

JOURNAL OF THE HOUSE

Sixty-third Legislative Assembly

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Bismarck, April 17, 2013

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

The prayer was offered by Reverend Keith Ritchie, Cornerstone Church, Bismarck.

The roll was called and all members were present except Representatives Belter, Hanson, and Strinden.

A quorum was declared by the Speaker.

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

MR. PRESIDENT: The House has amended and subsequently passed: SB 2218.

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following resolution was delivered to the Secretary of State for filing on April 16, 2013: HCR 3010.

CONSIDERATION OF MESSAGE FROM THE SENATE

REP. VIGESAA MOVED that the House do not concur in the Senate amendments to Engrossed HB 1013 as printed on HJ pages 1546-1556 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE SPEAKER APPOINTED as a Conference Committee on Engrossed HB 1013: Reps. Monson, Skarphol, Boe.

CONSIDERATION OF MESSAGE FROM THE SENATE

REP. VIGESAA MOVED that the House do not concur in the Senate amendments to Engrossed HB 1021 as printed on HJ pages 1544-1546 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE SPEAKER APPOINTED as a Conference Committee on Engrossed HB 1021: Reps. Dosch, Martinson, Boe.

CONSIDERATION OF MESSAGE FROM THE SENATE

REP. TROTTIER MOVED that the House do not concur in the Senate amendments to Reengrossed HB 1319 as printed on HJ pages 1424-1454 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE SPEAKER APPOINTED as a Conference Committee on Reengrossed HB 1319: Reps. Nathe, Headland, Hunskor.

SIXTH ORDER OF BUSINESS

SPEAKER DEVLIN DEEMED approval of the amendments to Engrossed SB 2012, Engrossed SB 2014, and SB 2233.

Engrossed SB 2012, Engrossed SB 2014, and SB 2233, as amended, were placed on the Fourteenth order of business on the calendar.

SECOND READING OF SENATE BILL

SB 2012: A BILL for an Act to provide an appropriation for defraying the expenses of the department of transportation; to provide appropriations to the state treasurer for

transportation funding distributions; to provide an appropriation to the department of corrections and rehabilitation for costs related to a general license plate issue; to create and enact a new section to chapter 24-02 and section 39-04-14.4 of the North Dakota Century Code, relating to highway-rail grade crossing safety projects and motor vehicle registration renewals; to amend and reenact sections 39-02-03, 39-04-09, and 39-04-14 of the North Dakota Century Code and section 27 of chapter 579 of the 2011 Session Laws, relating to department of transportation motor vehicle branch offices, the issuance of license plates, motor vehicle registration renewals, and transportation funding distributions to non-oil-producing political subdivisions; to provide for transfers and contingent transfers; to provide exemptions; to provide for budget section reports; to provide for legislative management studies; 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 86 YEAS, 5 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

YEAS: Amerman; Anderson; Beadle; Bellew; Boe; Boehning; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Delzer; Dockter; Dosch; Drovdal; Fehr; Frantsvog; Froseth; Glassheim; Grande; Gruchalla; Guggisberg; Haak; Hatlestad; Hawken; Headland; Heilman; Hogan; Holman; Hunskor; Johnson, N.; Karls; Kasper; Keiser; Kelsh, J.; Kelsh, S.; Kempenich; Kiefert; Klein; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Kreun; Laning; Larson; Looyen; Louser; Maragos; Martinson; Meier; Mock; Monson; Mooney; Muscha; Nathe; Nelson, J.; Nelson, M.; Onstad; Oversen; Owens; Paur; Pollert; Porter; Rohr; Ruby; Rust; Sanford; Schatz; Schmidt; Silbernagel; Skarphol; Steiner; Streyle; Sukut; Thoreson; Toman; Trottier; Vigesaa; Wall; Wieland; Williams; Zaiser; Speaker Devlin

NAYS: Becker; Heller; Hofstad; Johnson, D.; Weisz

ABSENT AND NOT VOTING: Belter; Hanson; Strinden

Engrossed SB 2012, as amended, passed and the emergency clause was declared carried.

SECOND READING OF SENATE BILL

SB 2014: 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 provide legislative intent; to provide an appropriation; to provide a contingent appropriation; to authorize transfers; to amend and reenact subsection 1 of section 54-17.6-05, subsection 17 of section 54-44.3-20, and section 57-51.1-07.3 of the North Dakota Century Code, relating to the oil and gas research council membership, the oil and gas research fund, and classified employees; to provide for a value-added market opportunities for renewable energy resources and oil and gas study; to provide for a report to 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 87 YEAS, 4 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

YEAS: Amerman; Anderson; Beadle; Boe; Boehning; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Delzer; Dockter; Dosch; Drovdal; Fehr; Frantsvog; Froseth; Glassheim; Grande; Gruchalla; Guggisberg; Haak; Hatlestad; Hawken; Headland; Heilman; Heller; Hofstad; Hogan; Holman; Hunskor; Johnson, D.; Johnson, N.; Karls; Kasper; Keiser; Kelsh, J.; Kelsh, S.; Kempenich; Kiefert; Klein; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Kreun; Laning; Larson; Looyen; Louser; Maragos; Martinson; Meier; Mock; Monson; Mooney; Muscha; Nathe; Nelson, J.; Onstad; Oversen; Owens; Paur; Pollert; Porter; Rohr; Rust; Sanford; Schatz; Schmidt; Silbernagel; Skarphol; Steiner; Streyle; Sukut; Thoreson; Toman; Trottier; Vigesaa; Wall; Weisz; Wieland; Williams; Zaiser; Speaker Devlin

NAYS: Becker; Bellew; Nelson, M.; Ruby

ABSENT AND NOT VOTING: Belter; Hanson; Strinden

Engrossed SB 2014, as amended, passed and the emergency clause was declared carried.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. VIGESAA MOVED that the conference committee report on HB 1112 as printed on HJ page 1521 be adopted.

REQUEST

REP. VIGESAA REQUESTED a verification vote, which request was granted.

The question being on the motion to adopt the conference committee report on HB 1112, the conference committee report on HB 1112 was adopted on a verification vote.

HB 1112, as amended, was placed on the Eleventh order of business.

REPORT OF STANDING COMMITTEE

SB 2333: Appropriations Committee (Rep. Delzer, Chairman) recommends **DO NOT PASS** (13 YEAS, 8 NAYS, 1 ABSENT AND NOT VOTING). SB 2333 was placed on the Fourteenth order on the calendar.

SECOND READING OF HOUSE BILL

HB 1112: A BILL for an Act to amend and reenact subsection 2 of section 52-04-12 and subsection 4 of section 52-06-02 of the North Dakota Century Code, relating to use of liens to collect contributions owed to job service North Dakota and to unemployment insurance eligibility in the case of a labor dispute; 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 62 YEAS, 30 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Anderson; Beadle; Becker; Bellew; Boehning; Brabandt; Brandenburg; Carlson; Damschen; Delzer; Dockter; Dosch; Drovdal; Fehr; Frantsvog; Froseth; Grande; Hatlestad; Headland; Heilman; Heller; Hofstad; Johnson, D.; Karls; Kasper; Keiser; Kempenich; Kiefert; Klein; Klemm; Koppelman, B.; Koppelman, K.; Kreidt; Kreun; Larson; Looysen; Louser; Martinson; Meier; Monson; Nathe; Owens; Paur; Pollert; Porter; Rohr; Ruby; Rust; Schatz; Schmidt; Silbernagel; Skarphol; Streyle; Sukut; Thoreson; Toman; Trottier; Vigesaa; Wall; Weisz; Wieland; Speaker Devlin

NAYS: Amerman; Boe; Boschee; Delmore; Glassheim; Gruchalla; Guggisberg; Haak; Hanson; Hawken; Hogan; Holman; Hunskor; Johnson, N.; Kelsh, J.; Kelsh, S.; Kretschmar; Laning; Maragos; Mock; Mooney; Muscha; Nelson, J.; Nelson, M.; Onstad; Oversen; Sanford; Steiner; Williams; Zaiser

ABSENT AND NOT VOTING: Belter; Strinden

Engrossed HB 1112 passed but the emergency clause failed.

ANNOUNCEMENT

SPEAKER DEVLIN ANNOUNCED that the House would stand in recess until 12:30 p.m.

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

CORRECTION AND REVISION OF THE JOURNAL

MR. SPEAKER: Your **Committee on Correction and Revision of the Journal (Rep. Kretschmar, Chairman)** has carefully examined the Journal of the Sixty-sixth Day and recommends that it be corrected as follows and when so corrected, recommends that it

be approved:

Page 1517, after line 25, insert:

"MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The Speaker has signed: HB 1026, HB 1052, HB 1054, HB 1085,
 HB 1091, HB 1117, HB 1130, HB 1185, HB 1192, HB 1241, HB 1247, HB 1267."

REP. KRETSCHMAR MOVED that the report be adopted, which motion prevailed.

REPORT OF STANDING COMMITTEE

SB 2001, as engrossed: Appropriations Committee (Rep. Delzer, Chairman)
 recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends
DO PASS (17 YEAS, 4 NAYS, 1 ABSENT AND NOT VOTING). Engrossed SB 2001
 was placed on the Sixth order on the calendar.

Page 1, line 3, after the semicolon insert "to create and enact a new section to chapter 54-35
 of the North Dakota Century Code, relating to hosting out-of-state dignitaries;"

Page 1, line 3, replace "sections" with "subsections 1, 2, and 7 of section"

Page 1, line 3, after the second "and" insert "section"

Page 1, line 4, after "compensation" insert "and expense reimbursement; to provide for a
 legislative management study; to provide legislative intent"

Page 1, line 4, after the second semicolon insert "to provide for retroactive application;"

Page 1, replace line 18 with:

"Operating expenses	3,268,968	683,958	3,952,926"
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Page 1, replace line 21 with:

"Total general fund	\$12,025,211	\$1,896,760	\$13,921,971"
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Page 2, replace lines 3 through 9 with:

"Salaries and wages	\$7,574,331	\$989,695	\$8,564,026
Accrued leave payments		143,087	143,087
Operating expenses	3,305,520	548,007	3,853,527
Capital assets	<u>16,500</u>	<u>8,500</u>	<u>25,000</u>
Total all funds	\$10,896,351	\$1,689,289	\$12,585,640
Less estimated income	<u>70,000</u>	<u>(1)</u>	<u>69,999</u>
Total general fund	\$10,826,351	\$1,689,290	\$12,515,641
Full-time equivalent positions	34.00	3.00	37.00"

Page 2, replace lines 14 through 16 with:

"Grand total general fund	\$22,851,562	\$3,586,050	\$26,437,612
Grand total special funds	<u>70,000</u>	<u>(1)</u>	<u>69,999</u>
Grand total all funds	\$22,921,562	\$3,586,049	\$26,507,611"

Page 2, replace lines 26 and 27 with:

"Information technology projects		<u>159,938</u>	<u>42,000</u>
Total general fund		\$2,242,706	\$542,000"

Page 4, remove lines 8 through 31

Page 5, remove lines 1 through 30

Page 6, remove lines 1 through 28

Page 7, remove lines 1 through 31

Page 8, remove lines 1 through 29

Page 9, replace lines 1 through 18 with:

"SECTION 6. AMENDMENT. Subsections 1 and 7 of section 54-03-20 of the North Dakota Century Code are amended and reenacted as follows:

1. Each member of the legislative assembly is entitled to receive as compensation for services the sum of one hundred ~~fifty-seven~~sixty-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.
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 ~~forty-three~~ 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 ~~sixteen~~twenty-five dollars per month during the biennium for their execution of public duties.

SECTION 7. AMENDMENT. Subsections 1 and 7 of section 54-03-20 of the North Dakota Century Code are amended and reenacted as follows:

1. Each member of the legislative assembly is entitled to receive as compensation for services the sum of one hundred ~~sixty-two~~sixty-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.
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 ~~fifty-three~~sixty-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 three hundred ~~twenty-five~~thirty-five dollars per month during the biennium for their execution of public duties.

SECTION 8. AMENDMENT. Subsection 2 of section 54-03-20 of the North Dakota Century Code is amended and reenacted as follows:

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 ~~sixty-five~~seventy-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."

Page 10, after line 17, insert:

"SECTION 11. A new section to chapter 54-35 of the North Dakota Century Code is created and enacted as follows:

Legislative hosting of dignitaries.

The legislative management or the chairman of the legislative management may approve the hosting of out-of-state dignitaries on behalf of the legislative assembly and may authorize the majority and minority leaders of the senate and the house of representatives or their designees to assist in the hosting of such dignitaries. An expenditure for the purchase of items to promote or to host a dignitary under this section may not be construed as a gift for purposes of section 18 of article X of the Constitution of North Dakota. The provisions of chapter 44-08 do not apply to expenditures made under this section.

SECTION 12. LEGISLATIVE INTENT. It is the intent of the sixty-third legislative assembly that the legislative management not proceed with implementing a process to record and archive video of standing committee meetings during the legislative session for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 13. LEGISLATIVE INTENT. It is the intent of the sixty-third legislative assembly that the legislative management consider implementing during the sixty-fourth legislative assembly a limited bill analysis report pilot project to provide bill analysis reports similar to analysis reports prepared in other states."

Page 10, line 18, replace "8" with "9"

Page 10, line 19, replace "9" with "10"

Page 10, after line 19, insert:

"SECTION 15. RETROACTIVE APPLICATION. Section 8 of this Act applies retroactively to January 1, 2013."

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2001 - Summary of House Action

	Executive Budget	Senate Version	House Changes	House Version
Legislative Assembly				
Total all funds	\$14,336,364	\$14,197,971	(\$276,000)	\$13,921,971
Less estimated income	0	0	0	0
General fund	\$14,336,364	\$14,197,971	(\$276,000)	\$13,921,971
Legislative Council				
Total all funds	\$12,220,456	\$12,175,513	\$410,127	\$12,585,640
Less estimated income	69,999	69,999	0	69,999
General fund	\$12,150,457	\$12,105,514	\$410,127	\$12,515,641
Bill total				
Total all funds	\$26,556,820	\$26,373,484	\$134,127	\$26,507,611
Less estimated income	69,999	69,999	0	69,999
General fund	\$26,486,821	\$26,303,485	\$134,127	\$26,437,612

Senate Bill No. 2001 - Legislative Assembly - House Action

	Executive Budget	Senate Version	House Changes	House Version
Salaries and wages	\$9,205,759	\$9,205,759		\$9,205,759
Operating expenses	4,367,319	4,228,926	(276,000)	3,952,926
Capital assets	530,000	530,000		530,000
National Conf of State Legislatures	233,286	233,286		233,286
Total all funds	\$14,336,364	\$14,197,971	(\$276,000)	\$13,921,971
Less estimated income	0	0	0	0
General fund	\$14,336,364	\$14,197,971	(\$276,000)	\$13,921,971
FTE	0.00	0.00	0.00	0.00

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

	Adds Funding for Connectivity ¹	Removes Funding for Audio/Video ²	Total House Changes
Salaries and wages			
Operating expenses	121,000	(397,000)	(276,000)
Capital assets			
National Conf of State Legislatures			
Total all funds	\$121,000	(\$397,000)	(\$276,000)
Less estimated income	0	0	0
General fund	\$121,000	(\$397,000)	(\$276,000)
FTE	0.00	0.00	0.00

¹ The operating expenses line item is increased by \$121,000 to provide a total of \$425,000 for costs associated with providing legislators with remote access to data, including broadband, data plans for cellular phones, and other methods as determined by the Legislative Management's Legislative Procedure and Arrangements Committee.

² One-time funding is removed for installing audio and video recording equipment in committee rooms. A section of legislative intent is added that the Legislative Management not proceed with implementing a process to record and archive video of standing committee meetings during the legislative session.

Sections are added:

- Providing legislative intent that the Legislative Management consider implementing a bill analysis pilot project for the 2015 legislative session.
- Increasing the monthly limit on legislative lodging reimbursement retroactively to January 1, 2013.

Senate Bill No. 2001 - Legislative Council - House Action

	Executive Budget	Senate Version	House Changes	House Version
Salaries and wages	\$8,336,986	\$8,336,986	\$227,040	\$8,564,026
Operating expenses	3,858,470	3,813,527	40,000	3,853,527
Capital assets	25,000	25,000		25,000
Accrued leave payments			143,087	143,087
Total all funds	\$12,220,456	\$12,175,513	\$410,127	\$12,585,640
Less estimated income	69,999	69,999	0	69,999
General fund	\$12,150,457	\$12,105,514	\$410,127	\$12,515,641
FTE	34.00	34.00	3.00	37.00

Department No. 160 - Legislative Council - Detail of House Changes

	Adjusts State Employee Compensation and Benefits Package ¹	Provides Separate Line Item for Accrued Leave Payments ²	Adds Fiscal Analyst Positions ³	Adds Funding for Energy Meetings ⁴	Total House Changes
Salaries and wages	(\$139,873)	(\$143,087)	\$510,000		\$227,040
Operating expenses			15,000	25,000	40,000
Capital assets					
Accrued leave payments		143,087			143,087
Total all funds	(\$139,873)	\$0	\$525,000	\$25,000	\$410,127
Less estimated income	0	0	0	0	0
General fund	(\$139,873)	\$0	\$525,000	\$25,000	\$410,127
FTE	0.00	0.00	3.00	0.00	3.00

¹ This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 2 to 4 percent per year.
- Removes funding for additional retirement contribution increases.

² A portion of salaries and wages funding from the general fund for permanent employees' compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees.

³ Funding is added for three new fiscal analyst positions and related operating expenses, including information technology and equipment.

⁴ The operating expenses line item is increased by \$25,000 to provide funding for costs relating to legislators attending meetings of the Energy Producing States Coalition.

A section is added authorizing the hosting of out-of-state dignitaries and the purchase of promotional items.

REPORT OF STANDING COMMITTEE

SB 2003, as reengrossed: Appropriations Committee (Rep. Delzer, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (15 YEAS, 6 NAYS, 1 ABSENT AND NOT VOTING). Reengrossed SB 2003 was placed on the Sixth order on the calendar.

Page 1, line 2, remove "to provide an appropriation to the state board of higher education for a"

Page 1, line 3, replace "settlement payment for the termination of the contract of the commissioner of higher education" with "to create and enact six new sections to

chapter 15-10 of the North Dakota Century Code, relating to provisions of matching grants for the advancement of postsecondary academics"

Page 1, line 4, after "15-10-47" insert ", 15-52-01, 15-52-03, 15-52-04, 15-52-05, 15-52-09, 15-52-31,"

Page 1, line 6, after the first comma insert "the state medical center,"

Page 1, line 9, after "reports" insert "; to provide for a legislative management report; to provide an expiration date"

Page 1, remove lines 19 through 24

Page 2, remove lines 1 through 31

Page 3, remove lines 1 through 30

Page 4, remove lines 1 through 30

Page 5, remove lines 1 through 30

Page 6, remove lines 1 through 31

Page 7, replace lines 1 through 3 with:

"NORTH DAKOTA UNIVERSITY SYSTEM OFFICE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Capital assets - bond payments	\$12,204,769	(\$1,768,724)	\$10,436,045
Competitive research program	7,050,000	0	7,050,000
System governance	7,349,806	4,400,363	11,750,169
Title II	1,006,472	0	1,006,472
System information technology services	36,006,667	2,375,831	38,382,498
Professional liability insurance	800,000	(800,000)	0
Student financial assistance grants	19,025,594	2,220,085	21,245,679
Professional student exchange program	3,321,438	953,577	4,275,015
Academic and technical education scholarships	10,000,000	3,700,000	13,700,000
Two-year campus marketing	800,000	0	800,000
Scholars program	2,113,584	0	2,113,584
Native American scholarships	574,267	75,000	649,267
Tribally controlled community college grants	1,000,000	0	1,000,000
Education incentive programs	3,176,344	172,656	3,349,000
Deferred maintenance pool	0	10,000,000	10,000,000
Master plan and space utilization study	0	1,000,000	1,000,000
Student mental health	0	282,520	282,520
Education challenge fund	0	30,000,000	30,000,000
Campus security pool	0	2,500,000	2,500,000
Performance funding pool	0	5,000,000	5,000,000
Capital projects pool	0	176,000,000	176,000,000
Total all funds	\$104,428,941	\$236,111,308	\$340,540,249
Less estimated income	<u>3,056,229</u>	<u>15,243,683</u>	<u>18,299,912</u>
Total general fund	\$101,372,712	\$220,867,625	\$322,240,337
Full-time equivalent positions	100.31	12.60	112.91

Subdivision 2.

BISMARCK STATE COLLEGE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$27,628,314	\$3,577,868	\$31,206,182
Capital assets	417,673	6,000,000	6,417,673
Total all funds	\$28,045,987	\$9,577,868	\$37,623,855

Less estimated income	0	6,600,000	6,600,000
Total general fund	\$28,045,987	\$2,977,868	\$31,023,855
Full-time equivalent positions	126.96	0.00	126.96

Subdivision 3.

LAKE REGION STATE COLLEGE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$9,003,614	\$2,588,035	\$11,591,649
Capital assets	155,367	0	155,367
Total all funds	\$9,158,981	\$2,588,035	\$11,747,016
Less estimated income	0	0	0
Total general fund	\$9,158,981	\$2,588,035	\$11,747,016
Full-time equivalent positions	40.22	0.00	40.22

Subdivision 4.

WILLISTON STATE COLLEGE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$8,849,685	\$839,482	\$9,689,167
Capital assets	197,801	0	197,801
Total all funds	\$9,047,486	\$839,482	\$9,886,968
Less estimated income	0	0	0
Total general fund	\$9,047,486	\$839,482	\$9,886,968
Full-time equivalent positions	44.15	0.00	44.15

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$140,457,484	\$4,458,585	\$144,916,069
Capital assets	4,411,566	97,237,262	101,648,828
Total all funds	\$144,869,050	\$101,695,847	\$246,564,897
Less estimated income	0	96,487,262	96,487,262
Total general fund	\$144,869,050	\$5,208,585	\$150,077,635
Full-time equivalent positions	642.20	(8.60)	633.60

Subdivision 6.

NORTH DAKOTA STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$125,015,305	\$9,496,422	\$134,511,727
Capital assets	2,732,244	39,819,356	42,551,600
Total all funds	\$127,747,549	\$49,315,778	\$177,063,327
Less estimated income	0	39,819,356	39,819,356
Total general fund	\$127,747,549	\$9,496,422	\$137,243,971
Full-time equivalent positions	495.21	(4.00)	491.21

Subdivision 7.

NORTH DAKOTA STATE COLLEGE OF SCIENCE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$34,186,542	\$1,585,812	\$35,772,354
Capital assets	1,012,379	1,350,000	2,362,379
Total all funds	\$35,198,921	\$2,935,812	\$38,134,733

Less estimated income	<u>0</u>	<u>1,350,000</u>	<u>1,350,000</u>
Total general fund	\$35,198,921	\$1,585,812	\$36,784,733
Full-time equivalent positions	171.87	0.00	171.87

Subdivision 8.

DICKINSON STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$22,383,539	\$3,084,221	\$25,467,760
Capital assets	<u>409,078</u>	<u>0</u>	<u>409,078</u>
Total all funds	\$22,792,617	\$3,084,221	\$25,876,838
Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
Total general fund	\$22,792,617	\$3,084,221	\$25,876,838
Full-time equivalent positions	100.32	0.00	100.32

Subdivision 9.

MAYVILLE STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$12,775,788	\$931,742	\$13,707,530
Capital assets	<u>358,992</u>	<u>0</u>	<u>358,992</u>
Total all funds	\$13,134,780	\$931,742	\$14,066,522
Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
Total general fund	\$13,134,780	\$931,742	\$14,066,522
Full-time equivalent positions	62.78	0.00	62.78

Subdivision 10.

MINOT STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$37,838,974	\$2,073,490	\$39,912,464
Capital assets	<u>899,620</u>	<u>11,801,785</u>	<u>12,701,405</u>
Total all funds	\$38,738,594	\$13,875,275	\$52,613,869
Less estimated income	<u>0</u>	<u>11,801,785</u>	<u>11,801,785</u>
Total general fund	\$38,738,594	\$2,073,490	\$40,812,084
Full-time equivalent positions	201.76	0.00	201.76

Subdivision 11.

VALLEY CITY STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$17,694,741	\$2,000,411	\$19,695,152
Capital assets	<u>408,319</u>	<u>4,806,837</u>	<u>5,215,156</u>
Total all funds	\$18,103,060	\$6,807,248	\$24,910,308
Less estimated income	<u>0</u>	<u>4,806,837</u>	<u>4,806,837</u>
Total general fund	\$18,103,060	\$2,000,411	\$20,103,471
Full-time equivalent positions	97.29	0.00	97.29

Subdivision 12.

DAKOTA COLLEGE AT BOTTINEAU

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$6,489,750	\$833,843	\$7,323,593
Capital assets	<u>115,507</u>	<u>7,600,789</u>	<u>7,716,296</u>
Total all funds	\$6,605,257	\$8,434,632	\$15,039,889

Less estimated income	0	7,600,789	7,600,789
Total general fund	\$6,605,257	\$833,843	\$7,439,100
Full-time equivalent positions	36.12	0.00	36.12

Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$47,747,971	\$8,214,806	\$55,962,777
Total all funds	\$47,747,971	\$8,214,806	\$55,962,777
Less estimated income	0	0	0
Total general fund	\$47,747,971	\$8,214,806	\$55,962,777
Full-time equivalent positions	156.55	0.00	156.55

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$5,514,681	\$686,643	\$6,201,324
Capital assets	97,791	788,419	886,210
Total all funds	\$5,612,472	\$1,475,062	\$7,087,534
Less estimated income	1,650,000	0	1,650,000
Total general fund	\$3,962,472	\$1,475,062	\$5,437,534
Full-time equivalent positions	28.00	1.00	29.00

Subdivision 15.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total all funds	\$611,231,666	\$445,887,116	\$1,057,118,782
Grand total special funds	4,706,229	183,709,712	188,415,941
Grand total general fund	\$606,525,437	\$262,177,404	\$868,702,841"

Page 7, replace lines 9 and 10 with:

"Capital projects - general fund	\$47,136,000	\$1,535,000
Capital projects - other funds	105,065,555	167,866,029
Capital projects funding pool - general fund	0	160,000,000
Capital projects funding pool - other funds	0	16,000,000"

Page 7, replace lines 12 and 13 with:

"Minot state university flood recovery	0	2,000,000"
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Page 7, replace line 17 with:

"Williston state college operating funds	2,000,000	1,000,000"
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Page 7, replace lines 21 through 24 with:

"Health care workforce initiative	0	7,414,806
Master plan and space utilization study	0	1,000,000
Total all funds	\$156,325,912	\$397,615,835
Total other funds	105,065,555	183,866,029
Total general fund	\$51,260,357	\$213,749,806"

Page 7, remove lines 29 through 31

Page 8, remove lines 1 through 14

Page 9, after line 12, insert:

"SECTION 4. A new section to chapter 15-10 of the North Dakota Century Code is created and enacted as follows:

Advancement of academics - Matching grants - University of North Dakota and North Dakota state university.

1. a. During the period beginning July 1, 2013, and ending December 31, 2014, the state board of higher education shall award one dollar in matching grants for every two dollars raised by the institutional foundations of the university of North Dakota and North Dakota state university for projects dedicated exclusively to the advancement of academics.
- b. To be eligible for a matching grant, an institution must demonstrate that:
 - (1) Its foundation has raised at least fifty thousand dollars in cash or monetary pledges for a qualifying project; and
 - (2) The project has been approved by the grant review committee established in section 7 of this Act.
- c. The board may award up to ten million dollars in matching grants to each institution.
2. a. If any available dollars have not been awarded by the board before January 1, 2015, in accordance with subsection 1, either the university of North Dakota or North Dakota state university may apply for an additional matching grant.
- b. An application submitted under this subsection must meet the same criteria as an original application.
- c. The board shall consider each application submitted under this subsection in chronological order.
- d. If the remaining dollars are insufficient to provide a matching grant in the amount of one dollar for every two dollars raised by the institutional foundation, the board shall award a lesser amount.

SECTION 5. A new section to chapter 15-10 of the North Dakota Century Code is created and enacted as follows:

Advancement of academics - Matching grants - Two-year and four-year institutions of higher education.

1. a. During the period beginning July 1, 2013, and ending December 31, 2014, the state board of higher education shall award one dollar in matching grants for every two dollars raised by the institutional foundations of Bismarck state college, Dakota college at Bottineau, Dickinson state university, Lake Region state college, Mayville state university, Minot state university, North Dakota state college of science, Valley City state university, and Williston state college for projects dedicated exclusively to the advancement of academics.
- b. To be eligible for a matching grant, an institution must demonstrate that:
 - (1) Its foundation has raised at least twenty-five thousand dollars in cash or monetary pledges for a qualifying project; and
 - (2) The project has been approved by the grant review committee established in section 7 of this Act.

- c. The board may award up to one million dollars in matching grants to each institution.
 2.
 - a. If any available dollars have not been awarded by the board before January 1, 2015, in accordance with subsection 1, any institution listed in subsection 1 may apply for an additional matching grant.
 - b. An application submitted under this subsection must meet the same criteria as an original application.
 - c. The board shall consider each application submitted under this subsection in chronological order.
 - d. If the remaining dollars are insufficient to provide a matching grant in the amount of one dollar for every two dollars raised by the institutional foundation, the board shall award a lesser amount.

SECTION 6. A new section to chapter 15-10 of the North Dakota Century Code is created and enacted as follows:

Liability for pledged amount.

If the state board of higher education provides grant funds under this Act to an institution on the basis of a monetary pledge and if the amount forthcoming is less than the amount pledged, the institutional foundation is liable to the institution for any shortfall.

SECTION 7. A new section to chapter 15-10 of the North Dakota Century Code is created and enacted as follows:

Grant review committee.

1. There is created a grant review committee consisting of:
 - a. The governor, or the governor's designee, who shall serve as the chairman;
 - b. Two members of the house of representatives appropriations committee, selected by the majority leader of the house of representatives;
 - c. Two members of the senate appropriations committee, selected by the majority leader of the senate;
 - d. Two members appointed by the governor, with the consent of the legislative management; and
 - e. Two members appointed by the state board of higher education, with the consent of the legislative management.
2. The gubernatorial appointees must have an understanding of higher education's role in advancing agriculture, the arts, commerce and finance, manufacturing, mineral extraction, natural resources, and the professions.
3. The grant review committee shall establish its rules of operation and procedure and shall develop and publish the criteria upon which all requests for matching grants will be reviewed.
4. A request for a matching grant must be presented to the committee by the president of the institution. The president may be accompanied by other individuals having an expertise with respect to the project.

SECTION 8. A new section to chapter 15-10 of the North Dakota Century Code is created and enacted as follows:

Grant review committee - Compensation.

Each member of the grant review committee is entitled to receive compensation in the amount of one hundred thirty-five dollars per day plus reimbursement for expenses as provided by law for state officers if the member is attending meetings or performing duties directed by the committee. The compensation provided for in this section may not be paid to any member of the committee who receives a salary or other compensation as an employee or official of this state if the individual is serving on the committee by virtue of the individual's state office or state employment.

SECTION 9. A new section to chapter 15-10 of the North Dakota Century Code is created and enacted as follows:

Definition.

For purposes of this Act, projects dedicated to the advancement of enhanced academics include investments in research, scholarships, technology, endowed chairs, and investments in educational infrastructure, including new capital construction projects that conform with the university system campus master plan and space utilization study.

SECTION 10. AMENDMENT. Section 15-52-01 of the North Dakota Century Code is amended and reenacted as follows:

15-52-01. School of medicine and health sciences.

The primary purpose of the university of North Dakota school of medicine and health sciences is to educate physicians and other health professionals for subsequent service in North Dakota and to enhance the quality of life ~~in North Dakota~~ of its people. Other purposes include the discovery of knowledge that benefits the people of this state and enhances the quality of their lives.

SECTION 11. AMENDMENT. Section 15-52-03 of the North Dakota Century Code is amended and reenacted as follows:

15-52-03. School of medicine and health sciences advisory council - Members, terms, meetings.

1. To assure the proper coordination of the university of North Dakota school of medicine and health sciences with all other health activities of the state, a permanent school of medicine and health sciences advisory council is established to perform the duties in section 15-52-04.
2. The council consists of fifteen members:
 - a. (1) Two members of the senate, one of whom must be from the majority party and one of whom must be from the minority party, selected by the chairman of the legislative management; and
 - (2) 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, to be selected by the chairman of the legislative management;
 - b. One member selected by each of the following:
 - (1) The department of human services;
 - (2) The state board of higher education;
 - (3) The state department of health;
 - (4) The North Dakota medical association;

- (5) The North Dakota hospital association;
 - (6) The veterans administration hospital in Fargo; and
 - (7) The university of North Dakota center for rural health; and
- c. Four members selected by the dean of the university of North Dakota school of medicine and health sciences, one from each of the four campuses of the school of medicine and health sciences with headquarters in Bismarck, Fargo, Grand Forks, and Minot.
3. The representatives named by the state agencies and boards must be selected to serve as members of the advisory council for periods of at least one year, but may not serve longer than their term of office on the public agency. The representatives from the North Dakota state-medical association and the North Dakota hospital association shall serve a term of three years or until their successors are named and qualified.
4. The council shall name its own chairman and the dean of the university of North Dakota school of medicine and health sciences shall serve as executive secretary of the council. The executive secretary does not have voting privileges. The council shall meet not less than twice each year, and, from time to time, on its own motion or upon request of the university administration.

SECTION 12. AMENDMENT. Section 15-52-04 of the North Dakota Century Code is amended and reenacted as follows:

15-52-04. Duties of council.

1. The advisory council, in consultation with the school of medicine and health sciences and the other agencies, associations, and institutions represented on the advisory council, shall study and make recommendations regarding the strategic plan, programs, and facilities of the school of medicine and health sciences in support of its purpose as defined in section 15-52-01.
2. Biennially, the advisory council shall submit a report, together with its recommendations, to the agencies, associations, and institutions represented on the advisory council, to the university of North Dakota, and to the legislative council.
3. a. The report must describe the advisory council's recommendations regarding the strategic plan, programs, and facilities of the school of medicine and health sciences as developed under subsection 1. The recommendations for implementing strategies through the school of medicine and health sciences or other agencies and institutions must:
- (1) Address the health care needs of the people of the state; and
 - (2) Provide information regarding the state's health care workforce needs; and
 - (3) Provide information that specifies the contributions that the university of North Dakota school of medicine and health sciences and the residency training programs in the state are making to meet the health care provider workforce needs of the state. Such information must include data regarding:
 - (a) The effectiveness of activities conducted throughout the state relating to the recruitment and progression of students into medical school and into the health care provider workforce;

- (b) Class characteristics of the medical school matriculants, specifically to include a description of their geographic background;
 - (c) Residency choices of medical school graduates;
 - (d) Practice location choices of graduates of North Dakota residencies; and
 - (e) Any other relevant information that the university of North Dakota school of medicine and health sciences advisory council determines to be important and useful in assessing the degree of success of the university of North Dakota school of medicine and health sciences in meeting the health care workforce needs of the state as specified in section 15-52-01.
- b. The recommendations required under subdivision a may address:
- (1) Medical education and training;
 - (2) The recruitment and retention of physicians and other health care professionals;
 - (3) Factors influencing the practice environment for physicians and other health care professionals;
 - (4) Access to health care;
 - (5) Patient safety;
 - (6) The quality of health care and the efficiency of its delivery; and
 - (7) Financial challenges in the delivery of health care.
4. The council may consult with any individual or entity in performing its duties under this section.

SECTION 13. AMENDMENT. Section 15-52-05 of the North Dakota Century Code is amended and reenacted as follows:

15-52-05. Facilities.

The university authorities shall make the facilities of the university of North Dakota school of medicine and health sciences available to all agencies of the state, federal, and local governments engaged in health and welfare activities to the fullest extent possible within the limits of a complete and coordinated program for the use thereof on terms commensurate with the cost of services rendered and facilities furnished. The work of the school of medicine and health sciences must be coordinated with the work of the other departments of the university of North Dakota. Means must be provided whereby regularly enrolled students in other schools or departments of the university of North Dakota may, upon approval of the dean of such other school or department, enroll in elective courses in the medical school and receive credit therefor in the school or department in which they are regularly enrolled, subject to such policy and procedures as may be established by the university of North Dakota and the state board of higher education. Medical students may enroll in other departments and schools. Such action must be taken as may serve to make both the school of medicine and health sciences and the other departments and schools of the university of North Dakota more efficient and responsive to needs of the people through the mutual interchange of facilities, and service, wherever possible.

SECTION 14. AMENDMENT. Section 15-52-09 of the North Dakota Century Code is amended and reenacted as follows:

15-52-09. Expenditure of proceeds of one-mill levy authorized - Limitation.

The proceeds of the one-mill tax levy established by section 10 of article X of the Constitution of North Dakota, together with any other funds that may be received by the state treasurer, from time to time, for the benefit of the ~~North Dakota state medical center~~ university of North Dakota school of medicine and health sciences, must be expended to establish, develop, and maintain the university of North Dakota school of medicine and health sciences, as provided in this chapter, by the issuance of state warrants drawn on such funds by the director of the office of management and budget.

SECTION 15. AMENDMENT. Section 15-52-31 of the North Dakota Century Code is amended and reenacted as follows:

15-52-31. Admission of students - Qualifications.

The faculty of the school of medicine and health sciences at the university of North Dakota may, with the advice of the school of medicine and health sciences advisory council and with the approval of the state board of higher education and in accordance with applicable accreditation requirements as specified by the liaison committee on medical education, adopt such rules and regulations governing the education and residency qualifications of applicants for admission to the school of medicine and health sciences as it deems necessary and proper to carry out its purpose as provided in section 15-52-01."

Page 12, line 4, replace "during the biennium beginning July 1, 2013," with "for the period beginning with the effective date of this Act"

Page 12, line 8, after "institutions" insert "based on the university system master plan and space utilization study. However, the state board of higher education may distribute up to one-half of the funds in the pool to institutions prior to the completion of the master plan and space utilization study"

Page 12, after line 11, insert:

- "3. The performance funding pool line item includes funding that may be allocated to institutions based on the institution meeting specified goals or other performance measures as determined by the board. The board shall determine whether the allocations are to be considered a one-time funding item for the current biennium only or if the allocation is to become part of an institution's base budget. The funding in the performance funding pool may not be used for the operations or any function of the university system office. The state board of higher education shall consider any allocations from the oil and gas impact grant fund to higher education institutions when determining allocations to institutions from the performance funding pool.
4. The campus security pool line item includes funding that must be used to address security and emergency preparedness needs at institutions. The funding in the pool must be transferred to institutions prior to January 1, 2014."

Page 12, line 13, replace "**BUDGET SECTION REPORT**" with "**LEGISLATIVE MANAGEMENT REPORTS - REPORT TO SIXTY-FOURTH LEGISLATIVE ASSEMBLY**"

Page 12, line 13, replace "Within five years of" with "Upon"

Page 12, line 16, replace "consolidate all" with "require"

Page 12, line 16, after "offices" insert "of newly hired employees to be located"

Page 12, line 16, after "building" insert "unless the position is specifically assigned to an institution or the university system office"

Page 12, line 16, replace "The" with "During the 2013-14 interim, the"

Page 12, line 17, after "section" insert "and information technology committee"

Page 12, line 18, replace the second "the" with "university"

Page 12, line 18, remove "offices until all offices"

Page 12, line 19, replace "are consolidated" with ", including the location of staff members providing those services"

Page 12, line 19, remove "Effective five years after the completion of the building project, the state board"

Page 12, replace lines 20 through 22 with "The university system shall provide a report to the appropriations committees of the sixty-fourth legislative assembly regarding the consolidation of university system information technology services and shall provide a comprehensive report of the budget for all university system information technology services, including services provided by institutions."

Page 12, replace lines 23 through 31 with:

"SECTION 21. CAPITAL PROJECTS FUNDING POOL - TRANSFER AUTHORITY - BUDGET SECTION APPROVAL. The capital projects funding pool line item contained in subdivision 1 of section 1 of this Act includes funding of \$160,000,000 from the general fund and \$16,000,000 of other funds which must be used for capital projects located at institutions under the control of the state board of higher education. The state board of higher education shall review capital projects and prioritize the projects based on the university system master plan and space utilization study as provided in section 22 of this Act. The board shall recommend projects and associated funding to the budget section for final approval. Upon budget section approval, the state board of higher education shall transfer appropriation authority from the capital projects funding pool to institutions for approved capital projects. A ten percent match from local or private funds must be provided by the institution for any approved project that provides for the construction of a new building or provides for a renovation to an existing building that exceeds a total cost of \$10,000,000. Projects eligible to receive funding from the capital projects funding pool include:

1. Bismarck state college communications and creative arts center.
2. Lake Region state college Erlandson technical center remodel and addition project.
3. Williston state college campus drive project.
4. Williston state college Stevens hall renovation.
5. University of North Dakota law school building renovation.
6. University of North Dakota school of medicine and health sciences facility project.
7. North Dakota state university science, technology, engineering, and mathematics classroom and laboratory building.
8. State college of science old main building renovation project.
9. Mayville state university campuswide drainage improvements.
10. Mayville state university old gymnasium building replacement and improvements.
11. Minot state university plant services building.

12. Valley City state university hillside slope stabilization project.
13. Valley City state university Vangstad hall renovation.
14. Dakota college at Bottineau campus safety and emergency preparedness improvements.

SECTION 22. MASTER PLAN AND SPACE UTILIZATION STUDY - CAMPUS BUILDING PROJECTS - PROJECT MANAGEMENT. The master plan and space utilization study line item contained in subdivision 1 of section 1 of this Act includes funding that must be used by the state board of higher education to conduct a systemwide master plan and space utilization study. The board may use up to \$150,000 of the funds to contract with an outside entity for a final design review of the university of North Dakota school of medicine and health sciences facility project and the North Dakota state university science, technology, engineering, and mathematics classroom building project. Beginning with the effective date of this Act, the state board of higher education may not authorize a capital project, excluding athletic facility projects to be paid from private or local funds, to begin at an institution until a master plan and space utilization study has been conducted of the campus and the board determines the building project conforms with the master plan and space utilization study. However, construction may begin on the university of North Dakota school of medicine and health sciences facility project and the North Dakota state university science, technology, engineering, and mathematics classroom building project prior to the completion of a master plan and space utilization study of the respective campus. Each capital project authorized by the state board of higher education must have adequate project management oversight by either an institution official or a representative of an external entity as determined by the commissioner of higher education. Any project management costs must be paid from funds authorized for the project.

SECTION 23. BISMARCK STATE COLLEGE COMMUNICATIONS AND CREATIVE ARTS CENTER. The capital assets line item in subdivision 2 of section 1 of this Act includes the sum of \$6,000,000 from special funds derived from donations and other income for the Bismarck state college communications and creative arts center project. The \$6,000,000 special funds appropriation for the project may be used to construct a theater as part of the communications and creative arts center project. The operations line item in subdivision 2 of section 1 of this Act includes the sum of \$600,000 from special funds derived from donations and other income which may be used to develop programming at the communications and creative arts center that includes written and spoken communications, visual and performing arts, social sciences, history, law, economics, philosophy, and current events. Funding may be used for items including curriculum development, student activities, faculty enhancement, public programming, and the development and publication of appropriate media to promote these activities. The other funds authority provided for the communications and creative arts center project may be used only if the state board of higher education allocates funding from the capital projects funding pool for the communications and creative arts center as provided for in this Act.

SECTION 24. UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES BISMARCK FAMILY PRACTICE CENTER SKYWALK PROJECT. The capital assets line item in subdivision 5 of section 1 of this Act includes the sum of \$750,000 from the general fund for the university of North Dakota school of medicine and health sciences Bismarck family practice center skywalk project. The university of North Dakota shall provide \$1 of nonstate funding for the project for every \$1 of funding used from the general fund appropriation."

Page 13, line 2, replace "\$5,000,000" with "\$2,000,000"

Page 13, line 20, replace "the sum of \$158,904,848" with "funding"

Page 14, after line 27, insert:

"SECTION 33. LEGISLATIVE MANAGEMENT REPORT - POSTSECONDARY ACADEMIC MATCHING GRANTS. Before October 1, 2014, the state board of higher education shall provide a report to the legislative

management regarding the number of matching grants that were sought, the number that were awarded, and the manner in which the grants were used as provided in sections 4 through 9 of this Act.

SECTION 34. EXPIRATION DATE. Sections 4 through 9 of this Act are effective through June 30, 2015, and after that date are ineffective."

Page 14, line 28, replace "Sections 3 and 18" with "Sections 19, 21, 22, 24, 25, and 32"

Page 14, line 28, after "Act" insert "; \$2,000,000 from the general fund contained in the operations line item in subdivision 10 of section 1 of this Act for flood recovery funding;"

Page 14, line 28, after "assets" insert ", capital projects funding pool, master plan and space utilization study,"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2003 - Summary of House Action

	Executive Budget	Senate Version	House Changes	House Version
University System Office				
Total all funds	\$158,461,888	\$154,432,356	\$186,107,893	\$340,540,249
Less estimated income	2,299,912	2,299,912	16,000,000	18,299,912
General fund	\$156,161,976	\$152,132,444	\$170,107,893	\$322,240,337
Bismarck State College				
Total all funds	\$48,714,535	\$48,714,535	(\$11,090,680)	\$37,623,855
Less estimated income	0	0	6,600,000	6,600,000
General fund	\$48,714,535	\$48,714,535	(\$17,690,680)	\$31,023,855
Lake Region State College				
Total all funds	\$19,357,137	\$19,357,137	(\$7,610,121)	\$11,747,016
Less estimated income	0	0	0	0
General fund	\$19,357,137	\$19,357,137	(\$7,610,121)	\$11,747,016
Williston State College				
Total all funds	\$24,187,242	\$24,187,242	(\$14,300,274)	\$9,886,968
Less estimated income	0	0	0	0
General fund	\$24,187,242	\$24,187,242	(\$14,300,274)	\$9,886,968
University of North Dakota				
Total all funds	\$311,103,676	\$340,103,676	(\$93,538,779)	\$246,564,897
Less estimated income	67,487,262	96,487,262	0	96,487,262
General fund	\$243,616,414	\$243,616,414	(\$93,538,779)	\$150,077,635
UND Medical Center				
Total all funds	\$55,162,777	\$55,962,777	\$0	\$55,962,777
Less estimated income	0	0	0	0
General fund	\$55,162,777	\$55,962,777	\$0	\$55,962,777
North Dakota State University				
Total all funds	\$215,779,839	\$216,439,839	(\$39,376,512)	\$177,063,327
Less estimated income	39,159,356	39,819,356	0	39,819,356
General fund	\$176,620,483	\$176,620,483	(\$39,376,512)	\$137,243,971
State College of Science				
Total all funds	\$51,852,178	\$51,852,178	(\$13,717,445)	\$38,134,733
Less estimated income	1,350,000	1,350,000	0	1,350,000
General fund	\$50,502,178	\$50,502,178	(\$13,717,445)	\$36,784,733
Dickinson State University				
Total all funds	\$28,082,814	\$29,082,814	(\$3,205,976)	\$25,876,838
Less estimated income	0	0	0	0
General fund	\$28,082,814	\$29,082,814	(\$3,205,976)	\$25,876,838
Mayville State University				
Total all funds	\$23,819,658	\$23,819,658	(\$9,753,136)	\$14,066,522
Less estimated income	0	0	0	0
General fund	\$23,819,658	\$23,819,658	(\$9,753,136)	\$14,066,522
Minot State University				
Total all funds	\$57,088,203	\$62,088,203	(\$9,474,334)	\$52,613,869
Less estimated income	11,801,785	11,801,785	0	11,801,785
General fund	\$45,286,418	\$50,286,418	(\$9,474,334)	\$40,812,084

Valley City State University				
Total all funds	\$31,462,444	\$31,712,444	(\$6,802,136)	\$24,910,308
Less estimated income	4,806,837	4,806,837	0	4,806,837
General fund	\$26,655,607	\$26,905,607	(\$6,802,136)	\$20,103,471
Dakota College at Bottineau				
Total all funds	\$16,488,285	\$17,328,285	(\$2,288,396)	\$15,039,889
Less estimated income	7,600,789	7,600,789	0	7,600,789
General fund	\$8,887,496	\$9,727,496	(\$2,288,396)	\$7,439,100
Forest Service				
Total all funds	\$7,159,022	\$7,159,022	(\$71,488)	\$7,087,534
Less estimated income	1,650,000	1,650,000	0	1,650,000
General fund	\$5,509,022	\$5,509,022	(\$71,488)	\$5,437,534
Bill total				
Total all funds	\$1,048,719,698	\$1,082,240,166	(\$25,121,384)	\$1,057,118,782
Less estimated income	136,155,941	165,815,941	22,600,000	188,415,941
General fund	\$912,563,757	\$916,424,225	(\$47,721,384)	\$868,702,841

Senate Bill No. 2003 - North Dakota University System - General Fund Summary

	Executive Budget	Senate Version	House Changes	House Version
University System Office	\$156,161,976	\$152,132,444	\$170,107,893	\$322,240,337
Bismarck State College	48,714,535	48,714,535	(17,690,680)	31,023,855
Lake Region State College	19,357,137	19,357,137	(7,610,121)	11,747,016
Williston State College	24,187,242	24,187,242	(14,300,274)	9,886,968
University of North Dakota	243,616,414	243,616,414	(93,538,779)	150,077,635
UND Medical Center	55,162,777	55,962,777		55,962,777
North Dakota State University	176,620,483	176,620,483	(39,376,512)	137,243,971
State College of Science	50,502,178	50,502,178	(13,717,445)	36,784,733
Dickinson State University	28,082,814	29,082,814	(3,205,976)	25,876,838
Mayville State University	23,819,658	23,819,658	(9,753,136)	14,066,522
Minot State University	45,286,418	50,286,418	(9,474,334)	40,812,084
Valley City State University	26,655,607	26,905,607	(6,802,136)	20,103,471
Dakota College at Bottineau	8,887,496	9,727,496	(2,288,396)	7,439,100
Forest Service	5,509,022	5,509,022	(71,488)	5,437,534
Total general fund	\$912,563,757	\$916,424,225	(\$47,721,384)	\$868,702,841

Detail of House changes to the General Fund

	Increases Funding for System Governance ¹	Removes Contract Settlement Payment ²	Adds Systemwide Performance Funding Pool ³	Creates Campus Security Funding Pool ⁴	Restores Funding for Campus Master Planning ⁵	Adjusts Employee Compensation Package ⁶
University System Office	\$700,000	(\$854,520)	\$5,000,000	\$2,500,000	\$1,000,000	(\$527,637)
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Dakota College at Bottineau						
Forest Service						(71,488)
Total general fund	\$700,000	(\$854,520)	\$5,000,000	\$2,500,000	\$1,000,000	(\$599,125)

	Transfers Positions to University System Office ⁷	Removes Funding for Campus Equalization Payments ⁸	Provides Adjusted Campus Equity Funding Payments ⁹	Removes Funding for Inflation and Initiative Formula Payments ¹⁰	Provides Adjusted Inflation Payments ¹¹	Adjusts Campus Funding ¹²
University System Office	\$2,290,050					
Bismarck State College		(3,537,996)	2,369,557	(3,830,552)	608,311	
Lake Region State College		(2,800,171)	2,357,701	(1,450,423)	230,334	
Williston State College			(334,772)	(1,097,278)	174,254	1,000,000
University of North Dakota	(1,330,722)		1,898,987	(18,447,364)	3,890,320	
UND Medical Center						
North Dakota State University	(959,328)	(6,431,392)	7,745,881	(12,841,542)	2,709,869	
State College of Science		(2,249,951)	864,543	(4,541,854)	721,269	
Dickinson State University		(2,236,064)	1,792,518	(3,054,133)	491,703	(200,000)

Mayville State University	(904,705)	655,928	(1,713,173)	275,814	
Minot State University		(687,531)	(4,725,919)	761,021	(3,000,000)
Valley City State University	(1,961,854)	1,606,225	(2,448,427)	394,186	
Dakota College at Bottineau	(968,128)	687,978	(918,511)	145,865	
Forest Service					
Total general fund	\$0	(\$21,090,261)	\$18,957,015	(\$55,069,176)	\$10,402,946

	Removes Funding for General Fund Campus Capital Projects¹³	Creates Capital Projects Funding Pool¹⁴	Adjusts Funding for Capital Projects¹⁵	Total General Fund Changes
University System Office		\$160,000,000		\$170,107,893
Bismarck State College	(13,300,000)			(17,690,680)
Lake Region State College	(5,947,562)			(7,610,121)
Williston State College	(14,042,478)			(14,300,274)
University of North Dakota	(80,300,000)		750,000	(93,538,779)
UND Medical Center				
North Dakota State University	(29,600,000)			(39,376,512)
State College of Science	(8,511,452)			(13,717,445)
Dickinson State University				(3,205,976)
Mayville State University	(8,067,000)			(9,753,136)
Minot State University	(1,821,905)			(9,474,334)
Valley City State University	(4,392,266)			(6,802,136)
Dakota College at Bottineau	(1,235,600)			(2,288,396)
Forest Service				(71,488)
Total general fund	(\$167,218,263)	\$160,000,000	\$750,000	(\$47,721,384)

Senate Bill No. 2003 - North Dakota University System - Other Funds Summary

	Executive Budget	Senate Version	House Changes	House Version
University System Office	\$2,299,912	\$2,299,912	\$16,000,000	\$18,299,912
Bismarck State College			6,600,000	6,600,000
Lake Region State College				
Williston State College				
University of North Dakota	67,487,262	96,487,262		96,487,262
UND Medical Center				
North Dakota State University	39,159,356	39,819,356		39,819,356
State College of Science	1,350,000	1,350,000		1,350,000
Dickinson State University				
Mayville State University				
Minot State University	11,801,785	11,801,785		11,801,785
Valley City State University	4,806,837	4,806,837		4,806,837
Dakota College at Bottineau	7,600,789	7,600,789		7,600,789
Forest Service	1,650,000	1,650,000		1,650,000
Total other funds	\$136,155,941	\$165,815,941	\$22,600,000	\$188,415,941

Detail of House changes to Other Funds

	Increases Funding for System Governance¹	Removes Contract Settlement Payment²	Adds Systemwide Performance Funding Pool³	Creates Campus Security Funding Pool⁴	Restores Funding for Campus Master Planning⁵	Adjusts Employee Compensation Package⁶
University System Office						
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Dakota College at Bottineau						
Forest Service						
Total other funds	\$0	\$0	\$0	\$0	\$0	\$0

Transfers Positions to University System Office⁷	Removes Funding for Campus Equalization	Provides Adjusted Campus Equity Funding	Removes Funding for Inflation and Initiative	Provides Adjusted Inflation Payments¹¹	Adjusts Campus Funding¹²
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	Payments ⁸	Payments ⁹	Formula Payments ¹⁰
University System Office			
Bismarck State College			
Lake Region State College			
Williston State College			
University of North Dakota			
UND Medical Center			
North Dakota State University			
State College of Science			
Dickinson State University			
Mayville State University			
Minot State University			
Valley City State University			
Dakota College at Bottineau			
Forest Service			
Total other funds	\$0	\$0	\$0

	Removes Funding for General Fund Campus Capital Projects ¹³	Creates Capital Projects Funding Pool ¹⁴	Adjusts Funding for Capital Projects ¹⁵	Total Other Funds Changes
University System Office		\$16,000,000		\$16,000,000
Bismarck State College			6,600,000	6,600,000
Lake Region State College				
Williston State College				
University of North Dakota				
UND Medical Center				
North Dakota State University				
State College of Science				
Dickinson State University				
Mayville State University				
Minot State University				
Valley City State University				
Dakota College at Bottineau				
Forest Service				
Total other funds	\$0	\$16,000,000	\$6,600,000	\$22,600,000

Senate Bill No. 2003 - North Dakota University System - All Funds Summary

	Executive Budget	Senate Version	House Changes	House Version
University System Office	\$158,461,888	\$154,432,356	\$186,107,893	\$340,540,249
Bismarck State College	48,714,535	48,714,535	(11,090,680)	37,623,855
Lake Region State College	19,357,137	19,357,137	(7,610,121)	11,747,016
Williston State College	24,187,242	24,187,242	(14,300,274)	9,886,968
University of North Dakota	311,103,676	340,103,676	(93,538,779)	246,564,897
UND Medical Center	55,162,777	55,962,777		55,962,777
North Dakota State University	215,779,839	216,439,839	(39,376,512)	177,063,327
State College of Science	51,852,178	51,852,178	(13,717,445)	38,134,733
Dickinson State University	28,082,814	29,082,814	(3,205,976)	25,876,838
Mayville State University	23,819,658	23,819,658	(9,753,136)	14,066,522
Minot State University	57,088,203	62,088,203	(9,474,334)	52,613,869
Valley City State University	31,462,444	31,712,444	(6,802,136)	24,910,308
Dakota College at Bottineau	16,488,285	17,328,285	(2,288,396)	15,039,889
Forest Service	7,159,022	7,159,022	(71,488)	7,087,534
Total all funds	\$1,048,719,698	\$1,082,240,166	(\$25,121,384)	\$1,057,118,782
FTE	2344.49	2337.49	(32.75)	2304.74

Detail of House changes to All Funds

	Increases Funding for System Governance ¹	Removes Contract Settlement Payment ²	Adds Systemwide Performance Funding Pool ³	Creates Campus Security Funding Pool ⁴	Restores Funding for Campus Master Planning ⁵	Adjusts Employee Compensation Package ⁶
University System Office	\$700,000	(\$854,520)	\$5,000,000	\$2,500,000	\$1,000,000	(\$527,637)
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						

Valley City State University Dakota College at Bottineau Forest Service						(71,488)
Total all funds	\$700,000	(\$854,520)	\$5,000,000	\$2,500,000	\$1,000,000	(\$599,125)
FTE	0.00	0.00	0.00	0.00	0.00	0.00
	Transfers Positions to University System Office⁷	Removes Funding for Campus Equalization Payments⁸	Provides Adjusted Campus Equity Funding Payments⁹	Removes Funding for Inflation and Initiative Formula Payments¹⁰	Provides Adjusted Inflation Payments¹¹	Adjusts Campus Funding¹²
University System Office	\$2,290,050					
Bismarck State College		(3,537,996)	2,369,557	(3,830,552)	608,311	
Lake Region State College		(2,800,171)	2,357,701	(1,450,423)	230,334	
Williston State College			(334,772)	(1,097,278)	174,254	1,000,000
University of North Dakota	(1,330,722)		1,898,987	(18,447,364)	3,890,320	
UND Medical Center						
North Dakota State University	(959,328)	(6,431,392)	7,745,881	(12,841,542)	2,709,869	
State College of Science		(2,249,951)	864,543	(4,541,854)	721,269	
Dickinson State University		(2,236,064)	1,792,518	(3,054,133)	491,703	(200,000)
Mayville State University		(904,705)	655,928	(1,713,173)	275,814	
Minot State University			(687,531)	(4,725,919)	761,021	(3,000,000)
Valley City State University		(1,961,854)	1,606,225	(2,448,427)	394,186	
Dakota College at Bottineau Forest Service		(968,128)	687,978	(918,511)	145,865	
Total all funds	\$0	(\$21,090,261)	\$18,957,015	(\$55,069,176)	\$10,402,946	(\$2,200,000)
FTE	0.00	0.00	0.00	(32.75)	0.00	0.00
	Removes Funding for General Fund Campus Capital Projects¹³	Creates Capital Projects Funding Pool¹⁴	Adjusts Funding for Capital Projects¹⁵	Total All Funds Changes		
University System Office		\$176,000,000		\$186,107,893		
Bismarck State College	(13,300,000)		6,600,000	(11,090,680)		
Lake Region State College	(5,947,562)			(7,610,121)		
Williston State College	(14,042,478)			(14,300,274)		
University of North Dakota	(80,300,000)		750,000	(93,538,779)		
UND Medical Center						
North Dakota State University	(29,600,000)			(39,376,512)		
State College of Science	(8,511,452)			(13,717,445)		
Dickinson State University				(3,205,976)		
Mayville State University	(8,067,000)			(9,753,136)		
Minot State University	(1,821,905)			(9,474,334)		
Valley City State University	(4,392,266)			(6,802,136)		
Dakota College at Bottineau Forest Service	(1,235,600)			(2,288,396)		
Total all funds	(\$167,218,263)	\$176,000,000	\$7,350,000	(\$25,121,384)		
FTE	0.00	0.00	0.00	(32.75)		

¹ Funding for system governance added by the Senate is increased by \$700,000 to provide total increased funding of \$2 million. The specific use of the funds is to be determined by the State Board of Higher Education.

² Funding added by the Senate for a contract settlement payment to terminate the contract of the Commissioner of Higher Education is removed.

³ Funding of \$5 million from the general fund is added for a systemwide performance funding pool. Section 8 of the bill is amended to provide guidelines for the use of funds from the pool.

⁴ Funding of \$2.5 million is added for a campus security and emergency preparedness funding pool. The funds are to be distributed to campuses prior to January 1, 2014.

⁵ Funding of \$1 million removed by the Senate for a systemwide campus master plan and space utilization study is restored. A section is added to provide guidelines regarding the study, including a provision that allows \$150,000 of the funding to be used for the final design review of the University of North Dakota School of Medicine and Health Sciences facility and the North Dakota State University STEM classroom building projects. The new section also requires the study to be completed prior to the start of new capital projects.

⁶ Funding for employee compensation is reduced for the University System office and Forest Service to provide for salary increases of 3 percent annually rather than 4 percent annually and to remove funding for increased retirement contributions.

⁷ Internal audit and legal positions and related funding at North Dakota State University and the University of North Dakota are transferred to the University System office.

⁸ Funding included in the Senate version and the executive budget for campus equalization payments based on a proposed higher education funding method is removed.

⁹ Funding is added for campus equity funding payments based on adjustments to the higher education funding formula included in the executive budget recommendation. Funding is reduced for institutions that have 2011-13 biennium base funding above the adjusted per credit-hour payment level.

¹⁰ Funding included in the Senate version and the executive budget for campus inflation and initiative formula payments based on a proposed higher education funding formula is removed.

¹¹ Funding for inflation payments to institutions is added based on a 2 percent inflation adjustment made to institutions' base budgets with equity enhancements.

¹² Funding from the general fund is adjusted for the following campus items:

- One-time funding of \$1 million is added for Williston State College to address extraordinary campus needs resulting from energy development.
- Funding of \$200,000 added by the Senate for the operations of the Dickinson State University Henry Biesiot Activities Center is removed.
- Flood recovery funding added by the Senate for Minot State University is reduced from \$5 million to \$2 million.

¹³ Funding is removed for the following campus capital projects that include funding from the general fund:

Project	General Fund
University of North Dakota law school project	\$12,000,000
North Dakota State University STEM classroom	29,600,000
Bismarck State College Communications and Creative Arts Center	13,300,000
Lake Region State College Erlandson Center project	5,947,562
Williston State College campus drive project	1,800,000
Williston State College Stevens Hall project	12,242,478
University of North Dakota School of Medicine facility project	68,300,000
State College of Science Old Main project	8,511,452
Mayville State University old gymnasium project	5,800,000
Mayville State University campus drainage improvements	2,267,000
Minot State University plant services building	1,821,905
Valley City State University hillside slope stabilization	505,800
Valley City State University Vangstad Hall project	3,636,466
Valley City State University former president's house	250,000
Dakota College at Bottineau campus generator	395,600
Dakota College at Bottineau Thatcher Hall project and software updates	840,000
Total	<u>\$167,218,263</u>

¹⁴ Funding from the general fund (\$160 million) and other funds (\$16 million) is added to the

University System office for a funding pool for campus capital projects. A section is added to provide guidelines for the use of funds from the pool.

¹⁵ Funding is added for the following capital projects:

- Bismarck State College Communications and Creative Arts Center - Special funds authority of \$6.6 million is added to allow the project to include construction of a theater (\$6 million) and for center programming (\$600,000) if private donations are received for the project. A section is also added regarding the use of private funding designated for the center.
- University of North Dakota School of Medicine and Health Sciences Bismarck Family Practice Center skywalk project - A general fund appropriation of \$750,000 is added to construct a skywalk attached to the center. A section is added to provide that the funds may only be spent on a dollar-for-dollar basis for private funds received for the project.

Senate Bill No. 2003 - Other Changes - House Action

This amendment also:

- Adjusts Section 9 of the bill to provide for system information technology services staff offices of new employees to be consolidated in the joint information technology building. The section also provides for reports regarding the status of consolidation of University System information technology services.
- Removes Section 10 of the bill which authorized the University of North Dakota to enter a financing and purchase agreement to purchase the research enterprise and commercialization building located on its campus.
- Adds sections to implement statutory provisions regarding the higher education challenge fund matching grant program. A section is also added to provide for a Legislative Management report regarding the program.
- Adds sections to provide statutory changes regarding the mission and reporting requirements of the University of North Dakota School of Medicine and Health Sciences.

REPORT OF STANDING COMMITTEE

SB 2018, as engrossed: Appropriations Committee (Rep. Delzer, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (21 YEAS, 1 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2018 was placed on the Sixth order on the calendar.

Page 1, line 2, after the semicolon insert "to provide an appropriation to Dickinson state university;"

Page 1, line 2, replace "chapter to title 6" with "section to chapter 6-09.15, a new subsection to section 6-09.15-01"

Page 1, line 3, replace "section 54-45.5-10, and three" with "two new sections to chapter 54-60, two"

Page 1, line 3, after "54-65" insert ", and a new subsection to section 57-35.3-05"

Page 1, line 4, replace "program" with "for child care facilities, an unmanned aircraft systems program"

Page 1, line 4, remove "the energy"

Page 1, line 5 remove "conservation fund, and"

Page 1, line 5, after "program" insert ", the research North Dakota biotechnology program, and housing incentive fund tax credits"

Page 1, line 6, after the second comma insert "and"

Page 1, line 6, after the third comma insert "subsection 1 of section 6-09.15-01, and sections"

Page 1, line 6, remove "54-17-07.3,"

Page 1, line 6, after the seventh comma insert "57-38-01.32,"

Page 1, line 8, after the first comma insert "the beginning entrepreneur loan guarantee program, the"

Page 1, line 9, replace "finance programs" with "incentive fund tax credits"

Page 1, line 10, replace "for an upper great plains" with "a statement of legislative intent"

Page 1, line 11, remove "transportation institute study"

Page 1, line 11, after the second semicolon insert "to provide an effective date; to provide an expiration date;"

Page 1, remove lines 22 through 24

Page 2, replace lines 1 through 14 with:

"Salaries and wages	\$10,858,251	\$1,327,174	\$12,185,425
Accrued leave payments	0	243,767	243,767
Operating expenses	13,876,650	1,059,099	14,935,749
Capital assets	70,018	(60,018)	10,000
Grants	59,977,994	(4,155,044)	55,822,950
Discretionary funds	928,082	0	928,082
Workforce enhancement fund	0	2,000,000	2,000,000
Economic development initiatives	186,846	0	186,846
Flood impact grants/loans	0	18,358,866	18,358,866
Agricultural products utilization commission	2,739,767	500,727	3,240,494
Research North Dakota	0	6,000,000	6,000,000
North Dakota trade office	2,613,400	0	2,613,400
Partner programs	2,022,044	0	2,022,044
Federal fiscal stimulus funds	0	796,770	796,770
Total all funds	\$93,273,052	\$26,071,341	\$119,344,393
Less estimated income	<u>69,666,470</u>	<u>3,656,143</u>	<u>73,322,613</u>
Total general fund	\$23,606,582	\$22,415,198	\$46,021,780"

Page 2, replace line 25 with:

"Flood impact grants/loans	235,000,000	18,358,866"
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Page 2, replace line 27 with:

"Research North Dakota	0	6,000,000"
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Page 2, remove lines 30 and 31

Page 3, replace lines 1 and 2 with:

"Tourism large infrastructure grants	0	500,000"
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Page 3, replace lines 5 through 7 with:

"Total all funds	\$272,121,750	\$36,655,636
Less estimated income	<u>259,496,750</u>	<u>21,655,636</u>
Total general fund	\$12,625,000	\$15,000,000"

Page 3, after line 11, insert:

"SECTION 3. APPROPRIATION - TRANSFER - GENERAL FUND TO HOUSING INCENTIVE FUND. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$15,000,000, or so much of the sum as may be necessary, which the office of management and budget shall transfer to the housing incentive fund, for the period beginning with the effective date of this Act and ending June 30, 2015. The funding provided in this section is considered one-time funding.

SECTION 4. APPROPRIATION - DICKINSON STATE UNIVERSITY. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$6,000,000, or so much of the sum as may be necessary, and from special funds from private gifts and donations, the sum of \$3,000,000, or so much of the sum as may be necessary, to Dickinson state university for the purpose of constructing a Theodore Roosevelt center, for the biennium beginning July 1, 2013, and ending June 30, 2015. The funding provided in this section is considered a one-time funding item. Dickinson state university may not spend any of the funds appropriated from the general fund under this section until it has raised \$3,000,000 from nonstate sources for the project."

Page 3, line 14 remove "- Continuing"

Page 3, line 15 remove "appropriation"

Page 3, line 18 remove the overstrike over "~~The fund must be used to~~"

Page 3, line 19 remove the overstrike over "~~defray~~"

Page 3, line 19 remove "All moneys in the fund are appropriated to the department of commerce on a continuing"

Page 3, line 20, remove "basis for the purpose of defraying"

Page 4, remove lines 22 through 30

Page 5, replace lines 1 through 30 with:

"SECTION 8. AMENDMENT. Subsection 1 of section 6-09.15-01 of the North Dakota Century Code is amended and reenacted as follows:

1. "Beginning entrepreneur" means a resident of this state who:
 - a. Has graduated from high school or has received a general equivalency certificate.
 - b. Has had some training, by education or experience, in the type of revenue-producing enterprise which that person wishes to begin.
 - c. Has, including the net worth of that person's dependents and spouse, if any, a net worth of less than ~~two hundred thousand dollars~~ an amount determined by the Bank of North Dakota.

SECTION 9. A new subsection to section 6-09.15-01 of the North Dakota Century Code is created and enacted as follows:

"Child care provider" means a child care home, group, or center licensed by the department of human services.

SECTION 10. A new section to chapter 6-09.15 of the North Dakota Century Code is created and enacted as follows:

Loan guarantee for child care facility.

A beginning entrepreneur who receives a loan for a child care facility must be a child care provider."

Page 6, remove lines 25 through 31

Page 7, remove lines 1 through 31

Page 8, remove lines 1 through 5

Page 8, line 10, replace "fifty" with "thirty"

Page 8, line 13, after the period insert "The housing finance agency shall disburse from the fund:

- a. Two million six hundred thousand dollars for grants to child care providers for new construction, rehabilitation, or acquisition of child care facilities. The housing finance agency shall establish guidelines to qualify for a grant under this section which must include a matching requirement of one dollar of matching funds for every three dollars of grant funds and a maximum grant amount of one hundred eighty-seven thousand five hundred dollars.
- b. Four hundred thousand dollars for grants to licensed early childhood services providers that provide care for children with disabilities or developmental delays pursuant to section 5-11.1-18. The grants may be used for equipment, renovation of facilities used to provide the services, and staff."

Page 8, line 16, overstrike "with a population of not more than ten"

Page 8, line 17, overstrike "thousand individuals"

Page 8, line 18, overstrike "At least fifty percent" and insert immediately thereafter "A portion"

Page 8, line 18, after "fund" insert "as determined by the housing finance agency in the annual allocation plan"

Page 8, line 18, overstrike "households with"

Page 8, line 19, overstrike "incomes at not more than fifty percent of the area median" and insert immediately thereafter "individuals and families of low income or moderate"

Page 8, line 20, after "fund" insert ", project developers, applicants, or grant recipients"

Page 8, line 22, after "housing" insert "or child care facility"

Page 8, line 24, after "project" insert "or a child care facility"

Page 9, line 2, after the third semicolon insert "nonprofit organizations and for-profit child care providers."

Page 9, replace lines 15 through 21 with:

"SECTION 15. A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

Unmanned aircraft systems program - Report to legislative management.

The department may establish and administer an unmanned aircraft systems test site, contingent upon receiving official designation by the federal aviation administration. The department shall cooperate with the university of North Dakota, the North Dakota aeronautics commission, the adjutant general, and private parties appointed by the governor in the administration of the test site. The department may charge fees sufficient to operate the test site. The department shall, to the extent possible, use competitive bidding in the establishment and administration of the test site. The commissioner may charter a public corporation to operate the test site. The corporation must possess all of the powers of a business corporation consistent with

this chapter. The department shall report to the legislative management semiannually on the status of the program.

SECTION 16. A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

Unmanned aircraft systems program fund - Continuing appropriation.

There is created in the state treasury a special fund known as the unmanned aircraft systems fund, which must be used to defray the expenses of the operations of an unmanned aircraft systems test site officially designated by the federal aviation administration. The fund consists of fees collected for the administration of the test site. All moneys in the fund are appropriated to the department of commerce on a continuing basis for the purpose of defraying the expenses of the unmanned aircraft systems program. Interest earned on moneys in the fund must be credited to the fund."

Page 9, remove lines 22 through 31

Page 10, replace lines 1 through 12 with:

SECTION 17. A new section to chapter 54-65 of the North Dakota Century Code is created and enacted as follows:

Research North Dakota biotechnology grants.

The department shall establish and administer a research North Dakota biotechnology grant program to provide grants to eligible tax-exempt nonprofit organizations or foundations with principal offices in North Dakota that shall award grants to eligible private companies with research facilities and principal operations located within the state to conduct research on and develop and commercialize vaccines and antibodies for the treatment of or cure for cancer or virally infectious diseases. To be eligible for a grant under this section, a tax-exempt nonprofit organization or foundation:

1. Must be an independent grantmaking organization that has previous experience administering grants within the state for health-related purposes, including projects designed to improve health and access to health care;
2. Shall provide the department with detailed documentation:
 - a. Of private sector participation, including the private company's:
 - (1) Establishment of a partnership with a research university or a related research university organization to conduct research on and develop and commercialize vaccines and antibodies for the treatment of or cure for cancer or virally infectious diseases; and
 - (2) Establishment of research facilities and principal operations within the state; and
 - b. Of the availability of one dollar of matching funds from private or other public sources for each dollar of state funds to be distributed. Matching funds must be in the form of cash and may not include in-kind assets;
3. May not retain more than five percent of the grant award for administrative costs; and
4. May not provide indirect cost reimbursement to a research university or a related research university organization of more than five percent of the amount of the grant award relating to the research university's

involvement or the related research university organization's involvement."

Page 10, line 15, after "**Dakota**" insert "**biotechnology**"

Page 10, line 16, after "Dakota" insert "biotechnology"

Page 10, line 17, after "Dakota" insert "biotechnology"

Page 10, line 18, replace "this chapter" with "a research North Dakota biotechnology grant program"

Page 10, after line 19, insert:

"SECTION 19. A new subsection to section 57-35.3-05 of the North Dakota Century Code is created and enacted as follows:

There is allowed a credit against the tax imposed by sections 57-35.3-01 through 57-35.3-12 in an amount equal to the contribution to the housing incentive fund under section 54-17-40. For the purposes of the credit allowed in this subsection, subsections 2 through 9 of section 57-38-01.32 apply.

SECTION 20. AMENDMENT. Section 57-38-01.32 of the North Dakota Century Code is amended and reenacted as follows:

57-38-01.32. (Effective for the first two taxable years beginning after December 31, ~~2010~~2012) Housing incentive fund tax credit.

1. A taxpayer is entitled to a credit as determined under this section against state income tax liability under section 57-38-30 or 57-38-30.3 for contributing to the housing incentive fund under section 54-17-40. The amount of the credit is equal to the amount contributed to the fund during the taxable year.
2. North Dakota taxable income must be increased by the amount of the contribution upon which the credit under this section is computed but only to the extent the contribution reduced federal taxable income.
3. The contribution amount used to calculate the credit under this section may not be used to calculate any other state income tax deduction or credit allowed by law.
4. If the amount of the credit exceeds the taxpayer's tax liability for the taxable year, the excess may be carried forward to each of the ten succeeding taxable years.
5. The aggregate amount of tax credits allowed to all eligible contributors is limited to fifteen million dollars ~~per biennium~~. This limitation applies to all contributions for which tax credits are claimed under section 57-35.3-05 and this section.
6. Within thirty days after the date on which a taxpayer makes a contribution to the housing incentive fund, the housing finance agency shall file with each contributing taxpayer, and a copy with the tax commissioner, completed forms that show as to each contribution to the fund by that taxpayer the following:
 - a. The name, address, and social security number or federal employer identification number of the taxpayer that made the contribution.
 - b. The dollar amount paid for the contribution by the taxpayer.
 - c. The date the payment was received by the fund.

7. To receive the tax credit provided under this section, a taxpayer shall claim the credit on the taxpayer's state income or financial institutions tax return in the manner prescribed by the tax commissioner and file with the return a copy of the form issued by the housing finance agency under subsection 6.
8. 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.
9. A partnership, subchapter S corporation, limited partnership, limited liability company, or any other passthrough entity making a contribution to the housing incentive fund under this section is considered to be the taxpayer for purposes of this section, and the amount of the credit allowed must be determined at the passthrough entity level. The amount of 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."

Page 12, line 7, replace "The amount" with "Of the \$1,000,000"

Page 12, line 9, after "Laws" insert ", \$700,000"

Page 12, line 10, after the period insert "The department of commerce shall spend these funds for the purposes provided in this section. The department of commerce shall use up to \$300,000 for a grant to a not-for-profit organization assisting individuals with business ideas. The department of commerce shall use any remaining amount for the technology-based entrepreneurship grant program."

Page 12, line 18, replace "for" with "during the biennium beginning July 1, 2013, and ending June 30, 2015. The department of commerce shall spend these funds for the purposes provided in this section. The department of commerce shall award a grant of up to \$100,000 for promotion and marketing of the USS North Dakota. The department of commerce shall award"

Page 12, line 19, replace "and" with ". The department of commerce shall award a direct grant and not a cost reimbursement grant"

Page 12, line 22, remove "during the biennium beginning July 1, 2013, and ending June 30, 2015"

Page 12, line 29, replace "\$1,500,000" with "\$1,000,000"

Page 13, line 1, after "**DAKOTA**" insert "**BIOTECHNOLOGY**"

Page 13, line 3, after "Dakota" insert "biotechnology"

Page 13, line 4, after "Dakota" insert "biotechnology grant"

Page 13, line 5, remove "The department of commerce may use up to"

Page 13, remove lines 6 through 10

Page 13, line 24, after the period insert "The grant program must award direct grants and not cost reimbursement grants."

Page 13, remove lines 26 through 30

Page 14, remove lines 1 and 2

Page 14, line 3, remove "**STRATEGIC INVESTMENT AND IMPROVEMENTS FUND -**"

Page 14, line 7, remove "strategic investment and"

Page 14, line 8, replace "improvements" with "general"

Page 14, remove lines 29 through 31

Page 15, remove lines 1 through 8

Page 15, after line 15, insert:

"SECTION 40. LEGISLATIVE MANAGEMENT STUDY - INTELLECTUAL PROPERTY AT RESEARCH UNIVERSITIES. During the 2013-14 interim, the legislative management shall consider studying the intellectual property policies and procedures at research universities within the state. The study must include consideration of the current and potential income generated through the commercialization of intellectual property. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly."

Page 15, after line 20, insert:

"SECTION 42. EFFECTIVE DATE - EXPIRATION DATE. Sections 19 and 20 of this Act are effective for the first two taxable years beginning after December 31, 2012, and are thereafter ineffective."

Page 15, line 21, replace "\$1,500,000" with "\$1,000,000"

Page 15, line 24, replace "26" with "3, 13, 15, 16, 31,"

Page 15, line 24, replace "32" with "35"

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2018 - Summary of House Action

	Executive Budget	Senate Version	House Changes	House Version
Dickinson State University				
Total all funds	\$0	\$0	\$9,000,000	\$9,000,000
Less estimated income	0	0	3,000,000	3,000,000
General fund	\$0	\$0	\$6,000,000	\$6,000,000
Housing Finance Agency				
Total all funds	\$0	\$0	\$15,000,000	\$15,000,000
Less estimated income	0	0	0	0
General fund	\$0	\$0	\$15,000,000	\$15,000,000
Department of Commerce				
Total all funds	\$124,566,065	\$127,327,563	(\$7,983,170)	\$119,344,393
Less estimated income	68,241,034	70,801,179	2,521,434	73,322,613
General fund	\$56,325,031	\$56,526,384	(\$10,504,604)	\$46,021,780
Bill total				
Total all funds	\$124,566,065	\$127,327,563	\$16,016,830	\$143,344,393
Less estimated income	68,241,034	70,801,179	5,521,434	76,322,613
General fund	\$56,325,031	\$56,526,384	\$10,495,396	\$67,021,780

Senate Bill No. 2018 - Dickinson State University - House Action

	Executive Budget	Senate Version	House Changes	House Version
Theodore Roosevelt center			\$9,000,000	\$9,000,000
Total all funds	\$0	\$0	\$9,000,000	\$9,000,000
Less estimated income	0	0	3,000,000	3,000,000
General fund	\$0	\$0	\$6,000,000	\$6,000,000
FTE	0.00	0.00	0.00	0.00

Department No. 239 - Dickinson State University - Detail of House Changes

	Adds Funding for Theodore Roosevelt Center ¹	Total House Changes
Theodore Roosevelt center	\$9,000,000	\$9,000,000
Total all funds	\$9,000,000	\$9,000,000
Less estimated income	3,000,000	3,000,000
General fund	\$6,000,000	\$6,000,000
FTE	0.00	0.00

¹ This amendment adds funding of \$6 million from the general fund and \$3 million from special funds to Dickinson State University for construction of a Theodore Roosevelt Center. The \$6 million of funding from the general fund may not be spent until Dickinson State University raises \$3 million from nonstate sources for the project.

Senate Bill No. 2018 - Housing Finance Agency - House Action

	Executive Budget	Senate Version	House Changes	House Version
Housing incentive fund			\$15,000,000	\$15,000,000
Total all funds	\$0	\$0	\$15,000,000	\$15,000,000
Less estimated income	0	0	0	0
General fund	\$0	\$0	\$15,000,000	\$15,000,000
FTE	0.00	0.00	0.00	0.00

Department No. 473 - Housing Finance Agency - Detail of House Changes

	Provides a Transfer to Housing Incentive Fund ¹	Total House Changes
Housing incentive fund	\$15,000,000	\$15,000,000
Total all funds	\$15,000,000	\$15,000,000
Less estimated income	0	0
General fund	\$15,000,000	\$15,000,000
FTE	0.00	0.00

¹ This amendment provides a transfer of \$15 million from the general fund to the housing incentive fund.

Senate Bill No. 2018 - Department of Commerce - House Action

	Executive Budget	Senate Version	House Changes	House Version
Salaries and wages	\$12,396,970	\$12,658,468	(\$473,043)	\$12,185,425
Operating expenses	16,434,601	16,434,601	(1,498,852)	14,935,749
Capital assets	10,000	10,000		10,000
Grants	59,147,950	61,647,950	(5,825,000)	55,822,950
Discretionary funds	928,082	928,082		928,082
Workforce enhancement fund	2,000,000	2,000,000		2,000,000
Economic development initiatives	186,846	186,846		186,846
Flood impact grants and loans	11,782,866	11,782,866	6,576,000	18,358,866
Ag Products Utilization Commission	3,246,536	3,246,536	(6,042)	3,240,494
Research North Dakota	12,000,000	12,000,000	(6,000,000)	6,000,000
North Dakota Trade Office	2,613,400	2,613,400		2,613,400
Partner programs	2,022,044	2,022,044		2,022,044
Federal fiscal stimulus funds	796,770	796,770		796,770

North Dakota planning initiative	1,000,000	1,000,000	(1,000,000)	
Accrued leave payments			243,767	243,767
Total all funds	\$124,566,065	\$127,327,563	(\$7,983,170)	\$119,344,393
Less estimated income	68,241,034	70,801,179	2,521,434	73,322,613
General fund	\$56,325,031	\$56,526,384	(\$10,504,604)	\$46,021,780
FTE	69.25	69.25	0.00	69.25

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

	Adjusts State Employee Compensation and Benefits Package¹	Provides Separate Line Item for Accrued Leave Payments²	Reduces Funding for the State Data Center³	Removes Funding for Child Care Facility Grants⁴	Changes Funding Source for Unmanned Aircraft System⁵	Reduces Funding for Tourism Large Infrastructure Grants⁶
Salaries and wages	(\$235,318)	(\$237,725)				
Operating expenses			(98,852)			
Capital assets						
Grants				(5,000,000)		(825,000)
Discretionary funds						
Workforce enhancement fund						
Economic development initiatives						
Flood impact grants and loans						
Ag Products Utilization Commission		(6,042)				
Research North Dakota						
North Dakota Trade Office						
Partner programs						
Federal fiscal stimulus funds						
North Dakota planning initiative						
Accrued leave payments		243,767				
Total all funds	(\$235,318)	\$0	(\$98,852)	(\$5,000,000)	\$0	(\$825,000)
Less estimated income	(54,566)	0	0	0	(4,000,000)	0
General fund	(\$180,752)	\$0	(\$98,852)	(\$5,000,000)	\$4,000,000	(\$825,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Removes Funding for North Dakota Planning Initiative⁷	Removes Funding for UGPTI Transportation Study⁸	Reduces Funding for InnovateND Program⁹	Reduces Funding for Operation Intern¹⁰	Reduces Funding for Tourism Marketing¹¹	Adds Funding for Flood Grants and Loans¹²
Salaries and wages						
Operating expenses		(350,000)	(50,000)	(500,000)	(500,000)	
Capital assets						
Grants						
Discretionary funds						
Workforce enhancement fund						
Economic development initiatives						
Flood impact grants and loans						6,576,000
Ag Products Utilization Commission						
Research North Dakota						
North Dakota Trade Office						
Partner programs						
Federal fiscal stimulus funds						
North Dakota planning initiative	(1,000,000)					
Accrued leave payments						
Total all funds	(\$1,000,000)	(\$350,000)	(\$50,000)	(\$500,000)	(\$500,000)	\$6,576,000
Less estimated income	0	0	0	0	0	6,576,000
General fund	(\$1,000,000)	(\$350,000)	(\$50,000)	(\$500,000)	(\$500,000)	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Reduces Funding for Research North Dakota¹³	Total House Changes
Salaries and wages		(\$473,043)
Operating expenses		(1,498,852)
Capital assets		
Grants		(5,825,000)
Discretionary funds		
Workforce enhancement fund		
Economic development initiatives		
Flood impact grants and loans		6,576,000

Ag Products Utilization Commission		(6,042)
Research North Dakota	(6,000,000)	(6,000,000)
North Dakota Trade Office		
Partner programs		
Federal fiscal stimulus funds		
North Dakota planning initiative		(1,000,000)
Accrued leave payments		243,767
Total all funds	(\$6,000,000)	(\$7,983,170)
Less estimated income	0	2,521,434
General fund	(\$6,000,000)	(\$10,504,604)
FTE	0.00	0.00

¹ This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 2 to 4 percent per year.
- Reduces the market component from 2 to 4 percent per year for employees below the midpoint of their salary range up to 2 percent for employees in the first quartile of their salary range for the first year of the biennium only.
- Removes funding for additional retirement contribution increases.

² A portion of salaries and wages funding from the general fund (\$187,753) and from other funds (\$56,014) for permanent employees' compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees.

³ This amendment reduces the funding for the State Data Center by \$98,852, from \$498,852 to \$400,000. The executive recommendation provided \$498,852.

⁴ This amendment removes funding of \$5 million from the general fund for child care facility grants. The executive recommendation provided \$5 million.

⁵ The funding source for the \$4 million portion of the unmanned aircraft system grant is changed from the strategic investment and improvements fund to the general fund. The executive recommendation provided the strategic investment and improvements fund as the funding source.

⁶ This amendment reduces the funding for tourism large infrastructure grants by \$825,000 to provide a total of \$500,000. The executive recommendation provided \$1,325,000.

⁷ This amendment removes funding of \$1 million for the North Dakota planning initiative. The executive recommendation provided \$1 million.

⁸ Funding of \$350,000 from the general fund is removed for an Upper Great Plains Transportation Institute study of transportation infrastructure needs. The executive recommendation provided \$350,000.

⁹ This amendment reduces funding for the InnovateND program by \$50,000, from \$500,000 to \$450,000. The executive recommendation provided \$500,000.

¹⁰ Funding for the Operation Intern is reduced by \$500,000, from \$1.5 million to \$1 million. The executive recommendation provided \$1.5 million.

¹¹ This amendment reduces funding for tourism-related marketing by \$500,000, from \$9,184,329 to \$8,684,329. The executive recommendation provided \$9,184,329.

¹² Funding of \$6,576,000 of federal funds is added for flood impact grants and loans to provide a total of \$18,358,866. The executive recommendation provided \$11,782,866.

¹³ This amendment reduces funding from the general fund for Research North Dakota by \$6

million, from \$12 million to \$6 million. The executive recommendation provided \$12 million.

This amendment also:

- Removes a section added by the Senate to create a new loan guarantee program for child care facility loans.
- Removes the transfer of \$200,000 from Bank of North Dakota profits to a child care facility loan guarantee program added by the Senate.
- Adds three new sections to expand the beginning entrepreneur loan guarantee program to include child care facilities.
- Removes a section providing for a child care facility grant program.
- Removes a section added by the Senate to expand the Housing Finance Agency programs to include a child care facility finance program.
- Changes the requirements of the housing incentive fund to allow for financing of child care facilities, to provide grants for child care facilities, to provide grants to child care providers that provide services to children with disabilities, and to limit the fund balance to \$30 million. The Senate provided a maximum fund balance of \$50 million.
- Adds two new sections to provide housing incentive fund tax credits for two years and to limit total tax credits to \$15 million.
- Adds a new section to provide an effective date and an expiration date for housing incentive fund tax credits.
- Adds two new sections to establish an unmanned aircraft systems program administered by the Department of Commerce, to provide for semiannual reports to the Legislative Management, and to create a new continuing appropriation to the Department of Commerce of money in the unmanned aircraft systems program fund.
- Adds a new section to establish a Research North Dakota biotechnology grant program.
- Removes a section to create a Research North Dakota program.
- Removes a section added by the Senate to create a Research North Dakota venture grants program.
- Removes the requirement that up to \$2 million of the funds transferred to the Research North Dakota fund be used for Research North Dakota venture grants.
- Renames the Research North Dakota fund the Research North Dakota biotechnology fund.
- Removes a new continuing appropriation to the agricultural fuel tax fund.
- Removes a section providing a continuing appropriation to the energy conservation grant fund.
- Changes the exemption for the technology-based entrepreneurship grant program to designate that the Department of Commerce use up to \$300,000 for a grant to the Incubator for Developing Entrepreneurial Activity (IDEA) Center in Bismarck.
- Changes the exemption for base retention grants to designate that the Department of Commerce use up to \$100,000 for grants to promote the USS North Dakota.
- Reduces the amount transferred to the internship fund by \$500,000, from \$1.5 million to \$1 million.
- Removes a section providing for an Upper Great Plains Transportation Institute transportation study.
- Adds a new section for a Legislative Management study of intellectual property at research universities.
- Changes the emergency clause section to include the transfer to the housing incentive fund, the requirements for the housing incentive fund, and the continuing appropriation for the unmanned aircraft systems program.

REPORT OF STANDING COMMITTEE

SB 2036, as reengrossed: Finance and Taxation Committee (Rep. Belter, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (11 YEAS, 2 NAYS, 1 ABSENT AND NOT VOTING). Reengrossed SB 2036 was placed on the Sixth order on the calendar.

Page 1, line 1, replace "section 57-02-08.9" with "sections 46-03-10.1, 57-15-01.2, and 57-20-07.2"

Page 1, line 2, after the first "to" insert "statutory references to mills, determination of political subdivision budgets, and"

Page 1, line 2, replace "residential" with "state-paid"

Page 1, line 2, after "tax" insert "relief"

Page 1, line 2, after "sections" insert "57-20-07.1, 57-20-09, 57-20-21.1,"

Page 1, line 2, after "57-51.1-07.5" insert a comma

Page 1, line 3, after "to" insert "property tax statement information to identify legislative property tax relief for the subject property, priority for delinquent taxes, the discount for early payment of property taxes,"

Page 1, line 4, after "taxes" insert a comma

Page 1, line 5, after the first semicolon insert "to repeal section 57-15-01.1 of the North Dakota Century Code, relating to property tax levies;"

Page 1, line 5, replace "an appropriation" with "appropriations"

Page 1, line 5, remove "to provide for a legislative management

Page 1, line 6, remove "study; to provide for a report by the tax commissioner;"

Page 1, remove lines 9 through 24

Page 2, remove lines 1 through 31

Page 3, remove lines 1 through 30

Page 4, remove 1 through 31

Page 4, after line 31, insert:

"SECTION 1. Section 46-03-10.1 of the North Dakota Century Code is created and enacted as follows:

46-03-10.1. Expression of mills references in decimal form.

In arranging the laws for publication and in publishing and maintaining the laws, the legislative council shall change statutory references to mills in reference to property tax imposition to a decimal expression in numerals of the number of cents per dollar of taxable valuation equivalent to the number of mills stated.

SECTION 2. Section 57-15-01.2 of the North Dakota Century Code is created and enacted as follows:

57-15-01.2. Taxing district budget basis.

1. This section may not be interpreted as authority to increase any levy limitation otherwise provided by law and must be applied to determine the initial budget to be used in budget deliberations by a taxing district.

2. The initial budget to be used as the starting point for budget deliberations by the governing body of a taxing district may not exceed the final budget of that taxing district in the previous taxable year, subject to the following:
 - a. When a taxable improvement to property has been made or property has been added to the taxing district which was not taxable in the previous taxable year, the final budget of the taxing district in the previous taxable year for purposes of this section may be increased by an amount equal to the sum determined by the application of the previous year's calculated mill rate for that taxing district to the increase in taxable valuation of that property.
 - b. When a property tax exemption that existed in the previous taxable year has been reduced or no longer exists, the final budget of the taxing district in the previous taxable year for purposes of this section may be increased by an amount equal to the sum determined by the application of the previous year's calculated mill rate for that taxing district to the increase in taxable valuation of that property.
 - c. When a property tax exemption exists for property that was taxable in the previous year, the final budget of the taxing district in the previous year for purposes of this section must be reduced by the amount determined by applying the previous year's calculated mill rate for that taxing district to the reduction in the previous year's taxable valuation of that property.
 - d. When temporary mill levy increases authorized by the electors of the taxing district or mill levies authorized by state law existed in the previous taxable year but are no longer applicable or have been reduced, the final budget of the taxing district in the previous year for purposes of this section must be adjusted by an amount in dollars to reflect the expired temporary mill levy increases and the reduced or eliminated mill levies authorized by state law.
3. The final budget adopted by the taxing district must enumerate individually the change in dollars and by percentage for each line item in the final budget as compared to the initial budget as determined under this section.

SECTION 3. AMENDMENT. Section 57-20-07.1 of the North Dakota Century Code is amended and reenacted as follows:

57-20-07.1. County treasurer to mail real estate tax statement - Contents of statement.

On or before December twenty-sixth of each year, the county treasurer shall mail a real estate tax statement to the owner of each parcel of real property at the owner's last-known address. The statement must be provided in a manner that allows the taxpayer to retain a printed record of the obligation for payment of taxes and special assessments as provided in the statement. If a parcel of real property is owned by more than one individual, the county treasurer shall send only one statement to one of the owners of that property. Additional copies of the tax statement will be sent to the other owners upon their request and the furnishing of their names and addresses to the county treasurer. The tax statement must include:

1. Include a dollar valuation of the true and full value as defined by law of the property and the total mill levy applicable. ~~The tax statement must include~~
2. Include, or be accompanied by a separate sheet, with three columns showing, for the taxable year to which the tax statement applies and the two immediately preceding taxable years, the property tax levy in dollars against the parcel by the county and school district and any city or township that levied taxes against the parcel.

3. Include, for the taxable year to which the tax statement applies and the two immediately preceding taxable years, a line item identified as "legislative property tax relief" showing the amount in dollars paid through legislative appropriation pursuant to section 57-20-07.2 and chapter 57-64 against the property taxes levied against the property.

Failure of an owner to receive a statement will not relieve that owner of liability, nor extend the discount privilege past the February fifteenth deadline.

SECTION 4. Section 57-20-07.2 of the North Dakota Century Code is created and enacted as follows:

57-20-07.2. State-paid property tax relief credit.

1. The owner of taxable property is entitled to a credit against property taxes levied against the total amount of property or mobile home taxes in dollars levied against the taxable value of the property. The credit is equal to eighteen percent of property or mobile home taxes levied in dollars against that property.
2. The owner, operator, or lessee of railroad property assessed by the state board of equalization under chapter 57-05 or public utility operative property assessed by the state board of equalization under chapter 57-06 is entitled to a credit against property taxes levied within each county against that property in the amount provided in subsection 1 against property taxes levied in dollars against that property in that county.
3. The owner, operator, or lessee of operative property of an air carrier transportation company assessed and taxed under chapter 57-32 is entitled to a credit in the amount provided in subsection 1 against property taxes in dollars levied against that property. The tax commissioner shall determine the total amount of credits under this subsection and certify the amount to the state treasurer for transfer from the general fund to the air transportation fund. The credit for each air transportation company must be allocated to each city or municipal airport authority where that company makes regularly scheduled landings, in the same manner as the tax collected from that company is allocated.
4. The tax commissioner shall estimate the amount necessary to provide each county advance payment of seventy-five percent of the amount the county and the taxing districts in the county will ultimately receive for a taxable year under this section and certify the estimated amounts to the state treasurer by March fifteenth for transfer by April first to the county treasurer and distribution to the county and taxing districts in the county as provided in subsection 5.
5. The tax commissioner shall determine the total amount of credits under this section for each county from the abstract of the tax list filed by the county auditor under section 57-20-04, as audited and corrected by the tax commissioner. The tax commissioner shall certify to the state treasurer for payment, by June first following receipt of the abstract of the tax list, the amount determined for each county under this subsection. No penalty or interest applies to any state payment under this section, regardless of when the payment is made. The tax commissioner shall reduce the June certification of payments to reflect the April estimated payments previously made to counties under subsection 4.
6. Upon receipt of the payment from the state treasurer under subsections 4 and 5, the county treasurer shall apportion and distribute it to the county and the taxing districts in the county on the basis on which the general real estate tax for the preceding year is apportioned and distributed.
7. After payments to counties under subsection 5 have been made, the tax commissioner shall certify to the state treasurer as necessary any

supplemental amounts payable to counties or the air transportation fund or any amounts that must be returned by counties or returned from the air transportation fund for deposit in the state general fund to correct any errors in payments or reflect any abatement or compromise of taxes, court-ordered tax reduction or increase, or levy of taxes against omitted property. The county auditor shall provide any supplemental information requested by the tax commissioner after submission of the abstract of the tax list. The county treasurer shall apply to the tax commissioner for any supplemental payments to which the county treasurer believes the county is entitled.

8. Notwithstanding any other provision of law, for any property other than mobile homes, the property tax credit under this section does not apply to any property subject to payments or taxes that are stated by law to be in lieu of personal or real property taxes.

SECTION 5. AMENDMENT. Section 57-20-09 of the North Dakota Century Code is amended and reenacted as follows:

57-20-09. Discount for early payment of tax.

Except as provided in section 57-20-21.1, the county treasurer shall allow a five percent discount to all taxpayers who shall pay all of the real estate taxes levied on any tract or parcel of real property in any one year in full on or before February fifteenth prior to the date of delinquency. Such discount applies, after deduction of any credit allowed under section 57-20-07.2, to the net remaining amount of all general real estate taxes levied for state, county, city, township, school district, fire district, park district, and any other taxing districts but does not apply to personal property taxes or special assessment installments. Whenever the board of county commissioners, by resolution, determines that an emergency exists in the county by virtue of weather or other catastrophe, it may extend the discount period for an additional thirty days.

SECTION 6. AMENDMENT. Section 57-20-21.1 of the North Dakota Century Code is amended and reenacted as follows:

57-20-21.1. Priority for delinquent taxes.

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

Page 6, after line 16, insert:

"SECTION 9. REPEAL. Section 57-15-01.1 of the North Dakota Century Code is repealed."

Page 6, after line 21 insert:

"SECTION 11. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$338,767,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of state-paid property tax relief credits under section 57-20-07.2, for the biennium beginning July 1, 2013, and ending June 30, 2015."

Page 6, remove lines 25 through 30

Page 7, remove lines 1 through 4

Page 7, line 5, replace "becomes effective July 1, 2013" with "is effective for taxable years beginning after December 31, 2012"

Renumber accordingly

REPORT OF STANDING COMMITTEE

SB 2200: Appropriations Committee (Rep. Delzer, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (17 YEAS, 4 NAYS, 1 ABSENT AND NOT VOTING). SB 2200 was placed on the Sixth order on the calendar.

Page 1, line 2, after the semicolon insert "to provide an appropriation; to provide for a legislative management study;"

Page 5, after line 1, insert:

"1."

Page 5, line 5, replace "1." with "a."

Page 5, line 5, replace "\$72.70." with "\$67.00"

Page 5, line 7, replace "2." with "b."

Page 5, line 7, replace "\$110.80" with "\$97.00"

Page 5, line 9, replace "3." with "c."

Page 5, line 9, replace "\$117.60" with "\$101.00"

Page 5, line 9, replace "lake region" with "Lake Region"

Page 5, after line 10, insert:

"2. Beginning on July 1, 2013, and each year thereafter, the state board shall incorporate an inflationary factor equal to 0.01 multiplied by the base amount listed in subsection 1 for each respective institution."

Page 5, after line 18, insert:

"15-18.1-08. Tuition - Limitation.

1. The tuition rate in effect for the 2013-14 academic year may not exceed that in effect for the 2012-13 academic year by more than:
 - a. 3.0 percent in the case of Dakota college at Bottineau and Lake Region state college;
 - b. 4.0 percent in the case of Bismarck state college, Dickinson state university, Mayville state university, North Dakota state college of science, and Valley City state university;
 - c. 4.5 percent in the case of Minot state university, North Dakota state university, and the university of North Dakota;
 - d. 5.0 percent in the case of Williston state college; and
 - e. 5.0 percent in the case of the university of North Dakota school of medicine and health sciences.
2. The tuition rate in effect for the 2014-15 academic year may not exceed that in effect for the 2013-14 academic year by more than:
 - a. 3.0 percent in the case of Dakota college at Bottineau and Lake Region state college;

- b. 4.0 percent in the case of Bismarck state college, Dickinson state university, Mayville state university, North Dakota state college of science, and Valley City state university;
- c. 4.5 percent in the case of Minot state university, North Dakota state university, and the university of North Dakota;
- d. 5.0 percent in the case of Williston state college; and
- e. 5.0 percent in the case of the university of North Dakota school of medicine and health sciences."

Page 5, after line 22, insert:

"SECTION 3. LEGISLATIVE MANAGEMENT STUDY - HIGHER EDUCATION FUNDING. During the 2013-14 interim, the legislative management shall appoint an interim committee to study higher education funding methods.

1. The committee shall review higher education funding methods and recommend for the North Dakota university system a new funding method that is not based on existing levels of funding.
2. The committee shall consult with representatives of the state board of higher education, the North Dakota university system office, higher education institutions, and other appropriate entities.
3. The committee shall consider:
 - a. The inclusion of tuition revenue as a component of the funding method;
 - b. The level of nonresident tuition rates, including whether the rates charged should provide for the entire cost of a student's education and whether state funding should be provided to offset the educational costs of nonresident students;
 - c. Options to address unique institution needs due to program facility requirements, local costs of goods and labor, and other extraordinary needs;
 - d. The appropriateness of including remedial education and dual-credit course completions in the funding method and which entity should be responsible for paying course costs;
 - e. Facilities required to meet an institution's mission, including the utilization of existing institution facilities and additional facilities needs as identified in the university system campus master plan and space utilization study;
 - f. Administrative costs at institutions, including the appropriateness of providing separate funding allocations to institutions for instructional and administrative costs;
 - g. Options to provide enhanced funding for programs that address state priorities and workforce needs;
 - h. Options to provide performance funding distributions to campuses for meeting specified goals such as on-time graduation rates and job placements; and
 - i. Any other issues the committee deems appropriate.
4. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

SECTION 4. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$150,000, or so much of the sum as may be necessary, to the legislative council for the purpose of defraying expenses associated with the study of higher education funding as provided for in section 3 of this Act, for the biennium beginning July 1, 2013, and ending June 30, 2015."

Renumber accordingly

SECOND READING OF SENATE BILL

SB 2233: A BILL for an Act to provide a declaration of water policy and goals and objectives for water project development, the Mouse River enhanced flood control project, the lower Heart River Morton County enhanced flood control project, the southwest pipeline project, the Garrison diversion unit, and the Fargo-Moorhead flood control project; to create and enact a new subdivision to subsection 2 of section 28-32-01, a new subdivision to subsection 1 of section 54-10-14, a new section to chapter 61-02, and four new sections to chapter 61-40 of the North Dakota Century Code, relating to exempting certain activities of the industrial commission from the Administrative Agencies Practice Act, western area water supply authority industrial water sales audits, an infrastructure revolving loan fund, and franchise protection rights of the western area water supply authority; to amend and reenact sections 61-24.7-01, 61-24.7-05, 61-40-01, 61-40-02, 61-40-03, 61-40-04, 61-40-05, and 61-40-09 of the North Dakota Century Code, relating to the Red River valley water supply project, the location of industrial water depots, and the western area water supply project; to repeal sections 61-24.7-02, 61-24.7-03, 61-24.7-04, and 61-40-06 of the North Dakota Century Code, relating to funding of the Red River valley water supply project and oversight of western area water supply authority projects; to provide a continuing appropriation; to provide a statement of legislative intent; and to provide for reports to the legislative management.

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 88 YEAS, 4 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Amerman; Anderson; Beadle; Boe; Boehning; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Dockter; Dosch; Drovda; Fehr; Frantsvog; Froseth; Glasheim; Grande; Gruchalla; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Headland; Heilman; Heller; Hofstad; Hogan; Holman; Hunskor; Johnson, D.; Johnson, N.; Karls; Kasper; Keiser; Kelsh, J.; Kelsh, S.; Kempenich; Kiefert; Klein; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Kreun; Laning; Larson; Looyen; Louser; Maragos; Martinson; Meier; Mock; Monson; Mooney; Muscha; Nathe; Nelson, J.; Nelson, M.; Onstad; Oversen; Owens; Paur; Pollert; Porter; Rohr; Rust; Sanford; Schatz; Schmidt; Silbernagel; Skarphol; Steiner; Streyle; Sukut; Thoreson; Toman; Trotter; Vigasaa; Wall; Weisz; Wieland; Williams; Zaiser; Speaker Devlin

NAYS: Becker; Bellew; Delzer; Ruby

ABSENT AND NOT VOTING: Belter; Strinden

SB 2233, as amended, passed.

CONSIDERATION OF MESSAGE FROM THE SENATE

REP. VIGESAA MOVED that the House do not concur in the Senate amendments to Engrossed HB 1010 as printed on HJ pages 1299-1300 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE SPEAKER APPOINTED as a Conference Committee on Engrossed HB 1010: Reps. Sanford, Brandenburg, Guggisberg.

CONSIDERATION OF MESSAGE FROM THE SENATE

REP. VIGESAA MOVED that the House do not concur in the Senate amendments to Engrossed HB 1016 as printed on HJ pages 1361-1365 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE SPEAKER APPOINTED as a Conference Committee on Engrossed HB 1016: Reps. Thoreson, Brandenburg, Glassheim.

CONSIDERATION OF MESSAGE FROM THE SENATE

REP. HANSON MOVED that the House do not concur in the Senate amendments to Engrossed HB 1017 as printed on HJ pages 1148-1149 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE SPEAKER APPOINTED as a Conference Committee on Engrossed HB 1017: Reps. Brandenburg, Thoreson, Glassheim.

CONSIDERATION OF MESSAGE FROM THE SENATE

REP. VIGESAA MOVED that the House do not concur in the Senate amendments to Engrossed HB 1234 as printed on HJ page 1510 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE SPEAKER APPOINTED as a Conference Committee on Engrossed HB 1234: Reps. Belter, Drovdal, S. Kelsh.

ANNOUNCEMENT

SPEAKER DEVLIN ANNOUNCED that Rep. Delmore will replace Rep. Karls on the Conference Committee on HB 1138.

ANNOUNCEMENT

SPEAKER DEVLIN ANNOUNCED that Rep. Owens replace Rep. Belter on the Conference Committee on HB 1290.

ANNOUNCEMENT

SPEAKER DEVLIN ANNOUNCED that Rep. Hanson will replace Rep. Maragos on the Conference Committee on HCR 3011.

ANNOUNCEMENT

SPEAKER DEVLIN ANNOUNCED that Rep. Delmore will replace Rep. Toman on the Conference Committee on HCR 3034.

MOTION

REP. VIGESAA MOVED that SB 2036, which is on the Sixth order, be laid over one legislative day, which motion prevailed.

MOTION

REP. VIGESAA MOVED that the rules be suspended for the remainder of this legislative session and the majority leader be authorized to replace members who do not attend any scheduled conference committee meeting, which motion prevailed.

SECOND READING OF SENATE BILL

SB 2333: A BILL for an Act to provide a contingent appropriation to the university of North Dakota for the school of medicine and health sciences facility project; and to declare an emergency.

ROLL CALL

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO NOT PASS, the roll was called and there were 29 YEAS, 64 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Amerman; Beadle; Boe; Boschee; Delmore; Glassheim; Gruchalla; Guggisberg; Haak; Hanson; Hogan; Holman; Hunskor; Kelsh, J.; Kelsh, S.; Kretschmar; Kreun; Maragos; Mock; Mooney; Muscha; Nelson, M.; Onstad; Oversen; Owens; Paur; Sanford; Strinden; Zaiser

NAYS: Anderson; Becker; Bellew; Boehning; Brabandt; Brandenburg; Carlson; Damschen; Delzer; Dockter; Dosch; Drovdal; Fehr; Frantsvog; Froseth; Grande; Hatlestad; Hawken; Headland; Heilman; Heller; Hofstad; Johnson, D.; Johnson, N.; Karls; Kasper; Keiser; Kempenich; Kiefert; Klein; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Laning; Larson; Looyesen; Louser; Martinson; Meier; Monson; Nathe; Nelson, J.; Pollert; Porter; Rohr; Ruby; Rust; Schatz; Schmidt; Silbernagel; Skarphol; Steiner; Streyle; Sukut; Thoreson; Toman; Trottier; Vigasaa; Wall; Weisz; Wieland; Williams; Speaker Devlin

ABSENT AND NOT VOTING: Belter

SB 2333 failed.

SIXTH ORDER OF BUSINESS

SPEAKER DEVLIN DEEMED approval of the amendments to Engrossed SB 2001 and Engrossed SB 2018.

Engrossed SB 2001 and Engrossed SB 2018, as amended, were placed on the Fourteenth order of business on the calendar.

SIXTH ORDER OF BUSINESS

SB 2200: REP. SKARPHOL (Appropriations Committee) MOVED that the amendments be adopted and then be placed on the Fourteenth order with **DO PASS**.

REQUEST

REP. MOCK REQUESTED a recorded roll call vote, which request was granted.

ROLL CALL

The question being on the motion to adopt the amendments to SB 2200, the roll was called and there were 58 YEAS, 35 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Becker; Bellew; Boehning; Brabandt; Brandenburg; Carlson; Damschen; Delzer; Dockter; Dosch; Drovdal; Fehr; Frantsvog; Froseth; Grande; Hatlestad; Headland; Heller; Hofstad; Johnson, D.; Karls; Kasper; Kempenich; Kiefert; Koppelman, B.; Koppelman, K.; Kreidt; Laning; Larson; Looyesen; Louser; Martinson; Meier; Monson; Nathe; Nelson, J.; Owens; Paur; Pollert; Rohr; Ruby; Rust; Sanford; Schatz; Schmidt; Silbernagel; Skarphol; Steiner; Streyle; Sukut; Toman; Trottier; Vigasaa; Wall; Weisz; Wieland; Williams; Speaker Devlin

NAYS: Amerman; Anderson; Beadle; Boe; Boschee; Delmore; Glassheim; Gruchalla; Guggisberg; Haak; Hanson; Hawken; Heilman; Hogan; Holman; Hunskor; Johnson, N.; Keiser; Kelsh, J.; Kelsh, S.; Klein; Klemin; Kretschmar; Kreun; Maragos; Mock; Mooney; Muscha; Nelson, M.; Onstad; Oversen; Porter; Strinden; Thoreson; Zaiser

ABSENT AND NOT VOTING: Belter

The proposed amendments to SB 2200 were adopted on a recorded roll call vote.

SECOND READING OF SENATE BILL

SB 2200: A BILL for an Act to create and enact chapter 15-18.1 of the North Dakota Century Code, relating to the determination of funding for institutions of higher education; to provide an appropriation; to provide for a legislative management study; to provide for legislative intent; and to provide an expiration 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 66 YEAS,

27 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Anderson; Beadle; Becker; Boe; Boehning; Brabandt; Brandenburg; Carlson; Damschen; Delzer; Dockter; Dosch; Fehr; Frantsvog; Froseth; Grande; Hatlestad; Hawken; Headland; Heilman; Heller; Hofstad; Johnson, D.; Johnson, N.; Karls; Kasper; Keiser; Kempenich; Kiefert; Klein; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Kreun; Laning; Looysen; Louser; Martinson; Meier; Monson; Nathe; Nelson, J.; Owens; Paur; Pollert; Porter; Rohr; Ruby; Rust; Sanford; Schatz; Schmidt; Silbernagel; Skarphol; Steiner; Streyle; Sukut; Thoreson; Toman; Trottier; Vigesaa; Wieland; Williams; Speaker Devlin

NAYS: Amerman; Bellew; Boschee; Delmore; Drovdal; Glassheim; Gruchalla; Guggisberg; Haak; Hanson; Hogan; Holman; Hunskor; Kelsh, J.; Kelsh, S.; Larson; Maragos; Mock; Mooney; Muscha; Nelson, M.; Onstad; Oversen; Strinden; Wall; Weisz; Zaiser

ABSENT AND NOT VOTING: Belter

SB 2200, as amended, passed.

SIXTH ORDER OF BUSINESS

SB 2003, as reengrossed: REP. SKARPHOL (Appropriations Committee) MOVED that the amendments be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed on a verification vote.

SECOND READING OF SENATE BILL

SB 2003: A BILL for an Act to provide an appropriation for defraying the expenses of the North Dakota university system; to create and enact six new sections to chapter 15-10 of the North Dakota Century Code, relating to provisions of matching grants for the advancement of postsecondary academics; to amend and reenact sections 15-10-47, 15-52-01, 15-52-03, 15-52-04, 15-52-05, 15-52-09, 15-52-31, and 15-62.2-02, subsection 2 of section 15-70-04, and section 54-44.1-11 of the North Dakota Century Code, relating to construction project variance reports, the state medical center, student financial assistance grants, tribally controlled community college grants, and the cancellation of unexpended appropriations; to provide an exemption; to provide for transfer of funds; to authorize the state board of higher education to issue and sell bonds for capital projects; to provide for budget section reports; to provide for a legislative management report; to provide an expiration date; and to declare an emergency.

MOTION

REP. MOCK MOVED that Reengrossed SB 2003, as amended, be rereferred to the **Appropriations Committee**.

REQUEST

REP. MOCK REQUESTED a verification vote on the motion to rerefer Reengrossed SB 2003, as amended, which request was granted.

The motion to refer Reengrossed SB 2003, as amended, failed on a verification vote.

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 60 YEAS, 33 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Amerman; Anderson; Boe; Boehning; Brabandt; Brandenburg; Carlson; Delzer; Dockter; Dosch; Drovdal; Fehr; Frantsvog; Froseth; Grande; Hatlestad; Headland; Heilman; Heller; Hofstad; Hunskor; Johnson, D.; Karls; Kasper; Keiser; Kelsh, J.; Kempenich; Kiefert; Klein; Klemin; Koppelman, K.; Kreidt; Kretschmar; Kreun; Laning; Looysen; Louser; Martinson; Meier; Monson; Nathe; Owens; Paur; Pollert; Porter; Rohr; Ruby; Rust; Sanford; Schmidt; Silbernagel; Skarphol; Steiner; Streyle; Sukut; Trottier; Vigesaa; Wall; Wieland; Speaker Devlin

NAYS: Beadle; Becker; Bellew; Boschee; Damschen; Delmore; Glassheim; Gruchalla;

Guggisberg; Haak; Hanson; Hawken; Hogan; Holman; Johnson, N.; Kelsh, S.; Koppelman, B.; Larson; Maragos; Mock; Mooney; Muscha; Nelson, J.; Nelson, M.; Onstad; Oversen; Schatz; Strinden; Thoreson; Toman; Weisz; Williams; Zaiser

ABSENT AND NOT VOTING: Belter

Reengrossed SB 2003, as amended, passed but the emergency clause failed.

SECOND READING OF SENATE BILL

SB 2018: A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; to provide an appropriation to Dickinson state university; to create and enact a new section to chapter 6-09.15, a new subsection to section 6-09.15-01, a new section to chapter 10-30.5, two new sections to chapter 54-60, two new sections to chapter 54-65, and a new subsection to section 57-35.3-05 of the North Dakota Century Code, relating to a loan guarantee for child care facilities, an unmanned aircraft systems program, the research North Dakota venture program, the research North Dakota program, the research North Dakota biotechnology program, and housing incentive fund tax credits; to amend and reenact sections 4-14.1-02, 4-14.1-03, and 4-44-03, subsection 1 of section 6-09.15-01, and sections 17-02-05, 54-17-40, 54-18-21, 57-38-01.32, 57-43.1-03, 57-43.1-03.1, 57-43.1-03.3, and 57-43.1-08 of the North Dakota Century Code, relating to the agricultural fuel tax fund, the beginning entrepreneur loan guarantee program, the ethanol production incentive fund, the agricultural research fund, housing incentive fund tax credits, and the housing incentive fund; to provide exemptions; to provide for transfers; to provide a continuing appropriation; to provide a statement of legislative intent; to provide for legislative management studies; 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 82 YEAS, 11 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Amerman; Anderson; Beadle; Boe; Boehning; Boschee; Brabandt; Brandenburg; Carlson; Delmore; Dockter; Dosch; Drovdal; Fehr; Frantsvog; Froseth; Glassheim; Grande; Gruchalla; Guggisberg; Haak; Hanson; Hatlestad; Heilman; Heller; Hofstad; Holman; Hunskor; Johnson, D.; Johnson, N.; Karls; Kasper; Keiser; Kelsh, J.; Kelsh, S.; Kempenich; Kiefert; Klein; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Kreun; Laning; Larson; Looyen; Louser; Maragos; Martinson; Meier; Mock; Monson; Muscha; Nathe; Nelson, J.; Nelson, M.; Onstad; Oversen; Owens; Paur; Porter; Rohr; Rust; Sanford; Schatz; Schmidt; Silbernagel; Skarphol; Steiner; Streytle; Strinden; Sukut; Thoreson; Trottier; Vigasaa; Wall; Weisz; Wieland; Williams; Zaiser; Speaker Devlin

NAYS: Becker; Bellew; Damschen; Delzer; Hawken; Headland; Hogan; Mooney; Pollert; Ruby; Toman

ABSENT AND NOT VOTING: Belter

Engrossed SB 2018, as amended, passed.

SECOND READING OF SENATE BILL

SB 2001: A BILL for an Act providing an appropriation for defraying the expenses of the legislative branch of state government; to provide for applications, transfers, and cancellation of unexpended appropriations; to create and enact a new section to chapter 54-35 of the North Dakota Century Code, relating to hosting out-of-state dignitaries; to amend and reenact subsections 1, 2, and 7 of section 54-03-20 and section 54-35-10 of the North Dakota Century Code, relating to legislative compensation and expense reimbursement; to provide legislative intent; to provide an effective date; to provide for retroactive application; 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 60 YEAS, 33 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Amerman; Anderson; Beadle; Boehning; Brandenburg; Carlson; Damschen; Delmore; Dockter; Dosch; Drovdal; Froseth; Glassheim; Grande; Guggisberg; Hanson; Hatlestad; Hawken; Headland; Heilman; Heller; Hofstad; Hunskor; Johnson, D.; Karls; Kasper; Keiser; Kelsh, J.; Kempenich; Kiefert; Klein; Koppelman, B.; Kreidt; Kretschmar; Kreun; Laning; Looyesen; Maragos; Martinson; Meier; Monson; Nathe; Nelson, J.; Onstad; Owens; Paur; Pollert; Porter; Sanford; Schmidt; Silbernagel; Skarphol; Steiner; Streyle; Sukut; Thoreson; Wall; Weisz; Wieland; Williams

NAYS: Becker; Bellew; Boe; Boschee; Brabandt; Delzer; Fehr; Frantsvog; Gruchalla; Haak; Hogan; Holman; Johnson, N.; Kelsh, S.; Klemin; Koppelman, K.; Larson; Louser; Mock; Mooney; Muscha; Nelson, M.; Oversen; Rohr; Ruby; Rust; Schatz; Strinden; Toman; Trottier; Vigesaa; Zaiser; Speaker Devlin

ABSENT AND NOT VOTING: Belter

Engrossed SB 2001, as amended, passed but the emergency clause failed.

THE HOUSE RECOGNIZED THE PRESENCE OF:

Former Representative Don Clark.

ANNOUNCEMENT

SPEAKER DEVLIN ANNOUNCED that the House would stand in recess until 4:30 p.m.

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

CONSIDERATION OF MESSAGE FROM THE SENATE

REP. VIGESAA MOVED that the House do not concur in the Senate amendments to Engrossed HB 1029 as printed on HJ pages 1515-1516 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE SPEAKER APPOINTED as a Conference Committee on Engrossed HB 1029: Reps. Owens, Headland, Haak.

APPOINTMENT OF CONFERENCE COMMITTEE

REP. VIGESAA MOVED that the Speaker appoint a committee of three to act with a like committee from the Senate as a Conference Committee on Engrossed SB 2002, Engrossed SB 2004, Engrossed SB 2013, Engrossed SB 2020, and Engrossed SB 2267, which motion prevailed.

THE SPEAKER APPOINTED as a Conference Committee on:

Engrossed SB 2002: Reps. Sanford, Brandenburg, Guggisberg

Engrossed SB 2004: Reps. Bellew, Kreidt, Holman

Engrossed SB 2013: Reps. Kempenich, Thoreson, Guggisberg

Engrossed SB 2020: Reps. Monson, Skarphol, Boe

Engrossed SB 2267: Reps. Dosch, Monson, Boe

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. ANDERSON MOVED that the conference committee report on Engrossed HB 1061 as printed on HJ page 1581 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1061, as amended, was placed on the Eleventh order of business.

SECOND READING OF HOUSE BILL

HB 1061: A BILL for an Act to amend and reenact sections 61-03-23, 61-04-27, and 61-04-30 of the North Dakota Century Code, relating to water rights; to provide a penalty; 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 89 YEAS, 3 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Amerman; Anderson; Beadle; Becker; Boe; Boehning; Boschee; Brabandt; Carlson; Damschen; Delmore; Delzer; Dockter; Dosch; Drovdal; Fehr; Frantsvog; Froseth; Glassheim; Grande; Gruchalla; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Headland; Heilman; Heller; Hofstad; Hogan; Holman; Hunskor; Johnson, D.; Johnson, N.; Karls; Kasper; Keiser; Kelsh, J.; Kelsh, S.; Kempenich; Kiefert; Klein; Klemm; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Kreun; Laning; Larson; Looyesen; Louser; Maragos; Martinson; Meier; Mock; Monson; Mooney; Muscha; Nathe; Nelson, J.; Nelson, M.; Onstad; Oversen; Owens; Paur; Porter; Rohr; Ruby; Rust; Sanford; Schatz; Schmidt; Silbernagel; Skarphol; Steiner; Strinden; Sukut; Thoreson; Toman; Trottier; Vigasaa; Wall; Weisz; Wieland; Williams; Zaiser; Speaker Devlin

NAYS: Bellew; Brandenburg; Pollert

ABSENT AND NOT VOTING: Belter; Streyle

Reengrossed HB 1061 passed and the emergency clause was declared carried.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. OWENS MOVED that the conference committee report on SB 2310 as printed on HJ page 1582 be adopted, which motion prevailed on a voice vote.

SB 2310, as amended, was placed on the Fourteenth order of business.

SECOND READING OF SENATE BILL

SB 2310: A BILL for an Act to amend and reenact subsections 4 and 6 of section 39-08-13 of the North Dakota Century Code, relating to accident report forms.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 59 YEAS, 33 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Anderson; Beadle; Becker; Boehning; Brabandt; Brandenburg; Damschen; Delzer; Dockter; Dosch; Drovdal; Fehr; Frantsvog; Glassheim; Gruchalla; Guggisberg; Hanson; Hatlestad; Hawken; Headland; Heilman; Hofstad; Johnson, N.; Karls; Keiser; Kiefert; Klein; Klemm; Koppelman, B.; Koppelman, K.; Kretschmar; Kreun; Laning; Larson; Looyesen; Louser; Maragos; Martinson; Nathe; Nelson, J.; Onstad; Owens; Paur; Porter; Rohr; Ruby; Rust; Sanford; Schatz; Schmidt; Silbernagel; Steiner; Strinden; Sukut; Toman; Wall; Weisz; Williams; Speaker Devlin

NAYS: Amerman; Bellew; Boe; Boschee; Carlson; Delmore; Froseth; Grande; Haak; Heller; Hogan; Holman; Hunskor; Johnson, D.; Kasper; Kelsh, J.; Kelsh, S.; Kempenich; Kreidt; Meier; Mock; Monson; Mooney; Muscha; Nelson, M.; Oversen; Pollert; Skarphol; Thoreson; Trottier; Vigasaa; Wieland; Zaiser

ABSENT AND NOT VOTING: Belter; Streyle

SB 2310, as amended, passed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. SCHMIDT MOVED that the conference committee report on Engrossed HB 1063 as

printed on HJ page 1581 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1063, as amended, was placed on the Eleventh order of business.

SECOND READING OF HOUSE BILL

HB 1063: A BILL for an Act to amend and reenact section 61-02-01 of the North Dakota Century Code, relating to the term nonnavigable; and to repeal sections 61-15-01, 61-15-02, and 61-15-08 of the North Dakota Century Code, relating to water conservation.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 90 YEAS, 2 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Amerman; Anderson; Beadle; Becker; Bellew; Boe; Boehning; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Delzer; Dockter; Dosch; Drovdal; Fehr; Frantsvog; Froseth; Glassheim; Grande; Gruchalla; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Headland; Heilman; Heller; Hofstad; Hogan; Holman; Hunskor; Johnson, D.; Johnson, N.; Karls; Kasper; Keiser; Kelsh, J.; Kelsh, S.; Kempenich; Kiefert; Klein; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Kreun; Laning; Larson; Looyesen; Louser; Maragos; Martinson; Meier; Mock; Monson; Mooney; Muscha; Nathe; Nelson, J.; Onstad; Owens; Paur; Pollert; Porter; Rohr; Ruby; Rust; Sanford; Schatz; Schmidt; Silbernagel; Skarphol; Steiner; Strinden; Sukut; Thoreson; Toman; Trottier; Vigesaa; Wall; Weisz; Wieland; Williams; Zaiser; Speaker Devlin

NAYS: Nelson, M.; Oversen

ABSENT AND NOT VOTING: Belter; Streyle

Reengrossed HB 1063 passed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. OWENS MOVED that the conference committee report on Engrossed HB 1126 as printed on HJ page 1581 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1126, as amended, was placed on the Eleventh order of business.

SECOND READING OF HOUSE BILL

HB 1126: A BILL for an Act to amend and reenact section 39-05-20.2 of the North Dakota Century Code, relating to salvage certificates of title.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 80 YEAS, 12 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Amerman; Anderson; Beadle; Becker; Bellew; Boe; Boehning; Boschee; Brandenburg; Carlson; Damschen; Delmore; Dockter; Dosch; Fehr; Frantsvog; Froseth; Glassheim; Grande; Gruchalla; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Headland; Heilman; Heller; Hofstad; Hogan; Holman; Hunskor; Johnson, D.; Johnson, N.; Karls; Kasper; Keiser; Kelsh, J.; Kelsh, S.; Kempenich; Kiefert; Klein; Klemin; Koppelman, K.; Kreidt; Kretschmar; Kreun; Laning; Larson; Looyesen; Louser; Maragos; Martinson; Mock; Mooney; Muscha; Nathe; Nelson, J.; Nelson, M.; Onstad; Oversen; Owens; Paur; Porter; Ruby; Rust; Sanford; Schmidt; Silbernagel; Skarphol; Steiner; Strinden; Sukut; Trottier; Wall; Weisz; Wieland; Williams; Zaiser; Speaker Devlin

NAYS: Brabandt; Delzer; Drovdal; Koppelman, B.; Meier; Monson; Pollert; Rohr; Schatz; Thoreson; Toman; Vigesaa

ABSENT AND NOT VOTING: Belter; Streyle

Reengrossed HB 1126 passed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. SCHATZ MOVED that the conference committee report on Engrossed HB 1139 as printed on HJ page 1581 be adopted, which motion prevailed on a voice vote.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. KASPER MOVED that the conference committee report on SB 2047 as printed on HJ pages 1581-1582 be adopted, which motion prevailed on a voice vote.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. RUST MOVED that the conference committee report on Engrossed SB 2095 as printed on HJ page 1582 be adopted, which motion prevailed on a voice vote.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. BEADLE MOVED that the conference committee report on Reengrossed SB 2339 as printed on HJ pages 1582-1583 be adopted, which motion prevailed on a voice vote.

Reengrossed SB 2339, as amended, was placed on the Fourteenth order of business.

SECOND READING OF SENATE BILL

SB 2339: A BILL for an Act to provide for a legislative management study to create an inventory and strategic plan relating to residential and commercial development programs and infrastructure and to provide for a study of programs providing residential and commercial development assistance.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 87 YEAS, 5 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Amerman; Anderson; Beadle; Becker; Bellew; Boe; Boehning; Boschee; Brandenburg; Carlson; Damschen; Delmore; Delzer; Dockter; Drovdal; Fehr; Frantsovog; Froseth; Glassheim; Grande; Gruchalla; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Headland; Heilman; Heller; Hofstad; Hogan; Holman; Hunskor; Johnson, D.; Johnson, N.; Karls; Keiser; Kelsh, J.; Kelsh, S.; Kempenich; Kiefert; Klein; Klemm; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Kreun; Laning; Larson; Looyesen; Louser; Maragos; Martinson; Meier; Mock; Monson; Mooney; Muscha; Nathe; Nelson, J.; Nelson, M.; Onstad; Oversen; Owens; Paur; Pollert; Porter; Ruby; Rust; Sanford; Schatz; Schmidt; Silbernagel; Skarphol; Steiner; Strinden; Sukut; Thoreson; Toman; Trottier; Vigesaas; Wall; Weisz; Williams; Zaiser; Speaker Devlin

NAYS: Brabandt; Dosch; Kasper; Rohr; Wieland

ABSENT AND NOT VOTING: Belter; Streyle

Reengrossed SB 2339, as amended, passed.

REPORT OF CONFERENCE COMMITTEE

HB 1440, as engrossed: Your conference committee (Sens. Andrist, J. Lee, Dotzenrod and Reps. Hofstad, Froseth, S. Kelsh) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1262-1264, adopt amendments as follows, and place HB 1440 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1262-1264 of the House Journal and pages 1149-1151 of the Senate Journal and that Engrossed House Bill No. 1440 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact sections 61-35-26.1, 61-35-26.2, 61-35-26.3, and 61-35-26.4 of the North

Dakota Century Code, relating to water services by cities and water districts and state water commission policies on funds for water districts and cities.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. Section 61-35-26.1 of the North Dakota Century Code is created and enacted as follows:

61-35-26.1. Statement of intent.

It is the intent of the legislative assembly that potable water should be available in sufficient quality and quantity to meet citizens' needs for a healthy and safe standard of living and to promote economic growth and development. In order to meet this objective in the most economical way, water service districts and city water service systems shall coordinate their service plans. Competition for users and duplication of service must be avoided whenever possible.

SECTION 2. Section 61-35-26.2 of the North Dakota Century Code is created and enacted as follows:

61-35-26.2. Plans for water service by providers - Filing plans - Existing agreements.

1. A city planning to expand water service through annexation shall develop a city water service area plan. The city shall consult with any other water service provider, including a district, whose water service area is affected by the city's water service area plan of the establishment of the plan.
2. The city shall file the city water service area plan with the commission. Upon filing of the plan with the commission, the city may proceed with water service to the annexed area as provided in section 61-35-26. A city water service area plan is enforceable when there is a water service agreement among the water service providers, including a district, that are encompassed by or which abut the water service area boundary.
3. Sections 61-35-26.1 through 61-35-26.4 do not supersede an existing water service agreement between a city and a district.

SECTION 3. Section 61-35-26.3 of the North Dakota Century Code is created and enacted as follows:

61-35-26.3. State water commission funding.

Before providing a grant or loan to a district or city for a water service project in any area within the extraterritorial zoning jurisdiction of any affected city, the commission shall require that district and city to have a water service agreement. The absence of a water service agreement may not affect the funding by the commission of other projects for a district or city which are not related to potable water service and are not located within the extraterritorial zoning jurisdiction.

SECTION 4. Section 61-35-26.4 of the North Dakota Century Code is created and enacted as follows:

61-35-26.4. Water service agreement - Mediation - Administrative law judge.

1. If a water service agreement between the district and the city is not executed within sixty days after the city notifies the district that a city water service area plan has been developed, the matter must be submitted to a committee for mediation. The committee must be comprised of a mediator retained jointly by the city and the district, two members appointed by the governing body of the city, and two members appointed by the district. The retained mediator shall arrange and preside over the mediation proceedings.

2. If the mediation committee is unable to resolve the dispute to the satisfaction of the parties involved, either party may petition the office of administrative hearings to appoint an administrative law judge to determine the terms of the water service agreement. Before a hearing may be held, at least two weeks' written notice must be given to the parties involved in the dispute. At the hearing, the retained mediator who presided over the mediation proceedings may provide information to the administrative law judge on the dispute between the parties involved and any proposed resolutions or recommendations made by a majority of the members appointed to the committee. Any resident of or person owning property in a city or district involved in the dispute, or a representative of such a resident or property owner, and any representative of a city or district involved, may appear at the hearing and present evidence on any matter to be determined by the administrative law judge. A decision by the administrative law judge must consider the following factors related to water service in the annexed area in making a decision under this subsection:
- a. The recommendation of the mediation committee;
 - b. The firefighting flow capacity of the water system;
 - c. The anticipated growth patterns of the district and city involved in the dispute;
 - d. Special conditions or needs, including topographic or physical features influencing service;
 - e. The system capacity and trunk main delivery structure of each provider;
 - f. The age, condition, and worth of the affected existing infrastructure;
 - g. Outstanding debt attributable to current users;
 - h. The impact on future revenues lost from existing and future customers;
 - i. Whether development would have occurred without annexation; and
 - j. Any other factor determined to be relevant by the administrative law judge."

Renumber accordingly

Engrossed HB 1440 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. HOFSTAD MOVED that the conference committee report on Engrossed HB 1440 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1440, as amended, was placed on the Eleventh order of business.

SECOND READING OF HOUSE BILL

HB 1440: A BILL for an Act to create and enact sections 61-35-26.1, 61-35-26.2, 61-35-26.3, and 61-35-26.4 of the North Dakota Century Code, relating to water services by cities and water districts and state water commission policies on funds for water districts and cities.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 89 YEAS, 2 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

YEAS: Amerman; Anderson; Beadle; Becker; Bellew; Boe; Boehning; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Dockter; Dosch; Drovdal; Fehr;

Frantsvog; Froseth; Glassheim; Grande; Gruchalla; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Headland; Heilman; Heller; Hofstad; Hogan; Holman; Hunskor; Johnson, D.; Johnson, N.; Karls; Kasper; Keiser; Kelsh, J.; Kelsh, S.; Kempenich; Kiefert; Klein; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Kreun; Laning; Larson; Looyesen; Louser; Maragos; Martinson; Meier; Mock; Monson; Mooney; Muscha; Nathe; Nelson, M.; Onstad; Oversen; Owens; Paur; Pollert; Porter; Rohr; Ruby; Rust; Sanford; Schatz; Schmidt; Silbernagel; Skarphol; Steiner; Strinden; Sukut; Thoreson; Toman; Vigasaa; Wall; Weisz; Wieland; Williams; Zaiser; Speaker Devlin

NAYS: Delzer; Trottier

ABSENT AND NOT VOTING: Belter; Nelson, J.; Streyle

Reengrossed HB 1440 passed.

REPORT OF CONFERENCE COMMITTEE

HB 1133, as engrossed: Your conference committee (Sens. Armstrong, Sitte, Nelson and Reps. Kretschmar, Larson, Delmore) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1152-1153, adopt amendments as follows, and place HB 1133 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1152 and 1153 of the House Journal and page 901 and 902 of the Senate Journal and that Engrossed House Bill No. 1133 be amended as follows:

Page 3, line 19, after "substance" insert "the chemical structure of which is substantially similar to the chemical structure of a controlled substance in a schedule I or II and"

Page 3, line 20, remove "With a chemical structure substantially similar to the chemical structure of a"

Page 3, line 21, replace "schedule I or II controlled substance" with "Which has a stimulant, depressant, or hallucinogenic effect on the central nervous system which is substantially similar to or greater than the stimulant, depressant, or hallucinogenic effect on the central nervous system of a controlled substance in schedule I or II"

Page 3, line 22, remove "That is used:"

Page 3, replace lines 23 through 28 with "With respect to a particular individual, which the individual represents or intends to have a stimulant, depressant, or hallucinogenic effect on the central nervous system substantially similar to or greater than the stimulant, depressant, or hallucinogenic effect on the central nervous system of a controlled substance in schedule I or II."

Page 3, line 29, replace "an alcoholic beverage." with ":

- (1) A controlled substance;
- (2) Any substance for which there is an approved new drug application; or
- (3) With respect to a particular individual, any substance, if an exemption is in effect for investigational use, for that individual, under section 505 of the federal Food, Drug, and Cosmetic Act [21 U.S.C. 355] to the extent conduct with respect to the substance is pursuant to the exemption."

Re-number accordingly

Engrossed HB 1133 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. KRETSCHMAR MOVED that the conference committee report on Engrossed HB 1133 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1133, as amended, was placed on the Eleventh order of business.

SECOND READING OF HOUSE BILL

HB 1133: A BILL to create and enact a new section to chapter 19-03.1 of the North Dakota Century Code, relating to controlled substance analogs; to amend and reenact subsection 7 of section 12-44.1-21, subsection 5 of section 12-46-24, subsection 7 of section 12-47-21, section 19-03.1-01, subdivision b of subsection 1 of section 19-03.1-23, and subsection 7 of section 19-03.1-23 of the North Dakota Century Code, relating to controlled substance analogs; to provide a penalty; 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 92 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Amerman; Anderson; Beadle; Becker; Bellew; Boe; Boehning; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Delzer; Dockter; Dosch; Drovdal; Fehr; Frantsvog; Froseth; Glassheim; Grande; Gruchalla; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Headland; Heilman; Heller; Hofstad; Hogan; Holman; Hunskor; Johnson, D.; Johnson, N.; Karls; Kasper; Keiser; Kelsh, J.; Kelsh, S.; Kempenich; Kiefert; Klein; Klemm; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Kreun; Laning; Larson; Looyson; Louser; Maragos; Martinson; Meier; Mock; Monson; Mooney; Muscha; Nathe; Nelson, J.; Nelson, M.; Onstad; Oversen; Owens; Paur; Pollert; Porter; Rohr; Ruby; Rust; Sanford; Schatz; Schmidt; Silbernagel; Skarphol; Steiner; Strinden; Sukut; Thoreson; Toman; Trottier; Vigesaa; Wall; Weisz; Wieland; Williams; Zaiser; Speaker Devlin

ABSENT AND NOT VOTING: Belter; Streyle

Reengrossed HB 1133 passed and the emergency clause was declared carried.

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

MR. PRESIDENT: The House has amended and subsequently passed: SB 2233.

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 2018.

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 2012, SB 2014.

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

MR. PRESIDENT: The House has amended, subsequently passed, and the emergency clause failed: SB 2001.

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

MR. PRESIDENT: The House has failed to pass, unchanged: SB 2333.

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

MR. PRESIDENT: The House does not concur in the Senate amendments to HB 1010, HB 1016, HB 1017, and HB 1234, and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

HB 1010: Reps. Sanford; Brandenburg; Guggisberg

HB 1016: Reps. Thoreson; Brandenburg; Glassheim

HB 1017: Reps. Brandenburg; Thoreson; Glassheim

HB 1234: Reps. Belter; Drovdal; S. Kelsh

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

MR. PRESIDENT: The House does not concur in the Senate amendments to HB 1013, HB 1021, and HB 1319, and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

HB 1013: Reprs. Monson; Skarphol; Boe
HB 1021: Reprs. Dosch; Martinson; Boe
HB 1319: Reprs. Nathe; Headland; Hunskor

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

MR. PRESIDENT: The House does not concur in the Senate amendments to HB 1029, and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

HB 1029: Reprs. Owens; Headland; Haak

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 2002: Reprs. Sanford; Brandenburg; Guggisberg
SB 2004: Reprs. Bellew; Kreidt; Holman
SB 2013: Reprs. Kempenich; Thoreson; Guggisberg
SB 2020: Reprs. Monson; Skarphol; Boe
SB 2267: Reprs. Dosch; Monson; Boe

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. Carlisle; Krebsbach; Warner
HB 1003: Sens. Kilzer; Erbele; Warner
HB 1004: Sens. Wanzek; Holmberg; Robinson
HB 1006: Sens. Wanzek; Holmberg; Mathern
HB 1008: Sens. Carlisle; Wanzek; O'Connell
HB 1009: Sens. Bowman; Erbele; O'Connell
HB 1013: Sens. Holmberg; Krebsbach; O'Connell
HB 1014: Sens. Wanzek; Holmberg; Robinson
HB 1018: Sens. Krebsbach; Grindberg; Mathern
HB 1019: Sens. Krebsbach; G. Lee; O'Connell
HB 1021: Sens. Wanzek; G. Lee; Robinson
HB 1022: Sens. Carlisle; G. Lee; Robinson
HB 1041: Sens. J. Lee; Anderson; Mathern
HB 1099: Sens. Poolman; Schaible; Nelson
HB 1128: Sens. Hogue; Armstrong; Nelson
HB 1138: Sens. Armstrong; Lyson; Grabinger
HB 1170: Sens. Larsen; Dever; Axness
HB 1412: Sens. Sitte; Lyson; Grabinger
HCR 3011: Sens. Hogue; Armstrong; Grabinger
HCR 3034: Sens. Hogue; Armstrong; Nelson

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 1025: Sens. Hogue; Lyson; Grabinger
HB 1033: Sens. Schaible; Dever; Marcellais
HB 1136: Sens. Hogue; Armstrong; Nelson
HB 1198: Sens. Cook; Oehlke; Dotzenrod

HB 1205: Sens. Sitte; Campbell; Axness
HB 1289: Sens. Schaible; Luick; Marcellais
HB 1290: Sens. Burckhard; Miller; Triplett
HB 1300: Sens. Campbell; Oehlke; Triplett
HB 1306: Sens. Miller; Burckhard; Dotzenrod

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

MR. SPEAKER: The Senate has concurred in the House amendments and subsequently passed: SB 2344.

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

MR. SPEAKER: The Senate does not concur in the House amendments to SB 2002, SB 2004, SB 2013, SB 2020, and SB 2267, and the President has appointed as a conference committee to act with a like committee from the House on:

SB 2002: Sens. Kilzer; Carlisle; Warner
SB 2004: Sens. Kilzer; Grindberg; Mathern
SB 2013: Sens. Krebsbach; Holmberg; Warner
SB 2020: Sens. Bowman; Erbele; O'Connell
SB 2267: Sens. Poolman; Flakoll; Marcellais

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 2015, SB 2226, and SB 2242, and the President has appointed as a conference committee to act with a like committee from the House on:

SB 2012: Sens. G. Lee; Holmberg; O'Connell
SB 2015: Sens. Wanzek; Krebsbach; O'Connell
SB 2226: Sens. Dever; J. Lee; Mathern
SB 2242: Sens. Laffen; Hogue; Murphy

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

MR. PRESIDENT: The Speaker has appointed Rep. Delmore to replace Rep. Karls on the Conference Committee on HB 1138.

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

MR. PRESIDENT: The Speaker has appointed Rep. Hanson to replace Rep. Maragos on the Conference Committee on HCR 3011.

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

MR. PRESIDENT: The Speaker has appointed Rep. Delmore to replace Rep. Toman on the Conference Committee on HCR 3034.

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

MR. PRESIDENT: The Speaker has appointed Rep. Owens to replace Rep. Belter on the Conference Committee on HB 1290.

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 1063, HB 1126, HB 1440.

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

MR. PRESIDENT: The House has adopted the conference committee report on: HB 1139.

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 1061, HB 1133.

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 failed to pass: HB 1112.

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

MR. PRESIDENT: The House has adopted the conference committee report on: SB 2047, SB 2095.

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 2126, SB 2129, SB 2162, SB 2213, SB 2243.

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 2310, SB 2339.

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: SB 2132.

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

MR. PRESIDENT: Your signature is respectfully requested on: HB 1023.

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

MR. SPEAKER: The President has signed: HB 1023, HB 1167, HB 1202, HB 1219, HB 1368, HB 1410.

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

MR. PRESIDENT: The Speaker has signed: HB 1027, HB 1106, HB 1211, HB 1296, HB 1309, HB 1332, HB 1382, HB 1451, HCR 3019, HCR 3021, HCR 3029, HCR 3038.

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

MR. PRESIDENT: The Speaker has signed: HB 1145, HB 1213, HB 1322, HB 1402, HB 1413.

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

MR. PRESIDENT: The Speaker has signed: SB 2087, SB 2113, SB 2114, SB 2207, SB 2255, SB 2352.

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following bills were delivered to the Governor for approval on April 17, 2013: HB 1027, HB 1106, HB 1145, HB 1211, HB 1213, HB 1263, HB 1296, HB 1309, HB 1322, HB 1332, HB 1382, HB 1402, HB 1413, HB 1429, HB 1435, HB 1439, HB 1451, HB 1454, HB 1459, HB 1464.

COMMUNICATION FROM GOVERNOR JACK DALRYMPLE

This is to inform you that on April 15, 2013, I have signed the following: HB 1026, HB 1052, HB 1054, HB 1075, HB 1085, HB 1117, HB 1185, HB 1192, HB 1241, HB 1247, HB 1267, HB 1336, HB 1348, HB 1352, and HB 1399.

Also, on April 16, 2013, I have signed the following: HB 1091, HB 1130, HB 1180, HB 1360, HB 1362, HB 1397, and HB 1424.

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following resolutions were delivered to the Secretary of State for filing on April 17, 2013: HCR 3019, HCR 3021, HCR 3029, HCR 3038.

MOTION

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

MOTION

REP. VIGESAA MOVED that the House be on the Fourth, Fifth, Ninth, and Sixteenth orders of business and at the conclusion of those orders, the House stand adjourned until 8:00 a.m., Thursday, April 18, 2013, which motion prevailed.

REPORT OF CONFERENCE COMMITTEE

HB 1205, as engrossed: Your conference committee (Sens. Sitte, Axness, Campbell and Reps. Vigesaa, Frantsvog, Delmore) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ page 1423 and place HB 1205 on the

Seventh order.

Engrossed HB 1205 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2126, as engrossed: Your conference committee (Sens. Miller, Cook, Dotzenrod and Reps. Sukut, Beadle, Gruchalla) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 751-752, adopt amendments as follows, and place SB 2126 on the Seventh order:

That the House recede from its amendments as printed on pages 751 and 752 of the Senate Journal and pages 882-884 of the House Journal and that Engrossed Senate Bill No. 2126 be amended as follows:

Page 1, line 1, replace the first "section" with "sections"

Page 1, line 1, after "12.1-23-16" insert "and 12.1-23-17"

Page 1, line 3, after "devices" insert "and skimming devices used for a fraudulent purpose"

Page 1, remove line 11

Page 1, line 12, remove "internet link, or"

Page 1, line 12, remove "other"

Page 1, line 12, remove the second underscored comma

Page 2, line 17, after "is" insert "guilty of a class A felony and also is"

Page 3, after line 3, insert:

"SECTION 2. Section 12.1-23-17 of the North Dakota Century Code is created and enacted as follows:

12.1-23-17. Unlawful skimming of credit, debit, or other electronic payment cards - Penalty.

1. For purposes of this section:
 - a. "Authorized card user" means any person with the empowerment, permission, or competence to use an electronic payment card.
 - b. "Electronic payment card" means a credit card, charge card, debit card, hotel key card, stored value card, or any other card that is issued to an authorized card user which allows the user to obtain, purchase, or receive goods, services, money, or anything else of value from a merchant.
 - c. "Merchant" means an owner or operator of a retail mercantile establishment or an agent, employee, lessee, consignee, officer, director, franchisee, or independent contractor of a retail mercantile establishment who receives from an authorized user or someone believed to be an authorized user, an electronic payment card or information from an electronic payment card, or what is believed to be an electronic payment card or information from an electronic payment card, as the instrument for obtaining, purchasing, or receiving goods, services, money, or anything else of value from the retail mercantile establishment.
 - d. "Re-encoder" means an electronic device that places encoded information from the magnetic strip or stripe of an electronic payment card onto the magnetic strip or stripe of a different electronic payment card.

- e. "Scanning device" means a scanner, reader, or any other electronic device that is used to access, read, scan, obtain, memorize, or store, temporarily or permanently, information encoded on the magnetic strip or stripe of an electronic payment card.
2. A person is guilty of unlawful skimming if the person uses:
- a. A scanning device to access, read, scan, obtain, memorize, or store, temporarily or permanently, information encoded on the magnetic strip or stripe of an electronic payment card without the permission of the authorized user of the electronic payment card, with the intent to defraud the authorized user of the electronic payment card, the issuer of the electronic payment card, or a merchant; or
- b. A re-encoder to place information encoded on the magnetic strip or stripe of an electronic payment card onto the magnetic strip or stripe of a different electronic payment card without the permission of the authorized user of the card from which the information is being re-encoded, with the intent to defraud the authorized user of the electronic payment card, the issuer of the electronic payment card, or a merchant.
3. Any person convicted of a violation under subsection 2 is guilty of a class B felony. Any person convicted of a second or subsequent violation of subsection 2 is guilty of a class A felony and also is subject to a civil penalty of not more than one hundred thousand dollars."

Page 3, line 8, replace "revocation" with "conviction"

Page 3, line 8, after the underscored period insert "Any person convicted of violating section 12.1-23-16 who is not a holder of a permit at the time of conviction is not eligible to receive a permit for a period of ten years from the date of conviction."

Re-number accordingly

Engrossed SB 2126 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2129, as engrossed: Your conference committee (Sens. Klein, Andrist, Murphy and Reps. Sukut, Louser, M. Nelson) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ page 898, adopt amendments as follows, and place SB 2129 on the Seventh order:

That the House recede from its amendments as printed on page 898 of the Senate Journal and page 990 of the House Journal and that Engrossed Senate Bill No. 2129 be amended as follows:

Page 1, remove lines 4 through 24

Page 2, remove lines 1 through 30

Page 3, replace lines 1 through 7 with:

"SECTION 1. AMENDMENT. Section 54-21.3-04.1 of the North Dakota Century Code is amended and reenacted as follows:

54-21.3-04.1. Accessibility standards - Automatic doors.

1. Notwithstanding section 54-21.3-04, every building or facility subject to the federal Americans with Disabilities Act of 1990 [Pub. L. 101-336; 104 Stat. 327] must conform to the accessibility standards of the Americans with Disabilities Act Accessibility Guidelines for Buildings and Facilities 2010 Americans with Disabilities Act standards for accessible design as contained in the appendix to title 28, Code of Federal Regulations, part parts 35 and 36 [28 CFR 35 and 36]. ~~State and political~~

~~subdivision entities may not claim the exceptions to the requirement that elevators be installed in certain buildings as those exceptions are stated in exception 1 to section 4.1.3(5) and in section 4.1.6(1)(k)(i) in the Americans with Disabilities Act Accessibility Guidelines for Buildings and Facilities found in the appendix to 28 CFR 36. A structural change to an existing state or political subdivision building or facility is not required if another method is effective in achieving compliance with regulations adopted under Public Law 101-336. For public accommodations, an alternative to a structural change in existing buildings or facilities is permitted only after it has been documented, in accordance with regulations adopted under Public Law 101-336, that a particular structural change is not readily achievable.~~

2. A state agency or the governing body of a political subdivision shall require from any ~~person~~individual preparing plans and specifications for a building or facility subject to the Americans with Disabilities Act of 1990 [Pub. L. 101-336; 104 Stat. 327], a statement that the plans and specifications are, in the professional judgment of that ~~person~~individual, in conformance with the Americans with Disabilities Act Accessibility Guidelines for Buildings and Facilities found in the appendix to 28 CFR 36, subject to the exception stated in this section standards for accessible design as provided under subsection 1. A statement of conformance must be submitted to the department of commerce division of community services for recording.
3. After July 31, 2013, a newly designed and constructed building in excess of seven thousand five hundred square feet [696.77 square meters] which is classified within the state building code as assembly, business, educational, institutional, or mercantile occupancy and required by the state building code to be accessible must include at the primary exterior public entrance an automatic door or power-assisted manual door that complies with the requirements of the Americans with Disabilities Act of 1990, revised 2010. If a multiple unit building does not have a primary exterior public entrance, an individual unit within that building is not required to include an automatic door or power-assisted manual door unless that individual unit is in excess of seven thousand five hundred square feet [696.77 square meters]."

Renumber accordingly

Engrossed SB 2129 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2132: Your conference committee (Sens. Andrist, Sorvaag, Dotzenrod and Reps. Louser, Ruby, Gruchalla) recommends that the **SENATE ACCEDE** to the House amendments as printed on SJ page 1175 and place SB 2132 on the Seventh order.

SB 2132 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2162: Your conference committee (Sens. Dever, Larsen, Axness and Reps. Drovdal, Dockter, Strinden) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ page 878, adopt amendments as follows, and place SB 2162 on the Seventh order:

That the House recede from its amendments as printed on page 878 of the Senate Journal and page 940 of the House Journal and that Senate Bill No. 2162 be amended as follows:

Page 1, line 19, after "of" insert "eighty-five percent of"

Page 2, line 5, after "of" insert "eighty-five percent of"

Renumber accordingly

SB 2162 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2213: Your conference committee (Sens. Schaible, Dever, Nelson and Reps. Kasper, B. Koppelman, Amerman) recommends that the **SENATE ACCEDE** to the House amendments as printed on SJ page 1065 and place SB 2213 on the Seventh order.

SB 2213 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2243, as engrossed: Your conference committee (Sens. Dever, J. Lee, Axness and Reps. Damschen, Fehr, Mooney) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ page 918, adopt amendments as follows, and place SB 2243 on the Seventh order:

That the House recede from its amendments as printed on page 918 of the Senate Journal and page 1009 of the House Journal and that Engrossed Senate Bill No. 2243 be amended as follows:

Page 1, line 1, remove "; and"

Page 1, line 2, remove "to provide an appropriation"

Page 1, line 13, after the period insert "The legislative council may spend up to \$45,000 to contract for consulting and coordination of study services to assist the legislative management in conducting the behavioral health study."

Page 1, remove lines 14 through 19

Renumber accordingly

Engrossed SB 2243 was placed on the Seventh order of business on the calendar.

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

Buell J. Reich, Chief Clerk