

JOURNAL OF THE SENATE**Sixty-third Legislative Assembly**

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Bismarck, March 20, 2013

The Senate convened at 1:00 p.m., with President Pro Tempore Wanzek presiding.

The prayer was offered by Reverend Lester Wolfram, Shepherd of the Valley Lutheran Church, Bismarck.

The roll was called and all members were present except Senator Sinner.

A quorum was declared by the President Pro Tempore.

MOTION

SEN. KLEIN MOVED that the Senate resolve itself into a Memorial Service, which motion prevailed.

SENATE MEMORIAL SERVICE

Memorial Service Committee
Senator Dick Dever, Chairman
Senator Robert Erbele
Senator Carolyn C. Nelson
Senator Dave Oehlke

Moderator

Senator Terry Wanzek, President Pro Tempore

Introduction of Guests

Senator Terry Wanzek, President Pro Tempore

Invocation

Reverend Lester Wolfram

Senate Chorus

"Precious Lord"
Directed by Senator Robert Erbele
Accompanied by Levi Andrist

First and Second Reading of Senate Memorial Resolution

William R. Horton, Secretary of the Senate

Presentation of Resolutions and Roses

Alvin A. Jaeger, Secretary of State
William R. Horton, Secretary of the Senate

Senate Chorus

"They Shall Soar Like Eagles"
Directed by Senator Robert Erbele
Accompanied by Senator Carolyn C. Nelson and Arvy Smith

Memorial Address

Wayne Stenehjem, North Dakota Attorney General

Senate Chorus Benediction Hymn

"Go Ye Now in Peace"

DECEASED MEMBERS**Arden C. Anderson**

60th and 61st Legislative Assemblies, District 25

Died May 16, 2012

Arthur Henry Behm

60th and 61st Legislative Assemblies, District 19
Died July 6, 2012

Dennis Duane Bercier

56th through the 59th Legislative Assemblies, District 9
Died June 11, 2012

Thomas L. Fischer

55th through the 62nd Legislative Assemblies, District 46
Died November 16, 2011

Herbert T. Geving

40th Legislative Assembly, District 4
Died April 23, 2011

Erwin "Bud" Hanson

51st and 52nd Legislative Assemblies, District 2
Died October 7, 2011

Orlin Milton "Bill" Hanson

52nd Legislative Assembly, District 3
Died October 13, 2012

Ludger Kadlec

39th Legislative Assembly, District 3
Died September 16, 2012

George Longmire

35th through the 39th Legislative Assemblies, District 7
40th through the 44th Legislative Assemblies, District 18
Died March 25, 2012

Ernest G. Pyle

40th through the 44th Legislative Assemblies, District 22
Died May 28, 2011

Earl Herman Redlin

39th Legislative Assembly, District 25
40th through the 42nd Legislative Assemblies, District 28
Died December 21, 2012

Rolland "Rollie" Redlin

36th through the 38th Legislative Assemblies, District 40
43rd and 44th Legislative Assemblies, District 5
45th through the 52nd Legislative Assemblies, District 40/50
53rd through the 56th Legislative Assemblies, District 38
Died September 23, 2011

Chester Maynard Reiten

43rd and 44th Legislative Assemblies, District 5
45th through 50th Legislative Assemblies, District 40/50
Died January 22, 2013

Ernest M. Sands

40th and 41st Legislative Assemblies, District 7
43rd through the 46th Legislative Assemblies, District 7
Died April 9, 2012

Marvin E. Sorum

46th and 47th Legislative Assemblies, District 3
Died March 12, 2012.

Robert W. "Bob" Stenehjem

53rd through the 62nd Legislative Assemblies, District 30
Died July 18, 2011

Darlene Claire Watne

54th through the 57th Legislative Assemblies, District 5
Died October 12, 2012

FIRST READING OF SENATE MEMORIAL RESOLUTION

Memorial Resolutions Committee introduced:

SMR 8001: A memorial resolution for deceased members of the Senate of North Dakota.
Was read the first time.

MOTION

SEN. HOGUE MOVED that the rules be suspended, that SMR 8001 not be printed, not be referred to committee, but be read in its entirety, be printed in the Journal, and placed on the calendar for immediate second reading and final passage, which motion prevailed on a voice vote.

Memorial Resolutions Committee introduced:

SENATE MEMORIAL RESOLUTION NO. 8001

A memorial resolution for deceased members of the Senate of North Dakota.

WHEREAS, God has welcomed to their eternal home our former colleagues:

Arden Anderson, who served in the 60th and 61st Legislative Assemblies, from District 25, died May 16, 2012;

Arthur Henry Behm, who served in the 60th and 61st Legislative Assemblies, from District 19, died July 6, 2012;

Dennis Bercier, who served in the 56th through the 59th Legislative Assemblies, from District 9, died June 11, 2012;

Thomas L. Fischer, who served in the 55th through the 62nd Legislative Assemblies, from District 46, died November 16, 2011;

Herbert T. Geving, who served in the 40th Legislative Assembly, from District 4, died April 23, 2011;

Erwin "Bud" Hanson, who served in the 51st and 52nd Legislative Assemblies, from District 2, died October 7, 2011;

Orlin Milton "Bill" Hanson, who served in the 52nd Legislative Assembly, from District 3, died October 13, 2012;

Ludger Kadlec, who served in the 39th Legislative Assembly, from District 3, died September 16, 2012;

George Longmire, who served in the 35th through the 39th Legislative Assemblies, from District 7, and in the 40th through the 44th Legislative Assemblies, from District 18, died March 25, 2012;

Ernest G. Pyle, who served in the 40th through the 44th Legislative Assemblies, from District 22, died May 28, 2011;

Earl H. Redlin, who served in the 39th Legislative Assembly, from District 25, and in the 40th through 42nd Legislative Assemblies, from District 28, died December 21, 2012;

Rolland "Rollie" Redlin, who served in the 36th through the 38th Legislative Assemblies, from District 40, in the 43rd and 44th Legislative Assemblies, from District 5, in the 45th through the 52nd Legislative Assemblies, from District 40 and 50, and in the 53rd through the 56th Legislative Assemblies, from District 38, died September 23, 2011;

Chester Reiten, who served in the 43rd and 44th Legislative Assemblies, from District 5, and in the 45th through the 50th Legislative Assemblies, from District 40 and 50, died January 22, 2013;

Ernest Sands, who served in the 40th and 41st Legislative Assemblies and in the 43rd through the 46th Legislative Assemblies, from District 7, died April 9, 2012;

Marvin E. Sorum, who served in the 46th and 47th Legislative Assemblies, from District 3, died March 12, 2012;

Robert W. "Bob" Stenehjem, who served in the 53rd through the 62nd Legislative Assemblies, from District 30, died July 18, 2011;

Darlene Watne, who served in the 54th through the 57th Legislative Assemblies, from District 5, died October 12, 2012;

WHEREAS, we now pause to mourn the passing of our former Senate colleagues and to honor their memories; and

WHEREAS, these legislators rendered outstanding service to the people of the state by their contributions to public service;

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF NORTH DAKOTA:

That we express our sorrow on their passing and our appreciation, on behalf of the people of North Dakota, of the loyal and devoted service of our former colleagues; and

BE IT FURTHER RESOLVED, that for the perpetuation of their memory this token of respect and sympathy by their successors in trust be printed in the Journal of the Senate and that the Secretary of State present enrolled copies of this resolution to the surviving families of these deceased senators.

SECOND READING OF SENATE MEMORIAL RESOLUTION

SMR 8001: A memorial resolution for deceased members of the Senate of North Dakota.

The question being on the final adoption of the resolution, which has been read.

SMR 8001 was declared adopted on a voice vote.

MOTION

SEN. KLEIN MOVED that the Memorial Address by North Dakota Attorney General Wayne Stenehjem and the Invocation by Reverend Lester Wolfgram be printed in the Journal., which motion prevailed.

INVOCATION BY REVEREND LESTER WOLFGRAM

Heavenly Father, on this very special day, we gather to honor and remember those whose humble privilege it was to serve their communities in this chamber as members of the North Dakota Senate. While their service here and their lives in this world have ended, we give thanks to You for the blessing that each of them was for their family and to those whom they served. Thank you for their willingness to make all of the sacrifices necessary to serve as a State Senator, for their love of our great state, for their desire to give their best as they represented those who elected them. Thank you for their willingness to speak and to vote on the many issues that were brought before them for consideration.

We are also grateful for their families, for the support and encouragement that spouses and children have given through the grueling campaigns and the long weeks during the legislative sessions. As family and friends and colleagues help us to celebrate their lives, even as we mourn their death. May we mourn, not as those who have no hope, but whose sure and certain hope is in the crucified and risen Christ. We also ask that You would continue to prosper the work of those who currently serve. Grant us Your perfect peace. In Your name we pray. Amen.

MEMORIAL ADDRESS BY NORTH DAKOTA ATTORNEY GENERAL WAYNE STENEHJEM

Mr. President and members of the Senate and honored guests:

In my first session in this Senate, the 47th Legislative Assembly in 1981, I sat right there in the middle of the second row, and newly elected Sen. Bryce Streibel sat right next to me in the same seat his father had sat when he was a Senator. And when the Memorial service began with the reading of Senate Memorial Resolution Number One, with the names of the now deceased members, Bryce leaned over to me and said, "One day they will read resolutions like this with our names on it." And Bryce was right. For many of our dear friends and esteemed former colleagues, and for my brother Bob, that day is today.

I am very much honored by the invitation to speak here today on this very somber and significant day. I am mindful that for me and my family this ceremony isn't just about our personal loss, it's about everyone's loss. So, perhaps it is entirely appropriate for me to be here today, because it signifies an important recognition, one that only those who have sat in the chairs in this chamber can really fully appreciate. That all of us who have served here are brothers and sisters. We are family. After all, like any family, you argue. You fight and disagree on matters from the monumental to the rather inconsequential. And sometimes it's hard to know the difference between the two.

But as with any well-balanced family, in the end, you all come together. When we lose one of our number, together we grieve. And we remember. That's what these memorial services are

for. There are none of us that have sat here and listened as this Senate Memorial Resolution is read who don't do so with a solemn awareness that one day the Secretary of the Senate will stand at the podium and read a similar resolution with our name on it.

It is how we act between this day, and that one, that will make all the difference. Like all of you, we have too often found ourselves attending the funeral services in the hometowns of these public servants. And though the senators there eulogized were of various and diverse backgrounds and philosophies, you will note a common theme among the words spoken for our departed colleagues. No priest or minister or orator ever eulogizes a former senator by saying things like: "You know, people were really pleased with his views on county home rule." Or "She was well admired because she favored generous property tax relief."

Instead, we always hear words that tell of the character of our departed colleagues:

"His word was his bond."

"He was always true to his principles"

"She would never let you down."

"She laughed often."

To prepare for today, I decided to go back to the ND Senate Journal from one hundred years ago. The 13th Legislative Session of 1913. I was going to tell you what the Senate was doing on this very day, March 20, 1913. But I can't do that because the fact is, that the Legislature had adjourned sine die and gone home two weeks ago, on March 7, 1913. Maybe that's why we call them "the good old days."

I can tell you that that 13th Legislative Session was extremely contentious. This was the time of the rise of North Dakota's prairie populism. They killed, then following a public outcry, resurrected and passed a measure to give women the vote. They debated a bill to prohibit the sale and use of tobacco throughout the state. They considered whether they should amend the constitution to provide for the initiative and referendum of legislation by the citizens. They scrambled to find money to buy a silver service for the battleship North Dakota. They debated establishing a state owned mill and elevator. Governor Hanna vetoed an unprecedented number of bills because the state lacked sufficient revenues. It was a heated and divisive time. And like today, they passed resolutions to honor departed colleagues.

Few know the joys and the sacrifices of serving here. From first surviving the increasingly arduous process of gaining the trust and the votes of our citizens in order to earn a seat in this chamber. Then there are the pressures and stress of actually serving. For the families gathered here today, only you know the number of family events and important occasions and time together lost, so these senators could serve. And for that, a grateful state offers its silent thanks.

Hundreds of men and women have served in this room. When I was a member, I would sometime come in late at night or on weekends, and sitting alone in the quiet, imagine the arguments and issues that must have been discussed and resolved within these walls. And if you do so, if you close your eyes and listen, you may hear within this chamber, the booming and confident voice of Chet Reiten. Or of Darlene Watne who served as my Vice Chairman on the Judiciary Committee, with her unassuming but self-assured competence.

You may hear the unmistakable Tennessee drawl of former majority leader George Longmire, or the earnest voice of Bill Hanson, the quiet and well-experienced reasoning from Arden Anderson, or the gentle but impassioned oration from former Congressman and then Senator Rollie Redlin. Resonating and intermingling with all the historical voices in this chamber would be those of our friend Dennis Bercier, and of Ludger Kadlec and Herb Geving and Art Behm. The voices of staunchly conservative Marv Sorum, and the gentle thoughtfulness of Bud Hanson, could be heard as well. Perhaps Earl Redlin would join in with an ardent voice for his constituents.

The knowledgeable sounds from Tom Fischer, either commenting about one thing or another under his breath or standing up to educate on all things water, or the reasoning and always friendly voice of Ernie Pyle are here to listen to. From the seats out there, and then later from the front of the room as Lt. Governor and President of the Senate you might hear Ernie Sands. And of course, you might even hear Brother Bob. Not speaking frequently, but his voice might come from behind those brass rails somewhere, directing traffic. Many, many good friends and dedicated public servants.

We are well blessed to live in a state and country where the desires and emotions of the public are channeled to one place such as our remarkable state Senate. In the history of the world, it has been only during a brief interval that governments have recognized that ordinary people can determine the laws for themselves. For that we can thank those with the foresight to create this miracle process of self-government.

So, you who serve here must be ever mindful of the fact that this is the focal point where the aspirations and the hopes, as well as the fears and anxieties of our citizens converge. More important than the individual issues faced in this chamber is the reality that as long as all can come here, a single place, and openly advance their opinions and desires, and be represented by senators who vigorously and honestly speak on their behalf, and agree that thereafter we all will abide by the collective wisdom of the whole, this institution, and the form of government herein found, will continue to offer a peaceful and lasting outcome that permits us to avoid revolution and bloodshed as an unhappy alternative. Just as similar bodies throughout the nation have succeeded in doing for over two centuries.

The echoes of the vigorous, often contentious debates over the causes of the day may have died with those who spoke them. But the institution survives. And the character of the people who shaped this institution survives as well.

These dedicated senators whose lives and service we today recognize, toiled in this very room. They left their families and friends and businesses behind, to dedicate their tireless effort to making this state a better place. The issues they faced were no doubt heated and difficult. They served their constituents and their state well.

As their names are read, it is proper to remember our departed colleagues and friends, and it is equally essential to rededicate our own lives to service.

The words of the poet John Donne remind us that we are all in this life together. When one senator leaves us, we are all diminished. "No man is an island, entire of itself; every man is a piece of the continent, a part of the main. If a clod be washed away by the sea, Europe is the less, as well as if promontory were, as well as if a manor of thy friend's or of thine own were. Any man's death diminishes me, because I am involved in mankind; and therefore never send to know for whom the bell tolls; it tolls for thee."

And so, I think it fitting to quote the words that ended Senate Memorial Resolutions many sessions ago: "Now, THEREFORE, BE IT RESOLVED by the Senate of the State of North Dakota, the House of Representatives Concurring therein, that we hereby extend to the families and friends of the deceased, our heartfelt sympathy. We, too, are deeply moved by the loss of these able, conscientious, and industrious [senators]. The valuable contributions they made as community leaders and legislators will always be a gentle reminder of their abiding faith in humanity, loyalty and love for things sublime. We are told that the good men do, will follow after them. If this is true, then we can rest assured in the knowledge that, with them, all is well."

MOTION

SEN. KLEIN MOVED that the Senate Memorial Service be dissolved, which motion prevailed.

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

MR. SPEAKER: The Senate has passed, unchanged: HB 1077, HB 1243.

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

MR. SPEAKER: The Senate has amended and subsequently passed: HB 1030.

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

MR. PRESIDENT: The House has passed, unchanged: SB 2040, SB 2045, SB 2071, SB 2120, SB 2188, SB 2246, SB 2278.

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

MR. PRESIDENT: The House has passed, the emergency clause carried, unchanged: SB 2119, SB 2287.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The House has amended and subsequently passed: SB 2106, SB 2223, SB 2266, SB 2337, SB 2339.

HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2106

Page 4, line 13, remove "In addition to the penalty in subsection 1, any person who violates sections"

Page 4, remove lines 14 through 16

Page 4, line 17, remove "3."

Renumber accordingly

HOUSE AMENDMENTS TO REENGROSSED SENATE BILL NO. 2223

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

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. LEGISLATIVE MANAGEMENT STUDY - STATE GOVERNMENTAL FACILITIES. During the 2013-2014 interim, the legislative management shall study the necessity and feasibility of constructing additional facilities or renovating existing facilities to house state governmental functions. The study must include consideration of making additional space available in the judicial wing of the state capitol for space needs of the judicial branch. The study must also include a review of options for payments in lieu of taxes if a new facility is constructed. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly."

Renumber accordingly

HOUSE AMENDMENTS TO SENATE BILL NO. 2266

Page 1, line 1, replace the first "section" with "sections 10-06.1-17 and"

Page 1, line 1, after the second comma insert "section 10-19.1-01,"

Page 1, line 2, replace the second "section" with "sections"

Page 1, line 2, after "10-19.1-17" insert "and 10-19.1-115, subsection 2 of section 10-19.1-146"

Page 1, line 3, remove "and"

Page 1, line 4, after "10-34-04" insert ", and subsection 2 of section 10-35-28"

Page 1, line 5, after "corporation" insert "definitions,"

Page 1, line 6, replace "and" with a comma

Page 1, line 6, after the comma insert "involuntary dissolution,"

Page 1, after line 10, insert:

"SECTION 1. AMENDMENT. Section 10-06.1-17 of the North Dakota Century Code is amended and reenacted as follows:

10-06.1-17. Annual report - Contents - Filing requirements.

Before April sixteenth of each year, every corporation engaged in farming or ranching after June 30, 1981, and every limited liability company engaged in farming

or ranching shall file with the secretary of state an annual report signed as provided in subsection 5354 of section 10-19.1-01 if a corporation and subsection 58 of section 10-32-02 if a limited liability company. If the corporation or limited liability company is in the hands of a receiver or trustee, it must be signed on behalf of the corporation or limited liability company by the receiver or trustee. An annual report in a sealed envelope postmarked by the United States postal service before the date provided in this section or an annual report in a sealed packet with a verified shipment date by any other carrier service before the date provided in this section meets the filing date requirement. An annual report must include the following information with respect to the preceding calendar year:

1. The name of the corporation or limited liability company.
2. The name of the registered agent of the corporation or limited liability company as provided in chapter 10-01.1 and, if a noncommercial registered agent, the address of the registered office of the corporation or limited liability company in this state.
3. With respect to each corporation:
 - a. A statement of the aggregate number of shares the corporation has authority to issue, itemized by classes, par value of shares, shares without par value, and series, if any, within a class.
 - b. A statement of the aggregate number of issued shares, itemized by classes, par value of shares, shares without par value, and series, if any, within a class.
4. With respect to each shareholder or member:
 - a. The name and address of each, including the names and addresses and relationships of beneficiaries of trusts and estates which own shares or membership interests;
 - b. The number of shares or membership interests or percentage of shares or membership interests owned by each;
 - c. The relationship of each;
 - d. A statement of whether each is a citizen or permanent resident alien of the United States; and
 - e. A statement of whether at least one is an individual residing on or operating the farm or ranch.
5. With respect to management:
 - a. If a corporation, then the names and addresses of the officers and members of the board of directors; or
 - b. If a limited liability company, then the names and addresses of the managers and members of the board of governors.
6. A statement listing the acreage [hectarage] and location listed by section, township, range, and county of all land in the state owned or leased by the corporation or limited liability company and used for farming or ranching. The statement must also designate which, if any, of the acreage [hectarage] is leased from or jointly owned with any shareholder or member and list the name of the shareholder or member with that acreage [hectarage].
7. A statement of the percentage of the annual average gross income of the corporation or limited liability company which has been derived from farming or ranching operations over the previous five years or for each year of existence if less than five years.

8. A statement of the percentage of gross income of the corporation or limited liability company derived from nonfarm rent, nonfarm royalties, dividends, interest, and annuities during the period covered by the report.
9. A corporation engaged in farming which fails to file an annual report is subject to the penalties provided in section 10-19.1-147 except that the penalties must be calculated from the date of the report required by this section.
10. A limited liability company engaged in farming which fails to file an annual report is subject to the penalties provided in subsections 5 and 6 of section 10-32-149 except that the penalties must be calculated from the date of the report required by this section."

Page 3, after line 3, insert:

"SECTION 4. AMENDMENT. Section 10-19.1-01 of the North Dakota Century Code is amended and reenacted as follows:

10-19.1-01. Definitions.

For purposes of this chapter, unless the context otherwise requires:

1. "Acquiring corporation" means the domestic or foreign corporation that acquires the shares of a corporation in an exchange.
2. "Acquiring organization" means the foreign or domestic organization acquiring the ownership interests of another foreign or domestic organization participating in an exchange.
3. "Address" means:
 - a. In the case of a registered office or principal executive office, the mailing address, including the zip code, of the actual office location, which may not be only a post-office box; and
 - b. In any other case, the mailing address, including the zip code.
4. "Articles" means:
 - a. In the case of a corporation incorporated under or governed by this chapter, articles of incorporation, articles of amendment, a resolution of election to become governed by this chapter, a demand retaining the two-thirds majority for shareholder approval of certain transactions, a statement of change of registered office, registered agent, or name of registered agent, a statement establishing or fixing the rights and preferences of a class or series of shares, a statement of cancellation of authorized shares, articles of merger, articles of abandonment, articles of conversion, and articles of dissolution.
 - b. In the case of a foreign corporation, the term includes all records serving a similar function required to be filed with the secretary of state or other officer of the state of incorporation of the foreign corporation.
5. "Authenticated electronic communication" means:
 - a. That the electronic communication is delivered:
 - (1) To the principal place of business of the corporation; or
 - (2) To an officer or agent of the corporation authorized by the corporation to receive the electronic communication; and

- b. That the electronic communication sets forth information from which the corporation can reasonably conclude that the electronic communication was sent by the purported sender.
6. "Ballot" means a written ballot or a ballot transmitted by electronic communications.
7. "Board" or "board of directors" means the board of directors of a corporation.
8. "Board member" means:
 - a. An individual serving on the board of directors in the case of a corporation; and
 - b. An individual serving on the board of governors in the case of a limited liability company.
9. "Bylaws" means the code adopted for the regulation or management of the internal affairs of a corporation, regardless of how that code is designated.
10. "Class", when used with reference to ownership interests, means a category of ownership interests that differs in designation or one or more rights or preferences from another category of ownership interests of the organization.
11. "Closely held corporation" means a corporation that does not have more than thirty-five shareholders.
12. "Constituent corporation" means a corporation or a foreign corporation that:
 - a. In a merger, is either the surviving corporation or a foreign or domestic corporation that is merged into the surviving organization; or
 - b. In an exchange, is either the acquiring corporation or a foreign or domestic corporation whose shares are acquired by the acquiring organization.
13. "Constituent organization" means an organization that:
 - a. In a merger, is either the surviving organization or an organization that is merged into the surviving organization; or
 - b. In an exchange, is either the acquiring organization or an organization whose securities are acquired by the acquiring organization.
14. "Converted organization" means the organization into which a converting organization converts pursuant to sections 10-19.1-104.1 through 10-19.1-104.6.
15. "Converting organization" means an organization that converts into another organization pursuant to sections 10-19.1-104.1 through 10-19.1-104.6.
16. "Corporation" or "domestic corporation" means a corporation, other than a foreign corporation, organized for profit and incorporated under or governed by this chapter.
17. "Director" means a member of the board.

18. "Distribution" means a direct or indirect transfer of money or other property, other than its own shares, with or without consideration, or an incurrence or issuance of indebtedness, by a corporation to any of its shareholders in respect of its shares, and may be in the form of a dividend, an interim distribution, or a distribution in liquidation, or as consideration for the purchase, redemption, or other acquisition of its shares, or otherwise.
19. "Division" or "combination" means dividing or combining shares of a class or series, whether issued or unissued, into a greater or lesser number of shares of the same class or series.
20. "Domestic organization" means an organization created under the laws of this state.
21. "Electronic" means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.
22. "Electronic communication" means any form of communication, not directly involving the physical transmission of paper that:
 - a. Creates a record that may be retained, retrieved, and reviewed by a recipient of the communication; and
 - b. May be directly reproduced in paper form by the recipient through an automated process.
23. "Electronic record" means a record created, generated, sent, communicated, received, or stored by electronic means.
24. "Electronic signature" means an electronic sound, symbol, or process attached to or logically associated with a record and signed or adopted by a person with the intent to sign the record.
25. "Filed with the secretary of state" means, except as otherwise permitted by law or rule:
 - a. That a record meeting the applicable requirements of this chapter, together with the fees provided in section 10-19.1-147, was delivered or communicated to the secretary of state by a method or medium of communication acceptable by the secretary of state and was determined by the secretary of state to conform to law.
 - b. That the secretary of state did then:
 - (1) Record the actual date on which the record was filed, and if different the effective date of filing; and
 - (2) Record the record in the office of the secretary of state.
26. "Foreign corporation" means a corporation organized for profit which is incorporated under laws other than the laws of this state for a purpose for which a corporation may be incorporated under this chapter.
27. "Foreign limited liability company" means a limited liability company organized under laws other than the laws of this state for a purpose for which a limited liability company may be organized under chapter 10-32.
28. "Foreign organization" means an organization created under laws other than the laws of this state for a purpose for which an organization may be created under the laws of this state.
29. "Good faith" means honesty in fact in the conduct of an act or transaction.

30. "Governing body" means for an organization that is:
- a. A corporation, its board of directors;
 - b. A limited liability company, its board of governors; or
 - c. Any other organization, the body selected by its owners that has the ultimate power to determine the policies of the organization and to control its policies.
31. "Governing statute" of an organization means:
- a. With respect to a domestic organization, the following chapters of this code which govern the internal affairs of the organization:
 - (1) If a corporation, then this chapter;
 - (2) If a limited liability company, then chapter 10-32;
 - (3) If a general partnership, then chapters 45-13 through 45-21;
 - (4) If a limited partnership, then chapter 45-10.2;
 - (5) If a limited liability partnership, then chapter 45-22; and
 - (6) If a limited liability limited partnership, then chapter 45-23; and
 - b. With respect to a foreign organization, the laws of the jurisdiction under which the organization is created and under which the internal affairs of the organization are governed.
32. "Intentionally" means that the person referred to has a purpose to do or fail to do the act or cause the result specified or believes that the act or failure to act, if successful, will cause that result. A person "intentionally" violates a statute:
- a. If the person intentionally does the act or causes the result prohibited by the statute; or
 - b. If the person intentionally fails to do the act or cause the result required by the statute, even though the person may not know of the existence or constitutionality of the statute or the scope or meaning of the terms used in the statute.
33. "Legal representative" means a person empowered to act for another person, including an agent, a manager, an officer, a partner, or an associate of an organization; a trustee of a trust; a personal representative; a trustee in bankruptcy; and a receiver, guardian, custodian, or conservator.
34. "Limited liability company" or "domestic limited liability company" means a limited liability company, other than a foreign limited liability company, organized under or governed by chapter 10-32.
35. "Nonprofit corporation" means a corporation, whether domestic or foreign, incorporated under or governed by chapter 10-33.
36. "Notice":
- a. Is given by a shareholder of a corporation to the corporation or an officer of the corporation:
 - (1) When in writing and mailed or delivered to the corporation or the officer at the registered office or principal executive office of the corporation; or

- (2) When given by a form of electronic communication consented to by the corporation to which the notice is given if by:
 - (a) Facsimile communication, when directed to a telephone number at which the corporation has consented to receive notice.
 - (b) Electronic mail, when directed to an electronic mail address at which the corporation has consented to receive notice.
 - (c) Posting on an electronic network on which the corporation has consented to receive notice, together with separate notice to the corporation of the specific posting, upon the later of:
 - [1] The posting; or
 - [2] The giving of the separate notice.
 - (d) Any other form of electronic communication by which the corporation has consented to receive notice, when directed to the corporation.
- b. Is given by a publicly held corporation to a shareholder if the notice is addressed to the shareholder or group of shareholders in a manner permitted by the rules and regulations under the Securities Exchange Act of 1934, as amended, provided that the corporation has first received any affirmative written consent or implied consent required under those rules and regulations.
- c. Is given, in all other cases:
 - (1) When mailed to the person at an address designated by the person or at the last-known address of the person;
 - (2) When deposited with a nationally recognized overnight delivery service for overnight delivery or, if overnight delivery to the person is not available, for delivery as promptly as practicable to the person at an address designated by the person or at the last-known address of the person;
 - (3) When handed to the person;
 - (4) When left at the office of the person with a clerk or other person in charge of the office or:
 - (a) If there is no one in charge, when left in a conspicuous place in the office; or
 - (b) If the office is closed or the person to be notified has no office, when left at the dwelling house or usual place of abode of the person with some person of suitable age and discretion then residing there;
 - (5) When given by a form of electronic communication consented to by the person to whom the notice is given if by:
 - (a) Facsimile communication, when directed to a telephone number at which the person has consented to receive notice.
 - (b) Electronic mail, when directed to an electronic mail address at which the person has consented to receive notice.

- (c) Posting on an electronic network on which the person has consented to receive notice, together with separate notice to the person of the specific posting, upon the later of:
 - [1] The posting; or
 - [2] The giving of the separate notice.
 - (d) Any other form of electronic communication by which the person has consented to receive notice, when directed to the person; or
- (6) When the method is fair and reasonable when all of the circumstances are considered.
- d. Is given by mail when deposited in the United States mail with sufficient postage affixed.
 - e. Is given by deposit for delivery when deposited for delivery as provided in paragraph 2 of subdivision c, after having made sufficient arrangements for payment by the sender.
 - f. Is deemed received when it is given.
37. "Officer" means an individual who is eighteen years of age or more who is:
- a. Elected, appointed, or otherwise designated as the president, the treasurer, or any other officer pursuant to section 10-19.1-52; or
 - b. Deemed elected as an officer pursuant to section 10-19.1-56.
38. "Organization":
- a. Means, whether domestic or foreign, a corporation, limited liability company, general partnership, limited partnership, limited liability partnership, limited liability limited partnership, or any other person subject to a governing statute; but
 - b. Excludes:
 - (1) Any nonprofit corporation, whether a domestic nonprofit corporation which is incorporated under chapter 10-33 or a foreign nonprofit corporation which is incorporated in another jurisdiction; and
 - (2) Any nonprofit limited liability company, whether a domestic nonprofit limited liability company which is organized under chapter 10-36 or a foreign nonprofit limited liability company which is organized in another jurisdiction.
39. "Originating records" means for an organization that is:
- a. A corporation, its articles of incorporation;
 - b. A limited liability company, its articles of organization;
 - c. A limited partnership, its certificate of limited partnership;
 - d. A limited liability partnership, its registration; or
 - e. A limited liability limited partnership, its certificate of limited liability limited partnership.

40. "Outstanding shares" means all shares duly issued and not reacquired by a corporation.
41. "Owners" means the holders of ownership interests in an organization.
42. "Ownership interests" means for a domestic or foreign organization that is:
- a. A corporation, its shares;
 - b. A limited liability company, its membership interests;
 - c. A limited partnership, its partnership interests;
 - d. A general partnership, its partnership interests;
 - e. A limited liability partnership, its partnership interests;
 - f. A limited liability limited partnership, its partnership interests; or
 - g. Any other organization, its governance or transferable interests.
43. "Parent" of a specified organization means an organization that directly, or indirectly through related organizations, owns more than fifty percent of the voting power of the ownership interests entitled to vote for directors or other members of the governing body of the specified organization.
44. "Principal executive office" means:
- a. If the corporation has an elected or appointed president, then an office where the elected or appointed president of a corporation has an office; or
 - b. If the corporation has no elected or appointed president, then the registered office of the corporation.
45. "Publicly held corporation" means a corporation that has a class of equity securities registered pursuant to section 12 of the Securities Exchange Act of 1934 [15 U.S.C. 78L], or is subject to section 15(d) of the Securities Exchange Act of 1934 [15 U.S.C. 78o(d)].
46. "Record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.
- ~~46-47.~~ "Registered office" means the place in this state designated in a corporation's articles of incorporation or in a foreign corporation's certificate of authority as the registered office.
- ~~47-48.~~ "Related organization" means an organization that controls, is controlled by, or is under common control with another organization with control existing if an organization:
- a. Owns, directly or indirectly, at least fifty percent of the ownership interests of another organization;
 - b. Has the right, directly or indirectly, to elect, appoint, or remove fifty percent or more of the voting members of the governing body of another organization; or
 - c. Has the power, directly or indirectly, to direct or cause the direction of the management and policies of another organization, whether through the ownership of voting interests, by contract, or otherwise.

- 48-49. "Remote communication" means communication via electronic communication, conference telephone, videoconference, the internet, or such other means by which persons not physically present in the same location may communicate with each other on a substantially simultaneous basis.
- 49-50. "Security" has the meaning given in section 10-04-02.
- 50-51. "Series" means a category of shares, within a class of shares authorized or issued by a corporation by or pursuant to a corporation's articles, that have some of the same rights and preferences as other shares within the same class, but that differ in designation or one or more rights and preferences from another category of shares within that class.
- 51-52. "Share" means one of the units, however designated, into which the shareholders' proprietary interests of the shareholder in a corporation are divided.
- 52-53. "Shareholder" means a person registered on the books or records of a corporation or the corporation's transfer agent or registrar as the owner of whole or fractional shares of the corporation.
- 53-54. "Signed" means:
- a. That the signature of a person, which may be a facsimile affixed, engraved, printed, placed, stamped with indelible ink, transmitted by facsimile telecommunication or electronically, or in any other manner reproduced on the record, is placed on a record with the present intention to authenticate that record; and
 - b. With respect to a record required by this chapter to be filed with the secretary of state, that:
 - (1) The record is signed by a person authorized to do so by this chapter, the articles or bylaws, or a resolution approved by the directors as required under section 10-19.1-46 or the shareholders as required under section 10-19.1-74; and
 - (2) The signature and the record are communicated by a method or medium of communication acceptable by the secretary of state.
- 54-55. "Subscriber" means a person that subscribes for shares in a corporation, whether before or after incorporation.
- 55-56. "Subsidiary" of a specified organization means an organization having more than fifty percent of the voting power of its ownership interests entitled to vote for directors, governors, or other members of the governing body of the organization owned directly, or indirectly, through related organizations, by the specified organization.
- 56-57. "Surviving corporation" means the domestic or foreign corporation resulting from a merger which:
- a. May preexist the merger; or
 - b. May be created by the merger.
- 57-58. "Surviving organization" means the organization resulting from a merger which:
- a. May preexist the merger; or
 - b. May be created by the merger.

~~58-59.~~ "Vote" includes authorization by written action.

~~59-60.~~ "Written action" means:

- a. A written record signed by all of the persons required to take the action; or
- b. The counterparts of a written record signed by any of the persons taking the action described.
 - (1) Each counterpart constitutes the action of the person signing; and
 - (2) All the counterparts, taken together, constitute one written action by all of the persons signing the counterparts."

Page 3, after line 28, insert:

"SECTION 7. AMENDMENT. Section 10-19.1-115 of the North Dakota Century Code is amended and reenacted as follows:

10-19.1-115. Involuntary dissolution.

- ~~1.~~ This section applies to corporations that are not publicly held corporations.
- ~~4-2.~~ A court may grant any equitable relief it deems just and reasonable in the circumstances or may dissolve a corporation and liquidate its assets and business:
 - a. In a supervised voluntary dissolution pursuant to section 10-19.1-114;
 - b. In an action by a shareholder when it is established that:
 - (1) The directors or the persons having the authority otherwise vested in the board are deadlocked in the management of the corporate affairs, the shareholders are unable to break the deadlock, and the corporation or the parties have not provided for a procedure to resolve the dispute;
 - (2) The directors or those in control of the corporation have acted fraudulently or illegally toward one or more shareholders in their capacities as shareholders or directors of any corporation or as officers or employees of a closely held corporation;
 - (3) The directors or those in control of the corporation have acted in a manner unfairly prejudicial toward one or more shareholders in their capacities as shareholders or directors of a corporation that is not a publicly held corporation or as officers or employees of a closely held corporation;
 - (4) The shareholders of the corporation are so divided in voting power that, for a period that includes the time when two consecutive regular meetings were held, they have failed to elect successors to directors whose terms have expired or would have expired upon the election and qualification of their successors;
 - (5) The corporate assets are being misapplied or wasted; or
 - (6) The period of duration as provided in the articles has expired and has not been extended as provided in section 10-19.1-124;
 - c. In an action by a creditor when:

- (1) The claim of the creditor has been reduced to judgment and an execution thereon has been returned unsatisfied; or
 - (2) The corporation has admitted in writing that the claim of the creditor is due and owing and it is established that the corporation is unable to pay its debts in the ordinary course of business; or
- d. In an action by the attorney general to dissolve the corporation in accordance with section 10-19.1-118 when it is established that a decree of dissolution is appropriate.
- 2-3. In determining whether to order equitable relief or dissolution, the court shall take into consideration the financial condition of the corporation but may not refuse to order equitable relief or dissolution solely on the ground that the corporation has accumulated or current operating profits.
- 3-4. In an action under subdivision b of subsection 1 involving a corporation that is not a publicly held corporation at the time the action is commenced and in which one or more of the circumstances described in that subdivision is established, the court, upon motion of a corporation or a shareholder or beneficial owner of shares of the corporation, may order the sale by a plaintiff or a defendant of all shares of the corporation held by the plaintiff or defendant to either the corporation or the moving shareholders, whichever is specified in the motion, if the court determines in its discretion that an order would be fair and equitable to all parties under the circumstances of the case.
- a. The purchase price of any shares so sold must be the fair value of the shares as of the date of the commencement of the action or as of another date found equitable by the court. However, if the shares in question are then subject to sale and purchase pursuant to the bylaws of the corporation, a shareholder control agreement, the terms of the shares, or otherwise, the court shall order the sale for the price and on the terms as set forth, unless the court determines that the price or terms are unreasonable under all the circumstances of the case.
 - b. Within five days after the entry of the order, the corporation shall provide each selling shareholder or beneficial owner with the information it is required to provide under subsection 6 of section 10-19.1-88.
 - c. If the parties are unable to agree on fair value within forty days of entry of the order, the court shall determine the fair value of the shares under the provisions of subsection 10 of section 10-19.1-88 and may allow interest or costs as provided in subsections 1 and 11 of section 10-19.1-88.
 - d. The purchase price must be paid in one or more installments as agreed on by the parties, or, if no agreement can be reached within forty days of entry of the order, as ordered by the court. Upon entry of an order for the sale of shares under this subsection and provided that the corporation or the moving shareholders post a bond in adequate amount with sufficient sureties or otherwise satisfy the court that the full purchase price of the shares, plus any additional costs, expenses, and fees as may be awarded, will be paid when due and payable, the selling shareholders shall no longer have any rights or status as shareholders, officers, or directors, except the right to receive the fair value of their shares plus such other amounts as may be awarded.
- 4-5. In determining whether to order equitable relief or dissolution, the court shall take into consideration the duty which all shareholders in a closely held corporation owe one another to act in an honest, fair, and

reasonable manner in the operation of the corporation and the reasonable expectations of the shareholders as they exist at the inception and develop during the course of the shareholders' relationship with the corporation and with each other. For purposes of this section, any written agreement, including an employment agreement and a buy-sell agreement, between or among shareholders or between or among one or more shareholders and the corporation is presumed to reflect the parties' reasonable expectation concerning the matters dealt with in the agreement.

- ~~5-6.~~ In deciding whether to order dissolution, the court shall consider whether lesser relief suggested by one or more parties, such as any form of equitable relief, a buyout, or a partial liquidation, would be adequate to permanently relieve the circumstances established under subdivision b or c of subsection 1. Lesser relief may be ordered in any case when it would be appropriate under all the facts and circumstances of the case.
- ~~6-7.~~ If the court finds that a party to a proceeding brought under this section has acted arbitrarily, vexatiously, or otherwise not in good faith, it may in its discretion award reasonable expenses, including attorney's fees and disbursements, to any of the other parties.
- ~~7-8.~~ Proceedings under this section must be brought in a court within the county in which the principal executive office of the corporation is located. It is not necessary to make shareholders parties to the action or proceeding unless relief is sought against them personally.

SECTION 8. AMENDMENT. Subsection 2 of section 10-19.1-146 of the North Dakota Century Code is amended and reenacted as follows:

2. The annual report must be submitted on forms prescribed by the secretary of state. The information provided must be given as of the date of the execution of the report. The annual report must be signed as provided in subsection ~~5354~~ of section 10-19.1-01. If the corporation or foreign corporation is in the hands of a receiver or trustee, it must be signed on behalf of the corporation or foreign corporation by the receiver or trustee. The secretary of state may destroy all annual reports provided for in this section after they have been on file for six years."

Page 6, after line 19, insert:

"SECTION 14. AMENDMENT. Subsection 2 of section 10-35-28 of the North Dakota Century Code is amended and reenacted as follows:

2. The annual report must be submitted on forms prescribed by the secretary of state. The information provided must be given as of the date of the execution of the report. The annual report must be signed as provided in subsection ~~5254~~ of section 10-19.1-01, the articles or the bylaws, or by a resolution approved by the affirmative vote of the required proportion or number of the directors. If the publicly traded corporation is in the hands of a receiver or trustee, it must be signed on behalf of the publicly traded corporation by the receiver or trustee. The secretary of state may destroy all annual reports provided for in this section after they have been on file for six years."

Renumber accordingly

HOUSE AMENDMENTS TO SENATE BILL NO. 2337

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

Page 1, line 6, after "plans" insert "; and to provide an effective date"

Page 16, after line 4, insert:

"SECTION 7. EFFECTIVE DATE. This Act becomes effective on January 1, 2014."

Renumber accordingly

HOUSE AMENDMENTS TO REENGROSSED SENATE BILL NO. 2339

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for a legislative management study to address residential and commercial development programs and to review the facility master plan."

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. LEGISLATIVE MANAGEMENT STUDY - PROGRAMS FOR RESIDENTIAL AND COMMERCIAL DEVELOPMENT - FACILITY MASTER PLAN.

1. During the 2013-14 interim, the legislative management shall consider a study to:
 - a. Create an inventory of and strategic plan for state, local, and federal programs relating to residential and commercial development and the related infrastructure needs. As part of this study, the housing finance agency, working with the Bank of North Dakota and department of commerce, shall survey appropriate state, local, and federal entities to create an inventory of these government programs, which may include housing finance programs, energy efficiency programs, home and residential accessibility programs, disaster recovery programs, and other governmental programs providing residential and commercial development assistance. The housing finance agency shall present this inventory to the legislative management and shall assist the legislative management in identifying program overlap and program gaps.
 - b. Review current state government space utilization by all state government branches and agencies, including rental, lease, and state-owned facilities. The study must identify any recommended changes to the state's facility master plan.
2. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly."

Renumber accordingly

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

MR. PRESIDENT: The House has failed to pass, unchanged: SB 2097, SB 2203.

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

MR. SPEAKER: Your signature is respectfully requested on: SB 2209, SB 2270, SB 2311.

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

MR. SPEAKER: Your signature is respectfully requested on: SB 2259.

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

MR. PRESIDENT: Your signature is respectfully requested on: HB 1042, HB 1043, HB 1057, HB 1058, HB 1078, HB 1083, HB 1088.

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

MR. PRESIDENT: Your signature is respectfully requested on: HB 1098, HB 1107, HB 1124, HB 1137, HB 1162, HB 1164, HB 1178, HB 1339, HB 1354, HB 1369, HB 1434.

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

MR. PRESIDENT: Your signature is respectfully requested on: HB 1132, HB 1152, HB 1156, HB 1161, HB 1177, HB 1181, HB 1195, HB 1224, HB 1252, HB 1282, HB 1321, HB 1326, HB 1346, HB 1371, HB 1391.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: Your signature is respectfully requested on: HB 1147, HB 1264.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: Your signature is respectfully requested on: HCR 3009, HCR 3013.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: Your signature is respectfully requested on: HCR 3012, HCR 3026.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The Speaker has signed: SB 2102, SCR 4001, SCR 4005, SCR 4012, SCR 4013.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The Speaker has signed: SB 2209, SB 2259, SB 2270, SB 2311.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)
MR. SPEAKER: The President has signed: SMR 8001.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The Speaker has signed: HB 1305, HB 1456, HCR 3001.

COMMUNICATION FROM GOVERNOR JACK DALRYMPLE

This is to inform you that on March 19, 2013, I have signed the following: SB 2033, SB 2034, SB 2051, SB 2061, SB 2070, SB 2082, SB 2084, SB 2088, SB 2104, SB 2105, SB 2109, SB 2118, SB 2124, SB 2127, SB 2136, SB 2159, SB 2217, SB 2247, SB 2260, SB 2304, and SB 2322.

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following resolution was delivered to the Secretary of State for filing on March 20, 2013: SMR 8001.

MOTION

SEN. KLEIN MOVED that the absent member be excused, which motion prevailed.

MOTION

SEN. KLEIN MOVED that the Senate be on the Fourth, Fifth, and Thirteenth orders of business and at the conclusion of those orders, the Senate stand adjourned until 1:00 p.m., Thursday, March 21, 2013, which motion prevailed.

REPORT OF STANDING COMMITTEE

HB 1001, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1001 was placed on the Sixth order on the calendar.

Page 1, line 2, after the semicolon insert "to provide for a report to the budget section;"

Page 1, replace lines 12 and 13 with:

"Salaries and wages	\$3,278,486	\$347,410	\$3,625,896"
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Page 1, replace line 17 with:

"Total general fund	\$3,708,942	\$342,120	\$4,051,062"
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Page 2, after line 9, insert:

"SECTION 4. APPOINTMENTS - BUDGET SECTION REPORT. The governor or the governor's designee shall report to the budget section of the legislative management annually regarding the status of gender balance on appointive boards, commissions, committees, and councils as provided in section 54-06-19 and within the governor's appointive cabinet for the biennium beginning July 1, 2013, and ending June 30, 2015."

Page 2, line 13, replace "twenty" with "twenty-one"

Page 2, line 13, overstrike "five" and insert immediately thereafter "six"

Page 2, line 14, replace "eleven" with "eighty-one"

Page 2, line 14, replace "twenty-four" with "twenty-six"

Page 2, line 15, overstrike "one" and insert immediately thereafter "five"

Page 2, line 15, replace "twenty-six" with "forty-eight"

Page 2, line 19, replace "ninety-three" with "ninety-four"

Page 2, line 19, replace "five" with "four"

Page 2, line 20, replace "fifty-four" with "sixty-two"

Page 2, line 20, replace "ninety-six" with "ninety-eight"

Page 2, line 21, replace "three" with "two"

Page 2, line 21, replace "sixty-one" with "forty"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1001 - Governor's Office - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$3,553,129	\$3,491,675	\$134,221	\$3,625,896
Operating expenses	404,366	404,366		404,366
Contingencies	10,000	10,000		10,000
Roughrider awards	10,800	10,800		10,800
Accrued leave payments		67,722	(67,722)	
Total all funds	\$3,978,295	\$3,984,563	\$66,499	\$4,051,062
Less estimated income	0	0	0	0
General fund	\$3,978,295	\$3,984,563	\$66,499	\$4,051,062
FTE	18.00	18.00	0.00	18.00

Department No. 101 - Governor's Office - Detail of Senate Changes

	Restores Executive Budget Compensation Package ¹	Removes Separate Line Item for Accrued Leave Payments ²	Total Senate Changes
Salaries and wages	\$66,499	\$67,722	\$134,221
Operating expenses			
Contingencies			
Roughrider awards			
Accrued leave payments		(67,722)	(67,722)
Total all funds	\$66,499	\$0	\$66,499
Less estimated income	0	0	0
General fund	\$66,499	\$0	\$66,499
FTE	0.00	0.00	0.00

¹Funding reductions made by the House to the state employee compensation and benefits package are restored to the Governor's recommended level.

²The accrued leave payments line item added by the House is removed and the associated funding returned to line items with salaries and wages funding.

A section is added providing that the Governor report to the Budget Section on the gender balance of the Governor's appointments.

Sections 4 and 5 of the bill are changed to provide 4 percent annual salary increases for the Governor and Lieutenant Governor, the same as the executive budget recommendation. The House provided 3 percent annual increases.

REPORT OF STANDING COMMITTEE

HB 1002, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1002 was placed on the Sixth order on the calendar.

Page 1, replace lines 15 through 17 with:

"Salaries and wages	\$3,423,343	\$983,522	\$4,406,865
Operating expenses	2,621,950	41,647	2,663,597"

Page 1, replace lines 21 through 23 with:

"Total all funds	\$12,260,105	(\$28,528)	\$12,231,577
Less estimated income	<u>6,786,984</u>	<u>(940,690)</u>	<u>5,846,294</u>
Total general fund	\$5,473,121	\$912,162	\$6,385,283"

Page 2, replace lines 11 through 13 with:

"Grand total general fund	\$5,783,121	\$922,662	\$6,705,783
Grand total special funds	<u>6,786,984</u>	<u>(940,690)</u>	<u>5,846,294</u>
Grand total all funds	\$12,570,105	(\$18,028)	\$12,552,077"

Page 3, line 8, replace "ninety-five" with "ninety-six"

Page 3, line 8, replace "eight" with "seven"

Page 3, line 9, replace "sixty-three" with "ninety-four"

Page 3, line 9, replace "ninety-eight" with "one hundred"

Page 3, line 10, replace "seven hundred thirty-nine" with "six hundred sixty-six"

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1002 - Summary of Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Secretary of State				
Total all funds	\$12,216,757	\$11,996,039	\$235,538	\$12,231,577
Less estimated income	<u>5,845,849</u>	<u>5,842,175</u>	4,119	<u>5,846,294</u>
General fund	\$6,370,908	\$6,153,864	\$231,419	\$6,385,283
Public Printing				
Total all funds	\$320,500	\$320,500	\$0	\$320,500
Less estimated income	<u>0</u>	<u>0</u>	0	<u>0</u>
General fund	\$320,500	\$320,500	\$0	\$320,500
Bill total				
Total all funds	\$12,537,257	\$12,316,539	\$235,538	\$12,552,077
Less estimated income	<u>5,845,849</u>	<u>5,842,175</u>	4,119	<u>5,846,294</u>
General fund	\$6,691,408	\$6,474,364	\$231,419	\$6,705,783

House Bill No. 1002 - Secretary of State - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$4,392,045	\$4,188,496	\$218,369	\$4,406,865
Operating expenses	2,663,597	2,563,597	100,000	2,663,597
Capital assets	10,000	10,000		10,000
Petition review	8,000	8,000		8,000
Election reform	5,143,115	5,143,115		5,143,115
Accrued leave payments		82,831	(82,831)	
Total all funds	\$12,216,757	\$11,996,039	\$235,538	\$12,231,577
Less estimated income	5,845,849	5,842,175	4,119	5,846,294
General fund	\$6,370,908	\$6,153,864	\$231,419	\$6,385,283
FTE	31.00	31.00	0.00	31.00

Department No. 108 - Secretary of State - Detail of Senate Changes

	Restores Executive Compensation Package ¹	Removes Separate Line Item for Accrued Leave Payments ²	Restores Funding for Credit Card Usage Fees ³	Total Senate Changes
Salaries and wages	\$135,538	\$82,831		\$218,369
Operating expenses			100,000	100,000
Capital assets				
Petition review				
Election reform				
Accrued leave payments		(82,831)		(82,831)
Total all funds	\$135,538	\$0	\$100,000	\$235,538
Less estimated income	4,119	0	0	4,119
General fund	\$131,419	\$0	\$100,000	\$231,419
FTE	0.00	0.00	0.00	0.00

¹Funding reductions made by the House to the state employee compensation and benefits package are restored to the Governor's recommended level.

²The accrued leave payments line item added by the House is removed and the associated funding returned to line items with salaries and wages funding.

³This amendment restores funding added in the executive budget recommendation for increased credit card usage fees which was removed by the House.

Section 4 of the bill is changed to provide 4 percent annual salary increases for the Secretary of State, the same as the executive budget recommendation. The House provided 3 percent annual increases.

REPORT OF STANDING COMMITTEE

HB 1035: Human Services Committee (Sen. J. Lee, Chairman) recommends **DO PASS** (5 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1035 was placed on the Fourteenth order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1040: Human Services Committee (Sen. J. Lee, Chairman) recommends **DO PASS** (5 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1040 was placed on the Fourteenth order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1067: Judiciary Committee (Sen. Hogue, Chairman) recommends **DO PASS**

(7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1067 was placed on the Fourteenth order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1075: Judiciary Committee (Sen. Hogue, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1075 was placed on the Sixth order on the calendar.

Page 1, line 11, replace "The" with "In accordance with rules of the supreme court, the"

Page 1, line 12, remove the overstrike over "~~provided for in~~" and insert immediately thereafter "chapter 12.1-31.2."

Page 1, line 12, remove the overstrike over "~~title 14,~~" and insert immediately thereafter "sections 20.1-01-28 and 20.1-01-29."

Page 1, line 12, remove the overstrike over "~~chapter 27-20,~~"

Page 1, line 12, remove the overstrike over "~~chapter 28-25~~"

Page 1, line 12, remove "in"

Page 1, line 13, remove "accordance with"

Page 1, line 13, overstrike "rules of the supreme court" and insert immediately thereafter "subsection 6 of section 50-09-08.6, and subsection 2 of section 50-09-14"

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1109: Human Services Committee (Sen. J. Lee, Chairman) recommends **DO NOT PASS** (5 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1109 was placed on the Fourteenth order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1116, as engrossed: Judiciary Committee (Sen. Hogue, Chairman) recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1116 was placed on the Fourteenth order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1127, as engrossed: Judiciary Committee (Sen. Hogue, Chairman) recommends **DO NOT PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1127 was placed on the Fourteenth order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1153, as engrossed: Industry, Business and Labor Committee (Sen. Klein, Chairman) recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1153 was placed on the Fourteenth order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1173: Judiciary Committee (Sen. Hogue, Chairman) recommends **DO PASS** (6 YEAS, 1 NAYS, 0 ABSENT AND NOT VOTING). HB 1173 was placed on the Fourteenth order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1185, as engrossed: Industry, Business and Labor Committee (Sen. Klein, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1185 was placed on the Sixth order on the calendar.

Page 2, line 16, after the underscored period insert "The owner of nonowner-occupied property is eligible for only one loan for nonowner-occupied property under this section and that loan must be secured by the property for which the loan is made."

Page 2, line 21, after the period insert "For purposes of this section, "nonowner-occupied property" means property consisting of one or more rental dwelling units, none of which is occupied by the owner, and does not include hotel or motel accommodations or any other commercial property."

Page 2, line 24, after "fund" insert "to a homeowner to rebuild or replace that individual's flood-damaged home"

Page 2, line 25, after the period insert "There is no deferral of principal and interest payments for a loan for nonowner-occupied property."

Page 2, line 26, after "application" insert "for a loan for nonowner-occupied property"

Re-number accordingly

REPORT OF STANDING COMMITTEE

HB 1201: Human Services Committee (Sen. J. Lee, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (5 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1201 was placed on the Sixth order on the calendar.

Page 1, line 2, after "assistants" insert "; and to provide an effective date"

Page 1, after line 13, insert:

"SECTION 2. EFFECTIVE DATE. This Act becomes effective on the date the director of the department of human services certifies to the secretary of state and the legislative council that the department has completed implementation of the medicaid management information system."

Re-number accordingly

REPORT OF STANDING COMMITTEE

HB 1228, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1228 was placed on the Fourteenth order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1232: Human Services Committee (Sen. J. Lee, Chairman) recommends **DO PASS** (5 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1232 was placed on the Fourteenth order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1233, as reengrossed: Human Services Committee (Sen. J. Lee, Chairman) recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (5 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Reengrossed HB 1233 was rereferred to the **Appropriations Committee**.

REPORT OF STANDING COMMITTEE

HB 1259, as engrossed: Industry, Business and Labor Committee (Sen. Klein, Chairman) recommends **DO PASS** (5 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1259 was placed on the Fourteenth order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1270, as engrossed: Industry, Business and Labor Committee (Sen. Klein, Chairman) recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1270 was placed on the Fourteenth order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1276, as engrossed: Human Services Committee (Sen. J. Lee, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (5 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1276 was placed on the Sixth order on the calendar.

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

Page 1, line 1, after "15.1-19-23" insert ", and 23-44-03"

Page 1, line 3, replace "and" with a comma

Page 1, line 3, after "Act" insert ", and the exemption of medication administration in primary or secondary schools from the nurse aide registry"

Page 1, after line 22, insert:

"SECTION 2. Section 23-44-03 of the North Dakota Century Code is created and enacted as follows:

23-44-03. Exemption.

Medication administration by an individual within a primary or secondary school under a program established under section 15.1-19-23 is exempt from the requirements of this chapter, if the individual has received education and training in medication administration and has received written consent of the student's parents or guardian."

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1350, as engrossed: Judiciary Committee (Sen. Hogue, Chairman) recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1350 was placed on the Fourteenth order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1357: Industry, Business and Labor Committee (Sen. Klein, Chairman) recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1357 was placed on the Fourteenth order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1360, as engrossed: Human Services Committee (Sen. J. Lee, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (5 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1360 was placed on the Sixth order on the calendar.

Page 1, line 6, remove "supplemental"

Page 1, line 6, replace the second "for" with "of"

Page 1, line 7, replace "choices for the elderly within the" with "areas. A program of all-inclusive care for the elderly may be expanded into one urban area starting January 1, 2014. By March 31, 2014, if the"

Page 1, line 7, replace "medical assistance" with "long-term care"

Page 1, line 8, after "grants" insert ", not including developmental disability grants,"

Page 1, line 9, after "2015" insert ", demonstrate funding is available for further urban or rural expansion, the department may implement additional expansions. For a program of all-inclusive care for the elderly to expand service areas, the program provider shall supply monthly encounter claims data to the department for both the original and expanded service areas, as applicable"

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1392: Judiciary Committee (Sen. Hogue, Chairman) recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1392 was placed on the Fourteenth order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1435, as engrossed: Human Services Committee (Sen. J. Lee, Chairman) recommends **DO PASS** (5 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1435 was placed on the Fourteenth order on the calendar.

REPORT OF STANDING COMMITTEE

HCR 3004: Judiciary Committee (Sen. Hogue, Chairman) recommends **DO NOT PASS** (5 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). HCR 3004 was placed on the Fourteenth order on the calendar.

REPORT OF STANDING COMMITTEE

HCR 3022: Industry, Business and Labor Committee (Sen. Klein, Chairman) recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HCR 3022 was placed on the Fourteenth order on the calendar.

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

William R. Horton, Secretary