

## JOURNAL OF THE HOUSE

## Sixty-third Legislative Assembly

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Bismarck, February 14, 2013

The House convened at 12:45 p.m., with Speaker Devlin presiding.

The prayer was offered by Pastor Donna Dohrmann, Lutheran Church of the Cross, Bismarck.

The roll was called and all members were present except Representatives Heilman, Keiser, and Louser.

A quorum was declared by the Speaker.

**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 Twenty-seventh Day and recommends that it be corrected as follows and when so corrected, recommends that it be approved:

Page 456, after line 19 insert:

**"REPORT OF STANDING COMMITTEE**

**HB 1379: Government and Veterans Affairs Committee (Rep. Kasper, Chairman)** recommends **DO PASS** (9 YEAS, 5 NAYS, 0 ABSENT AND NOT VOTING). HB 1379 was placed on the Eleventh order on the calendar."

Page 466, delete lines 36 through 39

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

**REQUEST**

**REP. ONSTAD REQUESTED** that the amendments to HB 1422 be heard separately, which request was granted.

**SIXTH ORDER OF BUSINESS**

**SPEAKER DEVLIN DEEMED** approval of the amendments to HB 1038, HB 1099, HB 1169, HB 1170, HB 1219, HB 1233, HB 1251, HB 1253, HB 1274, HB 1302, HB 1327, HB 1385, HB 1410, and HB 1433.

HB 1038, HB 1170, HB 1233, HB 1302, HB 1327, HB 1385, and HB 1433, as amended, were rereferred to the **Appropriations Committee**.

HB 1099, HB 1169, HB 1219, HB 1251, HB 1253, HB 1274, and HB 1410, as amended, were placed on the Eleventh order of business on the calendar for the succeeding legislative day.

**SIXTH ORDER OF BUSINESS**

**HB 1422: REP. PORTER (Human Services Committee) MOVED** that the amendments be adopted and then be **REREFERRED** to the **Appropriations Committee** with **DO PASS**.

**REQUEST**

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

**ROLL CALL**

The question being on the motion to adopt the amendments to HB 1422, the roll was called and there were 54 YEAS, 36 NAYS, 0 EXCUSED, 4 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Becker; Bellew; Belter; Boehning; Brabandt; Brandenburg; Carlson;

Damschen; Delzer; Dockter; Dosch; Drovdal; Fehr; Froseth; Grande; Hatlestad; Headland; Heller; Hofstad; Johnson, D.; Karls; Kasper; Kempenich; Kiefert; Klein; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Laning; Looyesen; Monson; Nathe; Owens; Paur; Pollert; Porter; Rohr; Ruby; Rust; Schatz; Schmidt; Silbernagel; Skarphol; Streyle; Sukut; Thoreson; Toman; Trottier; Vigesaa; Weisz; Wieland; Speaker Devlin

**NAYS:** Amerman; Beadle; Boe; Boschee; Delmore; Frantsvog; Glassheim; Gruchalla; Guggisberg; Haak; Hanson; Hawken; Hogan; Holman; Hunskor; Johnson, N.; Kelsh, J.; Kelsh, S.; Kreun; Larson; Maragos; Martinson; Meier; Mock; Mooney; Muscha; Nelson, J.; Nelson, M.; Onstad; Oversen; Sanford; Steiner; Strinden; Wall; Williams; Zaiser

**ABSENT AND NOT VOTING:** Heilman; Keiser; Kretschmar; Louser

The proposed amendments to HB 1422 were adopted on a recorded roll call vote.

HB 1422, as amended, was rereferred to the **Appropriations Committee**.

#### MOTION

**REP. VIGESAA MOVED** that HB 1447, which is on the Eleventh order, be laid over two legislative days, which motion prevailed.

#### MOTION

**REP. VIGESAA MOVED** that HB 1205 and HB 1365 be returned to the House floor from the **Appropriations Committee** and be placed on the Eleventh order of business on the following days calendar, which motion prevailed.

#### SECOND READING OF HOUSE BILL

**HB 1352:** A BILL for an Act to create and enact a new section to chapter 38-11.1 and a new section to chapter 47-16 of the North Dakota Century Code, relating to mediation of mineral developer and surface owner disputes and resolution of title disputes.

#### 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 91 YEAS, 0 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Anderson; Beadle; Becker; Bellew; Belter; Boe; Boehning; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Delzer; Dockter; Dosch; Drovdal; Fehr; Frantsvog; Froseth; Glassheim; Grande; Gruchalla; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Headland; Heller; Hofstad; Hogan; Holman; Hunskor; Johnson, D.; Johnson, N.; Karls; Kasper; Kelsh, J.; Kelsh, S.; Kempenich; Kiefert; Klein; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Kreun; Laning; Larson; Looyesen; 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; Strinden; Sukut; Thoreson; Toman; Trottier; Vigesaa; Wall; Weisz; Wieland; Williams; Zaiser; Speaker Devlin

**ABSENT AND NOT VOTING:** Heilman; Keiser; Louser

Engrossed HB 1352 passed.

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#### SECOND READING OF HOUSE BILL

**HB 1393:** A BILL for an Act to amend and reenact section 39-08-09 of the North Dakota Century Code, relating to motor vehicle accident reporting.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO NOT PASS, the roll was called and there were 45 YEAS, 46 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Becker; Bellew; Boe; Boehning; Boschee; Brabandt; Brandenburg; Damschen; Delzer; Dockter; Dosch; Grande; Hawken; Headland; Hofstad; Johnson, D.; Johnson, N.; Kiefert; Klemin; Koppelman, B.; Kreidt; Kretschmar; Laning; Looyesen; Maragos; Meier; Monson; Nathe; Nelson, J.; Nelson, M.; Paur; Pollert; Rohr; Ruby; Schmidt; Skarphol; Steiner; Streyle; Thoreson; Toman; Trottier; Weisz; Wieland; Speaker Devlin

**NAYS:** Amerman; Beadle; Belter; Carlson; Delmore; Drovdal; Fehr; Frantsvog; Froseth; Glassheim; Gruchalla; Guggisberg; Haak; Hanson; Hatlestad; Heller; Hogan; Holman; Hunskor; Karls; Kasper; Kelsh, J.; Kelsh, S.; Kempenich; Klein; Koppelman, K.; Kreun; Larson; Martinson; Mock; Mooney; Muscha; Onstad; Oversen; Owens; Porter; Rust; Sanford; Schatz; Silbernagel; Strinden; Sukut; Vigesaa; Wall; Williams; Zaiser

**ABSENT AND NOT VOTING:** Heilman; Keiser; Louser

Engrossed HB 1393 failed.

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### SECOND READING OF HOUSE BILL

**HB 1425:** A BILL for an Act to create and enact a new section to chapter 39-06 of the North Dakota Century Code, relating to an enhanced operator's license; and to provide a penalty.

### ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO NOT PASS, the roll was called and there were 74 YEAS, 17 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Anderson; Beadle; Bellew; Belter; Boe; Boehning; Boschee; Brabandt; Brandenburg; Damschen; Delmore; Dockter; Dosch; Fehr; Froseth; Glassheim; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Headland; Hofstad; Hogan; Holman; Hunskor; Johnson, D.; Johnson, N.; Karls; Kelsh, J.; Kelsh, S.; Kempenich; Kiefert; Klein; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Kreun; Laning; Larson; Looyesen; Maragos; Martinson; Meier; Mock; Monson; Mooney; Muscha; Nathe; Nelson, J.; Nelson, M.; Oversen; Paur; Pollert; Rohr; Ruby; Rust; Sanford; Schatz; Schmidt; Silbernagel; Skarphol; Steiner; Streyle; Strinden; Trottier; Wall; Weisz; Williams; Zaiser; Speaker Devlin

**NAYS:** Becker; Carlson; Delzer; Drovdal; Frantsvog; Grande; Gruchalla; Heller; Kasper; Onstad; Owens; Porter; Sukut; Thoreson; Toman; Vigesaa; Wieland

**ABSENT AND NOT VOTING:** Heilman; Keiser; Louser

Engrossed HB 1425 passed.

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### SECOND READING OF HOUSE BILL

**HB 1427:** A BILL for an Act to create and enact a new section to chapter 18-01 of the North Dakota Century Code, relating to review of fire sprinkler system plans.

### ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO NOT PASS, the roll was called and there were 33 YEAS, 58 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Anderson; Beadle; Boe; Boschee; Delmore; Glassheim; Gruchalla; Guggisberg; Haak; Hanson; Hogan; Holman; Hunskor; Kelsh, J.; Kelsh, S.; Kiefert; Klemin; Kretschmar; Larson; Mock; Monson; Mooney; Muscha; Nelson, J.; Nelson, M.; Onstad; Oversen; Paur; Sanford; Schatz; Strinden; Zaiser

**NAYS:** Becker; Bellew; Belter; Boehning; Brabandt; Brandenburg; Carlson; Damschen; Delzer; Dockter; Dosch; Drovdal; Fehr; Frantsvog; Froseth; Grande; Hatlestad;

Hawken; Headland; Heller; Hofstad; Johnson, D.; Johnson, N.; Karls; Kasper; Kempenich; Klein; Koppelman, B.; Koppelman, K.; Kreidt; Kreun; Laning; Looyesen; Maragos; Martinson; Meier; Nathe; Owens; Pollert; Porter; Rohr; Ruby; Rust; Schmidt; Silbernagel; Skarphol; Steiner; Streyle; Sukut; Thoreson; Toman; Trottier; Vigesaa; Wall; Weisz; Wieland; Williams; Speaker Devlin

**ABSENT AND NOT VOTING:** Heilman; Keiser; Louser

Engrossed HB 1427 failed.

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**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**  
**MR. SPEAKER:** The Senate has passed, and your favorable consideration is requested on: SB 2079, SB 2098, SB 2233, SB 2242, SB 2261, SB 2306.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**  
**MR. SPEAKER:** The Senate has passed, the emergency clause carried, and your favorable consideration is requested on: SB 2001.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**  
**MR. SPEAKER:** The Senate has passed, the emergency clause carried, unchanged: HB 1269.

#### 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 Thirteenth orders of business and at the conclusion of those orders, the House stand adjourned until 12:30 p.m., Friday, February 15, 2013, which motion prevailed.

#### REPORT OF STANDING COMMITTEE

**HB 1134: Finance and Taxation Committee (Rep. Belter, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1134 was placed on the Sixth order on the calendar.

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

Page 1, line 1, after "57-51-02.6" insert "and 57-51.1-02.1"

Page 1, line 2, after the second "gas" insert "and an oil extraction tax exemption for liquids produced from natural gas extracted"

Page 1, line 22, replace "collects" with "intakes"

Page 1, line 23, after "liquids" insert "volume"

Page 1, line 23, after "for" insert "beneficial consumption by means of"

Page 1, line 23, replace "or" with an underscored comma

Page 2, line 1, remove the second "or"

Page 2, line 2, after "fuels" insert ", separating and collecting over fifty percent of the propane and heavier hydrocarbons, or other value-added processes as approved by the industrial commission"

Page 2, line 6, remove "and for gas flared from a well connected"

Page 2, line 7, remove "to a gas gathering line"

Page 2, line 10, remove "Gas production from a well that is connected to a gas gathering line, electrical"

Page 2, remove lines 11 and 12

Page 2, line 13, remove "6."

Page 2, line 16, replace "7." with "6."

Page 3, line 23, replace "**Exemption**" with "**Temporary exemption**"

Page 3, line 23, after "**for**" insert "**oil and**"

Page 3, line 24, remove "collected at the well site by a gas gathering line, electrical generator, or collection"

Page 3, line 25, remove "system described in subsection 2 of section 38-08-06.4 from the time of first production"

Page 3, line 27, after "production" insert: "if the gas is:

1. Collected and used at the well site to power an electrical generator that consumes at least seventy-five percent of the gas from the well; or
2. Collected at the well site by a system that intakes at least seventy-five percent of the gas and natural gas liquids volume from the well for beneficial consumption by means of compression to liquid for use as fuel, transport to a processing facility, production of petrochemicals or fertilizer, conversion to liquid fuels, separating and collecting over fifty percent of the propane and heavier hydrocarbons, or other value-added processes as approved by the industrial commission

**SECTION 4.** Section 57-51.1-02.1 of the North Dakota Century Code is created and enacted as follows:

**57-51.1-02.1. Temporary exemption for oil and gas wells employing a system to avoid flaring.**

Liquids produced from a collection system described in subdivision d of subsection 2 of section 38-08-06.4 utilizing absorption, adsorption, or refrigeration are exempt from the tax under section 57-51.1-02 for a period of two years from the time of first production."

ReNUMBER accordingly

**REPORT OF STANDING COMMITTEE**

**HB 1198: Finance and Taxation Committee (Rep. Belter, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1198 was placed on the Sixth order on the calendar.

Page 1, line 1, after "Act" insert "to create and enact section 57-20-07.2 of the North Dakota Century Code, relating to a state-paid property tax relief credit;"

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

Page 1, line 2, after "to" insert "priority for delinquent taxes and the discount for early payment of property taxes,"

Page 1, after line 5, insert:

**SECTION 1.** 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 seventeen 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 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.
  5. Upon receipt of the payment from the state treasurer under subsection 4, 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.
  6. After payments to counties under subsection 4 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.
  7. 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 2. 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 3. 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 4, after line 22, insert:

**"SECTION 8. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$327,200,000, 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."

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**HB 1210: Finance and Taxation Committee (Rep. Belter, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (12 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). HB 1210 was placed on the Sixth order on the calendar.

Page 1, line 9, replace "state water commission" with "flood control project authority"

Page 1, after line 11, insert:

"1."

Page 1, line 12, replace "acquired" with ":

a. Acquired"

Page 1, line 13, after "entity" insert: "for a flood diversion channel project; or

b. Assigned a reduced true and full valuation from its 2011 true and full valuation which was done primarily because of the effects or anticipated effects of a flood diversion channel or flood control project"

Page 1, line 14, replace "1." with "2."

Page 1, remove line 16

Page 1, line 17, replace "taxes for a flood diversion channel project, would lose a portion of its" with "effect of events described in subsection 1, has had a significant reduction in"

Page 1, line 18, after "valuation" insert "of property within the school district"

Page 1, line 19, after "b." insert: "Flood control project authority" means the political subdivision or entity with land acquisition authority for execution of a diversion or flood control project with state funding assistance.

c."

Page 1, line 19, replace "real" with ":

(1) Real"

Page 1, line 21, after "any" insert "of that"

Page 1, line 22, after "owner" insert: "or occupant; or

(2) The amount determined by subtracting the current true and full valuation of property described in subdivision b of subsection 1 from that property's true and full valuation for 2011"

Page 1, line 23, replace "2." with "3."

Page 2, line 3, remove ", before the property was"

Page 2, remove line 4

Page 2, line 5, remove "tax-exempt entity"

Page 2, line 6, remove "state water"

Page 2, line 7, replace "commission" with "flood control project authority"

Page 2, line 10, replace "3." with "4."

Page 2, line 10, remove "state water"

Page 2, line 11, replace "commission" with "flood control project authority"

Page 2, line 11, remove "state water"

Page 2, line 12, replace "commission" with "flood control project authority"

Page 2, line 20, replace "4." with "5."

Page 2, line 20, replace "state water commission" with "flood control project authority"

Renumber accordingly

#### REPORT OF STANDING COMMITTEE

**HB 1291: Education Committee (Rep. Nathe, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1291 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact two new sections to chapter 15.1-21 of the North Dakota Century Code, relating to the provision of North Dakota scholarships to students who receive home education; and to amend and reenact section 15.1-21-02.6 of the North Dakota Century Code, relating to the provision of North Dakota scholarships to students who receive home education.

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

**SECTION 1.** A new section to chapter 15.1-21 of the North Dakota Century Code is created and enacted as follows:

**North Dakota career and technical education scholarship - Home-educated students.**

Any resident student who completes a program of home education supervised in accordance with chapter 15.1-23, during or after the 2013-14 school year, is eligible to receive a North Dakota career and technical education scholarship provided the student:

1. Completed all units required by subsections 1 through 7 of section 15.1-21-02.4; and
2. Received:
  - a. A composite score of at least twenty-four on an ACT; or
  - b. A score of at least five on each of three WorkKeys assessments recommended by the department of career and technical education and approved by the superintendent of public instruction.

**SECTION 2.** A new section to chapter 15.1-21 of the North Dakota Century Code is created and enacted as follows:

**North Dakota academic scholarship - Home-educated students.**

Any resident student who completes a program of home education supervised in accordance with chapter 15.1-23, during or after the 2013-14 school year, is eligible to receive a North Dakota academic scholarship provided the student:

1. Completed all units required by subsections 1 through 7 of section 15.1-21-02.5;
2. Received a composite score of at least twenty-four on an ACT; and
3.
  - a. Fulfilled any one unit requirement set forth in subsections 1 through 7 of section 15.1-21-02.5 by means of an advanced placement course and examination; or
  - b. Fulfilled any one-half unit requirement set forth in subsections 1 through 7 of section 15.1-21-02.5 by means of a dual-credit course.

**SECTION 3. AMENDMENT.** Section 15.1-21-02.6 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.6. North Dakota scholarship - Amount - Applicability.**

1.
  - a. The state board of higher education shall provide to any student certified as being eligible by the superintendent of public instruction either a North Dakota academic scholarship or a North Dakota career and technical education scholarship in the amount of seven hundred fifty dollars for each semester during which the student is enrolled full time at an accredited institution of higher education in this state and maintains a cumulative grade point average of 2.75.
  - b. The state board of higher education shall provide to any student certified as being eligible by the superintendent of public instruction either a North Dakota academic scholarship or a North Dakota career and technical education scholarship in the amount of five hundred dollars for each quarter during which the student is enrolled full time at an accredited institution of higher education in this state and maintains a cumulative grade point average of 2.75.

2. The state board shall monitor each scholarship recipient to ensure that the student meets the academic and other requirements of this section. Upon determining that a recipient student has failed to meet the requirements of this section, the board shall provide notification to the student within ten days.
3. A student is not entitled to receive more than six thousand dollars under this section.
4. The state board of higher education shall forward the scholarship directly to the institution in which the student is enrolled.
5.
  - a. (1) This section does not require a student to be enrolled in consecutive semesters.
  - (2) This section does not require a student to be enrolled in consecutive quarters.
  - b. However, a scholarship under this section is valid only for six academic years after the student's graduation from high school or completion of a program of home education supervised in accordance with chapter 15.1-23 and may not be applied to graduate programs.
6.
  - a. A scholarship under this section is available to any eligible resident student who fulfills the requirements of section 15.1-21-02.4 or 15.1-21-02.5 and who graduates from:
    - a- (1) A high school in this state;
    - b- (2) A high school in a bordering state under chapter 15.1-29; or
    - e- (3) A nonpublic high school in a bordering state while residing with a custodial parent in this state.
  - b. A scholarship under this section is available to any eligible student who completes the requirements of section 1 or 2 of this Act through a program of home education supervised in accordance with chapter 15.1-23.
7. For purposes of North Dakota scholarship eligibility under this section, "full-time" means enrollment in at least twelve credits during a student's first two semesters and enrollment in at least fifteen credits during each semester thereafter or enrollment in the equivalent number of credits, as determined by the state board of higher education, with respect to students in a quarter system."

Renumber accordingly

#### REPORT OF STANDING COMMITTEE

**HB 1292: Human Services Committee (Rep. Weisz, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (12 YEAS, 1 NAYS, 0 ABSENT AND NOT VOTING). HB 1292 was placed on the Sixth order on the calendar.

Page 4, line 26, after "premises" insert "and ashtrays that are factory-installed in vehicles"

Renumber accordingly

#### REPORT OF STANDING COMMITTEE

**HB 1295: Transportation Committee (Rep. Ruby, Chairman)** recommends **DO NOT PASS** (12 YEAS, 1 NAYS, 1 ABSENT AND NOT VOTING). HB 1295 was placed on the Eleventh order on the calendar.

**REPORT OF STANDING COMMITTEE**

**HB 1306: Finance and Taxation Committee (Rep. Belter, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1306 was placed on the Sixth order on the calendar.

Page 1, line 14, remove the overstrike over "first"

Page 1, line 14, after "five" insert "nine"

Page 1, line 14, remove the overstrike over "~~thousand four hundred dollars of~~"

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**HB 1319: Education Committee (Rep. Nathe, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (11 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1319 was placed on the Sixth order on the calendar.

Page 1, line 1, remove "15.1-27-04.3,"

Page 1, line 3, after "sections" insert "15-39.1-28,"

Page 1, line 4, replace "15.1-27-04" with "15.1-27-03.2"

Page 1, line 5, after the fourth comma insert "40-55-08,"

Page 1, line 8, after "sections" insert "15.1-27-04,"

Page 1, after line 13, insert:

**"SECTION 1. AMENDMENT.** Section 15-39.1-28 of the North Dakota Century Code is amended and reenacted as follows:

**15-39.1-28. Tax levy for teachers' retirement.**

Any school district by a resolution of its school board may use the proceeds of levies, as permitted by section 57-15-14.2, the proceeds to be used for the purposes of meeting the district's contribution to the fund arising under this chapter and to provide the district's share, if any, of contribution to the fund for contracted employees of either a multidistrict special education board or another school district where the contracted employees are also providing services to the taxing school district."

Page 7, line 30, after "hundred" insert "twenty-five"

Page 8, line 27, overstrike "0.004" and insert immediately thereafter "0.002"

Page 10, line 5, after "hundred" insert "twenty-five"

Page 11, line 3, overstrike "0.004" and insert immediately thereafter "0.002"

Page 11, replace lines 9 through 19 with:

**"SECTION 10. AMENDMENT.** Section 15.1-27-03.2 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-03.2. School district size weighting factor - Weighted student units.**

1. For each high school district in the state, the superintendent of public instruction shall assign a school district size weighting factor of:

- a. ~~1.25~~1.35 if the students in average daily membership number fewer than ~~185~~125;
- b. 1.34 if the students in average daily membership number at least 125 but fewer than 130;
- c. 1.33 if the students in average daily membership number at least 130 but fewer than 135;
- d. 1.32 if the students in average daily membership number at least 135 but fewer than 140;
- e. 1.31 if the students in average daily membership number at least 140 but fewer than 145;
- f. 1.30 if the students in average daily membership number at least 145 but fewer than 150;
- g. 1.29 if the students in average daily membership number at least 150 but fewer than 155;
- h. 1.28 if the students in average daily membership number at least 155 but fewer than 160;
- i. 1.27 if the students in average daily membership number at least 160 but fewer than 165;
- j. 1.26 if the students in average daily membership number at least 165 but fewer than 175;
- k. 1.25 if the students in average daily membership number at least 175 but fewer than 185;
- ~~b.l~~ 1.24 if the students in average daily membership number at least 185 but fewer than 200;
- ~~e.m~~ 1.23 if the students in average daily membership number at least 200 but fewer than 215;
- ~~d.n~~ 1.22 if the students in average daily membership number at least 215 but fewer than 230;
- ~~e.o~~ 1.21 if the students in average daily membership number at least 230 but fewer than 245;
- ~~f.p~~ 1.20 if the students in average daily membership number at least 245 but fewer than 260;
- ~~g.q~~ 1.19 if the students in average daily membership number at least 260 but fewer than 270;
- ~~h.r~~ 1.18 if the students in average daily membership number at least 270 but fewer than 275;
- ~~i.s~~ 1.17 if the students in average daily membership number at least 275 but fewer than 280;
- ~~j.t~~ 1.16 if the students in average daily membership number at least 280 but fewer than 285;
- ~~k.u~~ 1.15 if the students in average daily membership number at least 285 but fewer than 290;
- ~~t.v~~ 1.14 if the students in average daily membership number at least 290 but fewer than 295;

- m-w. 1.13 if the students in average daily membership number at least 295 but fewer than 300;
- n-x. 1.12 if the students in average daily membership number at least 300 but fewer than 305;
- o-y. 1.11 if the students in average daily membership number at least 305 but fewer than 310;
- p-z. 1.10 if the students in average daily membership number at least 310 but fewer than 320;
- q-aa. 1.09 if the students in average daily membership number at least 320 but fewer than 335;
- r-bb. 1.08 if the students in average daily membership number at least 335 but fewer than 350;
- s-cc. 1.07 if the students in average daily membership number at least 350 but fewer than 360;
- t-dd. 1.06 if the students in average daily membership number at least 360 but fewer than 370;
- u-ee. 1.05 if the students in average daily membership number at least 370 but fewer than 380;
- v-ff. 1.04 if the students in average daily membership number at least 380 but fewer than 390;
- w-gg. 1.03 if the students in average daily membership number at least 390 but fewer than 400;
- x-hh. 1.02 if the students in average daily membership number at least 400 but fewer than 600;
- y-ii. 1.01 if the students in average daily membership number at least 600 but fewer than 900; and
- z-jj. 1.00 if the students in average daily membership number at least 900.
2. For each elementary district in the state, the superintendent of public instruction shall assign a weighting factor of:
- 1.25 if the students in average daily membership number fewer than 125;
  - 1.17 if the students in average daily membership number at least 125 but fewer than 200; and
  - 1.00 if the students in average daily membership number at least 200.
3. The school district size weighting factor determined under this section and multiplied by a school district's weighted average daily membership equals the district's weighted student units.
4. Notwithstanding the provisions of this section, the school district size weighting factor assigned to a district may not be less than the factor arrived at when the highest number of students possible in average daily membership is multiplied by the school district size weighting factor for the subdivision immediately preceding the district's actual subdivision and then divided by the district's average daily membership."

Page 11, remove lines 22 through 30

Page 12, replace lines 1 through 24 with:

**"15.1-27-04.1. Baseline funding - Establishment - Determination of state aid.**

1. In order to determine the amount of state aid payable to each district, the superintendent of public instruction shall establish each district's baseline funding. A district's baseline funding consists of:
  - a. All state aid received by the district in accordance with chapter 15.1-27 during the 2012-13 school year;
  - b. The district's 2012-13 mill levy reduction grant, as determined in accordance with chapter 57-64, as it existed on June 30, 2013;
  - c. An amount equal to that raised by the district's 2012 general fund levy or that raised by one hundred ten mills of the district's 2012 general fund levy, whichever is less;
  - d. An amount equal to that raised by the district's 2012 long distance learning and educational technology levy;
  - e. An amount equal to that raised by the district's 2012 alternative education program levy; and
  - f. An amount equal to seventy-five percent of all:
    - (1) Mineral revenue received by the school district and reported under code 2000 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08;
    - (2) Tuition received by the school district and reported under code 1300 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08, with the exception of revenue received specifically for the operation of an educational program provided at a resident treatment facility;
    - (3) Revenue received by the school district from payments in lieu of taxes on the distribution and transmission of electric power;
    - (4) Revenue received by the school district from payments in lieu of taxes on electricity generated from sources other than coal;
    - (5) Revenue received by the school district from mobile home taxes;
    - (6) Revenue received by the school district from the leasing of land acquired by the United States for which compensation is allocated to the state under 33 U.S.C. 701(c)(3);
    - (7) Telecommunications tax revenue received by the school district; and
    - (8) Revenue received by the school district from payments in lieu of taxes and state reimbursement of the homestead credit and disabled veterans' credit.

2. The superintendent shall divide the district's total baseline funding by the district's 2012-13 weighted student units in order to determine the district's baseline funding per weighted student unit.
3.
  - a. In 2013-14, the superintendent shall multiply the district's weighted student units by eight thousand eight hundred ten dollars.
    - (1) The superintendent shall adjust the product to ensure that the product is at least equal to the greater of:
      - (a) One hundred two percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2013-14 weighted student units; or
      - (b) One hundred percent of the district's baseline funding as established in subsection 1.
    - (2) The superintendent shall also adjust the product to ensure that the product does not exceed one hundred ten percent of the district's baseline funding per weighted student unit multiplied by the district's 2013-14 weighted student units, as established in subsection 2.
  - b. In 2014-15, the superintendent shall multiply the district's weighted student units by nine thousand ninety-two dollars.
    - (1) The superintendent shall adjust the product to ensure that the product is at least equal to the greater of:
      - (a) One hundred four percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2014-15 weighted student units; or
      - (b) One hundred percent of the district's baseline funding as established in subsection 1.
    - (2) The superintendent shall also adjust the product to ensure that the product does not exceed one hundred twenty percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2014-15 weighted student units.
4. After determining the product in accordance with subsection 3, the superintendent of public instruction shall:
  - a. Subtract an amount equal to fifty mills multiplied by the taxable valuation of the school district; and
  - b. Subtract an amount equal to seventy-five percent of all revenues listed in paragraphs 1 through 8 of subdivision f of subsection 1.
5. The amount remaining after the computation required under subsection 4 is the amount of state aid to which a school district is entitled, subject to any other statutory requirements or limitations."

Page 13, remove lines 3 through 30

Page 14, remove lines 1 through 12

Page 20, line 9, replace "state" with "county"

Page 20, line 9, remove "ten percent, or"

Page 20, line 10, replace "any larger" with "the dollar amount or"

Page 20, line 10, replace the first "of" with "from"

Page 20, line 12, after the underscored period insert "The county treasurer shall transfer any amount withheld under this subdivision to the state treasurer."

Page 20, after line 19, insert:

**"SECTION 20. AMENDMENT.** Section 40-55-08 of the North Dakota Century Code is amended and reenacted as follows:

**40-55-08. Election to determine desirability of establishing recreation system - How called.**

The governing body of any municipality, school district, or park district to which this chapter is applicable, may and upon receipt of a petition signed by at least ten qualified electors but not less than five percent of those qualified electors who voted at the last general election of the municipality, school district, or park district, shall submit to the qualified electors the question of the establishment, maintenance, and conduct of a public recreation system, and except in the case of a school district, the levying of an annual tax for the conduct and maintenance thereof of not more than two and five-tenths mills on each dollar of taxable valuation of all taxable property within the corporate limits or boundaries of such municipality or park district, to be voted upon at the next general election or special municipal election; provided, however, that such questions may not be voted upon at the next general election unless such action of the governing body shall be taken, or such petition to submit such question shall be filed thirty days prior to the date of such election. A school district may ~~levy a tax~~ provide for the establishment, maintenance, and conduct of a public recreation system pursuant to subdivision c of subsection 1 of ~~using the proceeds of levies, as permitted by~~ section 57-15-14.2."

Page 35, line 19, after "Sections" insert "15.1-27-04,"

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**HB 1335: Transportation Committee (Rep. Ruby, Chairman)** recommends **DO NOT PASS** (7 YEAS, 6 NAYS, 1 ABSENT AND NOT VOTING). HB 1335 was placed on the Eleventh order on the calendar.

**REPORT OF STANDING COMMITTEE**

**HB 1355: Energy and Natural Resources Committee (Rep. Porter, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO NOT PASS** (7 YEAS, 6 NAYS, 0 ABSENT AND NOT VOTING). HB 1355 was placed on the Sixth order on the calendar.

Page 1, replace lines 7 through 13 with:

- "1. This section applies to an oil and gas lease executed after July 31, 2013. As used in an oil and gas lease, unless otherwise expressly provided in the oil and gas lease, the terms "engaged in drilling or reworking operations" or "commence drilling or reworking operations" mean:
- a. Well site preparation, staking, and surveying in connection with the drilling of a well on the leased premises or lands pooled must occur before the expiration of the primary term.
  - b. The drill site must be substantially completed and in a condition that a drilling rig can be moved on the location within fifteen days of the expiration of the primary term.
  - c. For one well located on a single well drilling pad, a drilling rig capable of drilling to at least the total vertical depth permitted must

be located at the site within forty-five days of the expiration of the primary term.

d. For multiple wells located on a drilling pad constructed for two or more wells, a drilling rig capable of drilling to at least the total vertical depth must be located at the site within ninety days of the expiration of the primary term.

2. If the activities required under this section are delayed or interrupted by event of force majeure, the time of such delay or interruption during the force majeure event must be added to the deadlines set forth in this section."

Renumber accordingly

#### REPORT OF STANDING COMMITTEE

**HB 1358: Finance and Taxation Committee (Rep. Belter, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1358 was placed on the Sixth order on the calendar.

Page 1, line 1, after "23-01" insert ", a new section to chapter 52-04,"

Page 1, line 1, replace "two" with "three"

Page 1, line 12, after "of" insert "the chairman of the legislative management, or the chairman's designee."

Page 1, line 14, remove ", who shall appoint one of them to serve as chairman"

Page 1, line 14, after the underscored semicolon insert "the chairmen of the house of representatives and senate appropriations committees, or their designees; the minority leaders of the house of representatives and senate, or their designees."

Page 1, line 14, after "four" insert "nonvoting"

Page 1, line 14, replace the second "one" with "two"

Page 1, line 15, replace "is" with "are"

Page 1, line 15, remove "and one of"

Page 1, line 16, remove "whom is a member of the governing body of a city or county in a non-oil producing county"

Page 1, line 18, replace "one" with "two"

Page 1, line 18, replace "is" with "are"

Page 1, remove line 19

Page 1, line 20, remove "county"

Page 1, line 20, after "one" insert "nonvoting"

Page 1, line 23, after the underscored period insert "The chairman of the legislative management shall designate the chairman from among the voting members of the committee."

Page 1, line 24, after the underscored period insert "The emergency medical services advisory council established under section 23-46-02 shall provide advisory assistance to the emergency medical service and fire protection district funding committee as requested."

Page 2, line 1, after "assistance" insert "from the oil-producing counties emergency medical service and fire protection district grant fund or funds provided by legislative appropriation"

Page 2, line 2, after "emergency" insert "medical"

Page 2, line 2, after "districts" insert "providing service in one or more oil-producing counties that received five million dollars or more of allocations under subsection 2 of section 57-51-15 in the most recently completed state fiscal year. Funding under this section may be provided only for that portion of the service area of emergency medical service providers or fire protection districts within one or more oil-producing counties that received five million dollars or more of allocations under subsection 2 of section 57-51-15 in the most recently completed state fiscal year"

Page 2, line 8, after the underscored period insert "The committee shall develop policies of best practices for efficient and effective use of grant award funds for full-time, part-time, and volunteer staffing of emergency medical service and fire protection district service providers."

**SECTION 2.** A new section to chapter 52-04 of the North Dakota Century Code is created and enacted as follows:

**Contribution and wage report - Employee occupational and geographic code.**

An employer's quarterly contribution and wage report must contain, for each individual performing covered employment during the calendar quarter, the individual's occupational code and the geographic code for the place where the individual performed work within the state."

Page 2, line 9, replace "Two" with "Three"

Page 2, after line 17, insert:

"Private covered employment engaged in the mining industry", for purposes of data compiled by job service North Dakota, must include employment by an oil refinery or a facility processing oil or gas, or both, in this state."

Page 3, line 23, after the first "of" insert "the chairman of the legislative management, or the chairman's designee."

Page 3, line 24, remove the second underscored comma

Page 3, line 25, remove "who shall appoint one of them to serve as chairman"

Page 3, line 25, after the underscored semicolon insert "the chairmen of the house of representatives and senate appropriations committees, or their designees; the minority leaders of the house of representatives and senate, or their designees;"

Page 3, line 25, after "two" insert "nonvoting"

Page 3, line 28, after "two" insert "nonvoting"

Page 4, line 1, after the underscored period insert "The chairman of the legislative management shall designate the chairman from among the voting members of the committee."

Page 4, line 11, replace "b" with "c"

Page 4, line 11, replace "exceeded a level of" with "received"

Page 4, line 12, after "dollars" insert "or more"

Page 5, line 12, replace "exceeded a level of" with "received"

- Page 5, line 12, after "dollars" insert "or more"
- Page 5, line 19, overstrike "during that fiscal year" and insert immediately thereafter "in a taxable year after 2012"
- Page 5, line 19, overstrike "does not levy" and insert immediately thereafter "is not levying"
- Page 7, line 21, replace "attendance" with "membership"
- Page 7, line 21, after "basis" insert "for kindergarten through grade twelve"
- Page 7, line 30, after "in" insert "uncommitted"
- Page 8, line 1, replace "during that fiscal year" with "in a taxable year after 2012"
- Page 8, line 20, replace "may" with "shall"
- Page 8, line 24, after "districts" insert "providing service in counties that received five million dollars or more of allocations under subsection 2 in the most recently completed state fiscal year"
- Page 8, line 24, remove "A standing and continuing appropriation is provided to the"
- Page 8, remove line 25
- Page 8, line 31, replace "during that fiscal year" with "in a taxable year after 2012"
- Page 8, line 31, replace "does not levy" with "is not levying"
- Page 12, line 18, replace "exceeded a level of" with "received"
- Page 12, line 18, after "\$5,000,000" insert "or more"
- Page 12, line 28, replace "\$250,000,000" with "\$170,000,000"
- Page 12, line 30, remove "non-oil-producing"
- Page 12, line 30, after "counties" insert "that did not receive \$5,000,000 or more of allocations under subsection 2 of section 57-51-15 in the most recently completed state fiscal year"
- Page 12, line 31, after the period insert "The amounts available for allocation under this section must be allocated in the amount of \$45,000,000 on or before May 1, 2013, and in the amount of \$125,000,000 on or before May 1, 2014."
- Page 13, line 9, replace "\$17,550,000" with "\$8,760,000"
- Page 13, line 10, remove "department of transportation for the purpose of allocation"
- Page 13, remove line 11
- Page 13, line 12, replace "counties" with "state treasurer for allocation to counties for allocation to or for the benefit of townships in oil-producing counties"
- Page 13, line 12, remove "Allocations among"
- Page 13, remove lines 13 through 15
- Page 13, line 16, replace "miles of township roads in the county." with "The funding provided in this section must be distributed in equal amounts on or before May 1, 2013, and May 1, 2014. The state treasurer shall distribute the funds provided under this section as soon as possible to counties and the county treasurer shall allocate the funds to or for the benefit of townships in oil-producing counties through a distribution of \$15,000 each year to each organized township and a distribution of \$15,000 each year for each unorganized township to the county in which the

unorganized township is located. If any funds remain after the distributions provided under this section, the state treasurer shall distribute eighty percent of the remaining funds to counties and cities in oil-producing counties pursuant to the method provided in subsection 4 of section 54-27-19 and shall distribute twenty percent of the remaining funds to counties and townships in oil-producing counties pursuant to the method provided in section 54-27-19.1."

Page 13, line 17, after "has" insert "uncommitted"

Page 13, line 18, replace "during that fiscal year" with "in a taxable year after 2012"

Page 13, line 18, replace "does not levy" with "is not levying"

Page 13, line 22, after the period insert "For the purposes of this section, an "oil-producing county" means a county that received an allocation of funding under section 57-51-15 of more than \$500,000 but less than \$5,000,000 for the preceding state fiscal year."

Page 13, line 25, replace "upper great plains transportation institute" with "department of transportation"

Page 13, line 29, replace "\$6,000,000" with "\$6,250,000"

Page 13, line 30, replace "treasurer as directed" with "department of health for allocations"

Page 13, line 30, after "medical" remove "service"

Page 13, line 31, replace "and fire protection district funding committee" with "services advisory council"

Page 13, line 31, remove "grants under section 1 of this"

Page 14, line 1 replace " Act" with "state financial assistance under chapter 23-46"

Page 14, line 1, remove "and fire protection districts providing service in"

Page 14, line 2, replace "non-oil-producing counties" with "for that portion of the emergency medical service provider's service area in counties that did not receive \$5,000,000 or more of allocations under subsection 2 of section 57-51-15 in the most recently completed state fiscal year"

Page 14, line 3, replace "\$3,000,000" with "\$3,125,000"

Page 14, line 23, after the boldfaced period insert "Section 2 of this Act becomes effective July 1, 2015."

Page 14, line 23, replace the second "2" with "3"

Page 14, line 23, replace "3" with "4"

Page 14, line 25, replace "6, 7, and 8" with "7, 8, and 9"

Renumber accordingly

#### REPORT OF STANDING COMMITTEE

**HB 1381: Appropriations Committee (Rep. Delzer, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO NOT PASS** (12 YEAS, 6 NAYS, 4 ABSENT AND NOT VOTING). HB 1381 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact section 57-62-06 of the North Dakota Century Code, relating to legislative intent on impact grants.

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

**SECTION 1. AMENDMENT.** Section 57-62-06 of the North Dakota Century Code is amended and reenacted as follows:

**57-62-06. Legislative intent and guidelines on impact grants.**

The legislative assembly intends that the moneys appropriated to, and distributed by, the energy infrastructure and impact office for grants are to be used by grantees to meet initial impacts affecting basic governmental services, and directly necessitated by coal development and oil and gas development impact. As used in this section, "basic governmental services" include emergency services, law enforcement, and water and sewer systems, but do not include activities relating to marriage or guidance counseling, services or programs to alleviate other sociological impacts, or services or facilities to meet secondary impacts. All grant applications and presentations to the energy infrastructure and impact office must be made by an appointed or elected government official."

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**HB 1404: Finance and Taxation Committee (Rep. Belter, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (8 YEAS, 6 NAYS, 0 ABSENT AND NOT VOTING). HB 1404 was placed on the Sixth order on the calendar.

Page 1, line 7, after "from" insert "used clothing"

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**HB 1413: Finance and Taxation Committee (Rep. Belter, Chairman)** recommends **DO PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1413 was placed on the Eleventh order on the calendar.

**REPORT OF STANDING COMMITTEE**

**HB 1419: Finance and Taxation Committee (Rep. Belter, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO NOT PASS** (10 YEAS, 3 NAYS, 1 ABSENT AND NOT VOTING). HB 1419 was placed on the Sixth order on the calendar.

Page 2, line 9, after "processing" insert "or resale"

Page 2, line 12, overstrike "North Dakota retail" and insert immediately thereafter "valid"

Page 2, line 12, after "permit" insert "in any state"

Page 2, line 17, remove "(a)"

Page 2, line 19, after "contract" insert "with the North Dakota wholesaler or distributor"

Page 2, line 23, replace "subparagraph" with "paragraph"

Page 2, remove lines 29 through 31

Page 3, remove lines 1 through 4

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**HB 1426: Finance and Taxation Committee (Rep. Belter, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (10 YEAS, 3 NAYS, 1 ABSENT AND NOT VOTING). HB 1426 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 6-09 and a new section to chapter 6-09.4 of the North Dakota Century Code, relating to a credit enhancement program for political subdivision infrastructure funding; and to provide an appropriation.

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

**SECTION 1.** A new section to chapter 6-09 of the North Dakota Century Code is created and enacted as follows:

**Political subdivision infrastructure enhancement program loans - Participation by the Bank of North Dakota.**

1. The Bank of North Dakota shall make available up to one hundred million dollars to purchase participation interests in loans to political subdivisions for infrastructure enhancement projects. Interest charged on a participation interest purchased by the Bank under this section may be set by the Bank, as it may be established from time to time. The Bank may charge necessary and reasonable fees as determined by the industrial commission.
2. The amount of a participation interest purchased by the Bank under this section may not be greater than sixty-five percent of the loan amount or an amount determined by the Bank, whichever is less.
3. For purposes of this section, "political subdivision" means any county or a city with a population not exceeding ten thousand.

**SECTION 2.** A new section to chapter 6-09.4 of the North Dakota Century Code is created and enacted as follows:

**Infrastructure improvement credit enhancement for political subdivisions.**

1. If the public finance authority or a paying agent notifies the director of the office of management and budget, in writing, that a political subdivision has failed to pay when due the principal or interest on any evidences of indebtedness issued for infrastructure improvements issued by the political subdivision after July 31, 2013, or that the public finance authority, political subdivision, or the paying agent has reason to believe a political subdivision will not be able to make a full payment of the principal and interest when the payment is due, the director of the office of management and budget shall authorize a draw from funds in the strategic investment and improvements fund until the payment of the principal or interest has been made to the public finance authority or the paying agent, or until the public finance authority or the paying agent notifies the director of the office of management and budget that arrangements satisfactory to the public finance authority or the paying agent have been made for the payment of the principal and interest then due and owing. The notification must include information required by the director of the office of management and budget. State funds available to a political subdivision under any provision of law are subject to withholding under this section to repay funds drawn from the strategic investment and improvements fund under this section if the withholding is authorized by resolution of the governing body of the political subdivision. The director of the office of management and budget may not authorize a draw that would bring the amount drawn from the strategic investment and improvements fund to more than twenty-five million dollars under this section.
2. The director of the office of management and budget shall make available any funds drawn from the strategic investment and improvements fund under subsection 1 to the public finance authority or the paying agent. The public finance authority or the paying agent shall

apply the funds to payments that the political subdivision is required to make to the public finance authority or the paying agent.

3. If funds are received by the political subdivision during the fiscal year and are deposited in the political subdivision's sinking fund established in accordance with section 21-03-42, the political subdivision, with the consent of the public finance authority or the paying agent, may withdraw from its sinking fund an amount to apply against the repayment of the amount drawn from the strategic investment and improvements fund and made available to the public finance authority or a paying agent under this section.
4. The director of the office of management and budget shall develop detailed procedures for political subdivisions to notify the director of the office of management and budget that they have obligated themselves to be bound by the provisions of this section; procedures for political subdivisions, paying agents, and the public finance authority to notify the director of the office of management and budget of potential defaults and to request payment under this section; and procedures for the state to expedite payments to prevent defaults.
5. For purposes of this section, "political subdivision" means any county or a city with a population not exceeding ten thousand.

**SECTION 3. APPROPRIATION.** There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$25,000,000, or so much of the sum as may be necessary, to the Bank of North Dakota for the purpose of participation loans under section 1 of this Act, for the biennium beginning July 1, 2013, and ending June 30, 2015.

**SECTION 4. APPROPRIATION.** There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$25,000,000, or so much of the sum as may be necessary, to the office of management and budget for the purpose of infrastructure improvement credit enhancement for political subdivisions under section 2 of this Act, for the biennium beginning July 1, 2013, and ending June 30, 2015."

Renumber accordingly

#### REPORT OF STANDING COMMITTEE

**HB 1451: Judiciary Committee (Rep. K. Koppelman, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (9 YEAS, 5 NAYS, 0 ABSENT AND NOT VOTING). HB 1451 was placed on the Sixth order on the calendar.

Page 1, line 1, after "29-10.1-02" insert ", 29-10.1-21,"

Page 1, line 2, after "calling" insert "and the duties of"

Page 1, line 9, remove the overstrike over "Any"

Page 1, line 9, remove "Except as provided in subsection 2"

Page 1, line 10, remove "of section 29-10.1-22, any"

Page 1, line 14, overstrike "board of county commissioners" and insert immediately thereafter "state's attorney"

Page 1, line 16, remove the overstrike over "qualified"

Page 1, line 17, replace "twenty-five" with "forty"

Page 1, line 17, remove the overstrike over "total"

Page 1, line 18, remove the overstrike over "vote cast in"

Page 1, line 18, remove "resident population of"

Page 1, line 18, remove the overstrike over "~~for the office of governor of the state~~"

Page 1, line 19, remove the overstrike over "~~general election~~"

Page 1, line 19, remove "federal decennial census"

Page 1, after line 20, insert:

**"SECTION 2. AMENDMENT.** Section 29-10.1-21 of the North Dakota Century Code is amended and reenacted as follows:

**29-10.1-21. General duties of grand jury.**

~~The grand jury shall inquire into the cause of detention of every person imprisoned in the jail of the county against whom neither a criminal complaint nor information has been filed, or who has not had or waived a preliminary examination, and into all public offenses committed or triable in the county, and if the evidence so warrants, shall present them to the court by written indictment. Each grand jury~~ imppaneled within any county shall inquire into offenses against the criminal laws of the state alleged to have been committed within that county. The alleged offenses may be brought to the attention of the grand jury by the court or by any state's attorney or the state's attorney's designee. The state's attorney or the state's attorney's designee shall inform the grand jury of the alleged offense, the identity of the alleged offender, and the state's attorney or state's attorney's designee's action or recommendation. As to any offense committed while the grand jury is in session, the state's attorney or prosecutor may proceed with a preliminary examination or the filing of an information, as provided for by law, and prosecute the charge, and, under such conditions, the grand jury is not required to inquire into such offense. The presentment of an indictment against a person does not preclude the prosecution of such person for the same offense upon a criminal complaint or information previously filed with the court."

Page 1, line 24, remove "1."

Page 2, line 1, remove the overstrike over "4:"

Page 2, line 1, remove "a."

Page 2, line 2, remove the overstrike over "2:"

Page 2, line 2, remove "b."

Page 2, remove lines 4 through 6

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**HB 1458: Judiciary Committee (Rep. K. Koppelman, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (10 YEAS, 4 NAYS, 0 ABSENT AND NOT VOTING). HB 1458 was placed on the Sixth order on the calendar.

Page 1, line 1, remove "create and enact a new section to chapter 12.1-31 of the North Dakota"

Page 1, line 2, remove "Century Code, relating the delivery of alcohol to an underage individual; to"

Page 1, line 3, after "sections" insert "5-01-08.1 and"

Page 1, line 3, remove ", 5-02-06, and 14-10-06"

Page 1, after line 6, insert:

**"SECTION 1. AMENDMENT.** Section 5-01-08.1 of the North Dakota Century Code is amended and reenacted as follows:

**5-01-08.1. Misrepresentation of age - Penalty - Licensee may keep book.**

An individual who misrepresents or misstates that ~~person's individual's~~ age or the age of ~~any other person another individual~~ or who misrepresents that ~~person's individual's~~ age through presentation of any document purporting to show that ~~person's individual's~~ age to be of legal age to purchase alcoholic beverages is guilty of a class B misdemeanor ~~for a first offense. For a first offense, the court shall sentence the individual to a minimum fine of five hundred dollars and forty hours community service. For a second offense, the individual is guilty of a class A misdemeanor. For a second offense, the court shall sentence the individual to a minimum fine of one thousand dollars and eighty hours community service. For a third offense, the individual is guilty of a class C felony.~~ Any licensee may keep a book and may require anyone who has shown documentary proof of that ~~person's individual's~~ age, which substantiates that ~~person's individual's~~ age to allow the purchase of alcoholic beverages, to sign the book if the age of that ~~person's individual's~~ age is in question. The book must show the date of the purchase, the identification used in making the purchase and the appropriate numbers of such identification, the address of the purchaser, and the purchaser's signature."

Page 1, line 9, after "delivering" insert "purchases for or"

Page 1, line 11, after the first "or" insert "delivers"

Page 1, line 14, after "knowingly" insert "purchases for or"

Page 1, line 15, after "a" insert "class A misdemeanor for a first offense or second offense, subject to sections 5-01-08, 5-01-08.1, and 5-01-08.2. For a first offense, the court shall sentence the individual to a minimum fine of five hundred dollars and forty hours community service. For a second offense, the court shall sentence the individual to a minimum fine of one thousand dollars and eighty hours community service. For a third offense, the individual is guilty of a"

Page 2, remove lines 10 through 31

Page 3, remove lines 1 through 31

Page 4, remove lines 1 through 24

Re-number accordingly

**REPORT OF STANDING COMMITTEE**

**HB 1459: Finance and Taxation Committee (Rep. Belter, Chairman)** recommends **DO NOT PASS** (10 YEAS, 3 NAYS, 1 ABSENT AND NOT VOTING). HB 1459 was placed on the Eleventh order on the calendar.

**REPORT OF STANDING COMMITTEE**

**HB 1463: Finance and Taxation Committee (Rep. Belter, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1463 was placed on the Sixth order on the calendar.

Page 2, line 31, replace "four" with "two"

Page 3, line 24, after "family" insert "and "income" has the meaning provided in section 57-02-08.1"

Re-number accordingly

**REPORT OF STANDING COMMITTEE**

**HCR 3019: Finance and Taxation Committee (Rep. Belter, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS**

(13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HCR 3019 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A concurrent resolution" replace the remainder of the resolution with "directing the Legislative Management to study the property tax system.

**WHEREAS**, property taxes levied by political subdivisions constitute a very substantial share of the cost of owning and using property in the state; and

**WHEREAS**, assessment and levy of property taxes has been the primary funding source for local government services since before statehood but the system continues to be subject to criticism by taxpayers and ongoing legislative efforts to create more fairness and lower tax burdens; and

**WHEREAS**, the Legislative Assembly must closely monitor the property tax system and examine options for improvements that could reduce the property tax burden and enhance the fairness and uniformity of the property tax system;

**NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF NORTH DAKOTA, THE SENATE CONCURRING THEREIN:**

That the Legislative Management study the property tax system; and

**BE IT FURTHER RESOLVED**, that the Legislative Management report its findings and recommendations, together with any legislation required to implement the recommendations, to the Sixty-fourth Legislative Assembly."

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**HCR 3031: Transportation Committee (Rep. Ruby, Chairman)** recommends **DO PASS** and **BE PLACED ON THE CONSENT CALENDAR** (11 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING). HCR 3031 was placed on the Tenth order on the calendar.

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

**Buell J. Reich, Chief Clerk**