

## JOURNAL OF THE HOUSE

## Sixty-second Legislative Assembly

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Bismarck, April 21, 2011

The House convened at 8:00 a.m., with Speaker Drovdal presiding.

The prayer was offered by Shirley Meyer, District 36, Dickinson.

The roll was called and all members were present except Representative Bellew.

A quorum was declared by the Speaker.

**COMMUNICATION FROM GOVERNOR JACK DALRYMPLE**

This is to inform you that on April 19, 2011, I have signed the following: HB 1030, HB 1034, HB 1035, HB 1036, HB 1049, HB 1317, HB 1329, HB 1334, HB 1338, HB 1355, HB 1364, HB 1367, HB 1382, HB 1389, HB 1393, and HB 1413.

Also, on April 20, 2011, I have signed the following: HB 1265, HB 1320, HB 1325, HB 1386, and HB 1459.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. DAHL MOVED** that the conference committee report on Engrossed SB 2003 as printed on HJ pages 1822-1824 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2003, as amended, was placed on the Fourteenth order of business.

**SECOND READING OF SENATE BILL**

**SB 2003:** A BILL for an Act to provide an appropriation for defraying the expenses of the attorney general; to create and enact two new sections to chapter 18-01 of the North Dakota Century Code, relating to fire and tornado fund fees and petroleum release compensation fund fees; to amend and reenact sections 12-60-25, 54-12-11, and 57-43.1-03.2 of the North Dakota Century Code, relating to missing children, the salary of the attorney general, and refunds of tax for fuel purchased by native Americans; to provide an exemption; to provide legislative intent; and to declare an emergency.

**ROLL CALL**

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

**YEAS:** Amerman; Anderson; Beadle; Belter; Boe; Boehning; Brabandt; Brandenburg; Carlson; Clark; Conklin; Dahl; Damschen; DeKrey; Delmore; Delzer; Devlin; Dosch; Frantsovog; Froseth; Glassheim; Grande; Gruchalla; Guggisberg; Hanson; Hatlestad; Hawken; Headland; Heilman; Heller; Hofstad; Hogan; Holman; Hunsakor; Johnson, D.; Johnson, N.; Kaldor; Karls; Keiser; Kelsch, R.; Kelsh, J.; Kelsh, S.; Kempenich; Kilichowski; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kreun; Kroeber; Louser; Maragos; Martinson; Meier, L.; Metcalf; Meyer, S.; Mock; Monson; Mueller; Nathe; Nelson, J.; Nelson, M.; Onstad; Owens; Paur; Pietsch; Pollert; Porter; Rohr; Rust; Sanford; Schatz; Schmidt; Skarphol; Steiner; Streyle; Sukut; Thoreson; Trottier; Vigasaa; Wall; Weisz; Wieland; Williams; Winrich; Wrangham; Zaiser; Speaker Drovdal

**NAYS:** Kasper; Ruby; Weiler

**ABSENT AND NOT VOTING:** Bellew

Engrossed SB 2003, as amended, passed and the emergency clause was declared carried.

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**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. KOPPELMAN MOVED** that the conference committee report on Engrossed SB 2161 as printed on HJ pages 1824-1825 be adopted.

**REQUEST**

**REP. ZAISER REQUESTED** a verification vote, which request was granted.

The question being on the motion to adopt the conference committee report on Engrossed SB 2161, the conference committee report on Engrossed SB 2161 was adopted on a verification vote.

Engrossed SB 2161, as amended, was placed on the Fourteenth order of business.

**SECOND READING OF SENATE BILL**

**SB 2161:** A BILL for an Act to create and enact subsection 7 to section 32-12.1-03 of the North Dakota Century Code, relating to political subdivision liability; and to amend and reenact section 24-06-31 of the North Dakota Century Code, relating to obstructions in highways.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 44 YEAS, 48 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Belter; Boehning; Brabandt; Carlson; Clark; Damschen; DeKrey; Delzer; Devlin; Dosch; Frantsvog; Froseth; Glassheim; Grande; Hofstad; Johnson, D.; Johnson, N.; Karls; Kelsch, R.; Kempenich; Klein; Koppelman; Kreidt; Louser; Maragos; Monson; Nathe; Nelson, J.; Nelson, M.; Owens; Pietsch; Pollert; Rust; Schatz; Skarphol; Streyle; Thoreson; Trottier; Vigasaa; Wall; Weiler; Weisz; Wieland; Speaker Drovdal

**NAYS:** Amerman; Anderson; Beadle; Boe; Brandenburg; Conklin; Dahl; Delmore; Gruchalla; Guggisberg; Hanson; Hatlestad; Hawken; Headland; Heilman; Heller; Hogan; Holman; Hunskor; Kaldor; Kasper; Keiser; Kelsh, J.; Kelsh, S.; Kilichowski; Kingsbury; Klemin; Kretschmar; Kreun; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Mock; Mueller; Onstad; Paur; Rohr; Ruby; Sanford; Schmidt; Steiner; Sukut; Williams; Winrich; Wrangham; Zaiser

**ABSENT AND NOT VOTING:** Bellew; Porter

Engrossed SB 2161, as amended, lost.

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**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. KREIDT MOVED** that the conference committee report on Reengrossed SB 2298 as printed on HJ pages 1825-1826 be adopted, which motion prevailed on a voice vote.

Reengrossed SB 2298, as amended, was placed on the Fourteenth order of business.

**SECOND READING OF SENATE BILL**

**SB 2298:** A BILL for an Act to create and enact a new section to chapter 50-11.1 of the North Dakota Century Code, relating to the establishment of early childhood services inclusion support services and a grant program for licensed early childhood services providers who care for children with special needs; to provide a statement of legislative intent; to provide for a legislative management study; to provide a continuing appropriation; and to provide an appropriation.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 83 YEAS, 10 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Anderson; Beadle; Belter; Boe; Boehning; Brandenburg; Carlson; Clark;

Conklin; Dahl; Damschen; DeKrey; Delmore; Devlin; Frantsvog; Froseth; Glassheim; Grande; Gruchalla; Guggisberg; Hanson; Hatlestad; Hawken; Heilman; Heller; Hofstad; Hogan; Holman; Hunskor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, J.; Kelsh, S.; Kempenich; Kilichowski; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kreun; Kroeber; Maragos; Martinson; Meier, L.; Metcalf; Meyer, S.; Mock; Monson; Mueller; Nathe; Nelson, J.; Nelson, M.; Onstad; Owens; Paur; Pietsch; Porter; Rohr; Ruby; Sanford; Schatz; Schmidt; Skarphol; Steiner; Sukut; Thoreson; Vigasaa; Wall; Weisz; Wieland; Williams; Winrich; Wrangham; Zaiser; Speaker Drovdal

**NAYS:** Brabandt; Delzer; Dosch; Headland; Louser; Pollert; Rust; Streyle; Trottier; Weiler

**ABSENT AND NOT VOTING:** Bellew

Reengrossed SB 2298, as amended, passed.

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

**REP. DELZER MOVED** that the conference committee report on Engrossed SB 2369 as printed on HJ pages 1826-1829 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2369, as amended, was placed on the Fourteenth order of business.

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

**SB 2369:** A BILL for an Act to amend and reenact section 37-17.1-27 of the North Dakota Century Code, relating to the state disaster relief fund; to provide appropriations to the adjutant general for emergency snow removal grants, flood mitigation, and for state disasters; to provide for a transfer; to provide for a budget section report; and to declare an emergency.

#### **ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 93 YEAS, 0 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Anderson; Beadle; Belter; Boe; Boehning; Brabandt; Brandenburg; Carlson; Clark; Conklin; Dahl; Damschen; DeKrey; Delmore; Delzer; Devlin; Dosch; Frantsvog; Froseth; Glassheim; Grande; Gruchalla; Guggisberg; Hanson; Hatlestad; Hawken; Headland; Heilman; Heller; Hofstad; Hogan; Holman; Hunskor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, J.; Kelsh, S.; Kempenich; Kilichowski; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kreun; Kroeber; Louser; Maragos; Martinson; Meier, L.; Metcalf; Meyer, S.; Mock; Monson; Mueller; Nathe; Nelson, J.; Nelson, M.; Onstad; Owens; Paur; Pietsch; Pollert; Porter; Rohr; Ruby; Rust; Sanford; Schatz; Schmidt; Skarphol; Steiner; Streyle; Sukut; Thoreson; Trottier; Vigasaa; Wall; Weiler; Weisz; Wieland; Williams; Winrich; Wrangham; Zaiser; Speaker Drovdal

**ABSENT AND NOT VOTING:** Bellew

Engrossed SB 2369, as amended, passed and the emergency clause was declared carried.

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#### **ANNOUNCEMENT**

**SEAKER DROVDAL ANNOUNCED** that the House stand in recess until 1:00 p.m.

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

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

**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently passed: SB 2298.

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

**MR. PRESIDENT:** The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2003, SB 2369.

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

**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently failed to pass: SB 2161.

**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 2012.

**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 1199, HB 1252.

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

**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1002, HB 1007, HB 1016, HB 1033, HB 1046, HB 1266.

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

**MR. SPEAKER:** Your signature is respectfully requested on: SB 2005, SB 2268.

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

**MR. SPEAKER:** Your signature is respectfully requested on: SB 2009, SB 2050, SB 2309.

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

**MR. SPEAKER:** The President has signed: HB 1002, HB 1007, HB 1016, HB 1033, HB 1046, HB 1266.

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

**MR. PRESIDENT:** The Speaker has signed: HB 1465.

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

**MR. PRESIDENT:** The Speaker has signed: SB 2005, SB 2009, SB 2050, SB 2268, SB 2309.

**DELIVERY OF ENROLLED BILLS AND RESOLUTIONS**

The following bill was delivered to the Governor for approval on April 21, 2011: HB 1465.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1020, as engrossed:** Your conference committee (Sens. Bowman, Holmberg, O'Connell and Reps. Skarphol, Hawken, Williams) recommends that the **SENATE RECEDE** from the Senate amendments, adopt amendments as follows, and place HB 1020 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1581-1586 of the House Journal and pages 1341-1345 of the Senate Journal and that Engrossed House Bill No. 1020 be amended as follows:

Page 1, line 3, after the first semicolon insert "to amend and reenact section 4-14.2-02 of the North Dakota Century Code, relating to the northern crops council;"

Page 1, line 3, after the second semicolon insert "to provide contingent funding;"

Page 1, replace lines 20 through 22 with:

"Extension service	\$47,091,489	(\$64,835)	\$47,026,654
Soil conservation committee	<u>837,800</u>	<u>150,000</u>	<u>987,800</u>
Total all funds	\$47,929,289	\$85,165	\$48,014,454"

Page 1, remove line 24

Page 2, replace line 1 with:

"Total general fund	\$22,000,412	\$2,885,232	\$24,885,644
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Full-time equivalent positions	255.75	1.00	256.75"
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Page 2, replace line 22 with:

"Main research center	\$87,530,418	\$11,059,555	\$98,589,973"
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Page 2, replace line 26 with:

"Total all funds	\$87,530,418	\$11,059,555	\$98,589,973"
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Page 2, replace lines 28 and 29 with:

"Total general fund	\$42,517,151	\$11,939,247	\$54,456,39
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Full-time equivalent positions	329.26	4.00	333.26"
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Page 3, replace lines 8 through 10 with:

"Williston research center	2,922,183	487,906	3,410,089
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Carrington research center	6,727,962	398,526	7,126,488
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Total all funds	\$26,284,006	\$3,658,783	\$29,942,789"
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Page 3, replace lines 12 and 13 with:

"Total general fund	\$12,367,190	\$1,778,018	\$14,145,208
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Full-time equivalent positions	95.49	2.00	97.49"
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Page 3, replace line 25 with:

"Grand total general fund	\$79,913,767	\$17,185,693	\$97,099,460"
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Page 3, replace line 27 with:

"Grand total all funds	\$189,383,429	\$16,016,223	\$205,399,652"
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Page 4, remove lines 3 and 4

Page 4, replace line 15 with:

"Total all funds	\$22,675,000	\$9,494,581"
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Page 4, replace line 17 with:

"Total general fund	\$17,700,000	\$6,991,650"
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Page 4, after line 21, insert:

**"SECTION 3. CONTINGENT FUNDING - WILLISTON RESEARCH CENTER DIRECTOR.** Of the funds appropriated to the Williston research center in subdivision 5 of section 1 of this Act, \$210,000 from the general fund is contingent and subject to the provisions of this section. If funding for fifty percent of the 2011-13 biennium costs relating to the director position at the Williston research center is not provided by the Montana state university eastern agricultural research center, the Williston research center may spend up to \$210,000 and hire one full-time equivalent director position for the biennium beginning July 1, 2011, and ending June 30, 2013."

Page 5, after line 17, insert:

**"SECTION 9. AMENDMENT.** Section 4-14.2-02 of the North Dakota Century Code is amended and reenacted as follows:

**4-14.2-02. Northern crops council - Establishment - Chairman - Meetings - Compensation.**

1. The northern crops council is established. The council shall establish policies for the operation of the northern crops institute. The council consists of:
  - a. The president of North Dakota state university of agriculture and applied science or the president's designee.
  - b. A representative selected by the North Dakota wheat commission.
  - c. A representative selected by the North Dakota oilseed council.
  - d. A representative selected by the North Dakota barley council.
  - e. A representative selected by the North Dakota soybean council.
  - f. The agriculture commissioner or the commissioner's designee.
  - g. Five to seven producers of northern crops selected by the members designated in subdivisions a through f.
  - h. Up to four representatives of industries that process northern crops selected by the members designated in subdivisions a through f.
2. a. The term of office for each member of the council, except the president of North Dakota state university of agriculture and applied science and the agriculture commissioner, is three years, and those members are limited to two 3-year terms. Each term of office begins with the first reorganizational meeting after the date of appointment.
- b. Notwithstanding subdivision a, during the 2011-13 biennium, the council shall:
  - (1) Stagger by lot the terms of the producers of northern crops so that no more than one of the producers' terms expires in June 2013; and
  - (2) Stagger by lot the terms of the representatives of industries that process northern crops so that no more than one of the representatives' terms expires in June 2013.
3. The chairman of the council must be a member of the council elected annually by a majority vote of the council. Provided, the members designated in subdivisions a and f of subsection 1 are not eligible to serve as chairman.
4. The council shall meet at least three times annually at such times and places as must be determined by the council and may meet in special meeting upon such call and notice as may be prescribed by rules adopted by the council. A council member unable to attend a meeting of the council may be represented by a person who has a written proxy from the member."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1020 - Summary of Conference Committee Action**

	Executive Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Transportation Institute Total all funds	\$24,069,961	\$24,069,961	\$0	\$24,069,961	\$24,069,961	\$0

Less estimated income	22,150,333	22,150,333	0	22,150,333	22,150,333	0
General fund	\$1,919,628	\$1,919,628	\$0	\$1,919,628	\$1,919,628	\$0
Branch Research Centers						
Total all funds	\$28,812,789	\$31,957,789	(\$2,015,000)	\$29,942,789	\$29,732,789	\$210,000
Less estimated income	14,877,581	15,797,581	0	15,797,581	15,797,581	0
General fund	\$13,935,208	\$16,160,208	(\$2,015,000)	\$14,145,208	\$13,935,208	\$210,000
NDSU Extension Service						
Total all funds	\$48,744,454	\$48,494,454	(\$480,000)	\$48,014,454	\$48,014,454	\$0
Less estimated income	23,128,810	23,128,810	0	23,128,810	23,128,810	0
General fund	\$25,615,644	\$25,365,644	(\$480,000)	\$24,885,644	\$24,885,644	\$0
Northern Crops Institute						
Total all funds	\$3,347,307	\$3,347,307	\$0	\$3,347,307	\$3,347,307	\$0
Less estimated income	1,654,725	1,654,725	0	1,654,725	1,654,725	0
General fund	\$1,692,582	\$1,692,582	\$0	\$1,692,582	\$1,692,582	\$0
Main Research Center						
Total all funds	\$97,897,571	\$98,392,571	\$197,402	\$98,589,973	\$98,707,571	(\$117,598)
Less estimated income	43,973,575	44,133,575	0	44,133,575	44,133,575	0
General fund	\$53,923,996	\$54,258,996	\$197,402	\$54,456,398	\$54,573,996	(\$117,598)
Agronomy Seed Farm						
Total all funds	\$1,435,168	\$1,435,168	\$0	\$1,435,168	\$1,435,168	\$0
Less estimated income	1,435,168	1,435,168	0	1,435,168	1,435,168	0
General fund	\$0	\$0	\$0	\$0	\$0	\$0
Bill total						
Total all funds	\$204,307,250	\$207,697,250	(\$2,297,598)	\$205,399,652	\$205,307,250	\$92,402
Less estimated income	107,220,192	108,300,192	0	108,300,192	108,300,192	0
General fund	\$97,087,058	\$99,397,058	(\$2,297,598)	\$97,099,460	\$97,007,058	\$92,402

### House Bill No. 1020 - Transportation Institute - Conference Committee Action

The conference committee and Senate did not change the House version for the Upper Great Plains Transportation Institute.

### House Bill No. 1020 - Branch Research Centers - Conference Committee Action

	Executive Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Dickinson Research Center	\$5,588,562	\$6,388,562		\$6,388,562	\$6,388,562	
Central Grasslands Research Center	2,865,847	2,865,847		2,865,847	2,865,847	
Hettinger Research Center	3,373,175	3,373,175		3,373,175	3,373,175	
Langdon Research Center	2,378,807	2,378,807		2,378,807	2,378,807	
North Central Research Center	4,279,821	4,399,821		4,399,821	4,399,821	
Williston Research Center	3,200,089	3,200,089	210,000	3,410,089	3,200,089	210,000
Carrington Research Center	7,126,488	9,351,488	(2,225,000)	7,126,488	7,126,488	
Total all funds	\$28,812,789	\$31,957,789	(\$2,015,000)	\$29,942,789	\$29,732,789	\$210,000
Less estimated income	14,877,581	15,797,581	0	15,797,581	15,797,581	0
General fund	\$13,935,208	\$16,160,208	(\$2,015,000)	\$14,145,208	\$13,935,208	\$210,000
FTE	95.49	96.49	1.00	97.49	96.49	1.00

### Department No. 628 - Branch Research Centers - Detail of Conference Committee Changes

	Removes Funding for Capital Project <sup>1</sup>	Adds Contingency Appropriation for Director of Williston Research Center <sup>2</sup>	Total Conference Committee Changes
Dickinson Research Center			
Central Grasslands Research Center			
Hettinger Research Center			
Langdon Research Center			
North Central Research Center			
Williston Research Center		210,000	210,000
Carrington Research Center	(2,225,000)		(2,225,000)
	(\$2,225,000)	\$210,000	(\$2,015,000)

Total all funds			
Less estimated income	0	0	0
General fund	(\$2,225,000)	\$210,000	(\$2,015,000)
FTE	0.00	1.00	1.00

<sup>1</sup> Funding added by the House for the agronomy laboratory capital project at the Carrington Research Center is removed. The Senate also removed this funding.

<sup>2</sup> The conference committee provided a contingent appropriation to add 1 FTE director position at the Williston Research Center if the funding for 50 percent of the position from the Montana State University Eastern Agricultural Research Center is no longer available.

### House Bill No. 1020 - NDSU Extension Service - Conference Committee Action

	Executive Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Extension Service	\$47,856,654	\$47,606,654	(\$580,000)	\$47,026,654	\$47,026,654	
Soil Conservation Committee	887,800	887,800	100,000	987,800	987,800	
Total all funds	\$48,744,454	\$48,494,454	(\$480,000)	\$48,014,454	\$48,014,454	\$0
Less estimated income	23,128,810	23,128,810	0	23,128,810	23,128,810	0
General fund	\$25,615,644	\$25,365,644	(\$480,000)	\$24,885,644	\$24,885,644	\$0
FTE	255.75	255.75	1.00	256.75	256.75	0.00

### Department No. 630 - NDSU Extension Service - Detail of Conference Committee Changes

	Restores Funding for SBARE Livestock Stewardship Initiative <sup>1</sup>	Adds Funding for Soil Conservation Committee <sup>2</sup>	Removes Funding for Gearing Up for Kindergarten <sup>3</sup>	Total Conference Committee Changes
Extension Service	\$250,000		(\$830,000)	(\$580,000)
Soil Conservation Committee		100,000		100,000
Total all funds	\$250,000	\$100,000	(\$830,000)	(\$480,000)
Less estimated income	0	0	0	0
General fund	\$250,000	\$100,000	(\$830,000)	(\$480,000)
FTE	1.00	0.00	0.00	1.00

<sup>1</sup> Funding is restored for the State Board of Agricultural Research and Education (SBARE) initiative relating to livestock stewardship that was removed by the House. The Senate also restored this funding.

<sup>2</sup> Funding is added for the soil conservation committee to increase the total funding provided from \$887,800 to \$987,800. The Senate added this funding.

<sup>3</sup> Funding provided in the executive budget to expand the Gearing Up for Kindergarten program to a statewide scope is removed. The Senate also removed this funding.

### House Bill No. 1020 - Northern Crops Institute - Conference Committee Action

Section 4-14.2-02, relating to the Northern Crops Council, is amended to permit the council to stagger the terms of producers of northern crops and representatives of industries so that



no more than one producer's term and one representative's term expires in June 2013. The Senate also made this change.

### House Bill No. 1020 - Main Research Center - Conference Committee Action

	Executive Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Main Research Center	\$97,897,571	\$98,392,571	\$197,402	\$98,589,973	\$98,707,571	(\$117,598)
Total all funds	\$97,897,571	\$98,392,571	\$197,402	\$98,589,973	\$98,707,571	(\$117,598)
Less estimated income	43,973,575	44,133,575	0	44,133,575	44,133,575	0
General fund	\$53,923,996	\$54,258,996	\$197,402	\$54,456,398	\$54,573,996	(\$117,598)
FTE	329.26	332.26	1.00	333.26	333.26	0.00

### Department No. 640 - Main Research Center - Detail of Conference Committee Changes

	Removes Funding for the State Data Center <sup>1</sup>	Adds Funding for Livestock Stewardship SBARE Initiative <sup>2</sup>	Adds Funding for Special Assessments <sup>3</sup>	Total Conference Committee Changes
Main Research Center	(\$125,000)	\$240,000	\$82,402	\$197,402
Total all funds	(\$125,000)	\$240,000	\$82,402	\$197,402
Less estimated income	0	0	0	0
General fund	(\$125,000)	\$240,000	\$82,402	\$197,402
FTE	(1.00)	2.00	0.00	1.00

<sup>1</sup> Funding and 1 FTE position added by the House for the SBARE initiative relating to the State Data Center is removed. The Senate also removed this FTE and related funding.

<sup>2</sup> Funding is provided for an SBARE initiative to improve animal productivity and livestock stewardship for increased profitability in the North Dakota livestock industry. This initiative includes 2 FTE technician positions at the Main Research Center. The Senate also made this change.

<sup>3</sup> Funding is added for estimated 2011-13 special assessments assigned to the Main Research Center.

The conference committee removed \$200,000 from the general fund added by the Senate for a grant to conduct research relating to grape growing in the state to be administered by the Main Research Center in consultation with the Grape Growers Association.

### House Bill No. 1020 - Agronomy Seed Farm - Conference Committee Action

The conference committee and Senate did not change the House version for the Agronomy Seed Farm.

Engrossed HB 1020 was placed on the Seventh order of business on the calendar.

### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**REP. SKARPHOL MOVED** that the conference committee report on Engrossed HB 1020 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1020, as amended, was placed on the Eleventh order of business.

### SECOND READING OF HOUSE BILL

**HB 1020:** A BILL for an Act to provide an appropriation for defraying the expenses of the extension service, northern crops institute, upper great plains transportation institute, main research center, branch research centers, and agronomy seed farm; to amend and reenact section 4-14.2-02 of the North Dakota Century Code, relating to the northern crops council; to provide for transfers; to provide contingent funding; to provide an exemption; and to declare an emergency.

### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 77 YEAS, 16 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Belter; Boe; Boehning; Brabandt; Brandenburg; Carlson; Clark; Conklin; Dahl; Damschen; DeKrey; Delmore; Delzer; Frantsvog; Froseth; Glassheim; Grande; Gruchalla; Guggisberg; Hanson; Hatlestad; Hawken; Headland; Heilman; Heller; Hofstad; Holman; Hunskor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsh, J.; Kelsh, S.; Kempenich; Kilichowski; Kingsbury; Klemm; Koppelman; Kreidt; Kretschmar; Kreun; Kroeber; Louser; Maragos; Martinson; Metcalf; Meyer, S.; Mock; Monson; Mueller; Nelson, J.; Onstad; Owens; Pietsch; Pollert; Rust; Sanford; Schatz; Schmidt; Skarphol; Steiner; Streyle; Sukut; Thoreson; Trottier; Wall; Weisz; Wieland; Williams; Winrich; Wrangham; Zaiser; Speaker Drovda

**NAYS:** Amerman; Beadle; Devlin; Dosch; Hogan; Kelsch, R.; Klein; Meier, L.; Nathe; Nelson, M.; Paur; Porter; Rohr; Ruby; Vigesaa; Weiler

**ABSENT AND NOT VOTING:** Bellew

Reengrossed HB 1020 passed and the emergency clause was declared carried.

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### MOTION

**REP. VIGESAA MOVED** that Reengrossed HB 1020 be messaged to the Senate immediately, which motion prevailed.

### REPORT OF CONFERENCE COMMITTEE

**HB 1141:** Your conference committee (Sens. Sorvaag, Cook, Marcellais and Reps. Boehning, Grande, Winrich) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ page 1514 and place HB 1141 on the Seventh order.

HB 1141 was placed on the Seventh order of business on the calendar.

### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**REP. BOEHNING MOVED** that the conference committee report on HB 1141 be adopted, which motion prevailed on a voice vote.

### REPORT OF CONFERENCE COMMITTEE

**SB 2012, as engrossed:** Your conference committee (Sens. Kilzer, Fischer, Warner and Reps. Pollert, Bellew, Kaldor) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1204-1214, adopt amendments as follows, and place SB 2012 on the Seventh order:

That the House recede from its amendments as printed on pages 1204-1214 of the Senate Journal and pages 1371-1381 of the House Journal and that Engrossed Senate Bill No. 2012 be amended as follows:

Page 1, line 2, remove "to amend and"

Page 1, remove line 3

Page 1, line 4, replace "children's health insurance program" with "to provide for a legislative management study"

Page 1, replace lines 16 through 21 with:

"Salaries and wages	\$14,231,353	\$2,226,715	\$16,458,068
Operating expenses	46,548,787	15,735,631	62,284,418
Capital assets	<u>0</u>	<u>138,400</u>	<u>138,400</u>
Total all funds	\$60,780,140	\$18,100,746	\$78,880,886
Less estimated income	<u>34,477,817</u>	<u>13,285,595</u>	<u>47,763,412</u>
Total general fund	\$26,302,323	\$4,815,151	\$31,117,474"

Page 2, replace lines 3 through 10 with:

"Salaries and wages	\$41,389,716	\$8,330,668	\$49,720,384
Operating expenses	75,461,417	16,961,863	92,423,280
Capital assets	8,580	(8,580)	0
Grants	452,990,742	34,015,295	487,006,037
Grants - Medical assistance	<u>1,300,642,323</u>	<u>300,182,682</u>	<u>1,600,825,005</u>
Total all funds	\$1,870,492,778	\$359,481,928	\$2,229,974,706
Less estimated income	<u>1,381,801,240</u>	<u>115,058,125</u>	<u>1,496,859,365</u>
Total general fund	\$488,691,538	\$244,423,803	\$733,115,341"

Page 2, replace lines 15 through 27 with:

"Northwest human service center	\$8,452,001	\$222,567	\$8,674,568
North central human service center	19,208,018	1,694,208	20,902,226
Lake region human service center	10,886,645	357,661	11,244,306
Northeast human service center	25,768,431	2,321,019	28,089,450
Southeast human service center	30,139,636	7,868,498	38,008,134
South central human service center	15,567,495	1,291,516	16,859,011
West central human service center	24,683,076	1,669,367	26,352,443
Badlands human service center	10,857,338	850,716	11,708,054
State hospital	65,641,609	7,581,591	73,223,200
Developmental center	<u>52,939,281</u>	<u>(1,130,034)</u>	<u>51,809,247</u>
Total all funds	\$264,143,530	\$22,727,109	\$286,870,639
Less estimated income	<u>132,787,875</u>	<u>(7,198,220)</u>	<u>125,589,655</u>
Total general fund	\$131,355,655	\$29,925,329	\$161,280,984"

Page 3, replace lines 3 through 6 with:

"Grand total general fund	\$646,349,516	\$279,164,283	\$925,513,799
Grand total special funds	<u>1,549,066,932</u>	<u>121,145,500</u>	<u>1,670,212,432</u>
Grand total all funds	\$2,195,416,448	\$400,309,783	\$2,595,726,231
Full-time equivalent positions	2,216.88	(27.53)	2,189.35"

Page 3, after line 15, insert:

"Supplemental payment	0	400,000"
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Page 3, replace lines 17 through 20 with:

"State hospital capital projects	<u>0</u>	<u>1,800,000</u>
Total all funds	\$92,329,503	\$2,719,175
Less estimated income	<u>88,033,205</u>	<u>919,175</u>
Total general fund	\$4,296,298	\$1,800,000"

Page 4, remove lines 9 through 30

Page 5, replace lines 1 through 23 with:

**"SECTION 5. GENERAL FUND TRANSFER TO BUDGET STABILIZATION FUND - EXCEPTION - USE OF GENERAL FUND AMOUNTS.** Notwithstanding section 54-27.2-02, the state treasurer and the office of management and budget may not include in the amount used to determine general fund transfers to the budget stabilization fund at the end of the 2009-11 biennium under chapter 54-27.2 any general fund amounts resulting from the increased federal share of medical assistance payments resulting from federal medical assistance percentage changes under the American Recovery and Reinvestment Act of 2009 and H.R. 1586. The state treasurer and the office of management and budget shall separately account for these amounts resulting from federal medical assistance percentage changes under the American Recovery and Reinvestment Act of 2009 and H.R. 1586 and use these amounts to defray the expenses of continuing program costs of the department of human services from the general fund, for the biennium beginning July 1, 2011, and ending June 30, 2013, including \$23,451,104 for inflationary increases for human services providers.

**SECTION 6. REPORT ON THE DEMENTIA CARE SERVICES PROGRAM.** During the 2011-12 interim, the department of human services shall periodically report to the legislative management regarding the status of the dementia care services program. The reports must include information on budgeted and actual program expenditures, program services, and program outcomes.

**SECTION 7. RISK BEHAVIOR PREVENTION GRANTS - MATCHING REQUIREMENTS.** The department of human services shall use \$250,000 of federal funding appropriated in subdivision 2 of section 1 of this Act for the mental health and substance abuse division for providing grants to support a statewide school and community-based youth network dedicated to implementing risk behavior prevention efforts, for the biennium beginning July 1, 2011, and ending June 30, 2013. The department shall require an entity receiving a grant under this section to provide \$1 of matching funds for each \$1 of state funds provided.

**SECTION 8. LEGISLATIVE INTENT - DEVELOPMENTAL DISABILITIES GRANTS.** It is the intent of the legislative assembly that the department of human services use any anticipated unexpended appropriation authority relating to developmental disabilities grants resulting from caseload or cost changes during the 2011-13 biennium for costs associated with transitioning individuals from the developmental center to communities during the 2011-13 biennium.

**SECTION 9. LEGISLATIVE MANAGEMENT STUDY - QUALIFIED SERVICE PROVIDER SYSTEM.** During the 2011-12 interim, the legislative management shall consider studying and evaluating the state's qualified service provider system. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-third legislative assembly.

**SECTION 10. SUPPLEMENTAL PAYMENT - HEALTH CARE TRUST FUND.** The grants - medical assistance line item in subdivision 2 of section 1 of this Act includes \$400,000 from the health care trust fund which the department shall provide as a one-time grant, for the biennium beginning July 1, 2011, and ending June 30, 2013. The department shall provide a grant of \$200,000 to the government nursing facility that participated in the intergovernmental transfer payment program in a city with a population of more than six hundred according to the 2000 census and a grant of \$200,000 to the hospital in a city with a population of less than five hundred according to the 2000 census which also has a government nursing facility that participated in the intergovernmental transfer payment program."

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### Senate Bill No. 2012 - Summary of Conference Committee Action

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
DHS - Management						
Total all funds	\$79,059,874	\$79,059,874	(\$178,988)	\$78,880,886	\$78,880,886	\$0
Less estimated income	47,538,412	47,538,412	225,000	47,763,412	47,763,412	0
General fund	\$31,521,462	\$31,521,462	(\$403,988)	\$31,117,474	\$31,117,474	\$0
DHS - Program/Policy						
Total all funds	\$2,241,950,229	\$2,255,138,635	(\$25,163,929)	\$2,229,974,706	\$2,190,288,567	\$39,686,139
Less estimated income	1,510,481,136	1,518,090,686	(21,231,321)	1,496,859,365	1,474,622,151	22,237,214
General fund	\$731,469,093	\$737,047,949	(\$3,932,608)	\$733,115,341	\$715,666,416	\$17,448,925
DHS - State Hospital						
Total all funds	\$73,473,200	\$73,635,040	(\$411,840)	\$73,223,200	\$73,223,200	\$0
Less estimated income	20,146,403	20,146,403	0	20,146,403	20,146,403	0
General fund	\$53,326,797	\$53,488,637	(\$411,840)	\$53,076,797	\$53,076,797	\$0
DHS - Developmental Center						
Total all funds	\$51,809,247	\$51,809,247	\$0	\$51,809,247	\$51,809,247	\$0
Less estimated income	31,391,817	31,391,817	0	31,391,817	31,391,817	0
General fund	\$20,417,430	\$20,417,430	\$0	\$20,417,430	\$20,417,430	\$0
DHS - Northwest HSC						
Total all funds	\$8,749,068	\$8,749,068	(\$74,500)	\$8,674,568	\$8,674,568	\$0
Less estimated income	3,790,236	3,790,236	0	3,790,236	3,790,236	0
General fund	\$4,958,832	\$4,958,832	(\$74,500)	\$4,884,332	\$4,884,332	\$0
DHS - North Central HSC						
Total all funds	\$22,433,884	\$22,433,884	(\$1,531,658)	\$20,902,226	\$20,902,226	\$0
Less estimated income	9,023,857	9,023,857	0	9,023,857	9,023,857	0
General fund	\$13,410,027	\$13,410,027	(\$1,531,658)	\$11,878,369	\$11,878,369	\$0
DHS - Lake Region HSC						
Total all funds	\$11,418,231	\$11,418,231	(\$173,925)	\$11,244,306	\$11,244,306	\$0
Less estimated income	4,536,041	4,536,041	(52,047)	4,483,994	4,483,994	0
General fund	\$6,882,190	\$6,882,190	(\$121,878)	\$6,760,312	\$6,760,312	\$0
DHS - Northeast HSC						
Total all funds	\$28,182,609	\$28,182,609	(\$93,159)	\$28,089,450	\$28,089,450	\$0
Less estimated income	14,972,886	14,972,886	0	14,972,886	14,972,886	0
General fund	\$13,209,723	\$13,209,723	(\$93,159)	\$13,116,564	\$13,116,564	\$0
DHS - Southeast HSC						
Total all funds	\$38,464,720	\$38,464,720	(\$456,586)	\$38,008,134	\$38,008,134	\$0
Less estimated income	16,278,987	16,278,987	0	16,278,987	16,278,987	0
General fund	\$22,185,733	\$22,185,733	(\$456,586)	\$21,729,147	\$21,729,147	\$0
DHS - South Central HSC						
Total all funds	\$16,953,699	\$16,953,699	(\$94,688)	\$16,859,011	\$16,859,011	\$0
Less estimated income	7,610,152	7,610,152	0	7,610,152	7,610,152	0
General fund	\$9,343,547	\$9,343,547	(\$94,688)	\$9,248,859	\$9,248,859	\$0
DHS - West Central HSC						

Total all funds	\$26,740,493	\$26,740,493	(\$388,050)	\$26,352,443	\$26,352,443	\$0
Less estimated income	12,630,961	12,630,961	0	12,630,961	12,630,961	0
General fund	\$14,109,532	\$14,109,532	(\$388,050)	\$13,721,482	\$13,721,482	\$0
DHS - Badlands HSC						
Total all funds	\$11,789,654	\$11,789,654	(\$81,600)	\$11,708,054	\$11,708,054	\$0
Less estimated income	5,260,362	5,260,362	0	5,260,362	5,260,362	0
General fund	\$6,529,292	\$6,529,292	(\$81,600)	\$6,447,692	\$6,447,692	\$0
Bill total						
Total all funds	\$2,611,024,908	\$2,624,375,154	(\$28,648,923)	\$2,595,726,231	\$2,556,040,092	\$39,686,139
Less estimated income	1,683,661,250	1,691,270,800	(21,058,368)	1,670,212,432	1,647,975,218	22,237,214
General fund	\$927,363,658	\$933,104,354	(\$7,590,555)	\$925,513,799	\$908,064,874	\$17,448,925

### Senate Bill No. 2012 - DHS - Management - Conference Committee Action

	Executive Budget	Senate Version	Conference Committee Changes <sup>1</sup>	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$16,513,336	\$16,513,336	(\$55,268)	\$16,458,068	\$16,458,068	
Operating expenses	62,408,138	62,408,138	(123,720)	62,284,418	62,284,418	
Capital assets	138,400	138,400		138,400	138,400	
Total all funds	\$79,059,874	\$79,059,874	(\$178,988)	\$78,880,886	\$78,880,886	\$0
Less estimated income	47,538,412	47,538,412	225,000	47,763,412	47,763,412	0
General fund	\$31,521,462	\$31,521,462	(\$403,988)	\$31,117,474	\$31,117,474	\$0
FTE	116.10	116.10	0.00	116.10	116.10	0.00

1

MANAGEMENT SUBDIVISION	FTE	General Fund	Estimated Income	Total
Senate version	116.10	\$31,521,462	\$47,538,412	\$79,059,874
<b>Management - Conference committee changes:</b>				
<b>Administration - Support</b>				
Reduce funding for salaries and wages for anticipated savings from vacant positions and employee turnover (This adjustment was also made by the House.)		(\$31,930)	\$0	(\$31,930)
Reduce funding for operating expenses (departmentwide reduction) (This adjustment was also made by the House.)		(16,275)	0	(16,275)
Reduce funding for operating expenses (division-specific reduction) (This adjustment was also made by the House.)		(102,300)	0	(102,300)
<b>Information Technology Services</b>				
Reduce funding for salaries and wages for anticipated savings from vacant positions and employee turnover (This adjustment was also made by the House.)		(23,338)	0	(23,338)
Reduce funding for operating expenses (departmentwide reduction) (This adjustment was also made by the House.)		(134,672)	0	(134,672)
Reduce funding for operating expenses (division-specific reduction) (This adjustment was also made by the House.)		(120,473)	0	(120,473)
Add funding for activities relating to the eligibility system replacement project (This adjustment was also made by the House.)		25,000	225,000	250,000
<b>Total conference committee changes - Management</b>	0.00	(\$403,988)	\$225,000	(\$178,988)
Conference committee version - Management subdivision	116.10	\$31,117,474	\$47,763,412	\$78,880,886

Other changes affecting Management programs or multiple programs of the department:

Removes Section 6 of the engrossed bill relating to office space lease limitation. This section was added by the Senate and also removed by the House.

Does not include a section relating to a study of the human services delivery system which was added by the House.

Does not include a section relating to a Legislative Management study of patient-centered medical homes.

Adds a section providing for a report to the Legislative Management on the dementia care services program. This section was also added by the House.

## Senate Bill No. 2012 - DHS - Program/Policy - Conference Committee Action

	Executive Budget	Senate Version	Conference Committee Changes <sup>1</sup>	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$50,346,211	\$50,346,211	(\$625,827)	\$49,720,384	\$49,720,384	
Operating expenses	90,850,363	90,850,363	1,572,917	92,423,280	92,423,280	
Grants	487,016,037	487,006,037		487,006,037	487,006,037	
Grants - Medical assistance	1,613,737,618	1,626,936,024	(26,111,019)	1,600,825,005	1,561,138,866	39,686,139
Total all funds	\$2,241,950,229	\$2,255,138,635	(\$25,163,929)	\$2,229,974,706	\$2,190,288,567	\$39,686,139
Less estimated income	1,510,481,136	1,518,090,686	(21,231,321)	1,496,859,365	1,474,622,151	22,237,214
General fund	\$731,469,093	\$737,047,949	(\$3,932,608)	\$733,115,341	\$715,666,416	\$17,448,925
FTE	374.50	374.50	(7.00)	367.50	367.50	0.00

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PROGRAM AND POLICY SUBDIVISION	FTE	General Fund	Estimated Income	Total
Senate version	374.50	\$737,047,949	\$1,518,090,686	\$2,255,138,635
<b>Program and Policy - Conference committee changes:</b>				
<b>Economic Assistance Policy Program</b>				
Reduce funding for salaries and wages for anticipated savings from vacant positions and employee turnover (This adjustment was also made by the House.)		(\$12,054)	\$0	(\$12,054)
Remove position and funding added in the executive budget relating to health care reform (This adjustment was also made by the House.)	(1.00)	(17,805)	0	(17,805)
<b>Child Support Program</b>				
Reduce funding for salaries and wages for anticipated savings from vacant positions and employee turnover (This adjustment was also made by the House.)		(36,574)	0	(36,574)
Remove position and funding added in the executive budget relating to health care reform (This adjustment was also made by the House.)	(1.00)	(62,714)	(121,742)	(184,456)
<b>Medical Services Program</b>				
Reduce funding for salaries and wages for anticipated savings from vacant positions care reform (This adjustment was also made by the House.)		(24,105)	0	(24,105)
Reduce funding for operating expenses (departmentwide reduction) (This adjustment was also made by the House.)		(180,116)	0	(180,116)
Remove funding added by the Senate to increase eligibility for the state children's health insurance program from 160 percent of the federal poverty level to 175 percent of the federal poverty level (This adjustment was also made by the House.)		(567,367)	(1,266,990)	(1,834,357)
Reduce funding for the state children's health insurance program to reflect a revised premium amount (This adjustment was also made by the House.)		(42,989)	(95,928)	(138,917)
Remove positions and funding added in the executive budget relating to health	(5.00)	(144,988)	(183,846)	(328,834)

care reform (This adjustment was also made by the House.)

Decrease funding for medical services to reduce projected caseload/utilization rates (This adjustment was also made by the House.)	(2,739,780)	(3,460,220)	(6,200,000)
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Remove funding included in the executive budget for 3 percent per year inflationary adjustments for physicians (This adjustment was also made by the House.)	(2,065,704)	(2,634,500)	(4,700,204)
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Add one-time funding from the health care trust fund for a grant to a hospital in a city that has a government nursing facility which participated in the intergovernmental transfer payment program (This adjustment was also made by the House.)	0	200,000	200,000
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#### Long-Term Care Program

Remove funding added by the Senate to provide for a supplemental payment to allow for a 50-cent salary and benefit increase for developmental disabilities providers employees beginning July 1, 2011 (This adjustment was also made by the House.)	(5,021,489)	(6,342,560)	(11,364,049)
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Add funding for long-term care program expenditures. The executive budget allowed the department to continue unspent general fund appropriations for the 2009-11 biennium and utilize unexpended funding in the 2011-13 biennium. This amendment removes Section 5 of the engrossed bill relating to the carryover of general fund authority, requires the department to turn back any unexpended general fund authority from the 2009-11 biennium, and appropriates funds from the general fund for the 2011-13 biennium. (This adjustment was also made by the House.)	12,800,000	0	12,800,000
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Add funding for House Bill No. 1169 which relates to allowable education expenditures in nursing facility rates (This adjustment was also made by the House.)	56,423	70,085	126,508
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Decrease funding for long-term care to reduce projected caseload/utilization rates (This adjustment was also made by the House.)	(6,716,880)	(8,483,120)	(15,200,000)
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Add one-time funding from the health care trust fund for a grant to a government nursing facility which participated in the intergovernmental transfer payment program	0	200,000	200,000
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#### Aging Services Program

Reduce funding for salaries and wages for anticipated savings from vacant positions and employee turnover (This adjustment was also made by the House.)	(5,263)	0	(5,263)
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Reduce funding for operating expenses (departmentwide reduction) (This adjustment was also made by the House.)	(17,231)	0	(17,231)
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#### Children and Family Services Program

Reduce funding for salaries and wages for anticipated savings from vacant positions and employee turnover (This adjustment was also made by the House.)	(5,697)	0	(5,697)
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#### Mental Health and Substance Abuse Program

Reduce funding for salaries and wages for anticipated savings from vacant positions and employee turnover (This adjustment was also made by the House.)	(6,240)	0	(6,240)
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Reduce funding for operating expenses (departmentwide reduction) (This adjustment was also made by the House.)	(26,706)	0	(26,706)
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#### Developmental Disabilities Council

No changes	0	0	0
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**Developmental Disabilities Division**

Reduce funding for salaries and wages for anticipated savings from vacant positions and employee turnover (This adjustment was also made by the House.) (2,804) 0 (2,804)

Add funding for expenses associated with implementing the developmental disabilities system reimbursement project provided for in Senate Bill No. 2043 (This adjustment was also made by the House.) 887,500 887,500 1,775,000

Increase funding for petitioning costs for indigent people with developmental disabilities (This adjustment was also made by the House.) 21,970 0 21,970

**Vocational Rehabilitation**

Reduce funding for salaries and wages for anticipated savings from vacant positions and employee turnover (This adjustment was also made by the House.) (1,995) 0 (1,995)

**Total conference committee changes - Program and Policy** (7.00) (\$3,932,608) (\$21,231,321) (\$25,163,929)

Conference committee version - Program and Policy subdivision 367.50 \$733,115,341 \$1,496,859,365 \$2,229,974,706

**Other changes affecting Program and Policy programs:**

Add a section to provide that the department utilize \$250,000 of federal funds appropriated to the Mental Health and Substance Abuse Division for grants to support a statewide school and community-based youth network dedicated to implementing risk behavior prevention efforts (This section was also added by the House.)

Add a section to provide legislative intent regarding developmental disabilities grants (This section was also added by the House.)

Add a section to provide for a Legislative Management study of the state's qualified service provider system (This section was also added by the House.)

**Senate Bill No. 2012 - DHS - State Hospital - Conference Committee Action**

	Executive Budget	Senate Version	Conference Committee Changes <sup>1</sup>	Conference Committee Version	House Version	Comparison to House
State Hospital	\$73,473,200	\$73,635,040	(\$411,840)	\$73,223,200	\$73,223,200	
Total all funds	\$73,473,200	\$73,635,040	(\$411,840)	\$73,223,200	\$73,223,200	\$0
Less estimated income	20,146,403	20,146,403	0	20,146,403	20,146,403	0
General fund	\$53,326,797	\$53,488,637	(\$411,840)	\$53,076,797	\$53,076,797	\$0
FTE	467.51	467.51	0.00	467.51	467.51	0.00

1

STATE HOSPITAL	FTE	General Fund	Estimated Income	Total
Senate version	467.51	\$53,488,637	\$20,146,403	\$73,635,040
<b>State Hospital - Conference committee changes:</b>				
Remove funding added by the Senate for one-time capital projects. The Senate had added \$161,840 from the general fund to provide a total of \$1,961,840 from the general fund for one-time capital projects. (This adjustment was also made by the House.)		(\$161,840)	\$0	(\$161,840)
Reduce funding for operating expenses (division-specific reduction) (This adjustment was also made by the House.)		(250,000)	0	(250,000)
<b>Total conference committee changes - State Hospital</b>	0.00	(\$411,840)	\$0	(\$411,840)
Conference committee version - State Hospital	467.51	\$53,076,797	\$20,146,403	\$73,223,200

### Senate Bill No. 2012 - DHS - Developmental Center - Conference Committee Action

The conference committee did not make any changes to the Senate version.

### Senate Bill No. 2012 - Human Service Centers - General Fund Summary

	Executive Budget	Senate Version	Conference Committee Changes <sup>1</sup>	Conference Committee Version	House Version	Comparison to House
DHS - Northwest HSC	4,958,832	4,958,832	(74,500)	4,884,332	4,884,332	
DHS - North Central HSC	13,410,027	13,410,027	(1,531,658)	11,878,369	11,878,369	
DHS - Lake Region HSC	6,882,190	6,882,190	(121,878)	6,760,312	6,760,312	
DHS - Northeast HSC	13,209,723	13,209,723	(93,159)	13,116,564	13,116,564	
DHS - Southeast HSC	22,185,733	22,185,733	(456,586)	21,729,147	21,729,147	
DHS - South Central HSC	9,343,547	9,343,547	(94,688)	9,248,859	9,248,859	
DHS - West Central HSC	14,109,532	14,109,532	(388,050)	13,721,482	13,721,482	
DHS - Badlands HSC	6,529,292	6,529,292	(81,600)	6,447,692	6,447,692	
Total general fund	\$90,628,876	\$90,628,876	(\$2,842,119)	\$87,786,757	\$87,786,757	

### Senate Bill No. 2012 - Human Service Centers - Other Funds Summary

	Executive Budget	Senate Version	Conference Committee Changes <sup>1</sup>	Conference Committee Version	House Version	Comparison to House
DHS - Northwest HSC	3,790,236	3,790,236		3,790,236	3,790,236	
DHS - North Central HSC	9,023,857	9,023,857		9,023,857	9,023,857	
DHS - Lake Region HSC	4,536,041	4,536,041	(52,047)	4,483,994	4,483,994	
DHS - Northeast HSC	14,972,886	14,972,886		14,972,886	14,972,886	
DHS - Southeast HSC	16,278,987	16,278,987		16,278,987	16,278,987	
DHS - South Central HSC	7,610,152	7,610,152		7,610,152	7,610,152	
DHS - West Central HSC	12,630,961	12,630,961		12,630,961	12,630,961	
DHS - Badlands HSC	5,260,362	5,260,362		5,260,362	5,260,362	
Total other funds	\$74,103,482	\$74,103,482	(\$52,047)	\$74,051,435	\$74,051,435	

### Senate Bill No. 2012 - Human Service Centers - All Funds Summary

	Executive Budget	Senate Version	Conference Committee Changes <sup>1</sup>	Conference Committee Version	House Version	Comparison to House
DHS - Northwest HSC	8,749,068	8,749,068	(74,500)	8,674,568	8,674,568	
DHS - North Central HSC	22,433,884	22,433,884	(1,531,658)	20,902,226	20,902,226	
DHS - Lake Region HSC	11,418,231	11,418,231	(173,925)	11,244,306	11,244,306	
DHS - Northeast HSC	28,182,609	28,182,609	(93,159)	28,089,450	28,089,450	
DHS - Southeast HSC	38,464,720	38,464,720	(456,586)	38,008,134	38,008,134	
DHS - South Central HSC	16,953,699	16,953,699	(94,688)	16,859,011	16,859,011	
DHS - West Central HSC	26,740,493	26,740,493	(388,050)	26,352,443	26,352,443	
DHS - Badlands HSC	11,789,654	11,789,654	(81,600)	11,708,054	11,708,054	
Total all funds	\$164,732,358	\$164,732,358	(\$2,894,166)	\$161,838,192	\$161,838,192	
FTE	837.48	837.48	0.00	837.48	837.48	0.00

1

	FTE	General Fund	Estimated Income	Total
<b>NORTHWEST HUMAN SERVICE CENTER</b>				
Senate version	45.75	\$4,958,832	\$3,790,236	\$8,749,068
<b>Northwest Human Service Center - Conference committee changes:</b>				
Reduce funding for salaries and wages for anticipated savings from vacant positions and employee turnover (This adjustment was also made by the House.)		(\$74,500)	\$0	(\$74,500)
<b>Total conference committee changes - Northwest Human Service Center</b>	0.00	(\$74,500)	\$0	(\$74,500)

Conference committee version - Northwest Human Service Center	45.75	\$4,884,332	\$3,790,236	\$8,674,568
<b>NORTH CENTRAL HUMAN SERVICE CENTER</b>	<b>FTE</b>	<b>General Fund</b>	<b>Estimated Income</b>	<b>Total</b>
Senate version	117.78	\$13,410,027	\$9,023,857	\$22,433,884
<b>North Central Human Service Center - Conference committee changes:</b>				
Remove funding added in the executive budget for contracting for beds in a crisis stabilization unit for the seriously mentally ill (This adjustment was also made by the House.)		(\$1,444,661)	\$0	(\$1,444,661)
Reduce funding for salaries and wages for anticipated savings from vacant positions and employee turnover (This adjustment was also made by the House.)		(70,740)	0	(70,740)
Reduce funding for operating expenses (departmentwide reduction) (This adjustment was also made by the House.)		(16,257)	0	(16,257)
<b>Total conference committee changes - North Central Human Service Center</b>	<b>0.00</b>	<b>(\$1,531,658)</b>	<b>\$0</b>	<b>(\$1,531,658)</b>
Conference committee version - North Central Human Service Center	117.78	\$11,878,369	\$9,023,857	\$20,902,226
<b>LAKE REGION HUMAN SERVICE CENTER</b>	<b>FTE</b>	<b>General Fund</b>	<b>Estimated Income</b>	<b>Total</b>
Senate version	60.00	\$6,882,190	\$4,536,041	\$11,418,231
<b>Lake Region Human Service Center - Conference committee changes:</b>				
Reduce funding for temporary salaries (This adjustment was also made by the House.)		(\$37,930)	(\$52,047)	(\$89,977)
Reduce funding for salaries and wages for anticipated savings from vacant positions and employee turnover (This adjustment was also made by the House.)		(75,320)	0	(75,320)
Reduce funding for operating expenses (departmentwide reduction) (This adjustment was also made by the House.)		(8,628)	0	(8,628)
<b>Total conference committee changes - Lake Region Human Service Center</b>	<b>0.00</b>	<b>(\$121,878)</b>	<b>(\$52,047)</b>	<b>(\$173,925)</b>
Conference committee version - Lake Region Human Service Center	60.00	\$6,760,312	\$4,483,994	\$11,244,306
<b>NORTHEAST HUMAN SERVICE CENTER</b>	<b>FTE</b>	<b>General Fund</b>	<b>Estimated Income</b>	<b>Total</b>
Senate version	138.30	\$13,209,723	\$14,972,886	\$28,182,609
<b>Northeast Human Service Center - Conference committee changes:</b>				
Reduce funding for salaries and wages for anticipated savings from vacant positions and employee turnover (This adjustment was also made by the House.)		(\$72,720)	\$0	(\$72,720)
Reduce funding for operating expenses (departmentwide reduction) (This adjustment was also made by the House.)		(20,439)	0	(20,439)
<b>Total conference committee - Northeast Human Service Center</b>	<b>0.00</b>	<b>(\$93,159)</b>	<b>\$0</b>	<b>(\$93,159)</b>
Conference committee version - Northeast Human Service Center	138.30	\$13,116,564	\$14,972,886	\$28,089,450
<b>SOUTHEAST HUMAN SERVICE CENTER</b>	<b>FTE</b>	<b>General Fund</b>	<b>Estimated Income</b>	<b>Total</b>

Senate version	182.15	\$22,185,733	\$16,278,987	\$38,464,720
<b>Southeast Human Service Center - Conference committee changes:</b>				
Remove funding added in the department's base budget for additional staff at the Cooper House (This adjustment was also made by the House.)		(\$350,400)	\$0	(\$350,400)
Reduce funding for salaries and wages for anticipated savings from vacant positions and employee turnover (This adjustment was also made by the House.)		(92,100)	0	(92,100)
Reduce funding for operating expenses (departmentwide reduction) (This adjustment was also made by the House.)		(14,086)	0	(14,086)
<b>Total conference committee changes - Southeast Human Service Center</b>	0.00	(\$456,586)	\$0	(\$456,586)
Conference committee version - Southeast Human Service Center	182.15	\$21,729,147	\$16,278,987	\$38,008,134
<b>SOUTH CENTRAL HUMAN SERVICE CENTER</b>	<b>FTE</b>	<b>General Fund</b>	<b>Estimated Income</b>	<b>Total</b>
Senate version	85.50	\$9,343,547	\$7,610,152	\$16,953,699
<b>South Central Human Service Center - Conference committee changes:</b>				
Reduce funding for salaries and wages for anticipated savings from vacant positions and employee turnover (This adjustment was also made by the House.)		(\$84,020)	\$0	(\$84,020)
Reduce funding for operating expenses (departmentwide reduction) (This adjustment was also made by the House.)		(10,668)	0	(10,668)
<b>Total conference committee changes - South Central Human Service Center</b>	0.00	(\$94,688)	\$0	(\$94,688)
Conference committee version - South Central Human Service Center	85.50	\$9,248,859	\$7,610,152	\$16,859,011
<b>WEST CENTRAL HUMAN SERVICE CENTER</b>	<b>FTE</b>	<b>General Fund</b>	<b>Estimated Income</b>	<b>Total</b>
Senate version	135.30	\$14,109,532	\$12,630,961	\$26,740,493
<b>West Central Human Service Center - Conference committee changes:</b>				
Remove funding added in the executive budget for expanding residential adult crisis bed capacity from 10 beds to 14 beds (This adjustment was also made by the House.)		(\$309,128)	\$0	(\$309,128)
Reduce funding for salaries and wages for anticipated savings from vacant positions and employee turnover (This adjustment was also made by the House.)		(61,420)	0	(61,420)
Reduce funding for operating expenses (departmentwide reduction) (This adjustment was also made by the House.)		(17,502)	0	(17,502)
<b>Total conference committee changes - West Central Human Service Center</b>	0.00	(\$388,050)	\$0	(\$388,050)
Conference committee version - West Central Human Service Center	135.30	\$13,721,482	\$12,630,961	\$26,352,443
<b>BADLANDS HUMAN SERVICE CENTER</b>	<b>FTE</b>	<b>General Fund</b>	<b>Estimated Income</b>	<b>Total</b>
Senate version	72.70	\$6,529,292	\$5,260,362	\$11,789,654
<b>Badlands Human Service Center - Conference committee changes:</b>				
Reduce funding for salaries and wages for anticipated savings from vacant positions and employee turnover (This adjustment was also made by the House.)		(\$69,180)	\$0	(\$69,180)

Reduce funding for operating expenses (departmentwide reduction) (This adjustment was also made by the House.)	(12,420)	0	(12,420)
<b>Total conference committee changes - Badlands Human Service Center</b>	<u>0.00</u>	<u>(\$81,600)</u>	<u>\$0</u> <u>(\$81,600)</u>
Conference committee version - Badlands Human Service Center	<u>72.70</u>	<u>\$6,447,692</u>	<u>\$5,260,362</u> <u>\$11,708,054</u>

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

#### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**REP. POLLERT MOVED** that the conference committee report on Engrossed SB 2012 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2012, as amended, was placed on the Fourteenth order of business.

#### SECOND READING OF SENATE BILL

**SB 2012:** A BILL for an Act to provide an appropriation for defraying the expenses of the department of human services; to provide an exemption; to provide legislative intent; and to provide for a legislative management 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 86 YEAS, 7 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Anderson; Beadle; Belter; Boe; Boehning; Brabandt; Brandenburg; Carlson; Clark; Conklin; Dahl; Damschen; DeKrey; Delmore; Delzer; Devlin; Frantsvog; Froseth; Glassheim; Grande; Gruchalla; Guggisberg; Hanson; Hatlestad; Hawken; Headland; Heilman; Heller; Hofstad; Hogan; Holman; Hunskor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, J.; Kelsh, S.; Kempenich; Kilichowski; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kreun; Kroeber; Louser; Maragos; Martinson; Meier, L.; Metcalf; Meyer, S.; Mock; Monson; Mueller; Nathe; Nelson, J.; Nelson, M.; Onstad; Paur; Pietsch; Pollert; Porter; Ruby; Rust; Sanford; Skarphol; Steiner; Streyle; Sukut; Thoreson; Trottier; Vigasaa; Wall; Weisz; Wieland; Williams; Winrich; Zaiser; Speaker Drovdal

**NAYS:** Dosch; Owens; Rohr; Schatz; Schmidt; Weiler; Wrangham

**ABSENT AND NOT VOTING:** Bellew

Engrossed SB 2012, as amended, passed.

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#### MOTION

**REP. BELTER MOVED** that the House reconsider its action whereby the committee report was rejected on Engrossed HB 1424, which motion prevailed on a verification vote.

#### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**REP. HEADLAND MOVED** that the conference committee report on Engrossed HB 1424 as printed on HJ pages 1816-1819 be adopted.

#### REQUEST

**REP. J. NELSON REQUESTED** a verification vote, which request was granted.

The question being on the motion to adopt the conference committee report on Engrossed HB 1424, the conference committee report on Engrossed HB 1424 was adopted on a verification vote.

Engrossed HB 1424, as amended, was placed on the Eleventh order of business.

#### SECOND READING OF HOUSE BILL

**HB 1424:** A BILL for an Act to amend and reenact subsection 8 of section 57-39.2-04,

sections 57-39.2-12.1, 57-39.5-04, and 57-39.6-04, subsection 9 of section 57-40.2-04, and section 57-40.2-07.1 of the North Dakota Century Code, relating to compensation allowable to retailers for expenses associated with the collection, reporting, and remittance of state sales, use, and gross receipts taxes and the sales and use tax exemption for chemicals used for agricultural purposes; to provide an effective date; and to declare an emergency.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 74 YEAS, 19 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Beadle; Belter; Boe; Boehning; Brabandt; Brandenburg; Carlson; Clark; Dahl; Damschen; DeKrey; Delmore; Delzer; Devlin; Dosch; Frantsvog; Froseth; Grande; Hatlestad; Hawken; Headland; Heilman; Heller; Hofstad; Johnson, D.; Johnson, N.; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, J.; Kempenich; Kilichowski; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kreun; Louser; Maragos; Martinson; Meier, L.; Metcalf; Meyer, S.; Mock; Monson; Nathe; Owens; Pietsch; Pollert; Porter; Rohr; Ruby; Rust; Sanford; Schatz; Schmidt; Skarphol; Steiner; Streyle; Sukut; Thoreson; Vigesaa; Wall; Weiler; Weisz; Wieland; Williams; Winrich; Wrangham; Speaker Drovdal

**NAYS:** Anderson; Conklin; Glassheim; Gruchalla; Guggisberg; Hanson; Hogan; Holman; Hunkor; Kaldor; Kelsh, S.; Kroeber; Mueller; Nelson, J.; Nelson, M.; Onstad; Paur; Trottier; Zaiser

**ABSENT AND NOT VOTING:** Bellew

Engrossed HB 1424, as amended, passed and the emergency clause was declared carried.

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

**MR. PRESIDENT:** The House has adopted the conference committee report on: HB 1141.

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

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

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

**MR. PRESIDENT:** The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1020.

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

**MR. PRESIDENT:** The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1424.

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

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

#### MOTION

**REP. VIGESAA MOVED** that the absent member be excused, which motion prevailed.

#### MOTION

**REP. VIGESAA MOVED** that the House be on the Fourth, Fifth, Seventh, and Thirteenth orders of business and at the conclusion of those orders, the House stand adjourned until 8:00 a.m., Friday, April 22, 2011, which motion prevailed.

#### REPORT OF CONFERENCE COMMITTEE

**HB 1047, as engrossed:** Your conference committee (Sens. Cook, Miller, Triplett and Reps. Belter, Headland, Zaiser) recommends that the **HOUSE ACCEDE** to the Senate amendments as printed on HJ pages 1423-1424, adopt further amendments as follows, and place HB 1047 on the Seventh order:

That the House accede to the Senate amendments as printed on pages 1423 and 1424 of the House Journal and page 1191 of the Senate Journal and that Engrossed House Bill No. 1047 be further amended as follows:

Page 1, line 1, after the first comma insert "57-35.3-03, 57-35.3-05, 57-35.3-07, 57-35.3-08, and 57-38-30, subsection 1 of section 57-38-30.3, and sections"

Page 1, line 2, after "Code" insert "and section 13 of chapter 520 of the 2007 Session Laws"

Page 1, line 2, after the first "to" insert "reduction of the rate of the financial institutions tax and adjustment of the allocation of the tax, a reduction in income tax rates for corporations, individuals, estates, and trusts, and"

Page 1, line 5, replace "transfers" with "a transfer"

Page 1, line 5, after the third semicolon insert "to provide for legislative management studies;"

Page 4, after line 3, insert:

**"SECTION 2. AMENDMENT.** Section 57-35.3-03 of the North Dakota Century Code is amended and reenacted as follows:

**57-35.3-03. Imposition and basis of tax.**

An annual tax is imposed upon each financial institution for the grant to it of the privilege of transacting, or for the actual transacting by it, of business within this state during any part of each tax year. The tax is based upon and measured by the taxable income of the financial institution for the calendar year. The rate of tax is sevensix and one-half percent of taxable income, but the amount of tax may not be less than fifty dollars.

**SECTION 3. AMENDMENT.** Section 57-35.3-05 of the North Dakota Century Code is amended and reenacted as follows:

**57-35.3-05. Credits.**

1. a. There is allowed a credit against the tax imposed by sections 57-35.3-01 through 57-35.3-12 in an amount equal to fifty percent of the aggregate amount of charitable contributions made by the taxpayer during the taxable year to nonprofit private institutions of higher education located within the state or to the North Dakota independent college fund. The amount allowable as a credit under this subdivision for any taxable year may not exceed ~~five and seven-tenths~~four and six-tenths percent of the tax before credits allowed under this section, or two thousand five hundred dollars, whichever is less.
- b. There is allowed a credit against the tax imposed by sections 57-35.3-01 through 57-35.3-12 in an amount equal to fifty percent of the aggregate amount of charitable contributions made by the taxpayer during the taxable year to nonprofit private institutions of secondary education located within the state. The amount allowable as a credit under this subdivision for any taxable year may not exceed ~~five and seven-tenths~~four and six-tenths percent of the tax before credits allowed under this section, or two thousand five hundred dollars, whichever is less.
- c. For the purposes of this subsection, the term "nonprofit private institution of higher education" means only a nonprofit private educational institution located in North Dakota which normally maintains a regular faculty and curriculum and which normally has a regularly organized body of students in attendance at the place where its educational activities are carried on, and which regularly offers education at a level above the twelfth grade. The term

"nonprofit private institution of secondary education" means only a nonprofit private educational institution located in North Dakota which normally maintains a regular faculty and curriculum approved by the department of public instruction and which normally has a regularly organized body of students in attendance at the place where its educational activities are carried on, and which regularly offers education to students in the ninth through twelfth grades.

- d. For the purposes of this subsection, a taxpayer may elect to treat a contribution as made in the preceding taxable year if the contribution and election are made not later than the time prescribed for filing the return for the taxable year.
2. a. There is allowed a credit against the tax imposed by sections 57-35.3-01 through 57-35.3-12 in an amount equal to any overpayment of tax paid pursuant to chapter 57-35 or 57-35.1, for a taxable year beginning before January 1, 1997, to the extent that the overpayment would have been an allowable deduction from tax payable for the current taxable year, under section 57-35-12 or 57-35.1-07, if chapters 57-35 and 57-35.1 applied to the current taxable year. The amount allowable as a credit under this subsection for any taxable year may not exceed five-sevenths of the tax before credits allowed under this section.
- b. For purposes of determining distributions to and from the counties under section 57-35.3-09:
  - (1) The balance in the financial institution tax distribution fund and the amount of the payment received by each county from the state shall be determined as if any credit allowed under subdivision a had not been claimed and the full amount of the tax otherwise due had been timely paid;
  - (2) The credited amount must be deducted from the distributions that would otherwise be made to and from the county that received the tax overpayment until the sum of the deductions equals the credit; and
  - (3) The deductions from distributions made by a county to each distributee must be proportionate to the overpayment of tax received by each distributee.
3. There is allowed a credit against the tax imposed by sections 57-35.3-01 through 57-35.3-12 in an amount equal to fifty percent of the aggregate amount of contributions made by the taxpayer during the taxable year for tuition scholarships for participation in rural leadership North Dakota conducted through the North Dakota state university extension service. Contributions by a taxpayer may be earmarked for use by a designated recipient. The amount allowable as a credit under this subsection for any taxable year may not exceed ~~five and seven-tenths~~ four and six-tenths percent of the tax before credits allowed under this section, or two thousand five hundred dollars, whichever is less.

**SECTION 4. AMENDMENT.** Section 57-35.3-07 of the North Dakota Century Code is amended and reenacted as follows:

**57-35.3-07. Payment of tax.**

~~Two-sevenths~~ Three-thirteenths of the tax before credits allowed under section 57-35.3-05, less the credit allowed under subsection 1 of section 57-35.3-05, must be paid to the commissioner on or before April fifteenth of the year in which the return is due, regardless of any extension of the time for filing the return granted under section 57-35.3-06. ~~Five-sevenths~~ Ten-thirteenths of the tax before credits allowed under section 57-35.3-05, less the credit allowed under subsection 2 of section 57-35.3-05, must be paid to the commissioner on or before January fifteenth



of the year after the return is due. Payment must be made by check, draft, or money order, payable to the commissioner, or as prescribed by the commissioner under subsection 15 of section 57-01-02.

**SECTION 5. AMENDMENT.** Section 57-35.3-08 of the North Dakota Century Code is amended and reenacted as follows:

**57-35.3-08. Disposition of tax.**

The commissioner shall deposit the portion of the tax payable in the year the return is due in the general fund of the state treasury and shall deposit the portion of the tax payable in the year after the return is due in the financial institution tax distribution fund of the state treasury, ~~which is hereby created~~. Interest, penalty, and late tax payments attributable to each portion of the tax must be deposited in the appropriate fund.

**SECTION 6. AMENDMENT.** Section 57-38-30 of the North Dakota Century Code is amended and reenacted as follows:

**57-38-30. Imposition and rate of tax on corporations.**

A tax is hereby imposed upon the taxable income of every domestic and foreign corporation which must be levied, collected, and paid annually as in this chapter provided:

1.
  - a. For the first twenty-five thousand dollars of taxable income, at the rate of ~~two one and one-tenth~~sixty-eight hundredths percent.
  - b. On all taxable income exceeding twenty-five thousand dollars and not exceeding fifty thousand dollars, at the rate of ~~five four and twenty-five~~twenty-three hundredths percent.
  - c. On all taxable income exceeding fifty thousand dollars, at the rate of ~~six five and four-tenth~~fifteen hundredths percent.
2. A corporation that has paid North Dakota alternative minimum tax in years beginning before January 1, 1991, may carry over any alternative minimum tax credit remaining to the extent of the regular income tax liability of the corporation for a period not to exceed four taxable years.

**SECTION 7. 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 \$33,950	\$34,500	1.84%	1.51%
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Over <del>\$33,950</del> <u>\$34,500</u>	<del>\$624.68</del> <u>\$520.95</u> plus <del>3.44%</del> <u>2.82%</u>
but not over <del>\$82,250</del> <u>\$83,600</u>	of amount over <del>\$33,950</del> <u>\$34,500</u>
Over <del>\$82,250</del> <u>\$83,600</u>	<del>\$2,286.20</del> <u>\$1,950.57</u> plus
<del>3.81%</del> <u>3.13%</u>	
but not over <del>\$171,550</del> <u>\$174,400</u>	of amount over <del>\$82,250</del> <u>\$83,600</u>
Over <del>\$171,550</del> <u>\$174,400</u>	<del>\$5,688.53</del> <u>\$4,747.61</u> plus
<del>4.42%</del> <u>3.63%</u>	
but not over <del>\$372,950</del> <u>\$379,150</u>	of amount over
<del>\$171,550</del> <u>\$174,400</u>	
Over <del>\$372,950</del> <u>\$379,150</u>	<del>\$14,590.41</del> <u>\$12,180.04</u> plus
<del>4.86%</del> <u>3.99%</u>	
	of amount over
<del>\$372,950</del> <u>\$379,150</u>	

b. Married filing jointly and surviving spouse.

If North Dakota taxable income is:	The tax is equal to:
Not over <del>\$56,750</del> <u>\$57,700</u>	<del>1.84%</del> <u>1.51%</u>
Over <del>\$56,750</del> <u>\$57,700</u>	<del>\$1,044.20</del> <u>\$871.27</u> plus <del>3.44%</del> <u>2.82%</u>
but not over <del>\$137,050</del> <u>\$139,350</u>	of amount over <del>\$56,750</del> <u>\$57,700</u>
Over <del>\$137,050</del> <u>\$139,350</u>	<del>\$3,806.52</del> <u>\$3,173.80</u> plus
<del>3.81%</del> <u>3.13%</u>	
but not over <del>\$208,850</del> <u>\$212,300</u>	of amount over
<del>\$137,050</del> <u>\$135,350</u>	
Over <del>\$208,850</del> <u>\$212,300</u>	<del>\$6,542.10</del> <u>\$5,457.14</u> plus
<del>4.42%</del> <u>3.63%</u>	
but not over <del>\$372,950</del> <u>\$379,150</u>	of amount over
<del>\$208,850</del> <u>\$212,300</u>	
Over <del>\$372,950</del> <u>\$379,150</u>	<del>\$13,795.32</del> <u>\$11,513.79</u> plus
<del>4.86%</del> <u>3.99%</u>	
	of amount over
<del>\$372,950</del> <u>\$379,150</u>	

c. Married filing separately.

If North Dakota taxable income is:	The tax is equal to:
Not over <del>\$28,375</del> <u>\$28,850</u>	<del>1.84%</del> <u>1.51%</u>
Over <del>\$28,375</del> <u>\$28,850</u>	<del>\$522.10</del> <u>\$424.10</u> plus <del>3.44%</del> <u>2.82%</u>
but not over <del>\$68,525</del> <u>\$69,675</u>	of amount over <del>\$28,375</del> <u>\$28,850</u>
Over <del>\$68,525</del> <u>\$69,675</u>	<del>\$1,903.26</del> <u>\$1,586.90</u> plus
<del>3.81%</del> <u>3.13%</u>	
but not over <del>\$104,425</del> <u>\$106,150</u>	of amount over <del>\$68,525</del> <u>\$69,675</u>

Over ~~\$104,425~~\$106,150 ~~\$3,271.05~~\$2,728.57 plus  
4.42%3.63%

but not over ~~\$186,475~~\$189,575 of amount over  
~~\$104,425~~\$106,150

Over ~~\$186,475~~\$189,575 ~~\$6,897.66~~\$5,756.90 plus  
4.86%3.99%

of amount over  
~~\$186,475~~\$189,575

d. Head of household.

If North Dakota taxable income is:

The tax is equal to:

Not over ~~\$45,500~~\$46,250

~~1.84%~~1.51%

Over ~~\$45,500~~\$46,250

~~\$837.20~~\$698.38 plus ~~3.44%~~2.82%

but not over ~~\$117,450~~\$119,400

of amount over ~~\$45,500~~\$46,250

Over ~~\$117,450~~\$119,400

~~\$3,312.28~~\$2,761.21 plus

3.81%3.13%

but not over ~~\$190,200~~\$193,350

of amount over

~~\$117,450~~\$119,400

Over ~~\$190,200~~\$193,350

~~\$6,084.06~~\$5,075.84 plus

4.42%3.63%

but not over ~~\$372,950~~\$379,150

of amount over

~~\$190,200~~\$193,350

Over ~~\$372,950~~\$379,150

~~\$14,161.61~~\$11,820.38 plus

4.86%3.99%

of amount over

~~\$372,950~~\$379,150

e. Estates and trusts.

If North Dakota taxable income is:

The tax is equal to:

Not over \$2,300

~~1.84%~~1.51%

Over \$2,300

~~\$42.32~~\$34.73 plus ~~3.44%~~2.82%

but not over ~~\$5,350~~\$5,450

of amount over \$2,300

Over ~~\$5,350~~\$5,450

~~\$147.24~~\$123.56 plus ~~3.81%~~3.13%

but not over ~~\$8,200~~\$8,300

of amount over ~~\$5,350~~\$5,450

Over ~~\$8,200~~\$8,300

~~\$255.83~~\$212.77 plus ~~4.42%~~3.63%

but not over ~~\$11,150~~\$11,350

of amount over ~~\$8,200~~\$8,300

Over ~~\$11,150~~\$11,350

~~\$386.22~~\$323.48 plus ~~4.86%~~3.99%

of amount over ~~\$11,150~~\$11,350

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, 2009, the~~ 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.
- h. The tax commissioner shall prescribe an optional simplified method of computing tax under this section that may be used by an individual taxpayer who is not entitled to claim an adjustment under subsection 2 or credit against income tax liability under subsection 7."

Page 7, replace lines 23 through 29 with:

**"SECTION 15. AMENDMENT.** Section 13 of chapter 520 of the 2007 Session Laws is amended and reenacted as follows:

**SECTION 13. LEGISLATIVE COUNCIL MANAGEMENT STUDY.**

The legislative ~~council~~ management shall study in each interim through 2012 the feasibility and desirability of property tax reform and providing property tax relief to taxpayers of the state, with the goal of reduction of each taxpayer's annual property tax bill to an amount that is not more than one and one-half percent of the true and full value of property, and including examination of the proper measure of education funding from local taxation and state resources and the variability of funding resources among taxing districts and examination of improved collection and reporting of property tax information to identify residency of property owners with minimized administrative difficulty. The legislative management shall consider the sustainability of state-funded property tax relief in view of the compounding effect of ongoing property taxable valuation increases. The legislative ~~council~~ management shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the legislative assembly subsequent to each interim.

**SECTION 16. LEGISLATIVE MANAGEMENT STUDY - FINANCIAL INSTITUTIONS TAXATION AND CORPORATE INCOME.** During the 2011-12 interim, the legislative management shall consider studying the feasibility and desirability of revision of the financial institutions taxes, including the feasibility of taxing financial institutions under the state corporate income tax laws. The study under this section must include consideration of corporate income taxes, including corporate income apportionment factors and potential impact of federal legislation on state corporate income taxes. The legislative management shall report its findings

and recommendations, together with any legislation required to implement the recommendations, to the sixty-third legislative assembly."

Page 7, line 30, replace "Section 1" with "Sections 1 through 7"

Page 7, line 30, replace "is" with "are"

Renumber accordingly

Engrossed HB 1047 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**HB 1194, as engrossed:** Your conference committee (Sens. Cook, Miller, Dotzenrod and Reps. Weiler, Owens, S. Kelsh) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1425-1429, adopt amendments as follows, and place HB 1194 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1425-1429 of the House Journal and pages 1191-1195 of the Senate Journal and that Engrossed House Bill No. 1194 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 57-15 of the North Dakota Century Code, relating to public hearings relating to property tax increases.

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

**SECTION 1.** A new section to chapter 57-15 of the North Dakota Century Code is created and enacted as follows:

##### **Property tax levy increase notice and public hearing.**

Notwithstanding any other provision of law, a taxing district may not impose a property tax levy in a greater number of mills than the zero increase number of mills, unless the taxing district is in substantial compliance with this section.

1. The governing body shall cause publication of notice in its official newspaper at least seven days before a public hearing on its property tax levy. A public hearing under this section may not be scheduled to begin earlier than six p.m. The notice must have at least one-half inch white space margin on all four sides and must be at least two columns wide by five inches high. The heading must be capitalized in boldface type of at least eighteen point stating "IMPORTANT NOTICE TO (name of taxing district) TAXPAYERS". The proposed percentage increase must be printed in a boldface type size no less than two points less than the heading, while the remaining portion of the advertisement must be printed in a type face size no less than four points less than the heading. The text of the notice must contain:
  - a. The date, time, and place of the public hearing.
  - b. A statement that the public hearing will be held to consider increasing the property tax levy by a stated percentage, expressed as a percentage increase exceeding the zero increase number of mills.
  - c. A statement that there will be an opportunity for citizens to present oral or written comments regarding the property tax levy.
  - d. Any other information the taxing district wishes to provide to inform taxpayers.
2. If the governing body of the taxing district does not make a final decision on imposing a property tax levy exceeding the zero increase number of mills at the public hearing required by this section, the governing body

shall announce at that public hearing the scheduled time and place of the next public meeting at which the governing body will consider final adoption of a property tax levy exceeding the tax district's zero increase number of mills.

3. For purposes of this section:

- a. "New growth" means the taxable valuation of any property that was not taxable in the prior year.
- b. "Property tax levy" means the tax rate, expressed in mills, for all property taxes levied by the taxing district.
- c. "Taxing district" means a city, county, school district, or city park district but does not include any such taxing district that levied a property tax levy of less than one hundred thousand dollars for the prior year and sets a budget for the current year calling for a property tax levy of less than one hundred thousand dollars.
- d. "Zero increase number of mills" means the number of mills against the taxing district's current year taxable valuation, excluding consideration of new growth, which will provide the same amount of property tax revenue as the property tax levy in the prior year."

Renumber accordingly

Engrossed HB 1194 was placed on the Seventh order of business on the calendar.

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

**Buell J. Reich, Chief Clerk**