

Second Day of Legislative Organizational Session

JOURNAL OF THE HOUSE

Sixty-second Legislative Assembly

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Bismarck, December 7, 2010

The House convened at 9:00 a.m., with Speaker Drovdal presiding.

The prayer was offered by Chaplain Rebecca Aardahl, Missouri Slope Lutheran Care Center, Bismarck.

The roll was called and all members were present.

A quorum was declared by the Speaker.

ANNOUNCEMENT

SPEAKER DROVDAL ANNOUNCED that the House would be at ease to receive the Senate for a Joint Session.

JOINT SESSION

SPEAKER DROVDAL CALLED the Joint Session to order and called upon Rep. Carlson to give his report as chairman of Legislative Management. Upon completion of his report, Rep. Carlson introduced Jim W. Smith, Director, Legislative Council, for his report. Mr. Smith introduced Jason J. Steckler, Director, Information Technology, who reported on the LEGEND technology system.

A presentation was given by Rep. Klemin, North Dakota Commission on Uniform State Laws.

MOTION

REP. VIGESAA MOVED that the House stand in recess until 11:30 a.m., which motion prevailed.

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

MOTION

REP. VIGESAA MOVED that a committee of two be appointed to escort Governor-Designate Jack Dalrymple to the rostrum, and Betsy Dalrymple to a reserved seat in the chamber, which motion prevailed. The Speaker appointed Rep. Belter and Sen. G. Lee to the escort committee.

MOTION

REP. VIGESAA MOVED that a committee of four be appointed to escort the Honorable John Hoeven, Governor, to the rostrum and First Lady Mikey Hoeven to a reserved seat in the chamber, which motion prevailed. The Speaker appointed Sens. Stenehjem and Taylor and Reps. Carlson and J. Kelsh to the escort committee.

**Final Address as Governor to the Joint Session of the Legislature
and the People of North Dakota
Governor John Hoeven
December 7, 2010**

Thank you for that warm & wonderful welcome. My greetings and best wishes to all here gathered-members of the Legislature, the Supreme Court, elected officials of the Executive branch, agency heads, Governor Ed and Nancy Schafer, and distinguished guests, one and all.

Thank you for being here today, and I'd like to particularly thank and acknowledge legislative leadership for allowing us to appear before this joint assembly of the Legislature to officially transfer authority to the new governor, Jack Dalrymple.

This event is historic – no other governor in the history of North Dakota has ever voluntarily

left office before the end of his term.

Other governors have left office early, but only involuntarily – either by dying, or because they were removed by the law. I'm very pleased to report that neither of those cases applies today.

Mikey and I are here to say thank you to the people of North Dakota. Thank you for the opportunity to serve you, and for the opportunity to serve our great state as governor and first lady. It has been an incredible honor, and we are truly blessed.

Today is the beginning of a new chapter. We are honored, excited, and humbled to have the opportunity to serve you in the United States Senate. I say "we" purposefully, because Mikey and I are a team.

We have together served you as governor and first lady, and we will together serve you in Washington, D.C. I would like to ask Mikey to stand and be acknowledged.

Today, even though much of the nation is greatly challenged, North Dakota is strong – arguably the strongest we've ever been. We have a growing surplus and we are building strong reserves. We are even building an endowment for future generations, the Legacy Fund. And we are doing these things while both funding our priorities, and while reducing the tax burden on our citizens.

We have cut property taxes and income taxes, across the board – and we are in a position to do more.

In 2000, we laid out a vision for the future. A vision for a growing, more diversified economy and a growing State. That vision included a strategic plan for economic development targeting key industries for growth: value-added agriculture, advanced manufacturing, technology-based businesses, tourism, and energy. We also went to work on a comprehensive energy plan, Empower North Dakota, and we did so long before many were talking about energy development.

When we started, oil companies had, either left, or they were leaving the Williston Basin. But, we put tax incentives in place, established an oil and gas research fund, four-laned highway 2, initiated studies of the Bakken formation through the North Dakota Geological Survey, created a pipeline authority, and established education and training for oil field workers at Williston State College.

We worked to build a business climate to draw investment capital, technology, and ingenuity to the Williston Basin – and North Dakota creativity and industry unlocked the potential of the Bakken and Three Forks.

The reality is that when preparation meets opportunity, good things happen – and that's true with the oil industry in North Dakota.

But there is more to the story. Other states have oil development, and we've had oil development in the past, too. Today we have over 12,000 jobs available that we are working to fill; however, 70 percent of those jobs are outside the oil and gas producing counties.

Our vision has been to create not only a growing economy – but one that is more diversified, both within and outside of our primary industries of agriculture and energy.

For example, through Empower North Dakota we stimulated not only the development of oil and gas, and the new clean-coal technologies, but also the development of our renewable energy resources, like ethanol, biodiesel, and wind farms across the state. Today, we can truly say that North Dakota is leading the nation as an energy powerhouse.

At the same time we are expanding, strengthening, and diversifying the very core of our economic base, agriculture. We are adding value for our farmers and ranchers through ag processing to produce not only food products, but also fuel and fiber – as well as more jobs throughout the state. And through the North Dakota Trade Office we are helping North Dakota Companies, and our producers, market their products to the world.

For example, in recent weeks a 747 airliner took off from Fargo's Hector Airport loaded with live Angus and Hereford cattle bound for Kazakhstan. You've heard the saying "when pigs

fly” – well, our cattle go by 747. Anything really is possible here in North Dakota.

With our Centers of Excellence program, we have helped tie our universities to research, development, new companies, and the jobs of the future. We have reduced taxes and provided common sense regulation to support technology-driven companies and advanced manufacturing companies. And we have strongly supported education, not only to benefit our students and teachers, but to build a world-class workforce.

Today we are a growing state, with a growing job base and a growing population. We have gained 40,000 jobs since 2000, in many different sectors of our economy – and the U.S. Chamber of Commerce ranks North Dakota number 1 among all 50 states for job growth and income growth over the last decade. In 2000 our per capita income was only 84% of the national average.

Today it is above the national average, at 103 percent and growing. And state revenues come from a balance of sources – reflecting our economic growth – 45 percent from sales taxes, 30 percent from income taxes, and 25 percent from oil revenues.

But clearly, there is still more to do. We must invest in infrastructure for continued energy development, flood protection, and water development throughout the state. We must invest in education for our children and our future.

We must provide strong support for our seniors – and for our veterans and the men and women in the military, to whom we owe so very much. But, you know, we have the ability to do it – because we have built the right foundation. We have made real progress – and we are positioned to build an even brighter future.

Lt. Governor, very soon to be Governor, Jack Dalrymple is already off to the right start with his focus on infrastructure and an energy office. And Betsy will do a great job as your first lady.

They have been incredible partners, and Mikey and I want to thank them, and we want to thank all the members of our administration for their hard work and their dedication.

In closing, I also want to thank you, the Legislature and all of our elected officials, for your commitment and dedication as well. I look forward to continuing to work with you in a new capacity.

Our state is blessed with many natural resources – but the most valuable of all is our people.

From the beginning, we believed – and we continue to believe – that North Dakota’s future is limited only by the imagination and energy of North Dakotans. In Truth, we can compete with anyone, anywhere, anytime.

Our businesses can compete on a world stage. Our entrepreneurs can launch new enterprises. We can raise our standard of living and our quality of life.

We can and we are making North Dakota a better place to live for ours and for future generations.

Once again, I want to thank the people of North Dakota for the opportunity to have served as your governor, and the opportunity to serve, very soon, as your United States Senator. I want to thank you for the opportunity to work with you to build a better future for North Dakota. It is truly an honor.

May God Bless our Great State of North Dakota, and May God Bless the United States of America. Thank you.

COMMUNICATION FROM THE HONORABLE GOVERNOR JOHN HOEVEN

I have had the honor and privilege of serving the people of North Dakota as their 31st Governor. I thank the people of North Dakota for their support during the last ten years and the opportunity to serve as their United States Senator.

My election to the United States Senate will create a vacancy, and under Article V Section 11 of the North Dakota Constitution, the Lieutenant Governor will succeed to the Office of the Governor. Therefore, in accordance with North Dakota Century Code Section 44-02-02(1), I

hereby relinquish my position as Governor in order to assume my position as North Dakota's United States Senator.

OATH OF OFFICE

CHIEF JUSTICE VANDEWALLE ADMINISTERED the Oath of Office to the Governor.

APPOINTMENT

GOVERNOR JACK DALRYMPLE APPOINTED Drew Wrigley the next Lieutenant Governor of the Great State of North Dakota.

OATH OF OFFICE

CHIEF JUSTICE VANDEWALLE ADMINISTERED the Oath of Office to the Lieutenant Governor.

REMARKS OF GOVERNOR JACK DALRYMPLE

Members of the Assembly and distinguished guests. Thank you very much for your kind welcome. It will be an honor for me to serve as Governor of the great state of North Dakota and to serve with my Lieutenant Governor – Drew Wrigley. Drew is a former state prosecutor, a former Senior Advisor to the Governor, a former U.S. Attorney, and, best of all, his family roots are in Burke and Walsh counties. I know I speak for both of us when I say that we look forward to the serious responsibility now entrusted to us.

I feel very much at home here in the House chamber, having spent 8 sessions here in this room – I used to sit over there where Representative Devlin is sitting. I liked that spot because you could slip back to the leaders' office or the men's room without much notice. Of course it was more complicated in the Senate... the only way to get a break there was to put the whole Senate in recess.

But thank you all, and especially Rep. Carlson and Sen. Stenehjem for the opportunity to make this a very special day for myself and my family. After 16 years in the House and 10 years as Lt. Governor, I am ready to serve as your governor. It causes a person to reflect a bit on the journey, and to consider those who have been with you along the way. In addition to my 4 daughters, my 3 sisters, and a host of other relatives and good friends, I would like to acknowledge two very special women who have always been there for me. The first, of course, is my amazing wife who has been my true soul mate ever since she was a senior in high school. Words cannot express my gratitude to Betsy. Betsy, would you please stand.

The other person who has meant so much to me used to drive me to Carl Ben Eielson elementary School in Casselton in 1953. She'll be 95 years old at the end of this month. I am so happy that you are able to be here today, Mom... please welcome my mother, Mary Morrison.

The last person I'm going to single out will forever be a big part of my life story. In the spring of the year 2000 he gave me an opportunity to be an integral part of his team. Betsy and I thought he looked promising, but honestly we had no idea what a great leader he would become. After winning the election for Governor in 2000 he telephoned me and asked me to take responsibility for the state budget, for the legislative agenda, for K-12 Education, and for agricultural policy including the development of value-added enterprises. For the last ten years these have been nothing but dream assignments for me, allowing me to pursue the work that always interested me the most. Serving as your Lieutenant Governor these last ten years has been a very rewarding experience for me, and none of it would have ever been possible without the help and confidence of my good friend, John Hoeven. Mikey, thank you for letting John run and John, all I can say is, "The U.S. Senate had better get ready - there's a new player coming to town like they've never seen before."

The record of the Hoeven – Dalrymple administration is now history, and John gave you a good review of the achievements. There's an old saying around Casselton ... "Always stick with a proven winner," and I think we all know we've got a good thing going in North Dakota right now. Statistics can be boring, but I think there are a couple that speak loudly about the effectiveness of our policies over the last 10 years.

In 2001 we set out to create more jobs – jobs that become careers, jobs that keep young people in North Dakota, jobs that allow you to buy a home here and raise a family. Today North Dakota has the lowest unemployment rate of all 50 states. The national rate of unemployment is 9.8% ... Ours in North Dakota is 3.7%.

In 2001 we set a course toward jobs and industries that would improve peoples' incomes. Since we took office, wages have grown 46%, versus 29% for the nation as a whole. Personal income has grown 59%, versus 31% for the nation. And most importantly, per capita income, after trailing the national average for decades and sitting in 38th place in the year 2000, is now ranked 18th among all 50 states, the highest in our history.

When I go to meetings around the country, people still ask me if North Dakota isn't just the beneficiary of an oil boom. I'm proud to tell them that even with the Bakken discovery, just 25 percent of our state revenue collections come from oil and gas.

The fact is, we have seen significant growth in all of our industries over the last 10 years - technology, tourism, agriculture, and even in manufacturing, where most of the country has reported severe declines. Our low statewide unemployment rate is evidence from one corner of North Dakota to another - in all of our major cities and in small towns in between. No single industry tells the whole story of the great progress we've made.

Looking ahead, everyone can expect to see a continued focus on job creation. Using our Department of Commerce and our statewide network of economic developers, we can take advantage of our outstanding business climate and create new enterprises as well as expand existing businesses. Growth can be expected to come from all sectors and from customers throughout the world. Our North Dakota Trade Office, another one of my assignments, is looking at a world of opportunities for our state's exporters.

In 2000 we set out to provide more support for elementary and secondary education. Our immediate challenge was to hold on to our good teachers, and our proposal for a \$3,500 salary increase for every teacher spoke to everyone in North Dakota - not just teachers. The proposal was enacted by the 2001 legislature, and the momentum provided by that initial proposal has continued to this day.

As time went by, we decided to take on the education issues put to the people of North Dakota by the school funding lawsuit. With the concurrence of the Governor and the Attorney General, I asked the plaintiff school districts if they would consider participating in a Commission format to resolve the issues of Equity and Adequacy in school funding, using a process that would produce a good solution without years of costly court time and legal fees. What was the end result? The dismissal of the lawsuit and two landmark pieces of school funding reform legislation: SB 2200 in 2007 and HB 1400 in the 2009 session. My personal thanks to Governor Hoeven and Attorney General Stenehjem for entrusting me to chair the Governor's Commission on Education Improvement.

In 2000 we also made a commitment to fiscal responsibility in state government. We made a pledge that we would not raise taxes and we kept our pledge. Most people have probably forgotten that it was actually necessary to implement a small allocation in 2002 in order to balance the budget. My entire experience on House Appropriations occurred during years when there were absolutely no extra General Fund dollars available. Back then, the Governor's budget proposal called for an ending fund balance of just \$10 million, about 3 days worth of funding, and there were no Reserve funds or Stabilization funds like there are today. People would come to Appropriations all winter long, asking for more money for a worthy program, and time after time we would have to say "no"... because we were responsible for balancing the state's budget.

Those years of fiscal caution in the 90's and early 2000's were what made it possible for all of us to now enjoy the benefits of working with extra financial resources. We don't have back debts to pay off as most states do. In fact we have dedicated revenue sources for all of our bonds, which means that we have no General Obligation debt.

So if you were Governor, what would you do with the state budget when there is funding available? Tomorrow I will tell you in great detail how I believe we should proceed. I'll have some new ideas about infrastructure, about quality instruction in our schools, and new ideas for funding higher education.

But that can wait. Today I simply want to say "thank you" to all of you who have been part of making North Dakota the envy of the nation. I think you know that I have truly enjoyed serving as your Lieutenant Governor and have really enjoyed working with our great legislative assembly. Thank you for your support in the past, and for the support I know you will give me in the coming years. God bless you and God bless North Dakota.

MOTION

REP. VIGESAA MOVED that a committee of two be appointed to escort Governor Jack and First Lady Betsy Dalrymple out of the chamber, which motion prevailed. The Speaker appointed Reps. Carlson and J. Kelsh to the escort committee.

MOTION

SEN. CHRISTMANN MOVED that a committee of two be appointed to escort former Governor John and First Lady Mikey Hoeven out of the chamber, which motion prevailed. The Speaker appointed Sens. Stenejem and Taylor to the escort committee.

MOTION

REP. VIGESAA MOVED that a committee of two be appointed to escort Lieutenant Governor Drew and Kathleen Wrigley out of the chamber, which motion prevailed. The Speaker appointed Rep. Nathe and Sen. Bowman to the escort committee.

MOTION

REP. VIGESAA MOVED that the Joint Session stand in recess until 1:15 p.m., which motion prevailed.

THE JOINT SESSION RECONVENED pursuant to recess taken, with Speaker Drovdal presiding.

MOTION

REP. VIGESAA MOVED that the Joint Session be dissolved, which motion prevailed.

The House received a presentation by Jim W. Smith, Director, Legislative Council, on legislative ethics and laws and rules governing the activities and conduct of public officials.

Majority Leader Carlson and Minority Leader J. Kelsh addressed the assembly.

MOTION

REP. VIGESAA MOVED that the House stand adjourned until 8:30 a.m., Wednesday, December 8, 2010, which motion prevailed.

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

Buell J. Reich, Chief Clerk