

JOURNAL OF THE SENATE

Sixty-second Legislative Assembly

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Bismarck, April 7, 2011

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

The prayer was offered by Pastor Lee Herberg, First Lutheran Church, Mandan.

The roll was called and all members were present.

A quorum was declared by the President.

CONSIDERATION OF AMENDMENTS

HB 1016, as engrossed: SEN. WARNER (Appropriations Committee) MOVED that the amendments on SJ pages 1246-1248 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed on a voice vote.

SECOND READING OF HOUSE BILL

HB 1016: A BILL for an Act to provide an appropriation for defraying the expenses of job service North Dakota; and to amend and reenact subsection 3 of section 52-02.1-01 and section 52-08-10 of the North Dakota Century Code, relating to the new jobs training program and workforce training program.

ROLL CALL

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

YEAS: Andrist; Berry; Bowman; Burckhard; Christmann; Cook; Dever; Dotzenrod; Erbele; Fischer; Flakoll; Freborg; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Lyson; Marcellais; Mathern; Miller; Murphy; Nelson; Nething; Nodland; O'Connell; Oehlke; Olafson; Robinson; Schaible; Schneider; Sitte; Sorvaag; Stenehjem; Taylor; Triplett; Uglem; Wanzek; Wardner; Warner

Engrossed HB 1016, as amended, passed.

CONSIDERATION OF AMENDMENTS

HB 1004, as engrossed: SEN. KILZER (Appropriations Committee) MOVED that the amendments on SJ pages 1241-1243 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed on a voice vote.

SECOND READING OF HOUSE BILL

HB 1004: A BILL for an Act to provide an appropriation for defraying the expenses of the state department of health; to provide a contingent appropriation; to provide legislative intent; to provide for reports; to provide for a legislative management study; and to declare an emergency.

ROLL CALL

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

YEAS: Andrist; Berry; Bowman; Burckhard; Christmann; Cook; Dever; Dotzenrod; Erbele; Fischer; Flakoll; Freborg; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Lyson; Marcellais; Mathern; Miller; Murphy; Nelson; Nething; Nodland; O'Connell; Oehlke; Olafson; Robinson; Schaible; Schneider; Sitte; Sorvaag; Stenehjem; Taylor; Triplett; Uglem; Wanzek;

Wardner; Warner

Engrossed HB 1004, as amended, passed and the emergency clause was declared carried.

CONSIDERATION OF AMENDMENTS

HB 1450, as engrossed: SEN. OLAFSON (Judiciary Committee) MOVED that the amendments on SJ pages 1256-1257 be adopted and then be placed on the Fourteenth order with **DO PASS**.

REQUEST

SEN. SITTE REQUESTED that the Senate divide the amendments to Engrossed HB 1450, which request was granted.

DIVISION A: Section g of amendment

DIVISION B: Remainder of Amendment

REQUEST

SEN. LARSEN REQUESTED a recorded roll call vote on Division A of the proposed amendments to Engrossed HB 1450, which request was granted.

MOTION

SEN. OLAFSON MOVED that Division A of the proposed amendments to Engrossed HB 1450 be laid on the table, which motion prevailed on a voice vote.

MOTION

SEN. OLAFSON MOVED that the Senate reconsider its action whereby it laid Division A of the proposed amendments to Engrossed HB 1450 on the table, and that the motion to reconsider be laid on the table, which motion prevailed on a verification vote.

CONSIDERATION OF AMENDMENTS

HB 1424, as engrossed and amended: SEN. COOK (Appropriations Committee) MOVED that the amendments on SJ pages 1250-1256 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed on a voice vote.

SECOND READING OF HOUSE BILL

HB 1424: A BILL for an Act to amend and reenact subsection 2 of section 11-09.1-05, section 40-05.1-06, 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 and local option sales, use, and gross receipts taxes and the sales and use tax exemption for chemicals used for agricultural purposes; and to provide an effective date.

ROLL CALL

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

YEAS: Andrist; Berry; Bowman; Burckhard; Christmann; Cook; Dever; Dotzenrod; Erbele; Fischer; Flakoll; Freborg; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Lyson; Marcellais; Mathern; Miller; Murphy; Nelson; Nething; Nodland; O'Connell; Oehlke; Olafson; Robinson; Schaible; Schneider; Sitte; Sorvaag; Stenehjem; Taylor; Triplett; Uglem; Wanzek; Wardner; Warner

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

CONSIDERATION OF AMENDMENTS

HB 1014, as engrossed: SEN. WARDNER (Appropriations Committee) MOVED that the

amendments on SJ pages 1243-1246 be adopted and then be placed on the Fourteenth order with **DO PASS**.

REQUEST

SEN. TRIPLETT REQUESTED that the Senate divide the amendments to Engrossed HB 1014, as amended, which request was granted.

DIVISION A: Section 3

DIVISION B: Remainder of Amendment

REQUEST

SEN. WARNER REQUESTED a verification vote on Division A of the proposed amendments to Engrossed HB 1014, as amended, which request was granted.

The question being the adoption of Division A of the proposed amendments to Engrossed HB 1014, as amended, the motion failed on a verification vote.

Division A of the proposed amendments to Engrossed HB 1014, as amended, failed on a verification vote.

The question being the adoption of Division B of the proposed amendments to Engrossed HB 1014, as amended, the motion passed on a verification vote.

Division B of the proposed amendments to Engrossed HB 1014, as amended, was adopted on a verification vote.

The question being on the motion to adopt the amendments to Engrossed HB 1014 which consists of Division B only, the motion prevailed on a voice vote.

SECOND READING OF HOUSE BILL

HB 1014: A BILL for an Act to provide an appropriation for defraying the expenses of the state industrial commission and the agencies under the management of the industrial commission; to create and enact a new section to chapter 15-02 of the North Dakota Century Code, relating to the authority of the board of university and school lands; to provide legislative intent; to provide for a legislative management study; to provide an appropriation; to provide a contingent appropriation; to authorize transfers; to provide for budget section approval; and to declare an emergency.

ROLL CALL

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

YEAS: Andrist; Berry; Bowman; Burckhard; Christmann; Cook; Dever; Dotzenrod; Erbele; Fischer; Flakoll; Freborg; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Lyson; Marcellais; Mathern; Miller; Murphy; Nelson; Nething; Nodland; O'Connell; Oehlke; Olafson; Robinson; Schaible; Schneider; Sitte; Sorvaag; Stenehjem; Taylor; Triplett; Uglem; Wanzek; Wardner; Warner

Engrossed HB 1014, as amended, passed and the emergency clause was declared carried.

REPORT OF STANDING COMMITTEE

HB 1018, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1018 was placed on the Sixth order on the calendar.

Page 1, line 2, replace "15-69-07" with "10-30.5-13"

Page 1, line 2, replace "and a new section" with "three new sections"

Page 1, line 3, after "54-60" insert ", a new chapter to title 54, a new subdivision to subsection 7 of section 57-38-30.3, and a new section to chapter 57-38"

Page 1, line 3, replace "the centers of excellence program," with "a small business technology investment program, a"

Page 1, line 4, remove the first "and"

Page 1, line 4, after "fund" insert ", entrepreneurial centers development grants, an electronic portfolio program, centers of research excellence, and income tax credits for purchases of manufacturing machinery and equipment for the purpose of automating manufacturing processes"

Page 1, line 5, after the second comma insert "15-69-03,"

Page 1, line 8, after the first semicolon insert "to provide for a legislative management study of population growth impact on revenues and reduction of flaring of natural gas; to provide a vaccinology initiative grant;"

Page 1, replace lines 20 and 21 with:

"Salaries and wages	\$10,020,840	\$1,094,688	\$11,115,528
Operating expenses	14,478,272	(245,012)	14,233,260"

Page 1, replace line 23 with:

"Grants	65,411,058	(5,033,064)	60,377,994"
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Page 2, replace lines 5 and 6 with:

"Centers of excellence	0	13,000,000	13,000,000
North Dakota trade office	2,064,000	549,400	2,613,400
Partner programs	2,022,044	100,000	2,122,044"

Page 2, replace line 8 with:

"Total all funds	\$97,672,773	\$36,460,916	\$134,133,689"
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Page 2, replace lines 10 and 11 with:

"Total general fund	\$28,006,303	\$17,492,449	\$45,498,752
Full-time equivalent positions	68.00	1.25	69.25"

Page 2, after line 17, insert:

"American Indian business office	0	100,000"
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Page 2, remove line 22

Page 2, replace line 24 with:

"Child care service providers	0	250,000"
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Page 2, replace line 26 with:

"Centers of excellence	19,500,000	13,000,000
Electronic portfolio pilot project	0	150,000
2020 and beyond	0	50,000"

Page 2, remove line 28

Page 2, replace line 31 with:

"Total all funds	\$99,064,635	\$40,417,088"
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Page 3, replace line 2 with:

"Total general fund	\$30,470,000	\$15,920,338"
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Page 5, after line 6, insert:

"SECTION 4. Section 10-30.5-13 of the North Dakota Century Code is created and enacted as follows:

10-30.5-13. Small business technology investment program.

1. The corporation shall administer a small business technology investment program that provides matching investments to startup technology-based businesses.
2. The following provisions apply to small business technology investments:
 - a. A qualified applicant:
 - (1) Must be a North Dakota business that is at the startup stage;
 - (2) Must be a primary sector business in the technology field; and
 - (3) Shall meet underwriting guidelines established by the corporation.
 - b. Before the corporation distributes funds under this section, the recipient shall provide the department of commerce with detailed documentation of the availability of two dollars of angel fund investment matching funds for each dollar of state funds distributed under this section. The matching funds must be cash, must come from a North Dakota angel fund certified under section 57-38-01.26, and may not be an in-kind asset.
3. An investment under this section may not exceed fifty thousand dollars. Eligible use of the investment funds include developing a proof of concept. A recipient may not receive more than one award under this section.
4. An investment under this section is not a business incentive under chapter 54-60.1."

Page 5, after line 27, insert:

"SECTION 6. AMENDMENT. Section 15-69-03 of the North Dakota Century Code is amended and reenacted as follows:

15-69-03. (Effective through July 31, 2011) Centers of excellence commission.

The centers of excellence commission consists of six members. The foundation shall appoint three of the foundation's members to serve on the commission and the board shall appoint three of the board's members to serve on the commission. The commission members shall designate a chairman and a vice chairman of the commission. Each member of the commission shall serve for a term of three years, beginning July first; may be reappointed for additional terms; and serves at the pleasure of the appointing entity. If a commission member ceases to serve as a member of the appointing entity, that member's membership on the commission ceases immediately and the appointing entity shall appoint a new

member for the remainder of the term. Terms of commission members must be staggered. On a meeting-by-meeting basis, an appointing entity may substitute a member of that appointing entity to serve in place of one of the regular members appointed by that entity. If the commission chairman and vice chairman are not present at a meeting, the commission members present at that meeting shall select a commission member to serve as chairman for that meeting. A commission member may receive compensation and travel and expense reimbursement from the appointing entity. The department of commerce shall provide the commission with appropriate staff services as may be requested by the commission."

Page 6, line 3, remove the overstrike over "4."

Page 6, line 6, remove the overstrike over "assist with"

Page 6, line 7, remove the overstrike over "postaward monitoring as may be requested by the commission."

Page 6, line 11, remove the overstrike over "2. The commission shall meet as necessary to"

Page 6, line 14, remove the overstrike over "direct the department of commerce"

Page 6, line 15, remove the overstrike over "to"

Page 6, line 15, remove "administer the centers of excellence program:"

Page 6, line 18, remove the overstrike over "3."

Page 7, line 16, remove the overstrike over "For no fewer than six years and no more than ten years following center designation,"

Page 7, remove the overstrike over lines 17 and 18

Page 7, line 30, remove the overstrike over "commission's"

Page 7, line 30, remove "department's"

Page 8, line 1, remove the overstrike over "commission"

Page 8, line 1, remove "department"

Page 8, line 2, remove "Effective on"

Page 8, replace lines 3 through 6 with "Instead of requiring annual audits under this subsection, the commission may require that the center be audited on all funds distributed to the center under this chapter at the halfway point of the postaward monitoring and at the end of the postaward monitoring and that for all other years during the postaward monitoring the center contract with an independent accountant for an agreed-upon procedures engagement. A center may use funds distributed to the center under this chapter to pay for audits required under this subsection or for an agreed-upon procedures engagement. At a minimum, an agreed-upon procedures engagement under this subsection must include:

- a. Verification of the accuracy of jobs data regarding jobs claimed created by the center, distinguishing between the creation of private sector jobs and jobs within the institution of higher education;
- b. Verification of compliance with the centers of excellence program matching fund requirements;
- c. Verification awarded center funds were used for authorized uses;
- d. Verification the center complied with the center's application timeline and any authorized revisions;

- e. Verification the center complied with the center's scope of activities as provided under the center's application and any authorized revisions;
- f. Review of a sample of center expenditures to verify the expenses were approved, supported with documentation, and made in accordance with the scope identified in the center's application;
- g. Verification of a sample of labor charged to the center; and
- h. Comparison of the center's application budget to the center's actual expenditures, including documentation explaining any material differences."

Page 8, line 7, remove the overstrike over "~~commission directs the~~"

Page 8, line 7, remove the overstrike over "~~to distribute~~"

Page 8, line 7, remove "distributes"

Page 8, line 8, remove the overstrike over "~~commission~~"

Page 8, line 8, remove "department"

Page 8, line 20, remove the overstrike over "~~commission shall direct the~~"

Page 8, line 20, remove the overstrike over "~~to~~"

Page 8, line 20, remove "shall"

Page 8, line 22, remove the overstrike over "~~commission~~"

Page 8, line 22, remove "department"

Page 8, line 26, remove the overstrike over "~~commission may~~"

Page 8, line 27, remove the overstrike over "~~direct that the~~"

Page 8, line 27, remove "may"

Page 8, line 28, remove the overstrike over "~~commission~~"

Page 8, line 28, remove "department"

Page 9, remove lines 5 through 30

Page 10, remove lines 1 through 7

Page 10, line 27, remove "fourteen thousand dollars per retail"

Page 10, replace lines 28 through 30 with "a maximum of twenty thousand dollars per retail location to motor fuel retailers for the installation of biofuel blender pumps and up to fourteen thousand dollars per retail location for the installation of associated equipment, including the piping systems and storage components, when blender pumps are installed for a maximum grant of thirty-four thousand dollars per location."

Page 11, remove lines 8 through 10

Page 12, replace lines 13 through 20 with:

"SECTION 11. A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

Entrepreneurial centers development grants.

The department shall administer an entrepreneurial centers development grant program to provide grants to institutions under the control of the state board of higher education which are not research universities as defined under section 13 of this Act. The centers of excellence commission established under chapter 15-69 shall make grant award determinations under this section. A recipient's appropriate use of funds may include awarding a grant to establish a new entrepreneurial center within an eligible institution or to enhance the ability of an existing entrepreneurial center to assist an entrepreneur in growing the entrepreneur's businesses. The department shall work with the centers of excellence commission in establishing guidelines to qualify for a grant under this section which may include preference for an applicant that establishes the availability of matching funds. The centers of excellence commission shall consider how a proposed grant award would help achieve the goals outlined in the North Dakota economic development strategic plan.

SECTION 12. A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

Division of workforce development - Pilot program - Higher education electronic portfolio system.

1. The division of workforce development, the North Dakota university system, job service North Dakota, and representatives of the institutions of higher education under the control of the state board of higher education shall work together to establish a pilot program through which an electronic portfolio system will be implemented by selected institutions of higher education under the control of the state board of higher education in order to address the needs of students, faculty, and employers. The pilot program may include Valley City state university and the North Dakota state college of science. If Valley City state university or the North Dakota state college of science chooses not to participate, any other institution of higher education under the control of the state board of higher education may participate in this pilot program.
2. The pilot program must provide for an electronic portfolio system that:
 - a. Is online;
 - b. Is a multimedia system that enables the user to create and manage the user's education and career information;
 - c. Enables students, job seekers, and professionals to showcase education and skills to potential employers;
 - d. Provides for creation of and access to lifelong personal electronic portfolio accounts and services to students, job seekers, and professionals seeking to advance their careers in the state;
 - e. Provides access to job seekers residing outside the state who may be interested in relocating or returning to the state; and
 - f. Allows employers and economic developers to conduct online searches to determine workforce potential by geographic region, skill, education, experience, and other factors.
3. Under this pilot program, the North Dakota university system, job service North Dakota, and the division of workforce development shall work together to:
 - a. Facilitate the effective integration of future workers into the workforce system and to enhance the ability of state and local economic development officials to effectively access North Dakota's skilled workforce through the system; and

- b. Ensure the system is complementary to the state's workforce system and higher education system.
4. The division of workforce development shall administer the pilot program.

SECTION 13. A new chapter to title 54 of the North Dakota Century Code is created and enacted as follows:

Definitions.

In this chapter, unless the context otherwise requires:

1. "Center" means a center of research excellence that has been designated under this chapter.
2. "Commission" means the centers of excellence commission as defined under chapter 15-69.
3. "Department" means the department of commerce.
4. "Industry cluster" means one of the following industries:
 - a. Advanced manufacturing;
 - b. Energy;
 - c. Information and technology;
 - d. Tourism;
 - e. Value-added agriculture; or
 - f. An industry, including the aerospace industry, specifically identified by the department of commerce as an industry that will contribute to the gross state product.
5. "Infrastructure" means new building construction or major building renovation. The term does not include a purchase of equipment or remodel of an existing building.
6. "Research university" means an institution under the control of the state board of higher education which has a full-time student enrollment in excess of nine thousand students.

Centers of research excellence - Application - Eligibility.

1. The department shall establish a centers of research excellence program. The commission shall make funding award determinations under this program. A center must be a research university or a nonprofit university-related or college-related foundation of a research university which is working in partnership with the private sector.
2. The department shall provide center application forms, accept applications, review applications for completeness and compliance with commission policy, forward complete applications to the commission in accordance with guidelines established by the commission, and assist with preaward reviews and postaward monitoring as may be requested by the commission. No more than two applications per campus of a research university institution may be submitted to the department for each round of center funding.
3. The commission shall meet as necessary to review all complete applications; consider the potential need for independent, expert review of complete applications; approve or disapprove complete applications; make funding award recommendations for commission-approved

proposed centers; direct the department to distribute funds to the centers; monitor centers for compliance with award requirements; review changes in assertions made in center applications; and conduct postaward monitoring of centers.

4. In considering whether to approve or disapprove a center application, the commission shall determine whether the applicant has conducted the due diligence necessary to put together a viable proposal, the commission shall determine whether the applicant has provided information in the application which clearly outline how the matching fund requirement will be met, and the commission shall consider whether the center will:
 - a. Use university research to promote private sector job growth and expansion of knowledge-based industries or use university research to promote the development of new products, high-tech companies, or skilled jobs in this state;
 - b. Create high-value private sector employment opportunities in this state;
 - c. Provide for public-private sector involvement and partnerships;
 - d. Leverage other funding, including cash from the private sector;
 - e. Promote the commercialization of new products and services in industry clusters;
 - f. Become financially self-sustaining; and
 - g. Establish and meet a deadline for acquiring and expending all public and private funds specified in the application.
5. In considering whether to approve an application, the commission may provide for an independent, expert review of the application to determine whether the proposed center is viable and whether the proposed center is likely to have the desired economic impact. As necessary, the commission may contract for additional technical review of applications. The commission may not approve an application unless the commission determines the proposed center has a high likelihood of viability and success in positively impacting economic development in the state.
6. The board rules adopted under subsection 9 of section 15-10-17, relating to ownership of intellectual property, inventions, and discoveries, must address activities and issues unique to centers.

Use of funds - Terms of funds - Distribution of funds - Postaward monitoring.

1. A center shall use center grant funds to enhance capacity and leverage state, federal, and private sources of funding. A center awarded center funds under this chapter may not use the funds for infrastructure, to supplant funding for current operations or academic instructions, or to pay indirect costs.
2. For no fewer than six years and no more than ten years following center designation, the commission shall monitor the center's activities in order to determine whether the center is having the desired economic impact.
3. As a condition for receipt of funds under this chapter, a center shall agree to provide the board, foundation, and budget section of the legislative management with annual audits on all funds distributed to the center under this chapter. The annual audits must be provided until the completion of the commission's postaward monitoring of the center. As a condition for receipt of funds under this chapter, a center shall agree to

- provide the commission with the information necessary to monitor the postaward activities of the center. Instead of requiring annual audits under this subsection, the commission may require that the center be audited on all funds distributed to the center under this chapter at the halfway point of the postaward monitoring and at the end of the postaward monitoring and that for all other years during the postaward monitoring the center contract with an independent accountant for an agreed-upon procedures engagement. A center may use funds distributed to the center under this chapter to pay for audits required under this subsection or for an agreed-upon procedures engagement. At a minimum, an agreed-upon procedures engagement under this subsection must include:
- a. Verification of the accuracy of jobs data regarding jobs claimed related by the center, distinguishing between the creation of private sector jobs and jobs within the institution of higher education;
 - b. Verification of compliance with the centers of excellence program matching fund requirements;
 - c. Verification awarded center funds were used for authorized uses;
 - d. Verification the center complied with the center's application timeline and any authorized revisions;
 - e. Verification the center complied with the center's scope of activities as provided under the center's application and any authorized revisions;
 - f. Review of a sample of center expenditures to verify the expenses were approved, supported with documentation, and made in accordance with the scope identified in the center's application;
 - g. Verification of a sample of labor charged to the center; and
 - h. Comparison of the center's application budget to the center's actual expenditures, including documentation explaining any material differences.
4. Before the commission directs the department to distribute center funds awarded under this chapter, the center shall provide the commission with detailed documentation of private sector participation and the availability of two dollars of matching funds for each dollar of state funds to be distributed. Of the two dollars of matching funds, at least one dollar must be cash, of which at least fifty cents must be from the private sector. The matching funds may include funds facilitated through the collaboration of the private sector participants with other funding entities. The noncash matching funds may include in-kind assets with itemized value. Private sector participation may be established through equity investments or through contracts for services with private sector entities. In making funding recommendations and designation determinations, the commission shall give major consideration to the portion of the matching funds provided in cash by the private sector.
 5. The commission shall direct the department to distribute the center funds awarded under this chapter in disbursements consistent with the center's budget and timeframe outlined in the approved award. The commission may not direct distribution of center funds under this chapter if there are no private sector partners participating or if the statutorily required matching funds are not available.
 6. If, before center funds are distributed by the department, a center undergoes a change in the terms of or assertions made in its application, the commission may direct that the department withhold all or a portion of any undistributed funds pending commission review of the changes.

7. The commission may use funds appropriated for the centers of research excellence program to pay for the commission's administrative expenses.

Eminent researcher recruitment grants.

As part of the centers of research excellence program, the department of commerce shall establish and administer an eminent researcher recruitment grant program to provide challenge grants to raise funds to be used by research universities and foundations established to further the work of such research universities in attracting an eminent researcher to join the faculties of the research universities. Under this program, the commission shall make grant award determinations. The commission shall adopt standards relative to the award of a grant under this section which must require that a foundation contribute at least fifty percent and not more than seventy-five percent of the total amount the commission deems necessary to attract an eminent researcher. The commission may revise the contribution formulas at any time in order to maximize the benefits that may result from recruiting one or more eminent researcher in the biennium and depending on the total funds available to the grant program. In determining whether to make a grant award under this section, the commission may consider the existing programs of the North Dakota university system, the necessity for such an eminent researcher, and any duplication the recruitment of the eminent researcher might cause. The department shall work with the commission in establishing guidelines to qualify for a grant under this section.

Base realignment grants.

As part of the centers of research excellence program, the department of commerce shall establish and administer a base realignment grant program to provide grants to a research university or a nonprofit university-related foundation to enhance economic development and employment opportunities associated with the Grand Forks air force base resulting from action by the federal defense base closure and realignment commission and infrastructure and economic development projects or programs to accommodate growth in proximity to or at the Grand Forks air force base. Under this program, the commission shall make grant award determinations. The department shall work with the commission in establishing guidelines to qualify for a grant under this section.

Centers of research excellence fund - Continuing appropriation.

The centers of research excellence fund is a special fund in the state treasury. All moneys in the centers of research excellence fund are appropriated to the department of commerce on a continuing basis for the purpose of implementing and administering this chapter. Interest earned on moneys in the fund must be credited to the fund.

SECTION 14. A new subdivision to subsection 7 of section 57-38-30.3 of the North Dakota Century Code is created and enacted as follows:

Automating manufacturing processes tax credit under section 15 of this Act.

SECTION 15. A new section to chapter 57-38 of the North Dakota Century Code is created and enacted as follows:

Income tax credit for purchases of manufacturing machinery and equipment for the purpose of automating manufacturing processes.

1. A taxpayer that is a primary sector business is allowed a nonrefundable credit against the tax imposed under section 57-38-30 or 57-38-30.3 for purchases of manufacturing machinery and equipment for the purpose of automating manufacturing processes in this state. The amount of the credit under this section is twenty percent of the costs incurred in the taxable year to purchase manufacturing machinery and equipment for the purpose of automating manufacturing processes. Qualified expenditures

- under this section may not be used in the calculation of any other income tax deduction or credit allowed by law.
2. For purposes of this section:
 - a. "Manufacturing machinery and equipment for the purpose of automating manufacturing processes" means new or used automation and robotic equipment.
 - b. "Primary sector business" means a business certified by the department of commerce which, through the employment of knowledge or labor, adds value to a product, process, or service that results in the creation of new wealth.
 3. The taxpayer shall claim the total credit amount for the taxable year in which the manufacturing machinery and equipment are purchased. The credit under this section may not exceed the taxpayer's liability as determined under this chapter for any taxable year.
 4. If the amount of the credit determined under this section exceeds the liability for tax under this chapter, the excess may be carried forward to each of the next five succeeding taxable years.
 5. The aggregate amount of credits allowed under this section may not exceed two million dollars in any calendar year. Credits subject to this limitation must be determined based upon the date of the qualified purchase.
 6. If a taxpayer entitled to the credit provided by this section is a member of a group of corporations filing a North Dakota consolidated tax return using the combined reporting method, the credit may be claimed against the aggregate North Dakota tax liability of all the corporations included in the North Dakota consolidated return.
 7. A partnership, subchapter S corporation, limited partnership, limited liability company, or any other passthrough entity entitled to the credit under this section must be considered to be the taxpayer for purposes of calculating the credit. The amount of the allowable credit must be determined at the passthrough entity level. The total credit determined at the entity level must be passed through to the partners, shareholders, or members in proportion to their respective interests in the passthrough entity. An individual taxpayer may take the credit passed through under this subsection against the individual's state income tax liability under section 57-38-30.3.
 8. The department of commerce shall provide the tax commissioner the name, address, and federal identification number or social security number of the taxpayer approved as qualifying for the credit under this section, and a list of those items that were approved as a qualified expenditure by the department. The taxpayer claiming the credit shall file with the taxpayer's return, on forms prescribed by the tax commissioner, the following information:
 - a. The name, address, and federal identification number or social security number of the taxpayer who made the purchase; and
 - b. An itemization of:
 - (1) Each item of machinery or equipment purchased for automation;
 - (2) The amount paid for each item of machinery or equipment if the amount paid for the machinery or equipment is being used as a basis for calculating the credit; and

(3) The date on which payment for the purchase was made.

9. Notwithstanding the time limitations contained in section 57-38-38, this section does not prohibit the tax commissioner from conducting an examination of the credit claimed and assessing additional tax due under section 57-38-38."

Page 12, line 23, replace "\$4,935,000" with "\$250,000"

Page 12, remove lines 27 through 31

Page 13, remove lines 1 through 31

Page 14, remove lines 1 and 2

Page 14, line 16, replace "Up to \$665,000 of the" with "The"

Page 14, line 20, replace "\$600,000" with "\$4,000,000"

Page 14, remove line 21

Page 14, line 22, replace "safeguard complex in Nekoma" with "entrepreneurial centers development grants under section 11 of this Act"

Page 14, line 22, replace "department of commerce may use up to \$65,000" with "office of management and budget shall transfer \$1,000,000"

Page 14, line 23, remove "for grants to child care service providers for workforce development, quality improvement,"

Page 14, replace lines 24 and 25 with "to the North Dakota development fund, incorporated, for the purpose of providing investments to startup stage technology-based businesses under section 4 of this Act."

Page 15, after line 8, insert:

"SECTION 24. EXEMPTION. The amount appropriated for the promotion and marketing of the USS North Dakota contained in the grants line item in section 1 of chapter 46 of the 2009 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this line item are available during the biennium beginning July 1, 2011, and ending June 30, 2013."

Page 15, after line 13, insert:

"SECTION 26. TRANSFER - CENTERS OF RESEARCH EXCELLENCE FUND. The office of management and budget shall transfer the amount appropriated in the centers of excellence line item in section 1 of this Act to the centers of research excellence fund for the purpose of implementing and administering the centers of research excellence grants, for the biennium beginning July 1, 2011, and ending June 30, 2013. The department of commerce may use up to \$1,000,000 of the funds transferred to the centers of research excellence fund for eminent researcher recruitment grants. During the biennium beginning July 1, 2011, and ending June 30, 2013, the centers of excellence commission may not award more than one-half of the amount available for centers of research excellence grants, including base realignment grants, to one research university or nonprofit foundation related to that research university."

Page 15, after line 18, insert:

"SECTION 28. TRANSFER - INTERNSHIP FUND. The office of management and budget shall transfer \$900,000 of the amount appropriated in the operating expenses line item in section 1 of this Act to the internship fund."

Page 15, after line 28, insert:

"SECTION 30. APPROPRIATION. There is appropriated out of any moneys in the lands and minerals trust fund in the state treasury, not otherwise appropriated, the sum of \$600,000, or so much of the sum as may be necessary, to the department of commerce for the purpose of providing a grant to assist in the acquisition of the antiballistic missile site at the Stanley R. Mickelson safeguard complex in Nekoma."

Page 16, after line 15, insert:

"SECTION 32. CENTERS OF RESEARCH EXCELLENCE LIMITED DEPLOYMENT-COOPERATIVE AIRSPACE PROJECT GRANT. The department of commerce may use \$4,000,000 of the funds transferred to the centers of research excellence fund in section 26 of this Act for grants to the North Dakota university system's research institutions for the purpose of leveraging private and federal funding to advance state opportunities associated with a limited deployment-cooperative airspace project in the state during the biennium beginning July 1, 2011, and ending June 30, 2013. Up to \$2,700,000 of this amount may be awarded to the university of North Dakota and up to \$1,300,000 to North Dakota state university. The commissioner of commerce shall develop application criteria, review submitted applications, and recommend applications for approval to the centers of excellence commission.

SECTION 33. NORTH DAKOTA ECONOMIC DEVELOPMENT FOUNDATION - 2020 AND BEYOND INITIATIVE.

1. During the 2011-12 interim, the North Dakota economic development foundation shall contract with an organization with North Dakota business membership which is statewide in scope and represents business interests across the state in order to conduct a 2020 and beyond initiative. The 2020 and beyond initiative must include periodic meetings of six legislators appointed by the chairman of the legislative management, with two members of the senate, one of whom must be from the majority party and one of whom must be from the minority party and two members of the house of representatives, one of whom must be from the majority party and one of whom must be from the minority party; individuals representing North Dakota business interests, individuals representing North Dakota education interests, and individuals representing state and local government interests.
2. The 2020 and beyond initiative must:
 - a. Assess current assets and resources of the state and whether these assets and resources match the emerging opportunities and trends in the state;
 - b. Study and assess successful models of other states and countries in creating economic growth and whether those models could be replicated and improved upon in this state;
 - c. Evaluate the effectiveness of programs and investments in the state designed to develop the state's workforce and to attract and retain businesses in the state;
 - d. Identify impediments to and opportunities for economic growth and job creation in the state;
 - e. Consider what new investments in infrastructure and changes to the state's tax and regulatory environment could be made to maintain and increase the state's standing as a business-friendly state;
 - f. Evaluate the state's higher education model to determine whether maximum opportunities for synergy between public and private sectors are being realized;

- g. Consider how higher education institutions in the state could spur economic development in the state through innovation, knowledge transfer, and community engagement;
 - h. Find ways to unite public, nonprofit, and business interests behind common goals and solutions for faster, better results; and
 - i. Make recommendations to the North Dakota economic development foundation based on the outcome of the initiative.
3. The legislative members of the 2020 and beyond initiative are entitled to receive compensation and expenses from the legislative council in the same manner as provided for members of the legislative management committees under section 54-35-10.
 4. The grants line item in section 1 of this Act includes the sum of \$50,000 from the general fund for providing a grant to implement the 2020 and beyond initiative.

SECTION 34. DEPARTMENT OF COMMERCE GRANT - INSTITUTION OF HIGHER EDUCATION VACCINOLOGY INITIATIVE. Of the funds appropriated in the grants line item in section 1 of this Act, \$50,000 from the general fund may be used by the department of commerce to provide a matching grant to an institution of higher education for a vaccinology initiative. The department shall require one dollar of matching funds from the institution for each one dollar of state funds awarded as a grant.

SECTION 35. LEGISLATIVE MANAGEMENT STUDY - EXAMINATION OF POPULATION GROWTH IMPACT ON REVENUES. During the 2011-12 interim, the legislative management shall consider studying the development of a reliable means of estimating the effect of future population growth on state and local government revenues. 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 36. LEGISLATIVE MANAGEMENT STUDY - REDUCTION OF FLARING OF NATURAL GAS. During the 2011-12 interim, the legislative management shall study methods to encourage reduction or restrict allowance of flaring of natural gas. The legislative management may gather input from the tax department, oil and gas division of the industrial commission, state department of health, petroleum industry representatives, and interested members of the public and representatives of political subdivisions to identify and implement a method of reducing flaring of natural gas, including improved methods for capturing or using the natural gas. The interim committee to which this study is assigned shall meet as often as necessary before November 2011 to determine if it is feasible and desirable to seek introduction of legislation to implement any preliminary recommendation of the interim committee during the November 2011 special legislative session. The interim committee shall include in its deliberations an examination of each legislative proposal to reduce flaring of natural gas considered by the sixty-second legislative assembly. 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 16, line 17, replace "26" with "37"

Page 16, line 19, replace "8" with "9"

Page 16, after line 20, insert:

"SECTION 40. EFFECTIVE DATE - EXPIRATION DATE. Sections 14 and 15 of this Act are effective for the first three taxable years beginning after December 31, 2011, and are thereafter ineffective."

Page 16, line 22, remove "8,"

Page 16, line 22, after the fourth comma insert "10,"

Page 16, line 22, replace "18" with "20"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1018 - Department of Commerce - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$10,871,979	\$10,871,979	\$243,549	\$11,115,528
Operating expenses	14,108,260	13,883,260	350,000	14,233,260
Capital assets	70,018	70,018		70,018
Grants	60,627,994	66,262,994	(5,885,000)	60,377,994
North Dakota Development Fund	400,000	250,000		250,000
Discretionary funds	928,082	928,082		928,082
Centers of workforce excellence	2,000,000			
Economic development initiatives	186,846	186,846		186,846
Agriculture Products Utilization Comm	2,739,767	2,739,767		2,739,767
Centers of excellence	13,000,000		13,000,000	13,000,000
North Dakota Trade Office	2,553,000	2,553,000	60,400	2,613,400
Partner programs	2,122,044	2,022,044	100,000	2,122,044
Division of Energy	619,691			
Federal fiscal stimulus funds	24,496,750	24,496,750		24,496,750
Workforce enhancement		2,000,000		2,000,000
Nekoma ABM site acquisition			600,000	600,000
Total all funds	\$134,724,431	\$126,264,740	\$8,468,949	\$134,733,689
Less estimated income	88,634,937	88,634,937	600,000	89,234,937
General fund	\$46,089,494	\$37,629,803	\$7,868,949	\$45,498,752
FTE	70.25	68.25	1.00	69.25

Department No. 601 - Department of Commerce - Detail of Senate Changes

	Adds Funding to ND Trade Office for Increased Lease Rate¹	Reduces Funding for Child Care Service Provider Grants²	Restores Funding for Centers of Excellence³	Adds Funding for Electronic Portfolio Pilot Project⁴	Restores Funding for American Indian Business Development Office⁵	Adds Funding for Development Foundation 2020⁶	
Salaries and wages							
Operating expenses				150,000			
Capital assets							
Grants		(4,685,000)				50,000	
North Dakota Development Fund							
Discretionary funds							
Centers of workforce excellence							
Economic development initiatives							
Agriculture Products Utilization Comm							
Centers of excellence			13,000,000				
North Dakota Trade Office	60,400						
Partner programs					100,000		
Division of Energy							
Federal fiscal stimulus funds							
Workforce enhancement							
Nekoma ABM site acquisition							
Total all funds	\$60,400	(\$4,685,000)	\$13,000,000	\$150,000	\$100,000	\$50,000	
Less estimated income	0	0	0	0	0	0	
General fund	\$60,400	(\$4,685,000)	\$13,000,000	\$150,000	\$100,000	\$50,000	
FTE	0.00	0.00	0.00	0.00	0.00	0.00	
	Removes Funding for Tourism Infrastructure Grants⁷	Removes Minot Air Force Base Realignment Grant⁸	Adds Energy Director and Associated Operating⁹	Restores Funding for Jobs for America's Graduates Program¹⁰	Changes Funding Source Nekoma ABM Site Acquisition¹¹	Total Senate Changes	
Salaries and wages			\$243,549			\$243,549	
Operating expenses			100,000	100,000		350,000	

Capital assets						
Grants	(1,000,000)	(250,000)				(5,885,000)
North Dakota Development Fund						
Discretionary funds						
Centers of workforce excellence						13,000,000
Economic development initiatives						60,400
Agriculture Products Utilization Comm						100,000
Centers of excellence						
North Dakota Trade Office						
Partner programs						
Division of Energy						
Federal fiscal stimulus funds						
Workforce enhancement						
Nekoma ABM site acquisition					600,000	600,000
Total all funds	(\$1,000,000)	(\$250,000)	\$343,549	\$100,000	\$600,000	\$8,468,949
Less estimated income	0	0	0	0	600,000	600,000
General fund	(\$1,000,000)	(\$250,000)	\$343,549	\$100,000	\$0	\$7,868,949
FTE	0.00	0.00	1.00	0.00	0.00	1.00

¹ Funding is added for the North Dakota Trade Office for a lease rate increase from \$2 per square foot to \$8 per square foot.

² One-time funding provided for child care service providers recruitment, training, and retention grants is reduced from \$4,935,000 to \$250,000.

³ One-time funding of \$13 million is restored for the centers of excellence grant program, the same level recommended in the executive budget.

⁴ One-time funding is added for an electronic portfolio pilot project.

⁵ One-time funding of \$100,000 is restored for the American Indian Business Development Office, to provide the same level of funding as included in the executive budget.

⁶ Funding is added for grants relating to a 2020 and beyond initiative to assess current assets and resources of the state and whether these assets and resources match the emerging opportunities and trends within the state.

⁷ Funding provided by the House to the Division of Tourism for a tourism infrastructure grant is removed.

⁸ Funding provided by the House related to a Minot Air Force Base realignment grant is removed.

⁹ Funding is restored for a director of energy position (\$243,549) and associated operating expenses are added (\$100,000).

¹⁰ Funding from the general fund removed by the House to continue four Jobs for America's Graduates programs previously paid for with federal funds in the 2009-11 biennium is restored.

¹¹ The funding source of a grant to assist in the acquisition of the antiballistic missile (ABM) site at the Stanley R. Mickelson Safeguard Complex in Nekoma is changed from the carryover related to the Great Plains Applied Energy Research Center to the lands and minerals trust fund.

A new section of North Dakota Century Code is created for a small business technology investment program that provides matching investments to startup technology-based

businesses.

Statutory provisions relating to centers of excellence are changed to:

- Remove the expiration date of the Centers of Excellence Commission of July 31, 2011, and make other changes and additions relating to postaward monitoring;
- Centers of research excellence and a centers of research excellence fund; and
- Eminent researcher recruitment grants, base realignment grants, and entrepreneurial centers development grants.

A new section to Chapter 54-60 is created to provide a pilot program within higher education for an electronic portfolio system administered by the Division of Workforce Development.

A section is added creating an internship fund.

Authority provided by the House for the Department of Commerce to administer an Innovation 2020 grant program and technology award equity investment program is removed.

A new section is added to provide that \$50,000 from the grants line item may be used as a matching grant for an institution of higher education vaccinology initiative.

Changes are made to the biofuel blender pump incentive program relating to the limits per retail location.

Funding from unspent 2009-11 biennium appropriations for the Great Plains Applied Energy Research Center of \$4 million is provided to the Department of Commerce for entrepreneurial centers development grants, and \$1 million is provided to the Development Fund for providing investments to startup state technology-based businesses.

Funding provided by the House of \$600,000 from the Great Plains Applied Energy Research Center carryover related to a grant to assist in the acquisition of the AMB site at the Stanley R. Mickelson Safeguard Complex in Nekoma is removed. The Senate changed the funding source of this initiative to the lands and minerals trust fund.

Funding provided by the House of \$65,000 from the Great Plains Applied Energy Research Center carryover related to a grant to child care service providers for workforce development quality improvement, technical assistance, and capacity building in collaboration with the Department of Human Services under Section 50-11.1-14.1 is removed.

A centers of research excellence fund is created, and the bill provides for a transfer of the \$13 million provided for centers of excellence to this fund. Of the funding provided, \$1 million is for eminent researcher recruitment grants and \$4 million for grants related to limited deployment-cooperative airspace projects (\$2.7 million to the University of North Dakota and \$1.3 million to North Dakota State University).

Sections are added to provide an income tax credit for purchases of manufacturing machinery and equipment for the purpose of automating manufacturing processes.

A section is added authorizing unexpended amounts from the 2009-11 biennium appropriation of \$100,000 for the USS *North Dakota* to continue into the 2011-13 biennium.

A section is added to provide for a Legislative Management study of the impact of future population growth on state and local government revenues.

A section is added to provide for a Legislative Management study of gas flaring issues.

REPORT OF STANDING COMMITTEE

HB 1267, as engrossed: Judiciary Committee (Sen. Nething, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (5 YEAS, 1 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1267 was placed

on the Sixth order on the calendar.

Page 1, line 2, after the comma insert "to exempt drafts of redistricting plans from open records requirements,"

Page 1, line 3, after "session" insert "; to provide an expiration date"

Page 1, line 5, after "**COMMITTEE**" insert "- **OPEN RECORDS EXEMPTION**"

Page 1, line 6, after the boldfaced period insert:

"1."

Page 1, line 10, after the period insert:

"2."

Page 1, line 14, after the period insert:

"3."

Page 1, line 16, after the period insert:

"4. A draft of a legislative redistricting plan created by the legislative council or a member of the legislative assembly is an exempt record as defined in section 44-04-17.1 until presented or distributed at a meeting of the legislative management or the legislative assembly. Any version of a redistricting plan created before the completion of the plan is an exempt record regardless of whether the completed plan is subsequently presented or distributed at a meeting.

5."

Page 1, after line 21, insert:

"SECTION 2. EXPIRATION DATE. This Act is effective through July 31, 2012, and after that date is ineffective."

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1397, as engrossed: Judiciary Committee (Sen. Nething, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1397 was placed on the Sixth order on the calendar.

Page 1, line 8, overstrike "plus" and insert immediately thereafter "the speaker of the house, and"

Page 1, line 8, overstrike "seven" and insert immediately thereafter "six"

Page 1, line 11, remove the overstrike over "~~four~~"

Page 1, line 13, remove "of the house shall appoint to the"

Page 1, remove line 14

Page 1, line 15, remove "number of members in the house"

Page 1, line 15, overstrike ", except that the speaker must by virtue of office be"

Page 1, line 16, overstrike "one of the"

Page 1, line 16, overstrike "members appointed from the speaker's"

Page 1, line 16, replace "political party" with "of the house shall appoint to the legislative management two members elected by the political party with the next largest number of members in the house"

Page 1, remove lines 23 and 24

Page 2, remove lines 1 through 13

Page 2, line 14, replace "6." with "4."

Renumber accordingly

MOTION

SEN. CHRISTMANN MOVED that the Senate stand in recess until 1:00 p.m., which motion prevailed.

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

CONSIDERATION OF AMENDMENTS

HB 1267, as engrossed: SEN. NETHING (Judiciary Committee) MOVED that the amendments on SJ pages 1283-1284 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed on a voice vote.

SECOND READING OF HOUSE BILL

HB 1267: A BILL for an Act to establish a legislative management redistricting committee, to provide for the implementation of a legislative redistricting plan, to exempt drafts of redistricting plans from open records requirements, and to provide for a special legislative session; to provide an expiration date; and to declare an emergency.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 34 YEAS, 13 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Andrist; Berry; Bowman; Burckhard; Christmann; Cook; Dever; Erbele; Fischer; Flakoll; Freborg; Grindberg; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Lyson; Nething; Nodland; O'Connell; Oehlke; Olafson; Schaible; Sitte; Sorvaag; Stenehjem; Uglem; Wanzek; Wardner

NAYS: Dotzenrod; Heckaman; Luick; Marcellais; Mathern; Miller; Murphy; Nelson; Robinson; Schneider; Taylor; Triplett; Warner

Engrossed HB 1267, as amended, passed and the emergency clause was declared carried.

MOTION

SEN. CHRISTMANN MOVED that Senate Rule 329 be temporarily suspended and that HB 1297 not be rereferred to the Appropriations Committee, which motion prevailed.

MOTION

SEN. CHRISTMANN MOVED that HB 1297 be placed after HB 1397 on the Fourteenth order, which motion prevailed.

CONSIDERATION OF AMENDMENTS

HB 1397, as engrossed: SEN. NETHING (Judiciary Committee) MOVED that the amendments on SJ pages 1284-1285 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed on a voice vote.

SECOND READING OF HOUSE BILL

HB 1397: A BILL for an Act to amend and reenact section 54-35-01 of the North Dakota Century Code, relating to the membership of the legislative management; and to declare an emergency.

ROLL CALL

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

YEAS: Andrist; Berry; Bowman; Burckhard; Christmann; Cook; Dever; Dotzenrod; Erbele; Fischer; Flakoll; Freborg; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Lyson; Marcellais; Mathern; Miller; Murphy; Nelson; Nething; Nodland; O'Connell; Oehlke; Olafson; Robinson; Schaible; Schneider; Sitte; Sorvaag; Stenehjem; Taylor; Triplett; Uglem; Wanzek; Wardner; Warner

Engrossed HB 1397, as amended, passed and the emergency clause was declared carried.

CONSIDERATION OF AMENDMENTS

HB 1297, as engrossed: SEN. BERRY (Human Services Committee) MOVED that the amendments on SJ pages 1248-1249 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed on a voice vote.

SECOND READING OF HOUSE BILL

HB 1297: A BILL for an Act to create and enact two new sections to chapter 14-02.1 of the North Dakota Century Code, relating to an abortion report form and abortion-inducing drugs; to amend and reenact sections 14-02.1-02, 14-02.1-02.1, and 14-02.1-03, subsections 2 and 3 of section 14-02.1-03.1, and sections 14-02.1-04, 14-02.1-07, 14-02.1-08, 14-02.1-09, 14-02.3-01, 14-02.3-03, 15.1-19-06, and 23-16-14 of the North Dakota Century Code, relating to the regulation of abortion; to provide a penalty; to provide for a report; and to provide a statement of legislative intent.

ROLL CALL

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

YEAS: Andrist; Berry; Bowman; Burckhard; Christmann; Cook; Dever; Dotzenrod; Erbele; Fischer; Flakoll; Freborg; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Laffen; Larsen; Lee, G.; Luick; Lyson; Marcellais; Mathern; Miller; Murphy; Nething; Nodland; O'Connell; Oehlke; Olafson; Robinson; Schaible; Schneider; Sitte; Sorvaag; Stenehjem; Taylor; Wanzek; Wardner; Warner

NAYS: Krebsbach; Lee, J.; Nelson; Triplett; Uglem

Engrossed HB 1297, as amended, passed.

CONSIDERATION OF AMENDMENTS

HB 1018, as engrossed: SEN. GRINDBERG (Appropriations Committee) MOVED that the amendments on SJ pages 1267-1283 be adopted and then be placed on the Fourteenth order with **DO PASS**.

REQUEST

SEN. CHRISTMANN REQUESTED that the Senate divide the amendments to Engrossed HB 1018, which request was granted.

DIVISION A: "Page 12, line 23, replace "\$4,935,000" with "\$250,000"

DIVISION B: Remainder of proposed amendment

REQUEST

SEN. WARNER REQUESTED a verification vote on Division A of the proposed amendments to Engrossed HB 1018, which request was granted.

The question being the adoption of Division A of the proposed amendments to Engrossed HB 1018, the motion passed on a verification vote.

Division A of the proposed amendments to Engrossed HB 1018 was adopted on a verification vote.

The question being the adoption of Division B of the proposed amendments to Engrossed HB 1018, the motion passed on a verification vote.

Division B of the proposed amendments to Engrossed HB 1018 was adopted on a verification vote.

The question being on the motion to adopt the amendments to Engrossed HB 1018 which includes Division A and Division B, the motion prevailed on a voice vote.

SECOND READING OF HOUSE BILL

HB 1018: A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; to create and enact section 10-30.5-13, a new chapter to title 17, three new sections to chapter 54-60, a new chapter to title 54, a new subdivision to subsection 7 of section 57-38-30.3, and a new section to chapter 57-38 of the North Dakota Century Code, relating to a small business technology investment program, a biofuel blender pump incentive program, the internship fund, entrepreneurial centers development grants, an electronic portfolio program, centers of research excellence, and income tax credits for purchases of manufacturing machinery and equipment for the purpose of automating manufacturing processes; to amend and reenact sections 10-30.5-02, 15-69-01, 15-69-03, 15-69-04, and 15-69-05 of the North Dakota Century Code, relating to the North Dakota development fund, incorporated, and centers of excellence program; to repeal chapter 15-69 of the North Dakota Century Code, relating to the centers of excellence program; to provide for a legislative management study of population growth impact on revenues and reduction of flaring of natural gas; to provide a vaccinology initiative grant; to provide a continuing appropriation; to provide exemptions; to provide for transfers; to provide an effective date; to provide an expiration date; and to declare an emergency.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 44 YEAS, 3 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Andrist; Berry; Bowman; Burckhard; Christmann; Cook; Dever; Dotzenrod; Erbele; Fischer; Flakoll; Freborg; Grindberg; Heckaman; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Lyson; Marcellais; Mathern; Miller; Murphy; Nelson; Nething; Nodland; O'Connell; Oehlke; Olafson; Robinson; Schaible; Schneider; Sorvaag; Taylor; Triplett; Uglem; Wanzek; Wardner; Warner

NAYS: Hogue; Sitte; Stenehjem

Engrossed HB 1018, as amended, passed and the emergency clause was declared carried.

MOTION

SEN. STENEHJEM MOVED that the Senate stand in recess until 3:15 p.m., which motion prevailed.

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

MOTION

SEN. MILLER MOVED that the Senate reconsider its action whereby the Senate voted to lay on the table Division A of the proposed amendments to Engrossed HB 1450.

REQUEST

SEN. MILLER REQUESTED a recorded roll call vote, which request was granted.

ROLL CALL

The question being on the motion to reconsider the action whereby the Senate voted to lay on the table Division A of the proposed amendments to Engrossed HB 1450, the roll was called and there were 26 YEAS, 21 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Andrist; Berry; Bowman; Burckhard; Christmann; Cook; Dever; Dotzenrod; Erbele; Freborg; Hogue; Kilzer; Klein; Laffen; Larsen; Lee, G.; Luick; Mathern; Miller; Nodland; O'Connell; Schaible; Sitte; Sorvaag; Wanzek; Wardner

NAYS: Fischer; Flakoll; Grindberg; Heckaman; Holmberg; Krebsbach; Lee, J.; Lyson; Marcellais; Murphy; Nelson; Nething; Oehlke; Olafson; Robinson; Schneider; Stenehjem; Taylor; Triplett; Uglem; Warner

The motion failed on a recorded roll call vote.

APPOINTMENT OF CONFERENCE COMMITTEE

SEN. CHRISTMANN MOVED that the President appoint a committee of three to act with a like committee from the House as a Conference Committee on Engrossed HB 1002, Engrossed HB 1005, Engrossed HB 1007, Engrossed HB 1011, Engrossed HB 1029, Engrossed HB 1248, Engrossed HB 1447, and Reengrossed HB 1468, which motion prevailed.

THE PRESIDENT APPOINTED as a Conference Committee on:

Engrossed HB 1002: Sens. Kilzer, Wanzek, Warner

Engrossed HB 1005: Sens. Erbele, Holmberg, O'Connell

Engrossed HB 1007: Sens. Kilzer, Bowman, Robinson

Engrossed HB 1011: Sens. Krebsbach, Wanzek, O'Connell

Engrossed HB 1029: Sens. Flakoll, Luick, Heckaman

Engrossed HB 1248: Sens. G. Lee, Schaible, Marcellais

Engrossed HB 1447: Sens. Sorvaag, Cook, Nelson

Reengrossed HB 1468: Sens. Dever, Sorvaag, Marcellais

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. HOLMBERG MOVED that the Senate do not concur in the House amendments to Engrossed SB 2012 as printed on SJ pages 1204-1214 and that a conference committee be appointed to meet with a like committee from the House, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE PRESIDENT APPOINTED as a Conference Committee on Engrossed SB 2012: Sens. Kilzer, Fischer, Warner.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. DEVER MOVED that the Senate do not concur in the House amendments to Engrossed SB 2268 as printed on SJ pages 1216-1217 and that a conference committee be appointed to meet with a like committee from the House, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE PRESIDENT APPOINTED as a Conference Committee on Engrossed SB 2268: Sens. Berry, Dever, Nelson.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. G. LEE MOVED that the Senate do not concur in the House amendments to Engrossed SB 2308 as printed on SJ page 1222 and that a conference committee be appointed to meet with a like committee from the House, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE PRESIDENT APPOINTED as a Conference Committee on Engrossed SB 2308: Sens. G. Lee, Nodland, Mathern.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)
MR. SPEAKER: The Senate has amended and subsequently passed: HB 1016, HB 1297,

HB 1424.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)
MR. SPEAKER: The Senate has amended, subsequently passed, and the emergency clause carried: HB 1004, HB 1014, HB 1018, HB 1267, HB 1397.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The House has passed, and your favorable consideration is requested on: HCR 3009, HCR 3048.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The House has passed, unchanged: SCR 4007.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The House has amended and subsequently passed: SB 2011, SB 2309.

HOUSE AMENDMENTS TO SENATE BILL NO. 2011

In lieu of the amendments adopted by the House as printed on page 1211 of the House Journal, Senate Bill No. 2011 is amended as follows:

Page 1, line 6, after the second "from" insert "fees or"

Renumber accordingly

HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2309

Page 1, line 1, after "chapter" insert "26.1-36 and a new section to chapter"

Page 1, line 2, after "to" insert "accident and health insurance coverage and"

Page 1, after line 3, insert:

"SECTION 1. A new section to chapter 26.1-36 of the North Dakota Century Code is created and enacted as follows:

Freedom to choose and provide medical services.

1. Regardless of whether a resident of this state has or is eligible for health insurance coverage:
 - a. That resident has the right to seek medical treatment and services from any properly licensed medical provider in this state;
 - b. A person may not prevent or interfere with the right of any properly licensed medical provider in this state to provide to that resident medical treatment and services within that medical provider's scope of practice; and
 - c. A medical provider in this state has the right to provide or deny medical treatment and services to that resident as provided by law.
2. This section does not apply to:
 - a. An individual who voluntarily applies for coverage under a state-administered program pursuant to the medical assistance program under title XIX of the federal Social Security Act [42 U.S.C. 1396 et seq.] or the state's children's health insurance program under title XXI of the federal Social Security Act [42 U.S.C. 1397aa et seq.].
 - b. A student who is required by an institution of higher education to obtain and maintain health insurance as a condition of enrollment.

- c. An individual who is required by a religious institution to obtain and maintain health insurance.
- d. Health care benefits provided under the federal railroad system.
- e. The terms or conditions of any health insurance policy or health service contract or of any other contractual arrangement for the provision of health care services offered through a private health care system or accident and health insurance company administering accident and health insurance policies and certificates as permitted under the laws of this state, regardless of whether entered before or after the effective date of this Act.
- f. The right of a person to negotiate or enter a private contract for health insurance for an individual, family, business, or employee with an insurance company, third-party administrator, or other provider of health care services or health insurance permitted under the laws of this state.
- g. The application of the federal Emergency Medical Treatment and Active Labor Act [42 U.S.C. 1395dd et seq.]."

Page 1, line 9, after the underscored closing bracket insert "likely"

Page 1, line 10, after the first "and" insert "may"

Renumber accordingly

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The House has amended, subsequently passed, and the emergency clause carried: SB 2003, SB 2016, SB 2207.

HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2003

Page 1, line 6, after the second semicolon insert "to provide legislative intent;"

Page 1, replace line 15 with:

"Salaries and wages	\$25,958,281	\$3,219,735	\$29,178,016"
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Page 2, replace line 1 with:

"Total all funds	\$50,862,653	\$7,192,880	\$58,055,533"
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Page 2, replace line 3 with:

"Total general fund	\$28,060,432	\$3,153,783	\$31,214,215"
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Page 4, line 15, replace "thirty-four" with "thirty"

Page 4, line 16, replace "one" with "two"

Page 4, line 16, replace "thirty-five" with "twenty-eight"

Page 4, line 18, replace "thirty-eight" with "thirty-four"

Page 4, line 19, replace "fifty-nine" with "thirty-five"

Page 5, after line 13, insert:

"SECTION 10. PROJECT PLANNING AND IMPLEMENTATION. The attorney general shall involve the information technology department in the study and planning of the criminal history repository replacement project, for the biennium beginning July 1, 2011, and ending June 30, 2013. The attorney general shall include information technology department architects in software development, computer

systems, and security and network on the project team responsible for the study and planning of the project and receive approval from the information technology department before proceeding with any study recommendations relating to the project.

SECTION 11. LEGISLATIVE INTENT - EMPLOYEE POSITIONS PAID WITH FEDERAL FISCAL STIMULUS FUNDS. It is the intent of the sixty-second legislative assembly that the attorney general's base budget for the 2013-15 biennium not include funding or full-time equivalent positions for employees paid for with federal fiscal stimulus funds during the 2011-13 biennium. The attorney general may request funding for these positions as optional requests in the agency's budget request for the 2013-15 biennium."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2003 - Attorney General - House Action

	Executive Budget	Senate Version	House Changes	House Version
Salaries and wages	\$29,573,339	\$29,573,339	(\$395,323)	\$29,178,016
Operating expenses	16,418,016	16,418,016		16,418,016
Capital assets	2,256,183	2,256,183		2,256,183
Grants	3,420,000	3,420,000		3,420,000
Litigation fees	50,000	50,000		50,000
Medical examinations	660,000	660,000		660,000
North Dakota Lottery	3,700,242	3,700,242		3,700,242
Arrest and return of fugitives	10,000	10,000		10,000
Gaming Commission	7,368	7,368		7,368
Federal stimulus funds	2,355,708	2,355,708		2,355,708
Total all funds	\$58,450,856	\$58,450,856	(\$395,323)	\$58,055,533
Less estimated income	26,841,318	26,841,318	0	26,841,318
General fund	\$31,609,538	\$31,609,538	(\$395,323)	\$31,214,215
FTE	202.50	202.50	0.00	202.50

Department No. 125 - Attorney General - Detail of House Changes

	Removes Funding for Equity and Reclassification for Technicians ¹	Removes Funding for Equity and Increases for Forensic Staff ²	Reduces Funding for the Attorney General's Salary ³	Total House Changes
Salaries and wages	(\$190,501)	(\$192,293)	(\$12,529)	(\$395,323)
Operating expenses				
Capital assets				
Grants				
Litigation fees				
Medical examinations				
North Dakota Lottery				
Arrest and return of fugitives				
Gaming Commission				
Federal stimulus funds				
Total all funds	(\$190,501)	(\$192,293)	(\$12,529)	(\$395,323)
Less estimated income	0	0	0	0
General fund	(\$190,501)	(\$192,293)	(\$12,529)	(\$395,323)
FTE	0.00	0.00	0.00	0.00

¹ This amendment removes funding included in the executive recommendation for position reclassifications and salary equity adjustments for identification technicians.

² This amendment removes funding included in the executive recommendation for forensic scientists for salary equity adjustments and salary increases upon employees receiving certification.

³ This amendment reduces funding for salary increases included in the executive recommendation for the Attorney General to provide a July 1, 2011, annual salary of \$130,228, and a July 1, 2012, annual salary of \$134,135.

This amendment adds two sections relating to:

- The study and planning of the criminal history repository replacement information technology project.
- Legislative intent regarding employee positions paid for with federal stimulus funding during the 2011-13 biennium.

HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2016

Page 1, line 2, after the fourth semicolon insert "to create and enact a new section to chapter 37-17.1 of the North Dakota Century Code, relating to written confirmation of federal disaster funding;"

Page 1, line 4, after the semicolon insert "to provide legislative intent;"

Page 1, replace lines 17 and 18 with:

"Capital assets	223,670	331,082	554,752
Grants	449,514	60,000	509,514"

Page 2, replace lines 13 and 14 with:

"Radio communications	<u>0</u>	<u>3,735,000</u>	<u>3,735,000</u>
Total all funds	\$58,379,929	\$93,418,963	\$151,798,892"

Page 2, replace line 16 with:

"Total general fund	\$5,829,060	\$7,087,356	\$12,916,416"
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Page 2, replace line 21 with:

"Grand total general fund	\$21,789,867	\$7,563,688	\$29,353,555"
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Page 2, replace line 23 with:

"Grand total all funds	\$141,677,968	\$92,279,965	\$233,957,933"
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Page 3, replace line 11 with:

"State radio tower package	0	1,500,000"
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Page 3, replace lines 14 and 15 with:

"Armory grants	0	60,000
Extraordinary repairs	<u>0</u>	<u>325,381</u>
Total all funds	\$135,719,117	\$5,818,428"

Page 3, replace line 17 with:

"Total general fund	\$18,935,347	\$5,318,428"
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Page 3, line 30, replace ", subject to emergency commission approval, any additional funds" with "out of any moneys"

Page 4, line 1, replace "as determined necessary by" with "not otherwise appropriated, the sum of \$3,500,000, or so much of the sum as may be necessary, to"

Page 4, line 1, after "for" insert "the purpose of providing the required state share of funding to match federal funds for"

Page 4, line 2, replace "of" with "associated with presidential-declared"

Page 4, after line 19, insert:

"SECTION 8. A new section to chapter 37-17.1 of the North Dakota Century Code is created and enacted as follows:

Written confirmation of federal disaster funding required.

If the expected source of funding or reimbursement for a construction or repair project is from or through the approval of the federal emergency management agency, a political subdivision shall request and receive written approval from the federal emergency management agency before contracting for the construction or repair."

Page 5, after line 29, insert:

"SECTION 10. LEGISLATIVE INTENT - STATE RADIO TOWER PACKAGE.

It is the intent of the sixty-second legislative assembly that the adjutant general work with other public agencies and private sector entities to maximize the number of state radio tower enhancements or additions that may be implemented within the funding appropriated in subdivision 2 of section 1 of this Act, for the biennium beginning July 1, 2011, and ending June 30, 2013."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2016 - Summary of House Action

	Executive Budget	Senate Version	House Changes	House Version
Adjutant General				
Total all funds	\$82,159,041	\$82,159,041	\$3,500,000	\$85,659,041
Less estimated income	65,721,902	65,721,902	3,500,000	69,221,902
General fund	\$16,437,139	\$16,437,139	\$0	\$16,437,139
Department of Emergency Services				
Total all funds	\$151,704,462	\$152,298,892	(\$500,000)	\$151,798,892
Less estimated income	138,482,476	138,882,476	0	138,882,476
General fund	\$13,221,986	\$13,416,416	(\$500,000)	\$12,916,416
Bill total				
Total all funds	\$233,863,503	\$234,457,933	\$3,000,000	\$237,457,933
Less estimated income	204,204,378	204,604,378	3,500,000	208,104,378
General fund	\$29,659,125	\$29,853,555	(\$500,000)	\$29,353,555

Senate Bill No. 2016 - Adjutant General - House Action

	Executive Budget	Senate Version	House Changes	House Version
Salaries and wages	\$5,153,886	\$5,153,886		\$5,153,886
Operating expenses	4,062,891	4,062,891		4,062,891
Capital assets	614,752	614,752	(60,000)	554,752
Grants	449,514	449,514	60,000	509,514
Civil Air Patrol	243,353	243,353		243,353
Tuition, recruiting, and retention	2,407,500	2,407,500		2,407,500
Air Guard contract	10,989,323	10,989,323		10,989,323
Army Guard contract	56,110,757	56,110,757		56,110,757
Reintegration program	1,550,149	1,550,149		1,550,149
Veterans' Cemetary	576,916	576,916		576,916
Additional state disaster matching			3,500,000	3,500,000
Total all funds	\$82,159,041	\$82,159,041	\$3,500,000	\$85,659,041
Less estimated income	65,721,902	65,721,902	3,500,000	69,221,902
General fund	\$16,437,139	\$16,437,139	\$0	\$16,437,139

FTE	179.00	179.00	0.00	179.00
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Department No. 540 - Adjutant General - Detail of House Changes

	Reduces Capital Assets for Extraordinary Repairs ¹	Adds Funding for Grants to Armories ²	Adds State Disaster Relief Fund Spending Authority ³	Total House Changes
Salaries and wages				
Operating expenses				
Capital assets	(60,000)			(60,000)
Grants		60,000		60,000
Civil Air Patrol				
Tuition, recruiting, and retention				
Air Guard contract				
Army Guard contract				
Reintegration program				
Veterans' Cemetary				
Additional state disaster matching			3,500,000	3,500,000
Total all funds	(\$60,000)	\$60,000	\$3,500,000	\$3,500,000
Less estimated income	0	0	3,500,000	3,500,000
General fund	(\$60,000)	\$60,000	\$0	\$0
FTE	0.00	0.00	0.00	0.00

¹ Funding provided for one-time extraordinary repairs is reduced by \$60,000, from \$385,381 to \$325,381.

² Funding is added for grants to the 18 municipal-owned armories to be distributed proportionately based on rental rates.

³ The amendment changes Section 4 to limit the Adjutant General's additional spending authority from the state disaster relief fund to \$3.5 million to match federal disaster funds.

The amendment creates a new section to Chapter 37-17.1 requiring written confirmation of federal disaster funding prior to a political subdivision contracting for the construction or repair projects.

Senate Bill No. 2016 - Department of Emergency Services - House Action

	Executive Budget	Senate Version	House Changes	House Version
Salaries and wages	\$11,363,744	\$11,363,744		\$11,363,744
Operating expenses	9,335,592	9,930,022		9,930,022
Capital assets	2,327,347	2,427,347		2,427,347
Grants	71,419,771	71,419,771		71,419,771
2009 flood disaster	52,923,008	52,923,008		52,923,008
Radio communications	4,335,000	4,235,000	(500,000)	3,735,000
Total all funds	\$151,704,462	\$152,298,892	(\$500,000)	\$151,798,892
Less estimated income	138,482,476	138,882,476	0	138,882,476
General fund	\$13,221,986	\$13,416,416	(\$500,000)	\$12,916,416
FTE	63.00	63.00	0.00	63.00

Department No. 542 - Department of Emergency Services - Detail of House Changes

	Reduces Funding for State Radio Tower Enhancements ¹	Total House Changes
Salaries and wages		
Operating expenses		
Capital assets		

Grants		
2009 flood disaster		
Radio communications	(500,000)	(500,000)
Total all funds	(\$500,000)	(\$500,000)
Less estimated income	0	0
General fund	(\$500,000)	(\$500,000)
FTE	0.00	0.00

¹ One-time funding provided for State Radio tower enhancements is reduced by \$500,000, from \$2 million to \$1.5 million.

A section of legislative intent is added to provide that the Adjutant General work with public and private sector entities to maximize the number of State Radio tower enhancements or additions that may be implemented within the funding provided.

HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2207

Page 1, line 5, after "registration" insert "; to provide legislative intent"

Page 4, line 5, after "39-04-37" insert "by an individual by becoming a resident of this state"

Page 4, line 10, replace "39-04-18.2" with "subsection 1 of section 39-04-37 by an individual by becoming a resident of this state"

Page 4, after line 21, insert:

"SECTION 6. LEGISLATIVE INTENT - TEMPORARY MOTOR VEHICLE REGISTRATION REQUIREMENTS - MARKETING AND AWARENESS CAMPAIGN. It is the intent of the sixty-second legislative assembly that the department of transportation not incur more than \$50,000 of expenses for a marketing and awareness campaign for temporary motor vehicle registration requirements, for the biennium beginning July 1, 2011, and ending June 30, 2013."

Renumber accordingly

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

MR. SPEAKER: The Senate does not concur in the House amendments to SB 2012, SB 2268, and SB 2308, and the President has appointed as a conference committee to act with a like committee from the House on:

SB 2012: Sens. Kilzer; Fischer; Warner

SB 2268: Sens. Berry; Dever; Nelson

SB 2308: Sens. G. Lee; Nodland; Mathern

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

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

SB 2004: Reps. Dahl; Thoreson; Glassheim

SB 2005: Reps. Kempenich; Klein; Kroeber

SB 2276: Reps. Weisz; Devlin; Holman

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

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

SB 2161: Reps. Koppelman; Kretschmar; Kilichowski

SB 2253: Reps. Pietsch; Heilman; S. Meyer

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

MR. PRESIDENT: The House has concurred in the Senate amendments and subsequently passed: HB 1224, HB 1232, HB 1314, HB 1321, HB 1413, HB 1422, HB 1423, HB 1435, HB 1442, HB 1452, HB 1456, HCR 3036, HCR 3037, and HCR 3039.

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

MR. PRESIDENT: The House has concurred in the Senate amendments and subsequently passed: HB 1328, HB 1329, HB 1334, HB 1338, HB 1355, HB 1382, HB 1386, HB 1389, and HB 1393.

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

MR. PRESIDENT: The House has concurred in the Senate amendments and subsequently failed to pass: HB 1190 and HCR 3027.

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

MR. SPEAKER: The Senate has appointed as a conference committee to act with a like committee from the House on:

HB 1002: Sens. Kilzer; Wanzek; Warner

HB 1005: Sens. Erbele; Holmberg; O'Connell

HB 1007: Sens. Kilzer; Bowman; Robinson

HB 1011: Sens. Krebsbach; Wanzek; O'Connell

HB 1029: Sens. Flakoll; Luick; Heckaman

HB 1248: Sens. G. Lee; Schaible; Marcellais

HB 1447: Sens. Sorvaag; Cook; Nelson

HB 1468: Sens. Dever; Sorvaag; Marcellais

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

MR. PRESIDENT: The House has reconsidered its action whereby it did not concur with the Senate amendments to HB 1164 and wishes to inform you that the House does now concur with the Senate amendments to HB 1164 and subsequently failed to pass the same. Also, the House has dissolved the House Conference Committee on HB 1164.

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: HB 1421, HB 1425.

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

MR. SPEAKER: Your signature is respectfully requested on: SB 2001, SB 2018, SB 2035, SB 2037, SB 2053, SB 2060, SB 2070, SB 2078, SB 2086, SB 2091, SB 2100, SB 2110, SB 2116, SB 2117, SB 2163, SB 2172, SB 2210, SB 2236, SB 2242, SB 2245, SB 2246, SB 2254, SB 2255, SB 2258, SB 2279, SB 2286, SB 2294, SB 2325, SB 2342, SB 2351, SB 2356.

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

MR. PRESIDENT: Your signature is respectfully requested on: HB 1010, HB 1034, HB 1035, HB 1103, HB 1138, HB 1177, HB 1217, HB 1316, HB 1322.

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

MR. PRESIDENT: Your signature is respectfully requested on: HB 1328, HB 1329, HB 1334, HB 1338, HB 1355, HB 1382, HB 1386, HB 1389, HB 1393.

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

MR. PRESIDENT: The Speaker has signed: SB 2001, SB 2018, SB 2035, SB 2037, SB 2053, SB 2060, SB 2070, SB 2078, SB 2086, SB 2091, SB 2100, SB 2110, SB 2116, SB 2117, SB 2163, SB 2172, SB 2210, SB 2236, SB 2242, SB 2245, SB 2246, SB 2254, SB 2255, SB 2258, SB 2279, SB 2286, SB 2294, SB 2325, SB 2342, SB 2351, SB 2356.

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

MR. SPEAKER: The President has signed: SB 2071.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)
MR. SPEAKER: The President has signed: HB 1010, HB 1031, HB 1034, HB 1035, HB 1038, HB 1039, HB 1040, HB 1045, HB 1048, HB 1071, HB 1080, HB 1087, HB 1095, HB 1099, HB 1103, HB 1112, HB 1127, HB 1138, HB 1162, HB 1175, HB 1177, HB 1188, HB 1195, HB 1217, HB 1241, HB 1244, HB 1251, HB 1254, HB 1310, HB 1313, HB 1316, HB 1322.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The Speaker has signed: HB 1089, HB 1346.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The Speaker has signed: HB 1343.

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following bill was delivered to the Governor for approval on April 7, 2011: SB 2071.

MOTION

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

REPORT OF STANDING COMMITTEE

HB 1001, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (11 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1001 was placed on the Sixth order on the calendar.

Page 1, line 2, after the second semicolon insert "to amend and reenact sections 54-03-10, 54-03-20, and 54-35-10 of the North Dakota Century Code, relating to legislative compensation; to provide an effective date;"

Page 1, replace lines 14 and 15 with:

"Salaries and wages	\$7,933,506	\$784,985	\$8,718,491
Operating expenses	2,850,061	1,167,255	4,017,316"

Page 1, replace line 18 with:

"Total general fund	\$11,011,227	\$3,256,690	\$14,267,917"
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Page 2, replace line 10 with:

"Grand total general fund	\$21,280,730	\$4,448,345	\$25,729,075"
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Page 2, replace line 12 with:

"Grand total all funds	\$21,350,730	\$4,448,345	\$25,799,075"
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Page 3, after line 31, insert:

"SECTION 6. COMMITTEE ROOM RENOVATIONS AND IMPROVEMENTS FUNDING - EXPENDITURE DETERMINATION. Any expenditure of funds relating to the sum of \$200,000 of the \$500,000 provided for committee room renovations and improvements in subdivision 1 of section 1 of this Act must be approved by a majority of the senate members of the interim legislative procedure and arrangements committee. Any expenditures relating to a separate sum of \$200,000 of the \$500,000 for committee room renovations and improvements must be approved by a majority of the house of representatives members of the interim legislative procedure and arrangements committee, and any expenditures relating to the remaining \$100,000 must be approved by a majority of all members of the interim legislative procedure and arrangements committee, for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 7. AMENDMENT. Section 54-03-10 of the North Dakota Century Code is amended and reenacted as follows:

54-03-10. Compensation of speaker, majority and minority leaders, assistant majority and minority leaders, committee chairmen, and employees.

The speaker of the house, the house majority leader, the senate majority leader, the house minority leader, and the senate minority leader shall each receive as compensation, in addition to any other compensation or expense reimbursement provided by law, the sum of ~~ten~~fifteen dollars per day for each calendar day during any regular, special, or organizational session. Chairmen of the substantive standing committees, the house assistant majority leader, the senate assistant majority leader, the house assistant minority leader, and the senate assistant minority leader shall receive additional compensation of ~~five~~ten dollars for each calendar day during any regular, special, or organizational session. The additional compensation provided by this section must be paid in the manner provided in section 54-03-20. The legislative assembly, by concurrent resolution, shall fix the compensation of the other officers and employees elected or appointed.

SECTION 8. AMENDMENT. Section 54-03-20 of the North Dakota Century Code is amended and reenacted as follows:

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

1. Each member of the legislative assembly is entitled to receive as compensation for services the sum of one hundred ~~forty-eight~~fifty-two dollars for each calendar day during any organizational, special, or regular legislative session and for each day that member attends a meeting of a legislative committee between the organizational session and the regular session as authorized by legislative rule.
2. a. Each member of the legislative assembly is entitled to receive reimbursement for lodging, which may not exceed per calendar month the amount established under this subdivision by the director of the office of management and budget for lodging in state and which may not exceed the rate provided in section 44-08-04 for each calendar day during the period of any organizational, special, or regular session. On August first of each even-numbered year, the director of the office of management and budget shall set the maximum monthly reimbursement for the subsequent two-year period at an amount equal to thirty times fifty-five percent of the daily lodging reimbursement in effect on that date as provided under subdivision d of subsection 2 of section 44-08-04.
 - b. Notwithstanding subdivision a:
 - (1) A member of the legislative assembly may elect to be reimbursed for less than the amount to which the legislator is entitled under this subsection by claiming the lesser amount on a voucher submitted with the receipt required by section 44-08-04.
 - (2) The legislative management may establish guidelines that may result in a reduced maximum reimbursement for a single dwelling in which two or more legislators share lodging and the total rent for that dwelling exceeds the amount to which a legislator is entitled under subdivision a.
3. a. Members of the legislative assembly who receive reimbursement for lodging are also entitled to reimbursement for travel for not to exceed one round trip taken during any calendar week, or portion of a week, the legislative assembly is in session, between their residences and the place of meeting of the legislative assembly, at the rate provided for state employees with the additional limitation that reimbursement

for travel by common carrier may be only at the cost of coach fare and may not exceed one and one-half times the amount the member would be entitled to receive as mileage reimbursement for travel by motor vehicle.

- b. A member of the legislative assembly who does not receive reimbursement for lodging and whose place of residence in the legislative district that the member represents is not within the city of Bismarck is entitled to reimbursement at the rate provided for state employees for necessary travel for not to exceed one round trip taken per day between the residence and the place of meeting of the legislative assembly when it is in session and may receive reimbursement for lodging at the place of meeting of the legislative assembly as provided in section 44-08-04 for each calendar day for which round trip travel reimbursement is not claimed, provided that the total reimbursement may not exceed the maximum monthly reimbursement allowed under subdivision a of subsection 2.
4. The amount to which each legislator is entitled must be paid following the organizational session in December and following each month during a regular or special session.
5. If during a special session, the legislative assembly adjourns for more than three days, a member of the legislative assembly is entitled to receive compensation during those days only while in attendance at a standing committee if the legislator is a member of that committee, a majority or minority leader, or a legislator who is not on that committee but who has the approval of a majority or minority leader to attend.
6. A day, or portion of a day, spent in traveling to or returning from an organizational, special, or regular session or a legislative committee meeting must be included as a calendar day during a legislative session or as a day of a legislative committee meeting for the purposes of this section.
7.
 - a. In addition, each member is entitled to receive during the term for which the member was elected, as compensation for the execution of public duties during the biennium, the sum of four hundred ~~fifteen~~twenty-seven dollars a month, paid monthly.
 - b. If a member dies or resigns from office during the member's term, the member may be paid only the allowances provided for in this section for the period for which the member was actually a member.
 - c. The majority and minority leaders of the house and senate and the chairman of the legislative management, if the chairman is not a majority or minority leader, are each entitled to receive as compensation, in addition to any other compensation or expense reimbursement provided by law, the sum of ~~two~~three hundred ~~ninety-eight~~seven dollars per month during the biennium for their execution of public duties.
8. Attendance at any organizational, special, or regular session of the legislative assembly by any member is a conclusive presumption of entitlement as set out in this section and compensation and expense allowances must be excluded from gross income for income tax purposes to the extent permitted for federal income tax purposes under section 127 of the Economic Recovery Tax Act of 1981 [Pub. L. 97-34; 95 Stat. 202; 26 U.S.C. 162(i)].
9. Before each regular legislative session, the legislative management shall make recommendations and submit any necessary legislation to adjust legislative compensation amounts.

SECTION 9. AMENDMENT. Section 54-03-20 of the North Dakota Century Code is amended and reenacted as follows:

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

1. Each member of the legislative assembly is entitled to receive as compensation for services the sum of one hundred ~~fifty-two~~fifty-seven dollars for each calendar day during any organizational, special, or regular legislative session and for each day that member attends a meeting of a legislative committee between the organizational session and the regular session as authorized by legislative rule.
2.
 - a. Each member of the legislative assembly is entitled to receive reimbursement for lodging, which may not exceed per calendar month the amount established under this subdivision by the director of the office of management and budget for lodging in state and which may not exceed the rate provided in section 44-08-04 for each calendar day during the period of any organizational, special, or regular session. On August first of each even-numbered year, the director of the office of management and budget shall set the maximum monthly reimbursement for the subsequent two-year period at an amount equal to thirty times fifty-five percent of the daily lodging reimbursement in effect on that date as provided under subdivision d of subsection 2 of section 44-08-04.
 - b. Notwithstanding subdivision a:
 - (1) A member of the legislative assembly may elect to be reimbursed for less than the amount to which the legislator is entitled under this subsection by claiming the lesser amount on a voucher submitted with the receipt required by section 44-08-04.
 - (2) The legislative management may establish guidelines that may result in a reduced maximum reimbursement for a single dwelling in which two or more legislators share lodging and the total rent for that dwelling exceeds the amount to which a legislator is entitled under subdivision a.
3.
 - a. Members of the legislative assembly who receive reimbursement for lodging are also entitled to reimbursement for travel for not to exceed one round trip taken during any calendar week, or portion of a week, the legislative assembly is in session, between their residences and the place of meeting of the legislative assembly, at the rate provided for state employees with the additional limitation that reimbursement for travel by common carrier may be only at the cost of coach fare and may not exceed one and one-half times the amount the member would be entitled to receive as mileage reimbursement for travel by motor vehicle.
 - b. A member of the legislative assembly who does not receive reimbursement for lodging and whose place of residence in the legislative district that the member represents is not within the city of Bismarck is entitled to reimbursement at the rate provided for state employees for necessary travel for not to exceed one round trip taken per day between the residence and the place of meeting of the legislative assembly when it is in session and may receive reimbursement for lodging at the place of meeting of the legislative assembly as provided in section 44-08-04 for each calendar day for which round trip travel reimbursement is not claimed, provided that the total reimbursement may not exceed the maximum monthly reimbursement allowed under subdivision a of subsection 2.

4. The amount to which each legislator is entitled must be paid following the organizational session in December and following each month during a regular or special session.
5. If during a special session, the legislative assembly adjourns for more than three days, a member of the legislative assembly is entitled to receive compensation during those days only while in attendance at a standing committee if the legislator is a member of that committee, a majority or minority leader, or a legislator who is not on that committee but who has the approval of a majority or minority leader to attend.
6. A day, or portion of a day, spent in traveling to or returning from an organizational, special, or regular session or a legislative committee meeting must be included as a calendar day during a legislative session or as a day of a legislative committee meeting for the purposes of this section.
7.
 - a. In addition, each member is entitled to receive during the term for which the member was elected, as compensation for the execution of public duties during the biennium, the sum of four hundred ~~twenty seven~~forty dollars a month, paid monthly.
 - b. If a member dies or resigns from office during the member's term, the member may be paid only the allowances provided for in this section for the period for which the member was actually a member.
 - c. The majority and minority leaders of the house and senate and the chairman of the legislative management, if the chairman is not a majority or minority leader, are each entitled to receive as compensation, in addition to any other compensation or expense reimbursement provided by law, the sum of three hundred ~~seven~~sixteen dollars per month during the biennium for their execution of public duties.
8. Attendance at any organizational, special, or regular session of the legislative assembly by any member is a conclusive presumption of entitlement as set out in this section and compensation and expense allowances must be excluded from gross income for income tax purposes to the extent permitted for federal income tax purposes under section 127 of the Economic Recovery Tax Act of 1981 [Pub. L. 97-34; 95 Stat. 202; 26 U.S.C. 162(i)].
9. Before each regular legislative session, the legislative management shall make recommendations and submit any necessary legislation to adjust legislative compensation amounts.

SECTION 10. AMENDMENT. Section 54-35-10 of the North Dakota Century Code is amended and reenacted as follows:

54-35-10. Compensation of members and leadership.

1. The members of the legislative management and the members of any committee of the legislative management are entitled to be compensated for the time spent in attendance at sessions of the legislative management and of its committees at the rate of one hundred ~~forty eight~~fifty-two dollars per day and must also be paid for expenses incurred in attending said meetings and in the performance of their official duties in the amounts provided by law for other state officers.
2. In addition to the compensation provided in subsection 1, the chairman of the legislative management is entitled to receive an additional five dollars for each day spent in attendance at sessions of the legislative management and of its committees, and the chairman of each of the legislative management's committees is entitled to receive five dollars for

each day spent in attendance at sessions of the legislative management or of the committee which the person chairs.

SECTION 11. AMENDMENT. Section 54-35-10 of the North Dakota Century Code is amended and reenacted as follows:

54-35-10. Compensation of members and leadership.

1. The members of the legislative management and the members of any committee of the legislative management are entitled to be compensated for the time spent in attendance at sessions of the legislative management and of its committees at the rate of one hundred ~~fifty-two~~~~fifty-seven~~ dollars per day and must also be paid for expenses incurred in attending said meetings and in the performance of their official duties in the amounts provided by law for other state officers.
2. In addition to the compensation provided in subsection 1, the chairman of the legislative management is entitled to receive an additional five dollars for each day spent in attendance at sessions of the legislative management and of its committees, and the chairman of each of the legislative management's committees is entitled to receive five dollars for each day spent in attendance at sessions of the legislative management or of the committee which the person chairs.

SECTION 12. EFFECTIVE DATE. Sections 7, 8, and 10 of this Act become effective on July 1, 2011, and sections 9 and 11 of this Act become effective on July 1, 2012."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1001 - Summary of Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Legislative Assembly				
Total all funds	\$14,128,734	\$14,343,774	(\$75,857)	\$14,267,917
Less estimated income	0	0	0	0
General fund	\$14,128,734	\$14,343,774	(\$75,857)	\$14,267,917
Legislative Council				
Total all funds	\$11,531,158	\$11,531,158	\$0	\$11,531,158
Less estimated income	70,000	70,000	0	70,000
General fund	\$11,461,158	\$11,461,158	\$0	\$11,461,158
Bill total				
Total all funds	\$25,659,892	\$25,874,932	(\$75,857)	\$25,799,075
Less estimated income	70,000	70,000	0	70,000
General fund	\$25,589,892	\$25,804,932	(\$75,857)	\$25,729,075

House Bill No. 1001 - Legislative Assembly - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$8,697,580	\$8,697,580	\$20,911	\$8,718,491
Operating expenses	3,899,044	4,114,084	(96,768)	4,017,316
Capital assets	1,300,000	1,300,000		1,300,000
National Conf of State Legislatures	232,110	232,110		232,110
Total all funds	\$14,128,734	\$14,343,774	(\$75,857)	\$14,267,917
Less estimated income	0	0	0	0
General fund	\$14,128,734	\$14,343,774	(\$75,857)	\$14,267,917
FTE	0.00	0.00	0.00	0.00

Department No. 150 - Legislative Assembly - Detail of Senate Changes

	Adds Funding for Legislative Compensation ¹	Removes Funding for Lodging Expense Reimbursement ²	Total Senate Changes
Salaries and wages	\$20,911		\$20,911
Operating expenses		(96,768)	(96,768)
Capital assets			
National Conf of State Legislatures			
Total all funds	\$20,911	(\$96,768)	(\$75,857)
Less estimated income	0	0	0
General fund	\$20,911	(\$96,768)	(\$75,857)
FTE	0.00	0.00	0.00

¹ Funding is added for increasing the additional compensation for legislative leaders during legislative session from \$10 per calendar day to \$15 per calendar day and for chairmen of the standing committees and assistant legislative leaders from \$5 per calendar day to \$10 per calendar day. A section is added making the statutory change necessary to provide for the increase.

² Funding of \$96,768 from the general fund for increasing the reimbursement maximum for legislators' lodging costs for the 2011 legislative session is removed. House Bill No. 1141 amends the maximum monthly lodging expense reimbursement allowed during legislative sessions from 30 times 55 percent of the state daily lodging expense reimbursement rate to 30 times 65 percent of the state daily lodging expense reimbursement rate. House Bill No. 1141 as passed by the House is effective January 1, 2011. House Bill No. 1141 as passed by the Senate is effective August 1, 2011. Therefore, funding of \$96,768 which was added by the House for increased costs relating to the 2011 legislative session is removed.

A section is added to provide that the determination of expenditures relating to the \$500,000 of funding for committee room renovations and improvements are:

- \$200,000 by Senate members of the Legislative Procedure and Arrangements Committee.
- \$200,000 by House members of the Legislative Procedure and Arrangements Committee.
- \$100,000 by all members of the Legislative Procedure and Arrangements Committee.

Sections are added to:

- Increase the compensation for regular, special, or organizational sessions from \$148 to \$152 per calendar day effective July 1, 2011, and to \$157 per calendar day effective July 1, 2012.
- Increase legislators' monthly compensation from \$415 to \$427 effective July 1, 2011, and to \$440 effective July 1, 2012.
- Increase additional monthly compensation for legislative leaders from \$298 to \$307 effective July 1, 2011, and to \$316 effective July 1, 2012.

These provisions were originally included in House Bill No. 1368. Funding for the increases was included in House Bill No. 1001 as introduced.

House Bill No. 1001 - Legislative Council - Senate Action

A section is added to increase the interim compensation rate from \$148 to \$152 per day effective July 1, 2011, and to \$157 per day effective July 1, 2012. This provision was originally included in House Bill No. 1368. Funding for the increase was included in House Bill No. 1001 as introduced.

REPORT OF STANDING COMMITTEE

HB 1012, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (12 YEAS, 1 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1012 was placed on the Sixth order on the calendar.

Page 1, line 4, after "transfers" insert "; to provide for borrowing authority; to provide an exemption"

Page 1, replace line 15 with:

"Salaries and wages	\$147,373,254	\$18,593,142	\$165,966,396"
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Page 1, replace lines 22 and 23 with:

"Total all funds	\$1,067,932,917	\$479,540,542	\$1,547,473,459
Less estimated income	<u>1,067,932,917</u>	<u>473,690,542</u>	<u>1,541,623,459"</u>

Page 2, replace line 1 with:

"Full-time equivalent positions	1,054.50	9.00	1,063.50"
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Page 2, line 20, replace "\$230,000" with "\$1,431,000"

Page 2, after line 25, insert:

"Up to \$1,201,000 of funds provided under this section may be used by the department of transportation for highway-rail grade crossing safety projects approved by the department and for which funding was obligated during the biennium beginning July 1, 2009, and ending June 30, 2011."

Page 2, line 26, replace "Grants" with "Up to \$230,000 of funds"

Page 2, line 26, after "section" insert "may be used"

Page 2, line 26, after "for" insert "additional"

Page 2, line 27, replace "projects are" with "project grants"

Page 3, after line 12, insert:

"SECTION 4. APPROPRIATION - BORROWING AUTHORITY - ADDITIONAL EMERGENCY RELIEF PROGRAM. The department of transportation may borrow the sum of \$120,000,000, or so much of the sum as may be necessary, from the Bank of North Dakota for the purpose of providing funding for emergency relief projects on the state highway system, for the period beginning with the effective date of this Act and ending June 30, 2013. Any funding borrowed from the Bank of North Dakota under this section is appropriated to the department of transportation for emergency relief projects on the state highway system. Funding appropriated under this section is considered one-time funding and is not to be considered a part of the department's 2013-15 base budget request. Any federal funding received for projects receiving funding under this section must be used to repay the loan from the Bank of North Dakota."

Page 3, line 15, replace "\$25,000,000" with "\$35,000,000"

Page 3, replace lines 21 through 31 with:

- "1. Eighty percent to non-oil-producing counties and cities pursuant to subsection 4 of section 54-27-19.

2. Twenty percent to counties and townships in non-oil-producing counties pursuant to section 54-27-19.1. Organized townships are not required to provide matching funds to receive distributions under this section."

Page 4, replace lines 12 through 22 with:

- "1. Eighty percent to non-oil-producing counties and cities pursuant to subsection 4 of section 54-27-19.
2. Twenty percent to counties and townships in non-oil-producing counties pursuant to section 54-27-19.1. Organized townships are not required to provide matching funds to receive distributions under this section."

Page 4, after line 26, insert:

"SECTION 7. APPROPRIATION - TRANSFER - GENERAL FUND TO HIGHWAY FUND. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$370,600,000, which the office of management and budget shall transfer to the highway fund during the biennium beginning July 1, 2011, and ending June 30, 2013."

Page 4, line 28, after "the" insert "salaries and wages,"

Page 4, line 28, after "operating" insert "expenses"

Page 6, after line 8, insert:

- "8. The funding included in the county and township road reconstruction line item in section 1 of this Act may be applied to engineering and design costs incurred on related projects as of January 1, 2011.

SECTION 11. EXTRAORDINARY STATE HIGHWAY MAINTENANCE. The funding included in the capital assets line item in section 1 of this Act relating to extraordinary state highway maintenance may be applied to engineering and design costs incurred on related projects as of January 1, 2011.

SECTION 12. FARGO DISTRICT OFFICE LOCATION - EXEMPTION. The sum of \$800,000 included in the capital assets line item of section 1 of this Act is for the construction of an equipment storage facility at the Fargo district office location which may only be used pursuant to the provisions of this section.

Notwithstanding sections 54-01-05.2 and 54-01-05.5, the department of transportation shall offer for sale the entire parcel of land, including buildings, owned by the department of transportation at the Fargo district office location which is at 503 38th street south in the city of Fargo. In consideration for the property, the buyer must provide the department of transportation with an alternative parcel of land in fee simple to be used as a new location for the Fargo district office. The parcel of land must be located within the interstate storm gates of the cities of Fargo and West Fargo, be of suitable size and condition for operations of the Fargo district office, and be readily accessible to the interstate system. In consideration for the department of transportation property, the buyer shall construct or otherwise provide the buildings necessary for the operations of the Fargo district office. If requested, the director of the department of transportation shall provide potential buyers with general land and building requirements necessary for the operations of the Fargo district office. The director of the department of transportation shall have the authority to determine whether the location and buildings adequately address the operations needs of the Fargo district office. The property shall remain open to buyers until May 1, 2012. The department of transportation may proceed with the construction of the equipment storage building at the current Fargo district office location if an offer is not accepted by the department of transportation by May 1, 2012."

Page 6, line 19, replace the second "section" with "sections"

Page 6, line 19, after "4" insert ", 5, 10, and 12"

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1012 - Summary of Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Office of Management and Budget				
Total all funds	\$0	\$0	\$370,600,000	\$370,600,000
Less estimated income	0	0	0	0
General fund	\$0	\$0	\$370,600,000	\$370,600,000
State Treasurer				
Total all funds	\$0	\$25,000,000	\$0	\$25,000,000
Less estimated income	0	0	0	0
General fund	\$0	\$25,000,000	\$0	\$25,000,000
Department of Transportation				
Total all funds	\$1,548,283,665	\$1,546,821,323	\$122,083,136	\$1,668,904,459
Less estimated income	1,542,433,665	1,540,971,323	122,083,136	1,663,054,459
General fund	\$5,850,000	\$5,850,000	\$0	\$5,850,000
Bill total				
Total all funds	\$1,548,283,665	\$1,571,821,323	\$492,683,136	\$2,064,504,459
Less estimated income	1,542,433,665	1,540,971,323	122,083,136	1,663,054,459
General fund	\$5,850,000	\$30,850,000	\$370,600,000	\$401,450,000

House Bill No. 1012 - Office of Management and Budget - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Transfer to highway fund			\$370,600,000	\$370,600,000
Total all funds	\$0	\$0	\$370,600,000	\$370,600,000
Less estimated income	0	0	0	0
General fund	\$0	\$0	\$370,600,000	\$370,600,000
FTE	0.00	0.00	0.00	0.00

Department No. 110 - Office of Management and Budget - Detail of Senate Changes

	Adds Transfer From General Fund to Highway Fund¹	Total Senate Changes
Transfer to highway fund	\$370,600,000	\$370,600,000
Total all funds	\$370,600,000	\$370,600,000
Less estimated income	0	0
General fund	\$370,600,000	\$370,600,000
FTE	0.00	0.00

¹ A section is added providing that the Office of Management and Budget transfer \$370.6 million from the general fund to the highway fund for roadway projects in areas affected by oil and gas development. The executive recommendation included a \$370.6 million transfer from the permanent oil tax trust fund to the highway fund for these projects in Senate Bill No. 2015 which was removed by the Senate.

House Bill No. 1012 - Department of Transportation - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$166,776,602	\$165,084,260	\$882,136	\$165,966,396
Operating expenses	204,090,250	204,090,250		204,090,250
Capital assets	943,529,831	943,529,831		943,529,831

Grants	67,767,407	67,767,407		67,767,407
County and township road program	142,000,000	142,000,000		142,000,000
Federal stimulus funds	24,119,575	24,119,575		24,119,575
Highway-rail grade crossing projects		230,000	1,201,000	1,431,000
Emergency relief projects			120,000,000	120,000,000
Total all funds	\$1,548,283,665	\$1,546,821,323	\$122,083,136	\$1,668,904,459
Less estimated income	1,542,433,665	1,540,971,323	122,083,136	1,663,054,459
General fund	\$5,850,000	\$5,850,000	\$0	\$5,850,000
FTE	1066.50	1060.50	3.00	1063.50

Department No. 801 - Department of Transportation - Detail of Senate Changes

	Restores Driver's License Examiner Positions ¹	Restores Motor Vehicle Licensing Specialist Position ²	Adds Funding for Optional Market Salary Adjustments ³	Adjusts Highway-Rail Grade Crossing Projects Funding ⁴	Adds Emergency Relief Funding ⁵	Total Senate Changes
Salaries and wages	\$180,586	\$101,550	\$600,000			\$882,136
Operating expenses						
Capital assets						
Grants						
County and township road program						
Federal stimulus funds						
Highway-rail grade crossing projects				1,201,000		1,201,000
Emergency relief projects					120,000,000	120,000,000
Total all funds	\$180,586	\$101,550	\$600,000	\$1,201,000	\$120,000,000	\$122,083,136
Less estimated income	180,586	101,550	600,000	1,201,000	120,000,000	122,083,136
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	2.00	1.00	0.00	0.00	0.00	3.00

¹ Two new FTE driver's license positions removed by the House are restored. The executive recommendation added a total of 4 new FTE driver's license positions.

² One new FTE motor vehicle licensing specialist position removed by the House is restored. The executive recommendation added 2 new FTE motor vehicle licensing specialist positions.

³ Funding of \$600,000 is added for optional market salary adjustments for department equipment operators and highway maintenance personnel. The executive budget included \$1.1 million for salary equity adjustments for equipment operators which the House removed.

⁴ Section 3 is adjusted to provide additional funding authority of \$1,201,000 from the highway-rail grade crossing safety fund for projects approved during the 2009-11 biennium but for which funding has not yet been distributed.

⁵ A section is added to authorize the Department of Transportation to borrow and spend up to \$120 million from the Bank of North Dakota for state highway emergency relief projects. Any federal reimbursements received for the emergency relief projects are to be used to repay the loan from the Bank of North Dakota. The section is declared to be an emergency measure.

House Bill No. 1012 - Other Changes - Senate Action

This amendment also:

- Amends Section 4 to provide for \$35 million to be distributed to non-oil-producing counties, cities, and townships during the 2009-11 biennium. The House included funding of \$25 million for 2009-11 biennium transportation funding distributions.

- Adjusts Sections 4 and 5 relating to the method of distributing funds to non-oil and gas-producing counties for 2009-11 and 2011-13 biennium transportation funding distributions.
- Adjusts Section 6 to allow for transfers between the salaries and wages line item and the operating expenses, capital assets, and grants line items when it is cost-effective for the construction and maintenance of roadways.
- Adjusts Section 8 to allow funding for a county and township road program in areas affected by oil and gas development to be used for engineering and design costs incurred on related projects as of January 1, 2011.
- Adds a section to allow funding for extraordinary state highway maintenance to be used for engineering and design costs incurred on related projects as of January 1, 2011.
- Adds a section to require the Department of Transportation to offer the Fargo district office location for sale. The section also provides that \$800,000 of funding for an equipment storage building at the Fargo district office location may only be used if the department does not accept an agreement to purchase the district office location by May 1, 2012.

REPORT OF STANDING COMMITTEE

HB 1044, as reengrossed and amended: Appropriations Committee (Sen. Holmberg, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Reengrossed HB 1044, as amended, was placed on the Sixth order on the calendar.

In lieu of the amendments adopted by the Senate as printed on pages 855 and 856 of the Senate Journal, Reengrossed House Bill No. 1044 is amended as follows:

Page 1, line 2, after the second comma insert "an emergency medical services advisory council,"

Page 1, line 3, after the semicolon insert "to amend and reenact subsection 1 of section 23-27-01 of the North Dakota Century Code, relating to emergency medical services operations service areas;"

Page 1, after line 6, insert:

"SECTION 1. AMENDMENT. Subsection 1 of section 23-27-01 of the North Dakota Century Code is amended and reenacted as follows:

1. The state department of health shall license emergency medical services operations. ~~After June 30, 2001, the and may designate their service areas. The~~ department shall limit the issuance of a license for any new emergency medical services operation based on the needs of the service area ~~if the applicant for the new license was licensed before July 1, 2001, and was subsequently relicensed under section 23-27-04.5.~~ A license for an emergency medical services operation is nontransferable."

Page 1, after line 18, insert:

"Emergency medical services advisory council.

The state department of health shall establish an emergency medical services advisory council. The council must include at least three representatives appointed by the North Dakota emergency medical services association, one individual to represent basic life support and one individual to represent advanced life support, both appointed by the state health officer, and other members designated by the state health officer, not to exceed a total of fourteen members. The department shall consider the recommendations of the council on the plan for integrated emergency medical services in the state, development of emergency medical services funding areas, development of the emergency medical services funding areas application process and budget criteria, and other issues relating to emergency medical services as determined by the state health officer. Council members are entitled to reimbursement for expenses in the manner provided in section 44-08-04. The

department shall establish by policy the length of terms and the method for rotation of membership."

Page 2, line 18, replace "one-half" with "one million two hundred fifty thousand dollars"

Page 2, line 22, replace "4" with "5"

Page 2, line 29, remove "The department may spend"

Page 2, remove lines 30 and 31

Page 3, line 1, replace "2" with "3"

Page 3, line 1, replace "January 1" with "June 30"

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1368, as reengrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **DO NOT PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Reengrossed HB 1368 was placed on the Fourteenth order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1417, as amended: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1417, as amended, was placed on the Sixth order on the calendar.

In lieu of the amendments adopted by the Senate as printed on page 924 of the Senate Journal, House Bill No. 1417 is amended as follows:

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

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. LEGISLATIVE MANAGEMENT STUDY - SALES TAX EXEMPTION FOR PURCHASE BY CLINICS. The legislative management shall consider studying, during the 2011-12 interim, the feasibility and desirability of exempting purchases by health-related clinics from sales and use taxes. The study must address under what circumstances, if any, purchases by health-related clinics should be exempt from sales and use taxes. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-third legislative assembly."

Renumber accordingly

REPORT OF CONFERENCE COMMITTEE

SB 2065: Your conference committee (Sens. Berry, Nelson, Sorvaag and Reps. Boehning, Sanford, Winrich) recommends that the **SENATE ACCEDE** to the House amendments as printed on SJ pages 874-875 and place SB 2065 on the Seventh order.

SB 2065 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2206, as engrossed: Your conference committee (Sens. Lyson, Uglem, Schneider and Reps. Kreun, Clark, Boe) recommends that the **SENATE ACCEDE** to the House amendments as printed on SJ pages 1122-1124 and place SB 2206 on the Seventh order.

Engrossed SB 2206 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2138, as engrossed: Your conference committee (Sens. Andrist, Laffen, Murphy and

Reps. Nathe, Vigesaa, Boe) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ page 792, adopt amendments as follows, and place SB 2138 on the Seventh order:

That the House recede from its amendments as printed on page 792 of the Senate Journal and page 1000 of the House Journal and that Engrossed Senate Bill No. 2138 be amended as follows:

Page 1, line 11, replace "two years" with "one year"

Page 1, line 12, replace "ten" with "five"

Renumber accordingly

Engrossed SB 2138 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2361: Your conference committee (Sens. Andrist, Nodland, Murphy and Reps. Ruby, Frantsvog, Amerman) recommends that the **SENATE ACCEDE** to the House amendments as printed on SJ page 833, adopt further amendments as follows, and place SB 2361 on the Seventh order:

That the Senate accede to the House amendments as printed on page 833 of the Senate Journal and page 1015 of the House Journal and that Senate Bill No. 2361 be further amended as follows:

Page 2, line 30, replace "section 54-21.3-04" with "this section"

Renumber accordingly

SB 2361 was placed on the Seventh order of business on the calendar.

FIRST READING OF HOUSE CONCURRENT RESOLUTIONS

HCR 3009: A concurrent resolution for the amendment of section 4 of article XI of the Constitution of North Dakota, relating to oaths of office of elected and appointed officials.

Was read the first time and referred to the **Judiciary Committee**.

HCR 3048: A concurrent resolution urging Congress to call a convention for the sole purpose of proposing an amendment to the Constitution of the United States to avoid a "runaway convention".

Was read the first time and referred to the **Judiciary Committee**.

The Senate stood adjourned pursuant to Senator Christmann's motion.

William R. Horton, Secretary