

## JOURNAL OF THE HOUSE

## Sixtieth Legislative Assembly

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Bismarck, April 18, 2007

The House convened at 8:50 a.m., with Speaker Delzer presiding.

The prayer was offered by Pastor Dom Vetter Associate Pastor with Word of Faith Church, Bismarck.

The roll was called and all members were present.

A quorum was declared by the Speaker.

## POINT OF PERSONAL PRIVILEGE

**REP. DEKREY:** Mr. Speaker: I rise on a point of personal privilege.

Rep. Weisz and I would like to congratulate Kathy Walsh and her chapter of the FCLA of Harvey High School for being named the Outstanding Chapter of the Year. Mrs. Walsh and her students deserve our praise in the accomplishment that demonstrated leadership.

## MOTION

**REP. MONSON MOVED** that the remarks of Rep. DeKrey be printed in the Journal, which motion prevailed.

## REPORT OF STANDING COMMITTEE (MAJORITY)

**SB 2032, as reengrossed: Finance and Taxation (Rep. W. Belter, Chairman) A MAJORITY** of your committee (Reps. Belter, Drovdal, Brandenburg, Froseth, Grande, Headland, Owens, Wrangham) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS**.

In lieu of the amendments adopted by the House as printed on pages 1304-1309 and as printed on pages 1560-1570 of the House Journal, Reengrossed Senate Bill No. 2032 is amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact section 57-01-20 of the North Dakota Century Code, relating to allocation among school districts of legislative tax relief credit funds; to amend and reenact sections 57-02-08.1, 57-12-09, 57-15-14, 57-15-31, 57-20-03, 57-20-04, 57-20-07.1, 57-20-09, and 57-20-21.1, subsection 1 of section 57-38-30.3, and section 57-55-04 of the North Dakota Century Code, relating to homestead credit, notice of assessment increases, school district levy limitations, form of the tax list, the abstract of the tax list, contents of property tax statements, payment of real estate taxes, and mobile home taxes; to provide appropriations; to provide for a legislative council study; and to provide an effective date.

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

**SECTION 1.** Section 57-01-20 of the North Dakota Century Code is created and enacted as follows:

**57-01-20. Legislative tax relief credit allocation.** The tax commissioner shall allocate funds provided by legislative appropriation for tax relief among taxing districts as provided in this section.

1. The tax commissioner shall allocate to each county an amount equal to five and nine-tenths percent of the amount in dollars levied by the county and all taxing districts within the county against residential, commercial, agricultural, mobile home, and railroad property in taxable year 2006. The amounts must be prorated as necessary to allocate total legislative tax relief credits of forty million dollars among counties for allocation among property taxpayers for the designated classes of property for each year.

2. The tax commissioner shall certify to each county auditor by August first of each year the amount of legislative tax relief credits determined under this section for each county.
3. The county auditor shall allocate the credits among the county and taxing districts within the county in the proportion that current taxable year property taxes in dollars levied by the county and each taxing district in the county bears to all current taxable year property taxes in dollars levied in the county against residential, commercial, agricultural, mobile home, and railroad property. The county auditor shall certify the allocation of credits under this subsection to the county treasurer for payment to the county and taxing districts within the county upon receipt of payment from the state treasurer.
4. The tax commissioner shall certify to the state treasurer the amounts determined under this section for payment to counties by March first following the taxable year for which the credit applies.
5. Payments received by school districts under this section do not constitute increases in state aid for purposes of determining baseline funding under Senate Bill No. 2200, as approved by the sixtieth legislative assembly.

Payments received by school districts under this section do not constitute new money for purposes of teacher compensation increases under Senate Bill No. 2200, as approved by the sixtieth legislative assembly.

**SECTION 2. AMENDMENT.** Section 57-02-08.1 of the North Dakota Century Code is amended and reenacted as follows:

**57-02-08.1. Homestead credit.**

1. a. Any person sixty-five years of age or older or permanently and totally disabled, in the year in which the tax was levied, with an income that does not exceed the limitations of subdivision c is entitled to receive a reduction in the assessment on the taxable valuation on the person's homestead. An exemption under this subsection applies regardless of whether the person is the head of a family.
- b. The exemption under this subsection continues to apply if the person does not reside in the homestead and the person's absence is due to confinement in a nursing home, hospital, or other care facility, for as long as the portion of the homestead previously occupied by the person is not rented to another person.
- c. The exemption must be determined according to the following schedule:
  - (1) If the person's income is not in excess of ~~eight ten~~ ten thousand ~~five hundred~~ dollars, a reduction of one hundred percent of the taxable valuation of the person's homestead up to a maximum reduction of three thousand ~~thirty-eight~~ three hundred seventy-five dollars of taxable valuation.
  - (2) If the person's income is in excess of ~~eight ten~~ ten thousand ~~five hundred~~ dollars and not in excess of ~~ten~~ twelve thousand dollars, a reduction of eighty percent of the taxable valuation of the person's homestead up to a maximum reduction of two thousand ~~four~~ seven hundred ~~thirty~~ dollars of taxable valuation.
  - (3) If the person's income is in excess of ~~ten~~ twelve thousand dollars and not in excess of ~~eleven~~ fourteen thousand ~~five hundred~~ dollars, a reduction of sixty percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~one two thousand eight hundred twenty-three~~ twenty-five dollars of taxable valuation.
  - (4) If the person's income is in excess of ~~eleven~~ fourteen thousand ~~five hundred~~ dollars and not in excess of ~~thirteen~~ sixteen thousand dollars, a reduction of forty percent of the taxable valuation of the person's homestead up to a maximum reduction

of one thousand ~~two~~ three hundred ~~fifteen~~ fifty dollars of taxable valuation.

- (5) If the person's income is in excess of ~~thirteen~~ sixteen thousand dollars and not in excess of ~~fourteen~~ seventeen thousand five hundred dollars, a reduction of twenty percent of the taxable valuation of the person's homestead up to a maximum reduction of six hundred ~~eight~~ seventy-five dollars of taxable valuation.
- d. Persons residing together, as spouses or when one or more is a dependent of another, are entitled to only one exemption between or among them under this subsection. Persons residing together, who are not spouses or dependents, who are coowners of the property are each entitled to a percentage of a full exemption under this subsection equal to their ownership interests in the property.
- e. This subsection does not reduce the liability of any person for special assessments levied upon any property.
- f. Any person claiming the exemption under this subsection shall sign a verified statement of facts establishing the person's eligibility.
- g. A person is ineligible for the exemption under this subsection if the value of the assets of the person and any dependent residing with the person, excluding the unencumbered value of the person's residence that the person claims as a homestead, exceeds fifty thousand dollars, including the value of any assets divested within the last three years. For purposes of this subdivision, the unencumbered valuation of the homestead is limited to one hundred thousand dollars.
- h. The assessor shall attach the statement filed under subdivision f to the assessment sheet and shall show the reduction on the assessment sheet.
- i. An exemption under this subsection terminates at the end of the taxable year of the death of the applicant.
2. a. Any person who would qualify for an exemption under subdivisions a and c of subsection 1 except for the fact that the person rents living quarters is eligible for refund of a portion of the person's annual rent deemed by this subsection to constitute the payment of property tax.
- b. For the purpose of this subsection, twenty percent of the annual rent, exclusive of any federal rent subsidy and of charges for any utilities, services, furniture, furnishings, or personal property appliances furnished by the landlord as part of the rental agreement, whether expressly set out in the rental agreement, must be considered as payment made for property tax. When any part of the twenty percent of the annual rent exceeds four percent of the annual income of a qualified applicant, the applicant is entitled to receive a refund from the state general fund for that amount in excess of four percent of the person's annual income, but the refund may not be in excess of two hundred forty dollars. If the calculation for the refund is less than five dollars, a minimum of five dollars must be sent to the qualifying applicant.
- c. Persons who reside together, as spouses or when one or more is a dependent of another, are entitled to only one refund between or among them under this subsection. Persons who reside together in a rental unit, who are not spouses or dependents, are each entitled to apply for a refund based on the rent paid by that person.
- d. Each application for refund under this subsection must be made to the tax commissioner before the first day of June of each year by the person claiming the refund. The tax commissioner may grant an extension of time to file an application for good cause. The tax commissioner shall issue refunds to applicants.
- e. This subsection does not apply to rents or fees paid by a person for any living quarters, including a nursing home licensed pursuant to

section 23-16-01, if those living quarters are exempt from property taxation and the owner is not making a payment in lieu of property taxes.

- f. A person may not receive a refund under this section for a taxable year in which that person received an exemption under subsection 1.
3. All forms necessary to effectuate this section must be prescribed, designed, and made available by the tax commissioner. The county directors of tax equalization shall make these forms available upon request.
4. A person whose homestead is a farm structure exempt from taxation under subsection 15 of section 57-02-08 may not receive any property tax credit under this section.
5. For the purposes of this section:
  - a. "Dependent" has the same meaning it has for federal income tax purposes.
  - b. "Homestead" has the same meaning as provided in section 47-18-01.
  - c. "Income" means income for the most recent complete taxable year from all sources, including the income of any dependent of the applicant, and including any county, state, or federal public assistance benefits, social security, or other retirement benefits, but excluding any federal rent subsidy, any amount excluded from income by federal or state law, and medical expenses paid during the year by the applicant or the applicant's dependent which is not compensated by insurance or other means.
  - d. "Medical expenses" has the same meaning as it has for state income tax purposes, except that for transportation for medical care the person may use the standard mileage rate allowed for state officer and employee use of a motor vehicle under section 54-06-09.
  - e. "Permanently and totally disabled" means the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or has lasted or can be expected to last for a continuous period of not less than twelve months as established by a certificate from a licensed physician.

**SECTION 3. AMENDMENT.** Section 57-12-09 of the North Dakota Century Code is amended and reenacted as follows:

**57-12-09. ~~Written notice~~ Notice of increased assessment to real estate owner.** When any assessor has increased the true and full valuation of any lot or tract of land ~~together with~~ or any improvements thereon ~~by fifteen percent or more to more than seven percent more than the amount~~ of the last assessment, ~~written~~ notice of the amount of increase over the last assessment and the amount of the last assessment must be delivered in writing by the assessor to the property owner ~~or, mailed in writing to the property owner at the property owner's last-known address except that no notice need be delivered or mailed if the true and full valuation is increased by less than three thousand dollars,~~ or provided to the property owner by electronic mail directed with verification of receipt to an electronic mail address at which the property owner has consented to receive notice. Delivery of notice to a property owner under this section must be completed not fewer than thirty days before the meeting of the local equalization board. The tax commissioner shall prescribe suitable forms for this notice and the notice must show the true and full value as defined by law of the property, including improvements, that the assessor used in making the assessment for the current year and for the year in which the last assessment was made and must also show the date prescribed by law for the meeting of the local equalization board of the assessment district in which the property is located and the meeting date of the county equalization board. ~~The notice must be mailed or delivered to the property owner at least ten days in advance of the meeting date of the local equalization board and must be mailed or delivered~~ at the expense of the assessment district for which the assessor is employed.

**SECTION 4. AMENDMENT.** Section 57-15-14 of the North Dakota Century Code is amended and reenacted as follows:

**57-15-14. Tax General fund levy limitations in school districts.** The aggregate amount levied each year for the purposes listed in section 57-15-14.2 by any school district, except the Fargo school district, may not exceed the amount in dollars which the school district levied for the prior school year plus ~~eighteen~~ nine percent up to a general fund levy of one hundred eighty-five mills on the dollar of the taxable valuation of the district, except that:

1. In any school district having a total population in excess of four thousand according to the last federal decennial census:
  - a. There may be levied any specific number of mills that upon resolution of the school board has been submitted to and approved by a majority of the qualified electors voting upon the question at any regular or special school district election.
  - b. There is no limitation upon the taxes which may be levied if upon resolution of the school board of any such district the removal of the mill levy limitation has been submitted to and approved by a majority of the qualified electors voting at any regular or special election upon such question.
2. In any school district having a total population of less than four thousand, there may be levied any specific number of mills that upon resolution of the school board has been approved by fifty-five percent of the qualified electors voting upon the question at any regular or special school election.
3. After June 30, 2007, in any school district election for approval by electors of unlimited or increased levy authority under subsection 1 or 2, the ballot must specify the number of mills, the percentage increase in dollars levied, or that unlimited levy authority is proposed for approval, and the number of taxable years for which that approval is to apply. After June 30, 2007, approval by electors of unlimited or increased levy authority under subsection 1 or 2 may not be effective for more than ten taxable years.
4. In any school district in which the total assessed valuation of property has increased twenty percent or more over the prior year and in which as a result of that increase the school district is entitled to less in state aid payments provided in chapter 15.1-27 because of the deduction required in section 15.1-27-05, there may be levied any specific number of mills more in dollars than was levied in the prior year up to a general fund levy of one hundred eighty-five mills on the dollar of the taxable valuation of the school district. The additional levy authorized by this subsection may be levied for not more than two years because of any twenty percent or greater annual increase in assessed valuation. The total amount of revenue generated in excess of the ~~eighteen~~ nine percent increase which is otherwise permitted by this section may not exceed the amount of state aid payments lost as a result of applying the deduction provided in section 15.1-27-05 to the increased assessed valuation of the school district in a one-year period.

The question of authorizing or discontinuing such specific number of mills authority or unlimited taxing authority in any school district must be submitted to the qualified electors at the next regular election upon resolution of the school board or upon the filing with the school board of a petition containing the signatures of qualified electors of the district equal in number to ~~twenty ten~~ percent of the number of ~~persons enumerated in the school census for that district for the most recent year such census was taken; unless such census is greater than four thousand in which case only fifteen percent of the number of persons enumerated in the school census is required~~ electors who cast votes in the most recent election in the school district. However, not fewer than twenty-five signatures are required unless the district has fewer than twenty-five qualified electors, in which case the petition must be signed by not less than twenty-five percent of the qualified electors of the district. In those districts with fewer than twenty-five qualified electors, the number of qualified electors in the district must be determined by the county superintendent for such county in which such school is located. However, the approval of discontinuing either such authority does not affect the tax levy in the calendar year in which the election is held. The election must be held in the same manner and subject to the same conditions as provided in this section for the first election upon the question of authorizing the mill levy.

**SECTION 5. AMENDMENT.** Section 57-15-31 of the North Dakota Century Code is amended and reenacted as follows:

**57-15-31. Determination of levy.** The amount to be levied by any county, city, township, school district, park district, or other municipality authorized to levy taxes shall be computed by deducting from the amount of estimated expenditures for the current fiscal year as finally determined, plus the required reserve fund determined upon by the governing board from the past experience of the taxing district, the total of the following items:

1. The available surplus consisting of the free and unencumbered cash balance.
2. Estimated revenues from sources other than direct property taxes.
3. The total estimated collections from tax levies for previous years.
4. Such expenditures as are to be made from bond sources.
5. The amount of distributions received from an economic growth increment pool under section 57-15-61.
6. The estimated amount to be received from payments in lieu of taxes on a project under section 40-57.1-03.
7. The amount allocated to the taxing district as a legislative tax relief credit allocation for the year under section 57-01-20.

Allowance may be made for a permanent delinquency or loss in tax collection not to exceed five percent of the amount of the levy.

**SECTION 6. AMENDMENT.** Section 57-20-03 of the North Dakota Century Code is amended and reenacted as follows:

**57-20-03. Form of tax list.** The tax list must be made out to correspond with the assessment books as respects ownership and description of property, with columns for the valuation and for the various items of tax included in the total amount of all taxes set down opposite such description of property. The tax list must include the mailing address for the owner of each parcel of property. If the owner is an individual or more than one individual and the mailing address is not the individual's or individuals' primary residence, the tax list must also include the individual's or individuals' primary residence address. The amounts of special taxes must be entered in appropriate columns, but the general taxes may be shown by entering the rate of each tax at the head of the proper column without extending the same, in which case a schedule of the rates of such taxes must be made on the first page of each tax list. The tax lists also must show, in a separate column, the years for which any piece or parcel has been sold for taxes, if the same has not been redeemed or deeded for such taxes.

**SECTION 7. AMENDMENT.** Section 57-20-04 of the North Dakota Century Code is amended and reenacted as follows:

**57-20-04. Abstract of tax list to be sent to tax commissioner.** The county auditor, on or before December thirty-first following the levy of the taxes, shall make and transmit to the state tax commissioner, in such form as the tax commissioner may prescribe, a complete abstract of the tax list of the auditor's county. The abstract must include the total number of individually assessed parcels of property in the county within each property classification, the total true and full valuation of all property within each property classification, and the true and full valuation of all property within each property classification owned by nonresidents of this state.

**SECTION 8. AMENDMENT.** Section 57-20-07.1 of the North Dakota Century Code is amended and reenacted as follows:

**57-20-07.1. County treasurer to mail real estate tax statement.** On or before December twenty-sixth of each year, the county treasurer shall mail a real estate tax statement to the owner of each parcel of real property at the owner's last-known address. The statement must be provided in a manner that allows the taxpayer to retain a printed record of the obligation for payment of taxes and special assessments as provided in the statement. If a parcel of real property is owned by more than one

individual, the county treasurer shall send only one statement to one of the owners of that property. Additional copies of the tax statement will be sent to the other owners upon their request and the furnishing of their names and addresses to the county treasurer. ~~Such tax statements~~ The tax statement must include a dollar valuation of the true and full value as defined by law of the property and the total mill levy applicable. The tax statement must include, or be accompanied by a separate sheet, with three columns showing, for the taxable year to which the tax statement applies and the two immediately preceding taxable years, the property tax levy in dollars against the parcel by the city, county, and school district and the amount of legislative tax relief credit that applies against the taxing district levies for the parcel under section 57-01-20. Failure of an owner to receive a statement will not relieve that owner of liability, nor extend the discount privilege past the February fifteenth deadline.

**SECTION 9. AMENDMENT.** Section 57-20-09 of the North Dakota Century Code is amended and reenacted as follows:

**57-20-09. Discount for early payment of tax.** Except as provided in section 57-20-21.1, the county treasurer shall allow a five percent discount to all taxpayers who shall pay all of the real estate taxes levied on any tract or parcel of real property in any one year in full on or before February fifteenth prior to the date of delinquency. Such discount applies, after deduction of any credit allowed under section 57-01-20, to the net remaining amount of all general real estate taxes levied for state, county, city, township, school district, fire district, park district, and any other taxing districts but does not apply to personal property taxes or special assessment installments. Whenever the board of county commissioners, by resolution, determines that an emergency exists in the county by virtue of weather or other catastrophe, it may extend the discount period for an additional thirty days.

**SECTION 10. AMENDMENT.** Section 57-20-21.1 of the North Dakota Century Code is amended and reenacted as follows:

**57-20-21.1. Priority for delinquent taxes.** When payment is made for any real or personal property taxes or special assessments, payments must be applied first to the oldest unpaid delinquent taxes or special assessments due, if any, shown to exist upon the property for which the tax payments are made, including any penalty and interest, except payments of a legislative tax relief credit must be applied to taxes for the year for which the legislative tax relief credit is granted. The discounts applicable to payment of taxes set out in section 57-20-09 do not apply to payment of taxes made on property upon which tax payments are delinquent.

**SECTION 11. AMENDMENT.** Subsection 1 of section 57-38-30.3 of the North Dakota Century Code is amended and reenacted as follows:

1. A tax is hereby imposed for each taxable year upon income earned or received in that taxable year by every resident and nonresident individual, estate, and trust. A taxpayer computing the tax under this section is only eligible for those adjustments or credits that are specifically provided for in this section. Provided, that for purposes of this section, any person required to file a state income tax return under this chapter, but who has not computed a federal taxable income figure, shall compute a federal taxable income figure using a pro forma return in order to determine a federal taxable income figure to be used as a starting point in computing state income tax under this section. The tax for individuals is equal to North Dakota taxable income multiplied by the rates in the applicable rate schedule in subdivisions a through d corresponding to an individual's filing status used for federal income tax purposes. For an estate or trust, the schedule in subdivision e must be used for purposes of this subsection.

- a. Single, other than head of household or surviving spouse.

If North Dakota taxable income is:	The tax is equal to:
Not over <del>\$27,050</del> <u>\$31,850</u>	2.10%
Over <del>\$27,050</del> <u>\$31,850</u> but not over <del>\$65,550</del> <u>\$77,100</u>	<del>\$568.05</del> <u>\$668.85</u> plus 3.92% of amount over <del>\$27,050</del> <u>\$31,850</u>
Over <del>\$65,550</del> <u>\$77,100</u> but not over <del>\$136,750</del> <u>\$160,850</u>	<del>\$2,077.25</del> <u>\$2,442.65</u> plus 4.34% of amount over <del>\$65,550</del> <u>\$77,100</u>
Over <del>\$136,750</del> <u>\$160,850</u> but not over <del>\$297,350</del> <u>\$349,700</u>	<del>\$5,467.33</del> <u>\$6,077.40</u> plus 5.04% of amount over <del>\$136,750</del> <u>\$160,850</u>
Over <del>\$297,350</del> <u>\$349,700</u>	<del>\$13,261.57</del> <u>\$15,595.44</u> plus 5.54% of amount over <del>\$297,350</del> <u>\$349,700</u>

## b. Married filing jointly and surviving spouse.

If North Dakota taxable income is:	The tax is equal to:
Not over <del>\$45,200</del> <u>\$63,700</u>	2.10%
Over <del>\$45,200</del> <u>\$63,700</u> but not over <del>\$109,250</del> <u>\$128,500</u>	<del>\$949.20</del> <u>\$1,337.70</u> plus 3.92% of amount over <del>\$45,200</del> <u>\$63,700</u>
Over <del>\$109,250</del> <u>\$128,500</u> but not over <del>\$166,500</del> <u>\$195,850</u>	<del>\$3,459.96</del> <u>\$3,877.86</u> plus 4.34% of amount over <del>\$109,250</del> <u>\$128,500</u>
Over <del>\$166,500</del> <u>\$195,850</u> but not over <del>\$297,350</del> <u>\$349,700</u>	<del>\$5,944.64</del> <u>\$6,800.85</u> plus 5.04% of amount over <del>\$166,500</del> <u>\$195,850</u>
Over <del>\$297,350</del> <u>\$349,700</u>	<del>\$12,539.45</del> <u>\$14,554.89</u> plus 5.54% of amount over <del>\$297,350</del> <u>\$349,700</u>

## c. Married filing separately.

If North Dakota taxable income is:	The tax is equal to:
Not over <del>\$22,600</del> <u>\$31,850</u>	2.10%
Over <del>\$22,600</del> <u>\$31,850</u> but not over <del>\$54,625</del> <u>\$64,250</u>	<del>\$474.60</del> <u>\$668.85</u> plus 3.92% of amount over <del>\$22,600</del> <u>\$31,850</u>
Over <del>\$54,625</del> <u>\$64,250</u> but not over <del>\$83,250</del> <u>\$97,925</u>	<del>\$1,729.98</del> <u>\$1,938.93</u> plus 4.34% of amount over <del>\$54,625</del> <u>\$64,250</u>
Over <del>\$83,250</del> <u>\$97,925</u> but not over <del>\$148,675</del> <u>\$174,850</u>	<del>\$2,972.34</del> <u>\$3,400.43</u> plus 5.04% of amount over <del>\$83,250</del> <u>\$97,925</u>
Over <del>\$148,675</del> <u>\$174,850</u>	<del>\$6,269.73</del> <u>\$7,277.45</u> plus 5.54% of amount over <del>\$148,675</del> <u>\$174,850</u>

## d. Head of household.

If North Dakota taxable income is:	The tax is equal to:
Not over <del>\$36,250</del> <u>\$42,650</u>	2.10%
Over <del>\$36,250</del> <u>\$42,650</u> but not over <del>\$93,650</del> <u>\$110,100</u>	<del>\$761.25</del> <u>\$895.65</u> plus 3.92% of amount over <del>\$36,250</del> <u>\$42,650</u>
Over <del>\$93,650</del> <u>\$110,100</u> but not over <del>\$151,650</del> <u>\$178,350</u>	<del>\$3,041.33</del> <u>\$3,539.69</u> plus 4.34% of amount over <del>\$93,650</del> <u>\$110,100</u>
Over <del>\$151,650</del> <u>\$178,350</u> but not over <del>\$297,350</del> <u>\$349,700</u>	<del>\$5,528.53</del> <u>\$6,501.74</u> plus 5.04% of amount over <del>\$151,650</del> <u>\$178,350</u>
Over <del>\$297,350</del> <u>\$349,700</u>	<del>\$12,871.84</del> <u>\$15,137.78</u> plus 5.54% of amount over <del>\$297,350</del> <u>\$349,700</u>

## e. Estates and trusts.

If North Dakota taxable income is:	The tax is equal to:
Not over <del>\$1,800</del> <u>\$2,150</u>	2.10%
Over <del>\$1,800</del> <u>\$2,150</u> but not over <del>\$4,250</del> <u>\$5,000</u>	<del>\$37.80</del> <u>\$45.15</u> plus 3.92% of amount over <del>\$1,800</del> <u>\$2,150</u>
Over <del>\$4,250</del> <u>\$5,000</u> but not over <del>\$6,500</del> <u>\$7,650</u>	<del>\$133.84</del> <u>\$156.87</u> plus 4.34% of amount over <del>\$4,250</del> <u>\$5,000</u>
Over <del>\$6,500</del> <u>\$7,650</u> but not over <del>\$8,900</del> <u>\$10,450</u>	<del>\$231.49</del> <u>\$271.88</u> plus 5.04% of amount over <del>\$6,500</del> <u>\$7,650</u>
Over <del>\$8,900</del> <u>\$10,450</u>	<del>\$352.45</del> <u>\$413.00</u> plus 5.54% of amount over <del>\$8,900</del> <u>\$10,450</u>

## f. For an individual who is not a resident of this state for the entire year, or for a nonresident estate or trust, the tax is equal to the tax otherwise computed under this subsection multiplied by a fraction in which:

- (1) The numerator is the federal adjusted gross income allocable and apportionable to this state; and
- (2) The denominator is the federal adjusted gross income from all sources reduced by the net income from the amounts specified in subdivisions a and b of subsection 2.

In the case of married individuals filing a joint return, if one spouse is a resident of this state for the entire year and the other spouse is a nonresident for part or all of the tax year, the tax on the joint return must be computed under this subdivision.

g. For taxable years beginning after December 31, ~~2004~~ 2007, the tax commissioner shall prescribe new rate schedules that apply in lieu of the schedules set forth in subdivisions a through e. The new schedules must be determined by increasing the minimum and maximum dollar amounts for each income bracket for which a tax is



imposed by the cost-of-living adjustment for the taxable year as determined by the secretary of the United States treasury for purposes of section 1(f) of the United States Internal Revenue Code of 1954, as amended. For this purpose, the rate applicable to each income bracket may not be changed, and the manner of applying the cost-of-living adjustment must be the same as that used for adjusting the income brackets for federal income tax purposes.

**SECTION 12. AMENDMENT.** Section 57-55-04 of the North Dakota Century Code is amended and reenacted as follows:

**57-55-04. Taxes - How determined - Disbursement.** The director of tax equalization shall determine the tax for each mobile home by placing an evaluation on the mobile home based upon its assessed value and by adjusting the valuation of the mobile home by the percentage provided in section 57-02-27 to determine its taxable valuation under standards and guides determined by the state tax commissioner and applying that evaluation to the preceding year's total mill levies applying to property within the taxing district in which the mobile home is located. The county treasurer shall provide a tax statement for each mobile home subject to taxation under this chapter, including three columns showing, for the taxable year to which the tax statement applies and the two immediately preceding taxable years, the property tax levy in dollars against the mobile home by the city, county, and school district and the amount of legislative tax relief credit that applies against the taxing district levies for the mobile home under section 57-01-20. If a mobile home is acquired or moved into this state during the calendar year and a tax permit has not been previously issued for such mobile home in this state for such year, the tax is determined by computing the remaining number of months of the current year to the nearest full month and multiplying that number by one-twelfth of the amount which would be due for the full year. The taxes collected under this chapter must be disbursed in the same year they are collected and in the same manner as real estate taxes for the preceding year are disbursed.

**SECTION 13. APPROPRIATION.** There is appropriated out of any moneys in the permanent oil tax trust fund in the state treasury, not otherwise appropriated, the sum of \$80,000,000, or so much of the sum as may be necessary, to the state treasurer to be allocated in equal amounts in each year of the biennium for legislative tax relief credit payments to counties under section 57-01-20, for the biennium beginning July 1, 2007, and ending June 30, 2009.

**SECTION 14. APPROPRIATION.** There is appropriated out of any moneys in the permanent oil tax trust fund in the state treasury, not otherwise appropriated, the sum of \$3,604,000, or so much of the sum as may be necessary, to the state tax commissioner for the purpose of enhanced funding for the expanded homestead tax credit as provided in this Act, for the biennium beginning July 1, 2007, and ending June 30, 2009.

**SECTION 15. LEGISLATIVE COUNCIL STUDY.** The legislative council shall study, in each legislative interim through 2012, the feasibility and desirability of property tax reform and providing tax relief to taxpayers of the state. The legislative council shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to each subsequent legislative assembly.

**SECTION 16. EFFECTIVE DATE.** Sections 1 through 10 and 12 of this Act are effective for taxable years beginning after December 31, 2006, for ad valorem property taxes and for taxable years beginning after December 31, 2007, for mobile home taxes. Section 11 of this Act is effective for taxable years beginning after December 31, 2006."

Renumber accordingly

**REPORT OF STANDING COMMITTEE (MINORITY)**

**SB 2032, as reengrossed: Finance and Taxation (Rep. W. Belter, Chairman)** A MINORITY of your committee (Reps. Pinkerton, Froelich, S. Kelsh, Schmidt, Vig) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS**.

In lieu of the amendments adopted by the House as printed on pages 1304-1309 and as printed on pages 1560-1570 of the House Journal, Reengrossed Senate Bill No. 2032 is amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact section 57-01-20 and two new subsections to section 57-15-01.1 of the North

Dakota Century Code, relating to allocation of school district property tax relief funds and levy limitations for school districts; to amend and reenact sections 57-15-14, 57-15-31, 57-20-07.1, 57-20-09, 57-20-21.1, 57-32-03, 57-51.1-07.2, subdivision b of subsection 1 of section 57-55-03, and section 57-55-04 of the North Dakota Century Code, relating to school district levy limitations, contents of property tax statements, payment of real estate taxes, mobile home taxes, and continuing appropriation of funds from the permanent oil tax trust fund for school district property tax relief; to provide a statement of legislative intent; to provide for a legislative council study; to provide a continuing appropriation; to provide an effective date; and to provide an expiration date.

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

**SECTION 1.** Section 57-01-20 of the North Dakota Century Code is created and enacted as follows:

**57-01-20. State-paid property tax relief allocation.** The tax commissioner shall allocate funds appropriated under section 57-51.1-07.2 for property tax relief as provided in this section.

1. The superintendent of public instruction shall determine an adjusted combined education mill rate for each school district by September first of each year. For purposes of this section, "combined education mill rate" means up to two hundred mills of the combined number of mills levied for taxable year 2006 by a school district for the general fund and for high school tuition and high school transportation.
2. To determine the number of mills eligible for state-paid property tax relief, the superintendent of public instruction shall subtract one hundred thirty mills from each school district's combined education mill rate. The eligible mills may not be reduced to less than zero mills. By September fifteenth of each year, the superintendent of public instruction shall provide the tax commissioner the number of mills eligible for state-paid property tax relief for each school district.
3. The tax commissioner shall divide the eligible mills determined for each school district under subsection 2 by two and multiply the resulting number of mills times the current taxable valuation of property in the school district to determine the property tax relief allocation in dollars for the school district. The resulting amounts must be prorated as necessary to allocate total property tax relief of fifty million dollars among school districts for each year.
4. The tax commissioner shall certify to each county auditor by October first of each year the number of mills of state-paid property tax relief determined under this section for each school district in the county. By August first of each year, the tax commissioner shall certify to each school district the amount of the allocation under this section for the school district for the next budget year and shall certify the same information to each county treasurer for each school district in the treasurer's county.
5. The tax commissioner shall certify to the state treasurer for payment to county treasurers of amounts determined under this section for school districts to provide for payment of ninety percent of the amount by March first and the balance of the amount by June fifteenth following the taxable year for which the claims are made.
6. After payments to counties under subsection 5 have been made, the tax commissioner shall settle any amounts payable to or received from counties due to errors, abatements, compromises, omitted property, or court-ordered tax adjustments.
7. The county treasurer shall allocate the amounts received under this section among the school districts entitled to the funds.

**SECTION 2.** Two new subsections to section 57-15-01.1 of the North Dakota Century Code are created and enacted as follows:

The base year amount used for a school district determining its levy limitation under this section must be increased by the amount of the school district's property tax relief allocation under section 57-01-20 for the base year to the extent that allocation exceeds the amount of the school district's property tax relief allocation under section 57-01-20 for the budget year.

The base year amount used for a school district determining its levy limitation under this section must be reduced by the amount of the school district's property tax relief allocation under section 57-01-20 for the budget year to the extent that allocation exceeds the amount of the school district's property tax relief allocation under section 57-01-20 for the base year.

**SECTION 3. AMENDMENT.** Section 57-15-14 of the North Dakota Century Code is amended and reenacted as follows:

**57-15-14. Tax levy limitations in school districts.** The aggregate amount levied each year for the purposes listed in section 57-15-14.2 by any school district, except the Fargo school district, may not exceed the amount in dollars which the school district levied for the prior school year plus ~~eighteen~~ eighty-five ~~nine~~ fifty-seven percent up to a general fund levy of one hundred ~~eighty-five~~ fifty-seven mills on the dollar of the taxable valuation of the district, except that:

1. In any school district having a total population in excess of four thousand according to the last federal decennial census:
  - a. There may be levied any specific number of mills ~~that~~ that, which upon resolution of the school board has been submitted to and approved by a majority of the qualified electors voting upon the question at any regular or special school district election.
  - b. There is no limitation upon the taxes which may be levied if upon resolution of the school board of any such district the removal of the mill levy limitation has been submitted to and approved by a majority of the qualified electors voting at any regular or special election upon such question.
2. In any school district having a total population of less than four thousand, there may be levied any specific number of mills ~~that~~ that, which upon resolution of the school board has been approved by fifty-five percent of the qualified electors voting upon the question at any regular or special school election.
3. After June 30, 2007, in any school district election for approval by electors of unlimited or increased levy authority under subsection 1 or 2, the ballot must specify the number of mills, the percentage increase in dollars levied, or that unlimited levy authority is proposed for approval, and the number of taxable years for which that approval is to apply. After June 30, 2007, approval by electors of unlimited or increased levy authority under subsection 1 or 2 may not be effective for more than ten taxable years.
4. In any school district in which the total assessed valuation of property has increased twenty percent or more over the prior year and in which as a result of that increase the school district is entitled to less in state aid payments provided in chapter 15.1-27 because of the deduction required in section 15.1-27-05, there may be levied any specific number of mills more in dollars than was levied in the prior year up to a general fund levy of one hundred ~~eighty-five~~ fifty-seven mills on the dollar of the taxable valuation of the school district. The additional levy authorized by this subsection may be levied for not more than two years because of any twenty percent or greater annual increase in assessed valuation. The total amount of revenue generated in excess of the ~~eighteen~~ eighty-five percent increase which is otherwise permitted without voter approval by this section may not exceed the amount of state aid payments lost as a result of applying the deduction provided in section 15.1-27-05 to the increased assessed valuation of the school district in a one-year period.
5. The question of authorizing or discontinuing such specific number of mills authority or unlimited taxing authority in any school district must be submitted to the qualified electors at the next regular election upon resolution of the school board or upon the filing with the school board of a

petition containing the signatures of qualified electors of the district equal in number to twenty percent of the number of persons enumerated in the school census for that district for the most recent year such census was taken, unless such census is greater than four thousand in which case only fifteen percent of the number of persons enumerated in the school census is required. However, not fewer than twenty-five signatures are required unless the district has fewer than twenty-five qualified electors, in which case the petition must be signed by not less than twenty-five percent of the qualified electors of the district. In those districts with fewer than twenty-five qualified electors, the number of qualified electors in the district must be determined by the county superintendent for such county in which such school is located. However, the approval of discontinuing either such authority does not affect the tax levy in the calendar year in which the election is held. The election must be held in the same manner and subject to the same conditions as provided in this section for the first election upon the question of authorizing the mill levy.

**SECTION 4. AMENDMENT.** Section 57-15-31 of the North Dakota Century Code is amended and reenacted as follows:

**57-15-31. Determination of levy.** The amount to be levied by any county, city, township, school district, park district, or other municipality authorized to levy taxes shall be computed by deducting from the amount of estimated expenditures for the current fiscal year as finally determined, plus the required reserve fund determined upon by the governing board from the past experience of the taxing district, the total of the following items:

1. The available surplus consisting of the free and unencumbered cash balance.
2. Estimated revenues from sources other than direct property taxes.
3. The total estimated collections from tax levies for previous years.
4. Such expenditures as are to be made from bond sources.
5. The amount of distributions received from an economic growth increment pool under section 57-15-61.
6. The estimated amount to be received from payments in lieu of taxes on a project under section 40-57.1-03.
7. The amount certified to a school district and the county treasurer by the state tax commissioner as the school district's property tax relief allocation for the year under section 57-01-20.

Allowance may be made for a permanent delinquency or loss in tax collection not to exceed five percent of the amount of the levy.

**SECTION 5. AMENDMENT.** Section 57-20-07.1 of the North Dakota Century Code is amended and reenacted as follows:

**57-20-07.1. County treasurer to mail real estate tax statement.** On or before December twenty-sixth of each year, the county treasurer shall mail a real estate tax statement to the owner of each parcel of real property at the owner's last-known address. The statement must be provided in a manner that allows the taxpayer to retain a printed record of the obligation for payment of taxes and special assessments as provided in the statement. If a parcel of real property is owned by more than one individual, the county treasurer shall send only one statement to one of the owners of that property. Additional copies of the tax statement will be sent to the other owners upon their request and the furnishing of their names and addresses to the county treasurer. ~~Such tax statements~~ The tax statement must include a dollar valuation of the true and full value as defined by law of the property and the total mill levy applicable. The tax statement must include two columns showing, for the taxable year to which the tax statement applies and the immediately preceding taxable year, the property tax levy in dollars against the parcel by the city, county, and school district and the amount of state-paid school district property tax relief for the parcel under section 57-01-20. Failure of an owner to receive a statement will not relieve that owner of liability, nor extend the discount privilege past the February fifteenth deadline.

**SECTION 6. AMENDMENT.** Section 57-20-09 of the North Dakota Century Code is amended and reenacted as follows:

**57-20-09. Discount for early payment of tax.** Except as provided in section 57-20-21.1, the county treasurer shall allow a five percent discount to all taxpayers who shall pay all of the real estate taxes levied on any tract or parcel of real property in any one year in full on or before February fifteenth prior to the date of delinquency. Such discount applies, after deduction of any credit allowed under section 57-01-20, to the net remaining amount of all general real estate taxes levied for state, county, city, township, school district, fire district, park district, and any other taxing districts but does not apply to personal property taxes or special assessment installments. Whenever the board of county commissioners, by resolution, determines that an emergency exists in the county by virtue of weather or other catastrophe, it may extend the discount period for an additional thirty days.

**SECTION 7. AMENDMENT.** Section 57-20-21.1 of the North Dakota Century Code is amended and reenacted as follows:

**57-20-21.1. Priority for delinquent taxes.** When payment is made for any real or personal property taxes or special assessments, payments must be applied first to the oldest unpaid delinquent taxes or special assessments due, if any, shown to exist upon the property for which the tax payments are made, including any penalty and interest, except payments of state-paid property tax relief credit made by the state must be applied to taxes for the year for which the state-paid property tax relief credit is granted. The discounts applicable to payment of taxes set out in section 57-20-09 do not apply to payment of taxes made on property upon which tax payments are delinquent.

**SECTION 8. AMENDMENT.** Section 57-32-03 of the North Dakota Century Code is amended and reenacted as follows:

**57-32-03. Tax statements prepared by state tax commissioner - When due and delinquent.** On or before the thirty-first day of March in each year, the tax commissioner shall provide each company assessed under the provisions of this chapter a statement of its taxes due for the preceding year, with the valuations and taxes assessed in each case. The tax statement must include two columns showing, for the taxable year to which the tax statement applies and the immediately preceding taxable year, the property tax levy in dollars against the parcel by the city, county, and school district and the amount of state-paid school district property tax relief for the parcel under section 57-01-20. Such taxes are due upon the fifteenth day of April next following the date of the statement of taxes due. The taxes become delinquent on the first day of May next following the due date and, if not paid on or before said date, are subject to a penalty of two percent and, on June first following delinquency, an additional penalty of two percent and, on July first following delinquency, an additional penalty of two percent and, on October fifteenth following delinquency. From and after January first of the year following the year in which the taxes became due and payable, simple interest at the rate of twelve percent per annum upon the principal of the unpaid taxes must be charged until such taxes and penalties are paid, with such interest charges to be prorated to the nearest full month for a fractional year of delinquency. All the provisions of the law respecting delinquency of personal property assessments generally so far as may be consistent with the provisions of this chapter are applicable equally to the assessments and taxes provided for in this chapter.

**SECTION 9. AMENDMENT.** Section 57-51.1-07.2 of the North Dakota Century Code is amended and reenacted as follows:

**57-51.1-07.2. Permanent oil tax trust fund - Deposits - Interest - Adjustment of distribution formula - Continuing appropriation for property tax relief.** All revenue deposited in the general fund during a biennium derived from taxes imposed on oil and gas under chapters 57-51 and 57-51.1 which exceeds seventy-one million dollars must be transferred by the state treasurer to a special fund in the state treasury known as the permanent oil tax trust fund. The state treasurer shall transfer interest earnings of the permanent oil tax trust fund to the general fund at the end of each fiscal year. The principal of the permanent oil tax trust fund may not be expended except upon a two-thirds vote of the members elected to each house of the legislative assembly.

If the distribution formulas under chapter 57-51 or 57-51.1 are amended effective after June 30, 1997, the director of the budget shall adjust the seventy-one

million dollar amount in this section by the same percentage increase or decrease in the amount of revenue allocable to the general fund after the change in the allocation formula, and transfers to the permanent oil tax trust fund shall thereafter be made using that adjusted figure so that the dollar amount of the transfers to the permanent oil tax trust fund is not increased or decreased merely because of changes in the distribution formulas.

To the extent moneys are available in the permanent oil tax trust fund, fifty million dollars is appropriated to the state treasurer each February first as a standing and continuing appropriation to provide property tax relief payments to county treasurers under section 57-01-20. To the extent moneys in the permanent oil tax trust fund are insufficient to fully fund the allocation under section 57-01-20, the amount of any deficiency is appropriated as a standing and continuing appropriation from the state general fund.

**SECTION 10. AMENDMENT.** Subdivision b of subsection 1 of section 57-55-03 of the North Dakota Century Code is amended and reenacted as follows:

- b. If the tax imposed by this chapter is paid in full within thirty days after the mobile home is purchased or moved into this state, the county treasurer shall allow a five percent discount, after deduction of any credit allowed under section 57-01-20. However, if the tax is not paid within forty days it is subject to a penalty and interest. The penalty is one percent of the tax. The interest is one-half percent of the tax for each full and fractional month of delay.

**SECTION 11. AMENDMENT.** Section 57-55-04 of the North Dakota Century Code is amended and reenacted as follows:

**57-55-04. Taxes - How determined - Disbursement.** The director of tax equalization shall determine the tax for each mobile home by placing an evaluation on the mobile home based upon its assessed value and by adjusting the valuation of the mobile home by the percentage provided in section 57-02-27 to determine its taxable valuation under standards and guides determined by the state tax commissioner and applying that evaluation to the preceding year's total mill levies applying to property within the taxing district in which the mobile home is located. The county treasurer shall provide a tax statement for each mobile home subject to taxation under this chapter, including two columns showing, for the taxable year to which the tax statement applies and the immediately preceding taxable year, the property tax levy in dollars against the mobile home by the city, county, and school district and the amount of state-paid school district property tax relief for the mobile home under section 57-01-20. If a mobile home is acquired or moved into this state during the calendar year and a tax permit has not been previously issued for such mobile home in this state for such year, the tax is determined by computing the remaining number of months of the current year to the nearest full month and multiplying that number by one-twelfth of the amount which would be due for the full year. The taxes collected under this chapter must be disbursed in the same year they are collected and in the same manner as real estate taxes for the preceding year are disbursed.

**SECTION 12. LEGISLATIVE INTENT - LEGISLATIVE COUNCIL STUDY.** It is the intent of the sixtieth legislative assembly that enactment of this Act will initiate an increase in the state's share of elementary and secondary education funding to secure immediate and future benefits to the citizens of the state. These benefits include relief from the expanded property tax burden that has created disparity within the tax structure of the state, enhanced equity of funding to support elementary and secondary education students, enduring property tax reductions, and returning to taxpayers a substantial measure of revenue collections augmented by a robust state economy. It is the further intent of the sixtieth legislative assembly that enactment of this Act will produce a reduction in property tax burdens which, with continued efforts of future legislative assemblies, will result in reduction of each annual property tax bill to an amount that is not more than one and one-half percent of the true and full value for any parcel of property.

The legislative council shall study, in each legislative interim through 2012, compliance with, and future funding sources for, the shift in education funding and taxation policy initiated by enactment of this Act. The legislative council shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to each subsequent legislative assembly.

**SECTION 13. EFFECTIVE DATE - EXPIRATION DATE.** This Act is effective for the first two taxable years beginning after December 31, 2006, for ad valorem property taxes and for the first two taxable years beginning after December 31, 2007, for mobile home taxes, and is thereafter ineffective."

Renumber accordingly

The reports of the majority and the minority were placed on the Seventh order of business on the calendar for the succeeding legislative day.

### SEVENTH ORDER OF BUSINESS

#### MOTION

**REP. PINKERTON MOVED** that the report of the Minority be substituted for the report of the Majority on Reengrossed SB 2032.

#### REQUEST

**REP. BOUCHER REQUESTED** a recorded roll call vote on the motion that the report of the Minority be substituted for the report of the Majority on reengrossed SB 2032, which request was granted.

#### ROLL CALL

The question being on the motion that the report of the Minority be substituted for the report of the Majority on reengrossed SB 2032, the roll was called and there were 37 YEAS, 57 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

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

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

The motion that the report of the Minority be substituted for the report of the Majority on reengrossed SB 2032 failed, therefore, the report of the Majority was adopted.

### SECOND READING OF SENATE BILL

**SB 2032:** A BILL for an Act to create and enact section 57-01-20 of the North Dakota Century Code, relating to allocation among school districts of legislative tax relief credit funds; to amend and reenact sections 57-02-08.1, 57-12-09, 57-15-14, 57-15-31, 57-20-03, 57-20-04, 57-20-07.1, 57-20-09, and 57-20-21.1, subsection 1 of section 57-38-30.3, and section 57-55-04 of the North Dakota Century Code, relating to homestead credit, notice of assessment increases, school district levy limitations, form of the tax list, the abstract of the tax list, contents of property tax statements, payment of real estate taxes, and mobile home taxes; to provide appropriations; to provide for a legislative council study; and to provide an effective date.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 61 YEAS, 33 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

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

**NAYS:** Aarsvold; Amerman; Boe; Boucher; Conrad; Delmore; Ekstrom; Froelich; Glassheim; Griffin; Gruchalla; Guleson; Hanson; Hunsakor; Kaldor; Kelsh, S.; Kerzman; Kroeber;

Metcalf; Meyer, S.; Mueller; Myxter; Onstad; Pinkerton; Potter; Schmidt; Schneider; Solberg; Thorpe; Vig; Williams; Wolf; Zaiser

Reengrossed SB 2032, as amended, passed and the title was agreed to.

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**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**  
**MR. SPEAKER:** The President has signed: HB 1317, HB 1445, HB 1487.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**  
**MR. SPEAKER:** Your signature is respectfully requested on: SB 2094, SB 2109, SB 2225, SB 2344.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**  
**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: SB 2293.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**  
**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: SB 2152.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**  
**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: HB 1154, HB 1303.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The House has amended and subsequently passed: SB 2032.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The Speaker has signed: SB 2243.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**  
**MR. SPEAKER:** The Senate does not concur in the House amendments to SB 2032 and the President has appointed as a conference committee to act with a like committee from the House on:

**SB 2032:** Sens. Urlacher; Cook; Triplett

#### **ANNOUNCEMENT**

**SPEAKER DELZER ANNOUNCED** that the House stand in recess until 1:00 p.m..

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

#### **COMMUNICATION FROM GOVERNOR JOHN HOEVEN**

This is to inform you that on April 17, 2007, I have signed the following: HB 1166, HB 1215, HB 1278, HB 1351, HB 1403, and HB 1420.

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

**REP. MONSON MOVED** that the Speaker appoint a committee of three to act with a like committee from the Senate as a new Conference Committee on Engrossed SB 2352, which motion prevailed.

**THE SPEAKER APPOINTED** as a new Conference Committee on:

**Engrossed SB 2352:** Reps. Hofstad, Porter, Kaldor

#### **MOTION**

**REP. MONSON MOVED** that HB 1006, SB 2002, SB 2004, SB 2010, SB 2011, SB 2016, SB 2019, and SB 2022 be moved to the Fifteenth order of business, which motion prevailed.

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

**REP. WEISZ MOVED** that the Speaker appoint a committee of three to act with a like committee from the Senate as a new Conference Committee on SB 2165, which motion prevailed.

**THE SPEAKER APPOINTED** as a new Conference Committee on:

**SB 2165:** Reps. Ruby, Owens, Myxter



**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. DEKREY MOVED** that the conference committee report on Engrossed SB 2284 as printed on HJ page 1612 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2284, as amended, was placed on the Fourteenth order.

**SECOND READING OF SENATE BILL**

**SB 2284:** A BILL for an Act to amend and reenact subsection 4 of section 28-22-03.1 of the North Dakota Century Code, relating to exemption from process for proceeds of a wrongful death or personal bodily injury recovery; and to provide for a legislative council study.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 93 YEAS, 0 NAYS, 0 EXCUSED, 1 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; Grande; Griffin; Gruchalla; Gulleon; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Hunsakor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; 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:** Kingsbury

Engrossed SB 2284, as amended, passed and the title was agreed to.

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**MOTION**

**REP. BERG MOVED** that SB 2323 be moved to the top of the calendar, which motion prevailed.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. D. JOHNSON MOVED** that the conference committee report on SB 2323 as printed on HJ page 1612 be adopted, which motion prevailed on a voice vote.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. GULLESON MOVED** that the conference committee report on Engrossed SB 2313 as printed on HJ page 1612 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2313, as amended, was placed on the Fourteenth order.

**SECOND READING OF SENATE BILL**

**SB 2313:** A BILL for an Act to provide for the purchase and distribution of automated external defibrillators to schools.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 93 YEAS, 0 NAYS, 0 EXCUSED, 1 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; Grande; Griffin; Gruchalla; Gulleon; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Hunsakor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; 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:** Kingsbury

Engrossed SB 2313, as amended, passed and the title was agreed to.

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

**REP. DEKREY MOVED** that the conference committee report on Engrossed HB 1469 as printed on HJ page 1598 be adopted, which motion failed on a verification vote.

#### **MOTION**

**REP. BERG MOVED** that Rep. Porter replace Rep. Klein on the House Conference Committee on SB 2017, which motion prevailed.

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

**REP. BERG MOVED** that the Speaker appoint a committee of three to act with a like committee from the Senate as a Conference Committee on Reengrossed SB 2032, which motion prevailed.

**THE SPEAKER APPOINTED** as a Conference Committee on:

**Reengrossed SB 2032:** Reps. Belter, Drovdal, S. Kelsh

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

**MR. PRESIDENT:** The Speaker has appointed as a new conference committee to act with a like committee from the Senate on:

**SB 2352:** Reps. Hofstad; Porter; Kaldor

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

**MR. PRESIDENT:** The Speaker has appointed Rep. Porter to replace Rep. Klein on the Conference Committee on SB 2017.

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

**MR. SPEAKER:** The Senate has not adopted the conference committee report on: SB 2260.

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

**MR. SPEAKER:** The Senate has passed and your favorable consideration is requested on: SCR 4037, SCR 4038, SCR 4039, SCR 4040.

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

**MR. PRESIDENT:** The House has not adopted the conference committee report on: HB 1469.

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

**MR. PRESIDENT:** The House has adopted the conference committee reports and subsequently passed: SB 2284 and SB 2313.

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

**MR. PRESIDENT:** The House has adopted the conference committee report on: SB 2323.

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

**MR. PRESIDENT:** The Speaker has appointed as a conference committee to act with a like committee from the Senate on:

**SB 2032:** Reps. Ruby; Owens; Myxter

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

**MR. PRESIDENT:** The Speaker has signed: HB 1029, HB 1146, HB 1160, HB 1243, HB 1390, HB 1445, HB 1487.

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

The following bills were delivered to the Governor for approval on April 18, 2007: HB 1029, HB 1146, HB 1160, HB 1243, HB 1390, HB 1445, HB 1487.

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

**MR. PRESIDENT:** The Speaker has appointed as a new conference committee to act with a like committee from the Senate on:

**SB 2165:** Reps. Ruby; Owens; Myxter

**MOTION**

**REP. MONSON MOVED** that the House be on the Fifth, Seventh, and Thirteenth orders of business and at the conclusion of those orders, the House stand adjourned until 8:00 a.m., Thursday, April 19, 2007, which motion prevailed.

**REPORT OF CONFERENCE COMMITTEE**

**SB 2152, as engrossed:** Your conference committee (Sens. Erbele, Dever, Warner and Reps. Weisz, Nelson, Potter) recommends that the **HOUSE RECEDE** from the House amendments on SJ page 1110, adopt amendments as follows, and place SB 2152 on the Seventh order:

That the House recede from its amendments as printed on page 1110 of the Senate Journal and pages 1191 and 1192 of the House Journal and that Engrossed Senate Bill No. 2152 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new subsection to section 43-28.1-03 and a new section to chapter 43-28.1 of the North Dakota Century Code, relating to selection and eligibility for loan repayment under the dentists' loan repayment program and for new practice grants; to provide for a legislative council study; and to provide an appropriation.

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

**SECTION 1.** A new subsection to section 43-28.1-03 of the North Dakota Century Code is created and enacted as follows:

For the purposes of a dentist selected for loan payment who practices within fifteen miles [24.14 kilometers] of the city limits of Bismarck, Fargo, or Grand Forks, to qualify to receive a yearly disbursement under this chapter during that year of obligated service, the dentist must have:

- a. Received dental medical payments of at least twenty thousand dollars in the form of medical assistance reimbursement; or
- b. Practiced at least two full workdays per week at a public health clinic or at a nonprofit dental clinic that uses a sliding fee schedule to bill the nonprofit dental clinic's patients.

**SECTION 2.** A new section to chapter 43-28.1 of the North Dakota Century Code is created and enacted as follows:

**New practices - Grants.**

1. A dentist who graduated from an accredited dental school within the previous five years and is licensed to practice in North Dakota may submit an application to the state health council for a grant for the purpose of establishing a dental practice in a city in the state which has a population that does not exceed seven thousand five hundred.
2. The state health council may award a maximum of two grants per year and shall establish the criteria for the grant program under subsection 1 which must include:
  - a. A maximum grant award of fifty thousand dollars per applicant;
  - b. A requirement that the community must provide a fifty percent match for a grant;
  - c. A requirement that a dentist who receives a grant under this section must use the funds for buildings, equipment, and operating expenses;
  - d. A provision that the grant must be distributed in equal amounts over a five-year period; and
  - e. A requirement that a dentist selected for a grant under this section must commit to practice in the community for a minimum of five years.

**SECTION 3. LEGISLATIVE COUNCIL STUDY - COMMUNITY HEALTH TRUST FUND.** The legislative council shall consider studying, during the 2007-08 interim, the historic and anticipated uses of funds from the community health trust fund,

including a cost-benefit evaluation of past expenditures from the fund, the feasibility and desirability of establishing a strategic plan for future use of the fund, and the sustainability of the fund. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

**SECTION 4. APPROPRIATION.** There is appropriated out of any moneys in the community health trust fund in the state treasury, not otherwise appropriated, the sum of \$60,000, or so much of the sum as may be necessary, to the state department of health for the purpose of funding the new practice grant program, for the biennium beginning July 1, 2007, and ending June 30, 2009."

Renumber accordingly

Engrossed SB 2152 was placed on the Seventh order of business on the calendar.

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

**SB 2293:** Your conference committee (Sens. Lyson, Freborg, Heitkamp and Reps. Porter, DeKrey, S. Meyer) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 755-756, adopt amendments as follows, and place SB 2293 on the Seventh order:

That the House recede from its amendments as printed on pages 755 and 756 of the Senate Journal and page 859 of the House Journal and that Senate Bill No. 2293 be amended as follows:

Page 1, line 10, after "license" insert ", if the resident has complied with the hunter education requirements of section 20.1-03-01.2"

Renumber accordingly

SB 2293 was placed on the Seventh order of business on the calendar.

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

**Buell J. Reich, Chief Clerk**