

JOURNAL OF THE SENATE

Sixty-second Legislative Assembly

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Bismarck, April 21, 2011

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

The prayer was offered by Senator Philip Murphy, District 20.

The roll was called and all members were present.

A quorum was declared by the President.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. KILZER MOVED that the conference committee report on Engrossed SB 2012 as printed on SJ pages 1584-1594 be adopted, which motion prevailed on a voice vote.

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

SECOND READING OF SENATE BILL

SB 2012: A BILL for an Act to provide an appropriation for defraying the expenses of the department of human services; to provide an exemption; to provide legislative intent; and to provide for a legislative management study.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 46 YEAS, 1 NAY, 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; Oehlke; Olafson; Robinson; Schaible; Schneider; Sitte; Sorvaag; Stenehjem; Taylor; Triplett; Uglem; Wanzek; Wardner; Warner

NAYS: O'Connell

Reengrossed SB 2012 passed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. DEVER MOVED that the conference committee report on HB 1252 as printed on SJ pages 1594-1595 be adopted, which motion prevailed on a voice vote.

HB 1252, as amended, was placed on the Fourteenth order of business.

SECOND READING OF HOUSE BILL

HB 1252: A BILL for an Act to establish a legislative management health care reform review committee.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 46 YEAS, 1 NAY, 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; Mathern; Miller; Murphy; Nelson; Nething; Nodland; O'Connell; Oehlke; Olafson; Robinson; Schaible; Schneider; Sitte; Sorvaag; Stenehjem; Taylor; Triplett; Uglem; Wanzek; Wardner; Warner

NAYS: Marcellais

HB 1252, as amended, passed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. BERRY MOVED that the conference committee report on Reengrossed HB 1199 as printed on SJ page 1594 be adopted, which motion prevailed on a voice vote.

Reengrossed HB 1199, as amended, was placed on the Fourteenth order of business.

SECOND READING OF HOUSE BILL

HB 1199: A BILL for an Act to provide for a study of guardianship services for vulnerable adults in the state; and to provide an appropriation.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 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

Reengrossed HB 1199, as amended, passed.

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: SB 2012.

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: HB 1199, HB 1252.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)
MR. SPEAKER: The President has signed: HB 1002, HB 1007, HB 1016, HB 1033, HB 1046, HB 1266.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The Speaker has signed: HB 1465.

COMMUNICATION FROM GOVERNOR JACK DALRYMPLE

This is to inform you that on April 20, 2011, I have signed the following: SB 2060, SB 2110, SB 2112, SB 2115, SB 2117, SB 2122, SB 2198, SB 2226, SB 2236, SB 2242, SB 2244, SB 2246, SB 2254, SB 2258, SB 2270, SB 2286, SB 2288, SB 2294, and SB 2326.

MOTION

SEN. CHRISTMANN MOVED that the Senate stand in recess until 1:15 p.m., which motion prevailed.

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

CORRECTION AND REVISION OF THE JOURNAL

MR. PRESIDENT: Your **Committee on Correction and Revision of the Journal (Sen. Andrist, Chairman)** has carefully examined the Journal of the Seventieth and Seventy-first Days and recommends that it be corrected as follows and when so corrected, recommends that it be approved:

Page 1495, line 23, remove "as amended,"

Page 1495, line 30, remove "amended"

Page 1495, line 38, remove "as amended,"

Page 1495, line 43, remove "as amended,"

Page 1496, line 13, remove "amended"

Page 1496, line 21, remove "as amended,"

Page 1496, line 46, after "passed" insert "and the emergency clause carried"

Page 1522, line 35, remove "Engrossed"

Page 1522, line 40, remove "Engrossed"

Page 1523, line 2, remove "Engrossed"

Page 1538, line 20, remove "Engrossed"

Page 1538, line 22, remove "Engrossed"

Page 1538, line 37, remove "Engrossed"

Page 1544, line 50, replace "1543" with "1542"

Page 1553, line 50, after "passed" insert "and the emergency clause was declared carried"

Page 1554, remove lines 45 through 47

Page 1555, remove lines 8 through 10

SEN. ANDRIST MOVED that the report be adopted, which motion prevailed.

REPORT OF CONFERENCE COMMITTEE

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

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

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

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

Page 1, replace lines 20 through 22 with:

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

Page 1, remove line 24

Page 2, replace line 1 with:

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

Page 2, replace line 22 with:

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

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

"Total general fund	\$42,517,151	\$11,939,247	\$54,456,39
Full-time equivalent positions	329.26	4.00	333.26"

Page 3, replace lines 8 through 10 with:

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

Page 3, replace lines 12 and 13 with:

"Total general fund	\$12,367,190	\$1,778,018	\$14,145,208
Full-time equivalent positions	95.49	2.00	97.49"

Page 3, replace line 25 with:

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

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

Page 4, replace line 15 with:

"Total all funds \$22,675,000 \$9,494,581"

Page 4, replace line 17 with:

"Total general fund \$17,700,000 \$6,991,650"

Page 4, after line 21, insert:

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

Page 5, after line 17, insert:

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

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

1. The northern crops council is established. The council shall establish policies for the operation of the northern crops institute. The council consists of:
 - a. The president of North Dakota state university of agriculture and applied science or the president's designee.
 - b. A representative selected by the North Dakota wheat commission.
 - c. A representative selected by the North Dakota oilseed council.
 - d. A representative selected by the North Dakota barley council.
 - e. A representative selected by the North Dakota soybean council.
 - f. The agriculture commissioner or the commissioner's designee.
 - g. Five to seven producers of northern crops selected by the members designated in subdivisions a through f.
 - h. Up to four representatives of industries that process northern crops selected by the members designated in subdivisions a through f.
2.
 - a. The term of office for each member of the council, except the president of North Dakota state university of agriculture and applied science and the agriculture commissioner, is three years, and those members are limited to two 3-year terms. Each term of office begins with the first reorganizational meeting after the date of appointment.
 - b. Notwithstanding subdivision a, during the 2011-13 biennium, the council shall:
 - (1) Stagger by lot the terms of the producers of northern crops so that no more than one of the producers' terms expires in June 2013; and
 - (2) Stagger by lot the terms of the representatives of industries that process northern crops so that no more than one of the representatives' terms expires in June 2013.

3. The chairman of the council must be a member of the council elected annually by a majority vote of the council. Provided, the members designated in subdivisions a and f of subsection 1 are not eligible to serve as chairman.
4. The council shall meet at least three times annually at such times and places as must be determined by the council and may meet in special meeting upon such call and notice as may be prescribed by rules adopted by the council. A council member unable to attend a meeting of the council may be represented by a person who has a written proxy from the member."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1020 - Summary of Conference Committee Action

	Executive Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Transportation Institute						
Total all funds	\$24,069,961	\$24,069,961	\$0	\$24,069,961	\$24,069,961	\$0
Less estimated income	22,150,333	22,150,333	0	22,150,333	22,150,333	0
General fund	\$1,919,628	\$1,919,628	\$0	\$1,919,628	\$1,919,628	\$0
Branch Research Centers						
Total all funds	\$28,812,789	\$31,957,789	(\$2,015,000)	\$29,942,789	\$29,732,789	\$210,000
Less estimated income	14,877,581	15,797,581	0	15,797,581	15,797,581	0
General fund	\$13,935,208	\$16,160,208	(\$2,015,000)	\$14,145,208	\$13,935,208	\$210,000
NDSU Extension Service						
Total all funds	\$48,744,454	\$48,494,454	(\$480,000)	\$48,014,454	\$48,014,454	\$0
Less estimated income	23,128,810	23,128,810	0	23,128,810	23,128,810	0
General fund	\$25,615,644	\$25,365,644	(\$480,000)	\$24,885,644	\$24,885,644	\$0
Northern Crops Institute						
Total all funds	\$3,347,307	\$3,347,307	\$0	\$3,347,307	\$3,347,307	\$0
Less estimated income	1,654,725	1,654,725	0	1,654,725	1,654,725	0
General fund	\$1,692,582	\$1,692,582	\$0	\$1,692,582	\$1,692,582	\$0
Main Research Center						
Total all funds	\$97,897,571	\$98,392,571	\$197,402	\$98,589,973	\$98,707,571	(\$117,598)
Less estimated income	43,973,575	44,133,575	0	44,133,575	44,133,575	0
General fund	\$53,923,996	\$54,258,996	\$197,402	\$54,456,398	\$54,573,996	(\$117,598)
Agronomy Seed Farm						
Total all funds	\$1,435,168	\$1,435,168	\$0	\$1,435,168	\$1,435,168	\$0
Less estimated income	1,435,168	1,435,168	0	1,435,168	1,435,168	0
General fund	\$0	\$0	\$0	\$0	\$0	\$0
Bill total						
Total all funds	\$204,307,250	\$207,697,250	(\$2,297,598)	\$205,399,652	\$205,307,250	\$92,402
Less estimated income	107,220,192	108,300,192	0	108,300,192	108,300,192	0
General fund	\$97,087,058	\$99,397,058	(\$2,297,598)	\$97,099,460	\$97,007,058	\$92,402

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

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

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

	Executive Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Dickinson Research Center	\$5,588,562	\$6,388,562		\$6,388,562	\$6,388,562	
Central Grasslands Research Center	2,865,847	2,865,847		2,865,847	2,865,847	
Hettinger Research Center	3,373,175	3,373,175		3,373,175	3,373,175	
Langdon Research Center	2,378,807	2,378,807		2,378,807	2,378,807	
North Central Research Center	4,279,821	4,399,821		4,399,821	4,399,821	
Williston Research Center	3,200,089	3,200,089	210,000	3,410,089	3,200,089	210,000
Carrington Research Center	7,126,488	9,351,488	(2,225,000)	7,126,488	7,126,488	

Total all funds	\$28,812,789	\$31,957,789	(\$2,015,000)	\$29,942,789	\$29,732,789	\$210,000
Less estimated income	14,877,581	15,797,581	0	15,797,581	15,797,581	0
General fund	\$13,935,208	\$16,160,208	(\$2,015,000)	\$14,145,208	\$13,935,208	\$210,000
FTE	95.49	96.49	1.00	97.49	96.49	1.00

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

	Removes Funding for Capital Project ¹	Adds Contingency Appropriation for Director of Williston Research Center ²	Total Conference Committee Changes
Dickinson Research Center			
Central Grasslands Research Center			
Hettinger Research Center			
Langdon Research Center			
North Central Research Center			
Williston Research Center		210,000	210,000
Carrington Research Center	(2,225,000)		(2,225,000)
Total all funds	(\$2,225,000)	\$210,000	(\$2,015,000)
Less estimated income	0	0	0
General fund	(\$2,225,000)	\$210,000	(\$2,015,000)
FTE	0.00	1.00	1.00

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

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

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

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

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

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

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

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

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

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

Section 4-14.2-02, relating to the Northern Crops Council, is amended to permit the council to stagger the terms of producers of northern crops and representatives of industries so that no more than one producer's term and one representative's term expires in June 2013. The Senate also made this change.

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

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

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

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

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

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

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

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

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

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

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

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. BOWMAN MOVED that the conference committee report on Engrossed HB 1020 as printed on SJ pages 1603-1609 be adopted, which motion prevailed on a voice vote.

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

SECOND READING OF HOUSE BILL

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

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 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 1020, as amended, passed and the emergency clause was declared carried.

MOTION

SEN. CHRISTMANN MOVED that the Senate stand in recess until 3:00 p.m., which motion prevailed.

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

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

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

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

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

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

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

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

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

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

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

COMMUNICATION FROM GOVERNOR JACK DALRYMPLE

This is to inform you that on April 20, 2011, I have signed the following: SB 2306, SB 2342, and SB 2356.

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 22, 2011, which motion prevailed.

REPORT OF CONFERENCE COMMITTEE

SB 2056, as engrossed: Your conference committee (Sens. Flakoll, Schaible, Heckaman and Reps. Wall, Heilman, Mock) recommends that the **SENATE ACCEDE** to the House amendments as printed on SJ page 1056 and place SB 2056 on the Seventh order.

Engrossed SB 2056 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

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

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

REPORT OF CONFERENCE COMMITTEE

HB 1424, as engrossed: Your conference committee (Sens. Cook, Oehlke, Triplett and Reps. Headland, Wrangham, Boe) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1466-1472, adopt amendments as follows, and place HB 1424 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1466-1472 of the House Journal and pages 1250-1256 of the Senate Journal and that Engrossed House Bill No. 1424 be amended as follows:

Page 1, line 1, after "57-39.2-04" insert ", sections 57-39.2-12.1, 57-39.5-04, and 57-39.6-04,"

Page 1, line 2, after "57-40.2-04" insert ", and section 57-40.2-07.1"

Page 1, line 2, after "to" insert "compensation allowable to retailers for expenses associated with the collection, reporting, and remittance of state sales, use, and gross receipts taxes and"

Page 1, after line 14, insert:

"SECTION 2. AMENDMENT. Section 57-39.2-12.1 of the North Dakota Century Code is amended and reenacted as follows:

57-39.2-12.1. Deduction to reimburse retailer for administrative expenses.

1. A retailer ~~required~~ registered to report and ~~pay monthly~~ remit sales, use, or gross receipts tax imposed under ~~section 57-39.2-12~~ chapter 57-39.2, 57-39.5, 57-39.6, or 57-40.2 may deduct and retain one and one-half percent of the tax due. The aggregate of deductions allowed by this section and section 57-40.2-07.1 may not exceed ~~eighty-five~~ ninety-three dollars ~~and seventy-five cents per month~~ return. Retailers that receive compensation under this subsection may not receive additional compensation under subsection 2 or 3 for the same period.
2. A certified service provider that contracts with retailers to calculate, collect, and remit tax due on behalf of retailers may deduct and retain from the tax remitted to the tax commissioner compensation or a monetary allowance up to the amount approved by the streamlined sales

and use tax governing board effective June 1, 2006. The compensation provided in this subsection applies only to tax remitted by certified service providers on behalf of retailers that are remote sellers registered to collect sales and use tax in this state under chapter 57-39.4. Certified service providers that receive compensation under this subsection may not receive additional compensation under subsection 1 or 3 for the same period.

3. A retailer that is a remote seller registered to collect sales and use tax under chapter 57-39.4 and that uses a certified automated system to calculate, report, and remit tax due under chapters 57-39.2, 57-39.4, and 57-40.2 may deduct and retain compensation or a monetary allowance up to the amount approved by the streamlined sales and use tax governing board during its December 2006 meeting. Retailers that receive compensation under this subsection may not receive additional compensation under subsection 1 or 2 for the same period.
4. For purposes of this section, "remote seller" means a retailer that does not have an adequate physical presence to establish nexus in this state for sales and use tax purposes.
5. Compensation may not be deducted and retained under this section unless the tax due is paid within the time limitations under section 57-39.2-12 or 57-40.2-07 or chapter 57-39.4.
6. The deduction allowed retailers or certified service providers by this section is to reimburse retailers directly or indirectly for expenses incurred in keeping records, preparing and filing returns, remitting the tax, and supplying information to the tax commissioner upon request.

SECTION 3. AMENDMENT. Section 57-39.5-04 of the North Dakota Century Code is amended and reenacted as follows:

57-39.5-04. Administration.

The provisions of chapter 57-39.2 pertaining to administration of the retail sales tax, including provisions for refund, credits, retailer compensation, or adoption of rules, not in ~~compliance~~conflict with this chapter or federal law, govern the administration of the gross receipts tax imposed in this chapter.

SECTION 4. AMENDMENT. Section 57-39.6-04 of the North Dakota Century Code is amended and reenacted as follows:

57-39.6-04. Administration.

The provisions of chapter 57-39.2, pertaining to administration of the retail sales tax, including provisions for refund, credits, retailer compensation, or adoption of rules, not in conflict with this chapter or federal law, govern the administration of the gross receipts tax imposed in this chapter."

Page 1, after line 23, insert:

"SECTION 6. AMENDMENT. Section 57-40.2-07.1 of the North Dakota Century Code is amended and reenacted as follows:

57-40.2-07.1. Deduction to reimburse retailer for administrative expenses.

1. A retailer ~~required~~registered to report and ~~pay monthly~~remit sales, use, or gross receipts tax imposed under ~~section 57-40.2-07~~chapter 57-39.2, 57-39.5, 57-39.6, or 57-40.2 may deduct and retain one and one-half percent of the tax due. The aggregate of deductions allowed by this section and section 57-39.2-12.1 may not exceed ~~eighty-five~~ninety-three dollars ~~and seventy-five cents~~per month~~return~~. Retailers that receive

compensation under this subsection may not receive additional compensation under subsection 2 or 3 for the same period.

2. A certified service provider that contracts with retailers to calculate, collect, and remit tax due on behalf of retailers may deduct and retain from the tax remitted to the tax commissioner compensation or a monetary allowance up to the amount approved by the streamlined sales and use tax governing board effective June 1, 2006. The compensation provided in this subsection applies only to tax remitted by certified service providers on behalf of retailers that are remote sellers registered to collect sales and use tax in this state under chapter 57-39.4. Certified service providers that receive compensation under this subsection may not receive additional compensation under subsection 1 or 3 for the same period.
3. A retailer that is a remote seller registered to collect sales and use tax under chapter 57-39.4 and that uses a certified automated system to calculate, report, and remit tax due under chapters 57-39.2, 57-39.4, and 57-40.2 may deduct and retain compensation or a monetary allowance up to the amount approved by the streamlined sales and use tax governing board during its December 2006 meeting. Retailers that receive compensation under this subsection may not receive additional compensation under subsection 1 or 2 for the same period.
4. For purposes of this section, "remote seller" means a retailer that does not have an adequate physical presence to establish nexus in this state for sales and use tax purposes.
5. Compensation may not be deducted and retained under this section unless the tax due is paid within the time limitations under section 57-39.2-12 or 57-40.2-07 or chapter 57-39.4.
6. The deduction allowed retailers or certified service providers by this section is to reimburse retailers directly or indirectly for expenses incurred in keeping records, preparing and filing returns, remitting the tax, and supplying information to the tax commissioner upon request."

Page 2, line 1, remove "This Act is effective for taxable events beginning after"

Page 2, replace line 2 with "Sections 2, 3, 4, and 6 of this Act are effective for taxable events occurring after December 31, 2011."

Re-number accordingly

Engrossed HB 1424 was placed on the Seventh order of business on the calendar.

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

William R. Horton, Secretary