or local law, rule, regulation, or ordinance relating to protection of the environment.
8. "Guardian" is as defined in section 30.1-01-06.
9. "Internal Revenue Code" means the Internal Revenue Code of 1986, or corresponding future provisions of federal tax law.
10. "Interests of the beneficiaries" means the beneficial interests provided in the terms of the trust.
11. "Jurisdiction", with respect to a geographic area, includes a state or country.
12. "Permissible distributee" means a beneficiary who is currently eligible to receive distributions of trust income or principal, whether the distribution is mandatory or discretionary.
13. "Power of withdrawal" means a presently excisable general power of appointment other than a power:
  - a. Exercisable by a trustee and limited by an ascertainable standard; or
  - b. Exercisable by another person only upon consent of the trustee or a person holding an adverse interest.
14. "Property" means anything that may be the subject of ownership, whether real or personal, legal or equitable, or any interest therein.
15. "Qualified beneficiary":
  - a. Means a beneficiary who, on the date the beneficiary's qualification is determined:
    - (1) Is a permissible distributee of trust income or principal;
    - (2) Would be a permissible distributee of trust income or principal if the interests of the distributees described in paragraph 1 terminated on that date without causing the trust to terminate; or
    - (3) Would be a permissible distributee of trust income or principal if the trust terminated on that date.
  - b. Does not include a contingent distributee or a contingent permissible distributee of trust income or principal whose interest in the trust is not reasonably expected to vest.
16. "Record" means information that is enshrined on a tangible medium or which is stored in an electronic or other medium and is retrievable in perceivable form.
17. "Revocable", as applied to a trust, means revocable by the settlor without the consent of the trustee or a person holding an adverse interest.
18. "Settlor" means a person, including a testator, that creates, or contributes property to a trust and if more than one person creates or contributes property to a trust, each person is a settlor of the portion of the trust property attributable to that person's contribution except to the extent another person has the power to revoke or withdraw that portion.
19. "Signed" means:

- a. That the signature of a person, which may be a facsimile affixed, engraved, printed, placed, stamped with indelible ink, transmitted by a facsimile telecommunication or electronically, or in any other manner reproduced on the record, is place on a record or instrument with the present intention to authenticate the record or instrument.
  - b. With respect to a record or instrument required by this chapter to be filed with the clerk of court, that:
    - (1) The record or instrument has been signed by a person authorized to do so by this chapter or by the trust instrument; and
    - (2) The signature and the record or instrument are communicated by a method or medium acceptable to the clerk of court.
20. "Special needs trust" means special needs trust as defined in section 59-08-01.
21. "Spendthrift provision" means a term of a trust which restrains either the voluntary or involuntary or both the voluntary and involuntary transfer of a beneficiary's interest and does not include or prevent a disclaimer of an interest of a beneficiary.
22. "State" means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.
23. "Terms of a trust" means the manifestation of the settlor's intent regarding a trust's provisions as expressed in the trust instrument or as may be established by other evidence that would be admissible in a judicial proceeding.
24. "Trust instrument" means a record signed by the settlor that contains terms of the trust, including any amendments to the record and any modifications permitted by court order or by binding nonjudicial settlement agreement.
25. "Trustee" includes an original, additional, and successor trustee, and a cotrustee, whether or not appointed or confirmed by a court."

Page 10, remove lines 1 through 20

Page 17, line 20, after "attorney" insert "or" and after "having" insert "other"

Page 20, line 3, after "trust" insert "or the attorney general"

Page 20, after line 4, insert:

- "4. Chapters 59-09, 59-10, 59-11, 59-12, 59-13, 59-14, 59-15, 59-16, 59-17, 59-18, and 59-19 do not impair the rights and powers of the attorney general with respect to any trust.
- 5. In all cases of charitable trusts, the attorney general and the state's attorney of the county in which the trust is located are interested persons with respect to the trust estate."

Page 25, line 1, after "a" insert "self-settled" and after "trust" insert "or a third-party special needs trust under chapter 59-08 nor to any trust"

Page 25, line 2, replace "42 U.S.C. 1396p(d)(4)(A) if the application of" with "42 U.S.C. 1396p(d)."

Page 25, remove lines 3 through 7

Page 25, after line 30, insert:

- "5. If the trustee's or cotrustee's discretion to make distributions for the trustee's or cotrustee's own benefit is limited by an ascertainable standard, a creditor may not reach or compel distribution of the beneficial interest

except to the extent the interest would be subject to the creditor's claim if the beneficiary was not acting as trustee or cotrustee."

Page 28, line 16, remove "and the settlor has capacity to revoke the trust"

Page 28, line 24, replace "may" with "shall"

Page 28, line 25, replace "at" with "immediately before"

Page 28, line 30, replace "at" with "immediately before"

Page 29, after line 7, insert:

"4. This section does not impose a duty upon the trustee to give notice under this section unless the notice is expressly required in the trust agreement."

Page 29, line 18, replace "reject" with "decline"

Page 29, line 20, replace "rejected" with "declined"

Page 29, line 23, replace "rejection" with "declination"

Page 30, line 3, replace "regulated financial service institution qualified to do trust business" with "bank or trust company qualified to act as a trustee"

Page 30, line 19, replace "not delegate to a cotrustee the performance of a function the settlor" with "delegate to a cotrustee the performance of any function other than a function that the terms of the trust expressly require to be performed by the trustees jointly"

Page 30, line 20, remove "reasonably expected the trustees to perform jointly"

Page 31, line 1, replace "rejects" with "declines"

Page 31, line 2, after "identified" insert ", cannot be located,"

Page 31, line 10, after "trust" insert "or appointed under the terms of the trust"

Page 31, line 16, after "trust" insert "or appointed under the terms of the trust"

Page 31, line 25, replace "upon at least thirty days' notice to the qualified beneficiaries," with ":

a. Upon at least thirty days' notice to the settlor, if living, to all cotrustees, and the qualified beneficiaries, except those qualified beneficiaries under a revocable trust that the settlor has the capacity to revoke; or

b. With the approval of the court."

Page 31, remove line 26

Page 32, after line 24, insert:

"3. Title to all trust property must be owned by and vested in any successor trustee without any conveyance, transfer, or assignment by the prior trustee."

Page 33, line 9, after the underscored period insert "The lien under this subsection does not apply to a common or collective fund that is exempt under 26 U.S.C. 584."

Page 37, line 15, after "upon" insert "written", remove "of a beneficiary", and remove "to the beneficiary"

Page 37, line 16, after "instrument" insert ":

a. To a qualified beneficiary of a revocable trust; and

b. To a beneficiary of a trust that is not revocable"

Page 38, after line 8, insert:

"8. The duties of a trustee specified in this section are not subject to section 59-14-03.

9. Subsections 3 and 4 do not apply to a trustee that accepts a trusteeship before August 1, 2007, to an irrevocable trust created before August 1, 2007, or to a revocable trust that becomes irrevocable before August 1, 2007."

Page 38, line 13, remove "terms and" and remove "and the interests of the beneficiaries"

Page 38, line 15, replace ", a" with ":

a. A"

Page 38, line 18, replace "relating to the trustee's" with "; and

b. A"

Page 38, remove lines 19 and 20

Page 38, line 21, remove "corresponding future provisions of federal tax law, and a"

Page 38, line 28, replace "a" with ":

a. A"

Page 38, line 30, remove "of 1986, or corresponding future provisions"

Page 38, line 31, remove "of federal tax law," and replace the first "any" with:

"b. Any"

Page 39, line 1, replace "a" with:

"c. A"

Page 39, line 3, remove "of 1986, or corresponding future provisions of federal tax law"

Page 39, line 6, remove "competent" and after "owner" insert ", who is not an incapacitated person,"

Page 39, line 17, replace "trust money in an account in a regulated financial service institution" with "or invest trust money in a regulated financial institution, including one operated by the trustee or an affiliate of the trustee"

Page 39, line 18, after "security" insert "from any financial institution, including a financial institution that is serving as a trustee or one of its affiliates"

Page 40, line 16, remove "arising from the administration of"

Page 40, line 17, remove "the trust"

Page 40, line 18, after "Abandon" insert ", distribute,"

Page 42, after line 11, insert:

"26. Purchase and pay from trust principal the premiums on life insurance.

27. Allocate items of income or expense to either trust income or principal, as provided by law, including creation of reserves out of income for depreciation, obsolescence or amortization, or for depletion in mineral or timber properties.

28. a. With respect to the administration of trust assets as one or more trusts to:

(1) Receive and administer additional property as part of the trust estate or as a separate trust having terms identical to the terms of the existing trust;

- (2) Sever any trust estate on a fractional basis, before or after a trust is funded, into two or more separate trusts for any reason;
  - (3) Segregate by allocation to a separate account or trust a specific amount or gift made from any trust to reflect a partial disclaimer, to reflect or result in differences in federal tax attributes, to satisfy any federal tax requirements or elections, or to reduce potential generation, skipping transfer tax liability, in a manner consistent with the rules governing disclaimers, such federal tax attributes, such requirements or elections, or any applicable tax rules or regulations, and any income earned on a segregated amount or gift after segregation occurs passes to the designated taker of such amount or gift; and
  - (4) Consolidate two or more trusts having substantially similar terms into a single trust.
- b. In managing, investing, administering, and distributing the trust property of any separate account or trust and in making applicable tax elections, consider the differences in federal tax attributes and all other factors the trustee believes pertinent and may make disproportionate distributions from the separate trusts created. A separate account or trust created by severance or segregation must be treated as a separate trust for all purposes from and after the date on which the severance or segregation is effective. The trustee shall hold such separate account or trust on terms and conditions that are substantially equivalent to the terms of the trust from which it was severed or segregated so that the aggregate interests of each beneficiary in the several trusts are substantially equivalent to the beneficiary's interests in the trust before severance or segregation; provided, however, that any terms of the trust before severance that would affect qualification of the trust for any federal tax deduction, exclusion, election, exemption, or other special federal tax status must remain identical in each of the separate trusts created.
29. Employ persons, including attorneys, auditors, investment advisors or agents, to advise or assist the trustee in the performance of administrative duties. A trustee may act based on the recommendations of professionals without independently investigating the recommendations.
30. Deal with the personal representative, trustee, or other representative of any other trust or estate in which a beneficiary of the trust estate has an interest, notwithstanding the fact that the trustee is a personal representative, trustee, or other representative of the other trust or estate."

Page 42, line 12, replace "26." with "31."

Page 42, line 17, after "beneficiaries" insert ", and the attorney general in the case of a charitable trust," and after "beneficiary" insert ", or the attorney general in the case of a charitable trust,"

Page 42, line 18, after "beneficiary" insert ", or the attorney general in the case of a charitable trust,"

Page 42, line 20, after "beneficiary" insert ", or the attorney general in the case of a charitable trust,"

Page 43, line 3, after "in" insert "sections 59-16-02, 59-16-03, 59-16-05, 59-16-06, and 59-16-07 and in"

Page 44, line 16, remove "of this chapter"

Page 44, line 18, after "under" insert "sections 59-16-02, 59-16-03, 59-16-05, 59-16-06, and 59-16-07 and under"

Page 45, line 22, remove "A trustee is accountable to an"

Page 45, remove line 23

Page 45, line 24, remove "trust, even absent a breach of trust."

Page 45, line 27, replace "(1004) Attorney's fees and costs. In a judicial proceeding involving the" with "Reserved."

Page 45, remove lines 28 through 30

Page 46, line 4, after "beneficiary" insert "in the report or in a separate notice accompanying the report"

Page 46, line 24, remove "the interests"

Page 46, line 25, remove "of the beneficiaries or"

Page 46, line 27, replace "An" with "Unless the settlor was represented by an attorney not employed by the trustee with respect to the trust containing the exculpatory term, an"

Page 47, line 6, after "beneficiary" insert "lacked capacity or"

Page 47, line 11, after the underscored period insert "The addition of the phrase "trustee" or "as trustee" or a similar designation to the signature of a trustee on a written contract is considered prima facie evidence of a disclosure of a fiduciary capacity."

Page 47, after line 19, insert:

- "4. Whenever a trust instrument reserves to the settlor, or vests in an advisory or investment committee, or in any other person, including one or more cotrustees to the exclusion of the trustee or to the exclusion of one or more of several trustees, authority to direct the making or retention of any investment, the excluded trustee or trustees are not liable, either individually or as a fiduciary, for any loss resulting from the making or retention of any investment pursuant to such direction.
5. In the absence of actual knowledge or information that would cause a reasonable trustee to inquire further, a trustee may not be held liable for failure to take necessary steps to compel the redress of any breach of trust or fiduciary duty by any predecessor personal representative, trustee, or other fiduciary. This section may not be construed to limit the fiduciary liability of any trustee for the acts or omissions of the trustee with respect to the trust estate."

Page 47, line 25, replace "in the contract or in a statement previously filed under title 45" with ":

- a. In the contract;
- b. In a registration of the partnership as a limited liability partnership filed pursuant to chapter 45-22 in which the trustee is listed as a managing partner; or
- c. In a certificate of limited liability limited partnership filed pursuant to chapter 45-23 in which the trustee is listed as a general partner"

Page 48, line 24, replace "Instead of furnishing a copy of the trust instrument to a person other than a" with "Unless otherwise required by chapter 59-09, 59-10, 59-11, 59-12, 59-13, 59-14, 59-15, 59-16, 59-17, 59-18, or 59-19"

Page 48, line 25, remove "beneficiary"

Page 48, line 26, after the second "the" insert "effective", after "date" insert "of", and remove "was"

Page 48, line 27, remove "executed", after the first underscored comma insert "the name of the trust, if a name is given,", and replace the second "the" with "each"

Page 48, line 28, after the first "the" insert "applicable" and after the second "trustee" insert ", which may make reference to the powers set forth in chapters 59-09, 59-10, 59-11, 59-12, 59-13, 59-14, 59-15, 59-16, 59-17, 59-18, and 59-19"

Page 48, line 29, after the underscored comma insert "and"

Page 49, line 1, remove ", the trust's taxpayer"

Page 49, line 2, remove "identification number, and the manner of taking title to trust property"

Page 50, replace lines 5 through 27 with:

- "1. Except as otherwise provided in chapters 59-09, 59-10, 59-11, 59-12, 59-13, 59-14, 59-15, 59-16, 59-17, 59-18, and 59-19, effective August 1, 2007, these chapters:

  - a. Apply to all trusts created after July 31, 2007; and
  - b. Apply to all judicial proceedings concerning trusts which are commenced after July 31, 2007.
2. Except as otherwise provided in chapters 59-09, 59-10, 59-11, 59-12, 59-13, 59-14, 59-15, 59-16, 59-17, 59-18, and 59-19, from August 1, 2007, through July 31, 2009:

  - a. A trust created before August 1, 2007, may elect to be subject to chapters 59-09, 59-10, 59-11, 59-12, 59-13, 59-14, 59-15, 59-16, 59-17, 59-18, and 59-19; however, that trust must be in compliance with those chapters by August 1, 2009;
  - b. Any rule of construction or presumption provided in chapters 59-09, 59-10, 59-11, 59-12, 59-13, 59-14, 59-15, 59-16, 59-17, 59-18, and 59-19 applies to trust instruments executed before August 1, 2009, unless there is a clear indication of a contrary intent in the terms of the trust;
  - c. Chapters 59-09, 59-10, 59-11, 59-12, 59-13, 59-14, 59-15, 59-16, 59-17, 59-18, and 59-19 do not apply to judicial proceedings concerning trusts which are commenced before that date unless the court finds that application of a particular provision of these chapters would not substantially interfere with the effective conduct of the judicial proceedings or prejudice the rights of the parties, in which case the particular provision of these chapters applies and the superseded law does not apply; and
  - d. An act done before August 1, 2009, is not affected by chapters 59-09, 59-10, 59-11, 59-12, 59-13, 59-14, 59-15, 59-16, 59-17, 59-18, and 59-19.
3. If a right is acquired, extinguished, or barred upon the expiration of a prescribed period that has commenced to run under any other statute before August 1, 2007, for those trusts that are subject to subsection 1, or before August 1, 2009, for those trusts that are subject to subsection 2, that statute continues to apply to the right even if it has been repealed or superseded."

Page 52, line 16, after "Chapters" insert "30.1-32,"

Page 52, line 17, remove "59-04.2,"

Renumber accordingly

#### REPORT OF STANDING COMMITTEE

**HB 1044: Finance and Taxation Committee (Rep. Belter, Chairman)** recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1044 was rereferred to the **Appropriations Committee**.

#### REPORT OF STANDING COMMITTEE

**HB 1069: Transportation Committee (Rep. Weisz, Chairman)** recommends **DO PASS** (12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1069 was placed on the Eleventh order on the calendar.

#### REPORT OF STANDING COMMITTEE

**HB 1129: Human Services Committee (Rep. Price, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and



**BE REREFERRED** to the **Appropriations Committee** (12 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1129 was placed on the Sixth order on the calendar.

Page 2, line 7, after "death"" insert "or "birth resulting in stillbirth""

Page 12, line 1, overstrike "The funeral director who first assumes custody of a dead body shall file the death"

Page 12, line 2, remove "record" and overstrike the period

Page 16, line 10, after "information" insert "related to birth, death, and fetal death records"

Page 17, line 4, remove "the suicide prevention task force."

Page 17, line 6, replace "noncertified" with "certified"

Page 17, line 11, after the underscored period insert "A person authorized to receive a certified copy of a fetal death record may request the certified copy be issued in the form of a certification of birth resulting in stillbirth."

Renumber accordingly

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

**HB 1150: Finance and Taxation Committee (Rep. Belter, Chairman)** recommends **DO NOT PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1150 was placed on the Eleventh order on the calendar.

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

**HB 1160: Finance and Taxation Committee (Rep. Belter, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (12 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). HB 1160 was placed on the Sixth order on the calendar.

Page 1, line 3, replace "provide an effective date" with "declare an emergency"

Page 1, line 10, replace "**EFFECTIVE DATE**" with "**EMERGENCY**" and replace "effective for taxable events occurring after" with "declared to be an emergency measure."

Page 1, remove line 11

Renumber accordingly

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

**HB 1170: Finance and Taxation Committee (Rep. Belter, Chairman)** recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (8 YEAS, 5 NAYS, 1 ABSENT AND NOT VOTING). HB 1170 was rereferred to the **Appropriations Committee**.

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

**HB 1173: Government and Veterans Affairs Committee (Rep. Haas, Chairman)** recommends **DO NOT PASS** (8 YEAS, 2 NAYS, 3 ABSENT AND NOT VOTING). HB 1173 was placed on the Eleventh order on the calendar.

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

**HB 1180: Government and Veterans Affairs Committee (Rep. Haas, Chairman)** recommends **DO NOT PASS** (8 YEAS, 3 NAYS, 2 ABSENT AND NOT VOTING). HB 1180 was placed on the Eleventh order on the calendar.

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

**HB 1181: Agriculture Committee (Rep. D. Johnson, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (6 YEAS, 5 NAYS, 2 ABSENT AND NOT VOTING). HB 1181 was placed on the Sixth order on the calendar.

Page 1, line 6, overstrike "When" and insert immediately thereafter "At the end of the calendar quarter in which"

Page 1, line 7, replace "four" with "six"

Page 1, line 9, replace "two" with "three"

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**HB 1189: Transportation Committee (Rep. Weisz, Chairman)** recommends **DO NOT PASS** (12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1189 was placed on the Eleventh order on the calendar.

**REPORT OF STANDING COMMITTEE**

**HB 1200: Natural Resources Committee (Rep. Porter, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (11 YEAS, 2 NAYS, 1 ABSENT AND NOT VOTING). HB 1200 was placed on the Sixth order on the calendar.

Page 1, line 4, remove "and subsection 3 of section 20.1-03-12"

Page 1, line 6, remove "and big game hunting fees"

Page 1, line 12, remove "within thirty miles [48.28 kilometers] of urban areas. As used"

Page 1, line 13, remove "in this subsection, urban area means a city of five thousand or more in population"

Page 2, remove lines 12 through 16

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**HB 1208: Agriculture Committee (Rep. D. Johnson, Chairman)** recommends **DO NOT PASS** (9 YEAS, 0 NAYS, 4 ABSENT AND NOT VOTING). HB 1208 was placed on the Eleventh order on the calendar.

**REPORT OF STANDING COMMITTEE**

**HB 1262: Transportation Committee (Rep. Weisz, Chairman)** recommends **DO NOT PASS** (7 YEAS, 5 NAYS, 1 ABSENT AND NOT VOTING). HB 1262 was placed on the Eleventh order on the calendar.

**REPORT OF STANDING COMMITTEE**

**HB 1271: Judiciary Committee (Rep. DeKrey, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO NOT PASS** (7 YEAS, 6 NAYS, 1 ABSENT AND NOT VOTING). HB 1271 was placed on the Sixth order on the calendar.

Page 1, line 9, remove "marital"

Page 1, line 10, remove the first "marital" and remove the second "marital"

Page 1, line 12, remove the first "marital" and remove the second "marital"

Page 1, line 19, replace "martial" with "marital"

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**HB 1279: Natural Resources Committee (Rep. Porter, Chairman)** recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1279 was rereferred to the **Appropriations Committee**.

**REPORT OF STANDING COMMITTEE**

**HB 1280: Political Subdivisions Committee (Rep. Herbel, Chairman)** recommends **DO NOT PASS** (7 YEAS, 5 NAYS, 2 ABSENT AND NOT VOTING). HB 1280 was placed on the Eleventh order on the calendar.

**REPORT OF STANDING COMMITTEE**

**HB 1295: Transportation Committee (Rep. Weisz, Chairman)** recommends **DO PASS** (12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1295 was placed on the Eleventh order on the calendar.

**REPORT OF STANDING COMMITTEE**

**HB 1296: Human Services Committee (Rep. Price, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (10 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). HB 1296 was placed on the Sixth order on the calendar.

Page 1, line 3, replace "sections 18-04-04 and" with "section"

Page 1, line 5, after the semicolon insert "to provide for a report;"

Page 1, remove lines 7 through 24

Page 2, remove lines 1 and 2

Page 2, replace lines 11 through 31 with:

"23-40-01. Eligibility. To be eligible to apply for funds under this chapter, an applicant must be the licenseholder of an emergency medical services operation that has been licensed under chapter 23-27 for a period of at least twelve months before the filing of the application under section 23-40-02, must bill for services at a level at least equivalent to the medicare billing level, and must meet any additional requirements set by rule adopted by the state health council.

23-40-02. Application. Before November first of each year, the licenseholder of an emergency medical services operation shall file a complete application with the state department of health on a form provided by the department. The application must include an affirmation of the operation's billing levels, documentation of the availability of local matching funds, and other information as may be required by the department.

23-40-03. Eligibility for distribution of funds. The state health officer shall make eligibility determinations and distribution amount determinations under this chapter in accordance with the department's strategic plan for providing emergency medical services in this state. The department shall establish and continually update this strategic plan for an integrated emergency medical services program that includes a comprehensive statewide emergency medical services system. Eligibility for funds under this chapter is not an entitlement. The state health officer may not distribute funds to an applicant unless the applicant has verified the existence of local matching funds equal to twenty-five percent of the proposed distribution amount.

23-40-04. Allocation for distribution of funds. During the first year of the biennium, the state health officer may not distribute more than one-half of the biennial legislative appropriation and during the second year of the biennium the state health officer may distribute the remainder of the biennial legislative appropriation.

23-40-05. Use of funds. A recipient of funds under this chapter shall use the funds in a manner consistent with rules adopted by the state health council. A recipient of funds may not use funds for capital expenses such as emergency vehicles and emergency medical services equipment."

Page 3, remove lines 1 through 16

Page 4, after line 7, insert:

**"SECTION 4. ASSESSMENT OF STATE'S EMERGENCY MEDICAL SERVICES SYSTEM - REPORT.** The state department of health shall seek to contract with a third party for an assessment of the state's emergency medical services system to assist in developing an integrated emergency medical services program that includes a comprehensive statewide emergency medical services system. The assessment may address regulation and policy; resource management; human resources and training; transportation; facilities; communications; trauma systems; public information, education, and prevention; medical direction; and an evaluation. The department shall report the findings to the legislative council no later than July 1, 2008."

Page 4, line 10, replace "insurance commissioner" with "state department of health"

Page 4, after line 12, insert:

**"SECTION 6. APPROPRIATION.** 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 state department of health for the

purpose of funding an assessment of the state's emergency medical services system under section 4 of this Act, for the biennium beginning July 1, 2007, and ending June 30, 2009."

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**HB 1306: Political Subdivisions Committee (Rep. Herbel, Chairman)** recommends **DO NOT PASS** (12 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1306 was placed on the Eleventh order on the calendar.

**REPORT OF STANDING COMMITTEE**

**HB 1308: Industry, Business and Labor Committee (Rep. Keiser, Chairman)** recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (10 YEAS, 3 NAYS, 1 ABSENT AND NOT VOTING). HB 1308 was rereferred to the **Appropriations Committee**.

**REPORT OF STANDING COMMITTEE**

**HB 1309: Political Subdivisions Committee (Rep. Herbel, Chairman)** recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (11 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING). HB 1309 was rereferred to the **Appropriations Committee**.

**REPORT OF STANDING COMMITTEE**

**HB 1324: Judiciary Committee (Rep. DeKrey, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (12 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). HB 1324 was placed on the Sixth order on the calendar.

Page 1, line 12, after the underscored period insert "The cost of the contract must be paid from the breeders' fund."

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**HB 1330: Appropriations Committee (Rep. Svedjan, Chairman)** recommends **DO PASS** (20 YEAS, 2 NAYS, 2 ABSENT AND NOT VOTING). HB 1330 was placed on the Eleventh order on the calendar.

**REPORT OF STANDING COMMITTEE**

**HB 1341: Agriculture Committee (Rep. D. Johnson, Chairman)** recommends **DO PASS** (10 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING). HB 1341 was placed on the Eleventh order on the calendar.

**REPORT OF STANDING COMMITTEE**

**HB 1342: Agriculture Committee (Rep. D. Johnson, Chairman)** recommends **DO PASS** (9 YEAS, 0 NAYS, 4 ABSENT AND NOT VOTING). HB 1342 was placed on the Eleventh order on the calendar.

**REPORT OF STANDING COMMITTEE**

**HB 1361: Government and Veterans Affairs Committee (Rep. Haas, Chairman)** recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (9 YEAS, 2 NAYS, 2 ABSENT AND NOT VOTING). HB 1361 was rereferred to the **Appropriations Committee**.

**REPORT OF STANDING COMMITTEE**

**HB 1364: Natural Resources Committee (Rep. Porter, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (8 YEAS, 6 NAYS, 0 ABSENT AND NOT VOTING). HB 1364 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact section 20.1-03-12.2 of the North Dakota Century Code, relating to antlered deer license application fees; and to declare an emergency.

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

**SECTION 1. AMENDMENT.** Section 20.1-03-12.2 of the North Dakota Century Code is amended and reenacted as follows:

**20.1-03-12.2. Hunting license and permit application fees.** Each resident applying for a license or permit to hunt elk, moose, or bighorn sheep under this chapter must be assessed a nonrefundable application fee of three dollars for each license or permit application in addition to the fee charged for the issuance of the license or permit under this chapter. Each resident applying for a license or permit to hunt antlered deer under this chapter must be assessed a nonrefundable application fee of ten dollars for each license or permit application in addition to the fee charged for the issuance of the license or permit under this chapter. Each nonresident applying for a license or permit to hunt bighorn sheep under this chapter must be assessed a nonrefundable application fee of one hundred dollars in addition to the fee charged for the issuance of a license or permit to hunt bighorn sheep under this chapter.

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

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**HB 1368: Transportation Committee (Rep. Weisz, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (11 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). HB 1368 was placed on the Sixth order on the calendar.

Page 1, line 5, replace "Income earned on the fund's balance" with "The department of transportation shall deposit the income earned on the fund's balance into the state highway distribution fund to be used, pursuant to legislative appropriations, for the department's highway maintenance program and for cities and counties for road and street maintenance programs. The principal balance of the highway funding stabilization fund may not be spent."

Page 1, remove lines 6 through 8

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**HB 1371: Political Subdivisions Committee (Rep. Herbel, Chairman)** recommends **DO PASS** (11 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING). HB 1371 was placed on the Eleventh order on the calendar.

**REPORT OF STANDING COMMITTEE**

**HB 1372: Education Committee (Rep. R. Kelsch, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1372 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act relating to a legislative council study of teacher mentoring programs."

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:****SECTION 1. TEACHER MENTORING - LEGISLATIVE COUNCIL STUDY.**

The legislative council shall consider studying during the 2007-08 interim the feasibility and desirability of supporting teacher mentoring programs in urban and rural school districts and the most effective and efficient ways teacher mentoring programs could be implemented and delivered, including consideration of the identification and preparation of mentors and the styles, strategies, and professional development needs that would assist novice teachers in surviving, thriving, and ultimately deciding to consider teaching as a lifelong career. If the legislative council conducts the study of teacher mentoring, the legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly."

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**HB 1379: Government and Veterans Affairs Committee (Rep. Haas, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (11 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1379 was placed on the Sixth order on the calendar.

Page 1, line 1, replace "subdivisions" with "subdivision" and remove "and e"

Page 1, line 2, after "to" insert "canvassing of"

Page 1, line 4, replace "Subdivisions" with "Subdivision" and remove "and e"

Page 1, line 5, replace "are" with "is"

Page 2, remove lines 1 through 6

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**HB 1380: Government and Veterans Affairs Committee (Rep. Haas, Chairman)** recommends **DO PASS** (12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1380 was placed on the Eleventh order on the calendar.

**REPORT OF STANDING COMMITTEE**

**HB 1381: Government and Veterans Affairs Committee (Rep. Haas, Chairman)** recommends **DO PASS** (12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1381 was placed on the Eleventh order on the calendar.

**REPORT OF STANDING COMMITTEE**

**HB 1382: Government and Veterans Affairs Committee (Rep. Haas, Chairman)** recommends **DO PASS** (12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1382 was placed on the Eleventh order on the calendar.

**REPORT OF STANDING COMMITTEE**

**HB 1383: Government and Veterans Affairs Committee (Rep. Haas, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (11 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1383 was placed on the Sixth order on the calendar.

Page 1, line 1, after "reenact" insert "section 15.1-09-08 and"

Page 1, after line 3, insert:

**"SECTION 1. AMENDMENT.** Section 15.1-09-08 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-09-08. School district elections - Candidate filings.** An individual seeking election to the board of a school district shall prepare and sign a document stating the individual's name and the position for which that individual is a candidate. A candidate shall also file a statement of interests as required by section 16.1-09-02. If the election is held in conjunction with a statewide election, these documents must be filed with the school district business manager, or mailed to and in the possession of the business manager, by four p.m. of the sixtieth day before the election. If the election is not held in conjunction with a statewide election, the document must be filed with the school district business manager, or mailed to and in the possession of the business manager, by four p.m. of the ~~thirty-third~~ sixtieth day before the election."

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**HB 1386: Political Subdivisions Committee (Rep. Herbel, Chairman)** recommends **DO PASS** (10 YEAS, 0 NAYS, 4 ABSENT AND NOT VOTING). HB 1386 was placed on the Eleventh order on the calendar.

**REPORT OF STANDING COMMITTEE**

**HB 1387: Judiciary Committee (Rep. DeKrey, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (11 YEAS, 1 NAY,

2 ABSENT AND NOT VOTING). HB 1387 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of bill with "for an Act to provide for a legislative council study of the leasing of court facilities."

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

**SECTION 1. LEGISLATIVE COUNCIL STUDY OF LEASING OF COURT FACILITIES.** The legislative council shall consider studying, during the 2007-08 interim, the leasing or renting of facilities for the use by district courts from counties or other political subdivisions, including the feasibility and desirability of counties retaining a portion of the fees collected by the counties in lieu of leasing or renting by the state. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly."

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**HB 1391: Political Subdivisions Committee (Rep. Herbel, Chairman)** recommends **DO NOT PASS** (11 YEAS, 1 NAY, 2 ABSENT AND NOT VOTING). HB 1391 was placed on the Eleventh order on the calendar.

**REPORT OF STANDING COMMITTEE**

**HB 1392: Political Subdivisions Committee (Rep. Herbel, Chairman)** recommends **DO PASS** (8 YEAS, 3 NAYS, 3 ABSENT AND NOT VOTING). HB 1392 was placed on the Eleventh order on the calendar.

**REPORT OF STANDING COMMITTEE**

**HB 1395: Education Committee (Rep. R. Kelsch, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (11 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). HB 1395 was placed on the Sixth order on the calendar.

Page 1, line 10, replace "except that no more than one institution" with "or any combination of federally"

Page 1, line 11, remove "may be" and replace "with respect to any one tribe" with "Indian tribes"

Page 1, line 13, after "for" insert "nonbeneficiary"

Page 1, line 14, remove "who do not qualify for federal assistance under the provisions of the Tribally Controlled"

Page 1, line 15, remove "Community College Assistance Act of 1978"

Page 1, line 18, remove "for whom federal subsidies are unavailable under the"

Page 1, line 19, remove "Tribally Controlled Community College Assistance Act of 1978"

Page 2, line 6, replace "institution's operating and maintenance expenses" with "expenditures of the grant funds received by the institution under sections 1 through 5 of this Act and a copy of the institution's latest audit report"

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**HB 1399: Transportation Committee (Rep. Weisz, Chairman)** recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1399 was rereferred to the **Appropriations Committee**.

**REPORT OF STANDING COMMITTEE**

**HB 1401: Education Committee (Rep. R. Kelsch, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1401 was placed on the Sixth order on the calendar.

Page 1, line 2, after "loans" insert "; and to declare an emergency"

Page 1, after line 15, insert:

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

Renumber accordingly

#### REPORT OF STANDING COMMITTEE

**HB 1403: Industry, Business and Labor Committee (Rep. Keiser, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (11 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING). HB 1403 was placed on the Sixth order on the calendar.

Page 1, line 9, remove "personal"

Page 1, after line 11, insert:

"b. "Director" means the director of the department of commerce division of economic development and finance."

Page 1, line 12, replace "b." with "c." and remove "and"

Page 1, line 13, remove "which does not have its primary business location"

Page 1, line 14, replace "seven" with "three", remove "five hundred", and replace "more" with "less"

Page 1, line 15, replace "c." with "d."

Page 1, line 18, after the underscored period insert "For the purposes of calculating the increase in new employment, the employer may not include merit or equity based salary increases, cost of living adjustments, or any other increase in compensation not directly related to the hiring of new employees during the taxable year."

Page 1, line 19, replace "d." with "e."

Page 2, line 2, after the underscored period insert "For the purposes of calculating the increase in new investment, the employer may not include any increases in rents for property leased before the current taxable year. Only rents for leases completed in the current taxable year may be included."

Page 2, replace lines 20 through 31 with:

"2. The director shall accept an application for qualification as a microbusiness under this section from a taxpayer that is actively engaged in the operation of a microbusiness or that will establish a microbusiness in which the taxpayer will be actively engaged in or operating within the current or subsequent taxable year. The application must be on a form provided by the director and must contain:

- a. A description of the microbusiness;
- b. The projected income and expenditures of the microbusiness;
- c. The market to be served by the microbusiness and the way the expansion addressed the market;
- d. The amount of projected new investment or employment increases;
- e. The projected improvement in income or creation of new self-employment or jobs in the area in which the microbusiness is located;
- f. The nature of the applicant's engagement in the operation of the microbusiness; and
- g. Any other document, plan, or specification required by the director.



3. A business may be certified by the director as a microbusiness if:
  - a. The applicant is actively engaged in the operation of the microbusiness or will be actively engaged in the operation of the microbusiness upon its establishment;
  - b. The applicant will make new investment or employment in the microbusiness; and
  - c. The new investment or employment will create new income or jobs in the area in which the business is located.
4. If the applicant meets the requirements of subsection 3, the director shall issue a certification letter to the microbusiness. The certification letter must include the certification effective date.
5. The director may not certify more than two hundred qualified businesses as a microbusiness.
6. A taxpayer that is certified as a microbusiness is entitled to tax credits against tax liability as determined under section 57-38-29, 57-38-30, or 57-38-30.3 equal to twenty percent of the taxpayer's new investment and new employment in the microbusiness during the taxable year. A taxpayer may not obtain more than ten thousand dollars in credits under this section over any combination of taxable years.
7. The credit under this section may not exceed a taxpayer's liability as determined under this chapter for the taxable year. Each year's unused credit amount may be carried forward for up to five taxable years.
8. The taxpayer only may claim the tax credit under this section by filing a form provided by the tax commissioner and attaching the microbusiness certification letter.
9. A partnership, subchapter S corporation, limited partnership, limited liability company, or any other passthrough entity to the credit under this section must be considered to be the taxpayer for purposes of calculating the credit. The amount of the allowable credit must be determined at the passthrough entity level. The total credit determined at the entity level must be passed through to the partners, shareholders, or members in proportion to their respective interests in the passthrough entity.
10. The tax commissioner shall prepare a report for the director identifying the following aggregate amounts for the previous calendar year:
  - a. The actual amount of new investment and new employment in the previous calendar year which was reported by taxpayers certified as a microbusiness under this section; and
  - b. The tax credit claimed during the previous calendar year.
11. The report required by this subsection must be issued by January 1, 2009, and each January fifteenth thereafter. Information may not be included in the report which is protected by the state or federal confidentiality laws."

Page 3, remove lines 1 through 31

Page 4, remove lines 1 through 26

Renumber accordingly

#### REPORT OF STANDING COMMITTEE

**HB 1418: Finance and Taxation Committee (Rep. Belter, Chairman)** recommends **DO NOT PASS** (8 YEAS, 5 NAYS, 1 ABSENT AND NOT VOTING). HB 1418 was placed on the Eleventh order on the calendar.

#### REPORT OF STANDING COMMITTEE

**HB 1429: Appropriations Committee (Rep. Svedjan, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS**

(20 YEAS, 3 NAYS, 1 ABSENT AND NOT VOTING). HB 1429 was placed on the Sixth order on the calendar.

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

Page 1, line 3, after "fund" insert "; and to provide an effective date"

Page 1, after line 20, insert:

**"SECTION 3. EFFECTIVE DATE.** Section 2 of this Act becomes effective July 1, 2009."

Renumber accordingly

#### REPORT OF STANDING COMMITTEE

**HB 1432: Human Services Committee (Rep. Price, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (11 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1432 was placed on the Sixth order on the calendar.

Page 1, line 17, after "providing" insert "face-to-face"

Page 1, line 23, replace "to work with the board to provide annual outcome updates on the plan." with "or a specified delegate to implement a formalized disease management program with the approval of the prescriptive practices committee established in section 43-15-31.4, which must serve to standardize chronic disease care and improve patient outcomes. This program must"

Page 1, remove line 24

Page 2, line 1, remove "self-management program to" and after the underscored comma insert "provide"

Page 2, line 2, remove "evidence-based" and replace "provide" with "enable"

Page 2, line 3, replace "provide" with "structure"

Page 2, line 9, remove "Funds appropriated under this subsection may be spent only"

Page 2, remove line 10

Renumber accordingly

#### REPORT OF STANDING COMMITTEE

**HB 1433: Human Services Committee (Rep. Price, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (12 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1433 was placed on the Sixth order on the calendar.

Page 1, line 3, replace "; to amend and reenact section 54-52.1-04 of the North Dakota Century Code," with a period

Page 1, remove lines 4 and 5

Page 1, remove lines 7 through 24

Page 2, remove lines 1 through 7

Page 2, line 10, after the second "program" insert "- Funding"

Page 2, line 12, remove "The"

Page 2, line 13, remove "board shall receive bids for this program under section 54-52.1-04."

Page 2, line 19, after "providing" insert "face-to-face"

Page 2, line 23, replace "shall work with the board to provide" with "or a specified delegate shall implement a formalized diabetes management program with the approval of the prescriptives practices committee established in section 43-15-31.4, which must serve to standardize diabetes care and improve patient outcomes. This program must"

Page 2, remove line 24

Page 2, line 25, remove "shall provide a standardized patient self-management program to"

Page 2, line 26, after the first underscored comma insert "provide", remove "evidence-based", and replace "provide" with "enable"

Page 2, line 27, replace "provide" with "structure"

Page 2, replace lines 29 through 31 with:

"4. The board shall fund the program by implementing a two dollar per month charge on the policy premium for medical and hospital benefits coverage."

Page 3, remove lines 1 and 2

Renumber accordingly

#### REPORT OF STANDING COMMITTEE

**HB 1444: Education Committee (Rep. R. Kelsch, Chairman)** recommends **DO NOT PASS** (11 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). HB 1444 was placed on the Eleventh order on the calendar.

#### REPORT OF STANDING COMMITTEE

**HB 1446: Political Subdivisions Committee (Rep. Herbel, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (10 YEAS, 1 NAY, 3 ABSENT AND NOT VOTING). HB 1446 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact section 57-17-06 of the North Dakota Century Code, relating to the amount of an excess levy that may be approved for townships; and to provide an effective date."

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

**SECTION 1. AMENDMENT.** Section 57-17-06 of the North Dakota Century Code is amended and reenacted as follows:

**57-17-06. Limitation of amount of excess levy.** No excess levy may be authorized under the provisions of this chapter in excess of fifty percent over and above the basic legal limitations prescribed in chapter 57-15, except that an excess levy may be authorized for a township up to one hundred percent over and above the basic legal limitations prescribed in chapter 57-15.

**SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after December 31, 2006."

Renumber accordingly

#### REPORT OF STANDING COMMITTEE

**HB 1458: Natural Resources Committee (Rep. Porter, Chairman)** recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (11 YEAS, 2 NAYS, 1 ABSENT AND NOT VOTING). HB 1458 was rereferred to the **Appropriations Committee**.

#### REPORT OF STANDING COMMITTEE

**HB 1463: Human Services Committee (Rep. Price, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (12 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1463 was placed on the Sixth order on the calendar.

Page 1, line 1, replace "section 50-29-05" with "subsection 3 of section 50-24.1-02.6 and section 50-29-04"

Page 1, line 2, after "to" insert "medical assistance eligibility for minors and"

Page 1, replace lines 4 through 21 with:

**"SECTION 1. AMENDMENT.** Subsection 3 of section 50-24.1-02.6 of the North Dakota Century Code is amended and reenacted as follows:

3. The department of human services shall establish income levels for minors, based on the age of the minors, at amounts, no less than required by federal law, that provide an income level for all ~~minors born before September 30, 1983,~~ individuals from birth through age eighteen equal to one hundred ~~thirty-three~~ percent of the federal poverty level in the month for which eligibility for medical assistance benefits is being determined ~~and that do not exceed legislative appropriations for that purpose.~~

**SECTION 2. AMENDMENT.** Section 50-29-04 of the North Dakota Century Code is amended and reenacted as follows:

**50-29-04. Plan requirements.** The plan:

1. Must be provided through private contracts with insurance carriers;
2. Must allow conversion to another health insurance policy;
3. Must be based on an actuarial equivalent of a benchmark plan;
4. Must incorporate every state-required waiver approved by the federal government;
5. Must include community-based eligibility outreach services; and
6. Must provide:
  - a. ~~An A~~ net income eligibility limit of one hundred ~~forty~~ fifty percent of the poverty line;
  - b. A copayment requirement for each pharmaceutical prescription and for each emergency room visit;
  - c. A deductible for each inpatient hospital visit;
  - d. Coverage for:
    - (1) Inpatient hospital, medical, and surgical services;
    - (2) Outpatient hospital and medical services;
    - (3) Psychiatric and substance abuse services;
    - (4) Prescription medications;
    - (5) Preventive screening services;
    - (6) Preventive dental and vision services; and
    - (7) Prenatal services; and
  - e. A coverage effective date that is the first day of the month, following the date of application and determination of eligibility."

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**HB 1470: Agriculture Committee (Rep. D. Johnson, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (10 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING). HB 1470 was placed on the Sixth order on the calendar.

Page 1, line 2, remove "and"

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

Page 2, after line 14, insert:

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

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**HB 1473: Government and Veterans Affairs Committee (Rep. Haas, Chairman)** recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (9 YEAS, 2 NAYS, 2 ABSENT AND NOT VOTING). HB 1473 was rereferred to the **Appropriations Committee**.

**REPORT OF STANDING COMMITTEE**

**HB 1487: Education Committee (Rep. R. Kelsch, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1487 was placed on the Sixth order on the calendar.

Page 1, line 13, after the underscored period insert "The Bank shall follow federal student loan guidelines when offering and approving any forbearance or deferment options to borrowers under this section."

Page 1, line 22, remove "and"

Page 1, line 24, after "state" insert "; and

- d. Annually complete and submit the free application for federal student aid form to the Bank in order to demonstrate financial need"

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**HB 1490: Agriculture Committee (Rep. D. Johnson, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (11 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1490 was placed on the Sixth order on the calendar.

Page 1, line 4, remove "to provide an appropriation;"

Page 1, line 8, replace "is" with "and any other person licensed under this chapter may"

Page 1, line 9, remove "authorized to" and remove "by the university"

Page 1, line 10, remove "The university is the"

Page 1, remove line 11

Page 1, remove lines 16 through 19

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**HB 1495: Transportation Committee (Rep. Weisz, Chairman)** recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1495 was rereferred to the **Appropriations Committee**.

**REPORT OF STANDING COMMITTEE**

**HB 1511: Natural Resources Committee (Rep. Porter, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). HB 1511 was placed on the Sixth order on the calendar.

Page 1, line 1, replace "amend and reenact subdivision d of" with "create and enact a new subdivision to"

Page 1, line 4, replace "Subdivision d of" with "A new subdivision to"

Page 1, line 5, replace "amended and reenacted" with "created and enacted"

Page 1, replace lines 6 through 22 with:

"The placing of wells in abandoned-well status which have not produced oil or natural gas in paying quantities for one year. A well in abandoned-well status must be promptly returned to production in paying quantities, approved by the commission for temporarily abandoned status, or plugged and reclaimed within six months. If none of the three preceding conditions are met, the industrial commission may require the well to be placed immediately on a single-well bond in an amount equal to the cost of plugging the well and reclaiming the well site. In setting the bond amount, the commission shall use information from recent plugging and reclamation operations. After a well has been in abandoned-well status for one year, the well's equipment, all well-related equipment at the well site, and salable oil at the well site are subject to forfeiture by the commission. If the commission exercises this authority, section 38-08-04.9 applies. After a well has been in abandoned-well status for one year, the single-well bond referred to above, or any other bond covering the well if the single-well bond has not been obtained, is subject to forfeiture by the commission."

Renumber accordingly

#### REPORT OF STANDING COMMITTEE

**HB 1512: Human Services Committee (Rep. Price, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (9 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING). HB 1512 was placed on the Sixth order on the calendar.

Page 1, line 1, replace "use of postgraduate residency training programs" with "a frontier and rural medical access grant program"

Page 1, line 2, replace "and to train and retain primary health" with "in rural areas of the state"

Page 1, line 3, remove "care providers"

Page 1, line 5, replace "Postgraduate" with "Frontier and rural" and replace "residency training programs in primary health" with "access grant program"

Page 1, line 6, remove "care"

Page 1, replace lines 7 through 23 with:

- "1. The department of human services shall manage and administer a frontier and rural medical access grant program designed to improve access to health care in rural North Dakota.
2. The department of human services shall provide grants of no more than one million dollars each to providers that will provide health care in rural areas to ensure that individuals who reside in those areas have proper access to affordable health care. The department shall establish a quadrant system that provides for a single grant in each quadrant of the state.
3. The department of human services shall give preference to health care providers that will focus on providing primary health care in rural areas and on facilitating the access of underinsured and uninsured individuals to health care.
4. The grants awarded under this Act may be used to pay for services or assistance, including preventive health care services, case management services, health insurance premium assistance, and evaluation of the effectiveness of proposed grant programs."

Page 2, remove lines 1 through 24

Page 2, line 25, replace "6." with "5." and replace "state health officer" with "department of human services"

Page 2, line 31, after the comma insert "and from the special funds derived from federal funds, the sum of \$7,100,000, or so much of the sum as may be necessary", remove "state", and replace "health" with "human services"

Page 3, line 2, remove "The state department of health's"

Page 3, remove line 3

Renumber accordingly

#### REPORT OF STANDING COMMITTEE

**SB 2189: Appropriations Committee (Rep. Svedjan, Chairman)** recommends **DO PASS** (24 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2189 was placed on the Fourteenth order on the calendar.

#### REPORT OF STANDING COMMITTEE

**HCR 3009: Government and Veterans Affairs Committee (Rep. Haas, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO NOT PASS** (7 YEAS, 3 NAYS, 3 ABSENT AND NOT VOTING). HCR 3009 was placed on the Sixth order on the calendar.

Page 1, line 2, remove "building a state-owned oil refinery or cooperating with other states to refine oil or"

Page 2, remove lines 1 and 2

Page 2, line 3, remove "state ownership of a refinery or"

Page 2, line 8, remove "building a"

Page 2, line 9, remove "state-owned oil refinery or cooperating with other states to refine oil or"

Renumber accordingly

#### REPORT OF STANDING COMMITTEE

**HCR 3010: Agriculture Committee (Rep. D. Johnson, Chairman)** recommends **DO PASS** (11 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). HCR 3010 was placed on the Eleventh order on the calendar.

#### REPORT OF STANDING COMMITTEE

**HCR 3014: Government and Veterans Affairs Committee (Rep. Haas, Chairman)** recommends **DO PASS** (12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HCR 3014 was placed on the Tenth order on the calendar.

#### REPORT OF STANDING COMMITTEE

**HCR 3021: Agriculture Committee (Rep. D. Johnson, Chairman)** recommends **DO PASS** (8 YEAS, 3 NAYS, 2 ABSENT AND NOT VOTING). HCR 3021 was placed on the Tenth order on the calendar.

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

**Buell J. Reich, Chief Clerk**

