

## JOURNAL OF THE SENATE

## Sixty-fourth Legislative Assembly

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Bismarck, April 14, 2015

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

The prayer was offered by Pastor Rich Wyatt, Living Hope Nazarene, Bismarck.

The roll was called and all members were present.

A quorum was declared by the President.

## CONSIDERATION OF AMENDMENTS

**HB 1018, as engrossed: SEN. HOLMBERG (Appropriations Committee) MOVED** that the amendments on SJ pages 1414-1418 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed on a voice vote.

## SECOND READING OF HOUSE BILL

**HB 1018:** A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; to provide exemptions; to provide for transfers; to amend and reenact section 54-60-17 of the North Dakota Century Code, relating to workforce development; and to declare an emergency.

## ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 43 YEAS, 4 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Armstrong; Axness; Bekkedahl; Bowman; Burckhard; Campbell; Carlisle; Casper; Cook; Davison; Dever; Dotzenrod; Erbele; Flakoll; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Murphy; Nelson; O'Connell; Oban; Oehlke; Poolman; Robinson; Rust; Schaible; Schneider; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

**NAYS:** Grabinger; Larsen; Miller; Sinner

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

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## CONSIDERATION OF AMENDMENTS

**HCR 3047, as engrossed: SEN. DEVER (Government and Veterans Affairs Committee) MOVED** that the amendments on SJ page 1408 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed on a voice vote.

## SECOND READING OF HOUSE CONCURRENT RESOLUTION

**HCR 3047:** A concurrent resolution to amend and reenact section 5 of article IV of the Constitution of North Dakota, relating to the residency requirements of the legislative assembly.

## ROLL CALL

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

**YEAS:** Anderson; Armstrong; Axness; Bekkedahl; Bowman; Burckhard; Campbell; Carlisle; Casper; Cook; Davison; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oban; Oehlke; Poolman; Robinson; Rust; Schaible; Schneider; Sinner; Sorvaag; Triplett; Unruh; Wanzek;

Wardner; Warner

Engrossed HCR 3047, as amended, was declared adopted on a recorded roll call vote.

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#### **APPOINTMENT OF CONFERENCE COMMITTEE**

**SEN. KLEIN MOVED** that the President appoint a committee of three to act with a like committee from the House as a Conference Committee on Engrossed HB 1004, Engrossed HB 1005, Engrossed HB 1007, Engrossed HB 1010, Engrossed HB 1019, Engrossed HB 1024, Engrossed HB 1025, Engrossed HB 1210, Engrossed HB 1321, Engrossed HB 1367, Engrossed HB 1368, and Engrossed HB 1443, which motion prevailed.

**THE PRESIDENT APPOINTED** as a Conference Committee on:

**Engrossed HB 1004:** Sens. Kilzer, G. Lee, Mathern  
**Engrossed HB 1005:** Sens. Carlisle, Bowman, Heckaman  
**Engrossed HB 1007:** Sens. Kilzer, Bowman, Robinson  
**Engrossed HB 1010:** Sens. Sorvaag, Erbele, Mathern  
**Engrossed HB 1019:** Sens. Erbele, Holmberg, Heckaman  
**Engrossed HB 1024:** Sens. Kilzer, G. Lee, Mathern  
**Engrossed HB 1025:** Sens. Kilzer, Bowman, Robinson  
**Engrossed HB 1210:** Sens. Luick, Casper, Nelson  
**Engrossed HB 1321:** Sens. Armstrong, Luick, Grabinger  
**Engrossed HB 1367:** Sens. Armstrong, Casper, Grabinger  
**Engrossed HB 1368:** Sens. Casper, Armstrong, Grabinger  
**Engrossed HB 1443:** Sens. Carlisle, Holmberg, Heckaman

#### **CONSIDERATION OF MESSAGES FROM THE HOUSE**

**SEN. KLEIN MOVED** that the Senate do not concur in the House amendments to Engrossed SB 2012 as printed on SJ pages 1397-1406 and in the House amendments to SB 2205 as printed on SJ pages 1316-1319 and that a conference committee be appointed to meet with a like committee from the House on each of these measures, which motion prevailed on a voice vote.

#### **APPOINTMENT OF CONFERENCE COMMITTEES**

**THE PRESIDENT APPOINTED** as a Conference Committee on:

**Engrossed SB 2012:** Sens. Kilzer, Erbele, Mathern.  
**SB 2205:** Sens. Dever, J. Lee, Axness.

#### **CONSIDERATION OF MESSAGE FROM THE HOUSE**

**SEN. HOLMBERG MOVED** that the Senate do concur in the House amendments to Engrossed SB 2021 as printed on SJ page 1316, which motion prevailed on a voice vote.

Engrossed SB 2021 as amended, was placed on the Eleventh order of business.

#### **SECOND READING OF SENATE BILL**

**SB 2021:** A BILL for an Act to provide an appropriation for defraying the expenses of workforce safety and insurance.

#### **ROLL CALL**

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

**YEAS:** Anderson; Armstrong; Axness; Bekkedahl; Bowman; Burckhard; Campbell; Carlisle; Casper; Cook; Davison; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oban; Oehlke; Poolman; Robinson; Rust; Schaible; Schneider; Sinner; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

Reengrossed SB 2021 passed.

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**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. COOK MOVED** that the conference committee report on Engrossed SB 2226 as printed on SJ pages 1408-1410 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2226, as amended, was placed on the Eleventh order of business.

**SECOND READING OF SENATE BILL**

**SB 2226:** A BILL for an Act to amend and reenact sections 54-40.2-04, 54-40.2-05, 57-51.2-01, and 57-51.2-02 of the North Dakota Century Code, relating to legislative confirmation of state-tribal tax collection agreements and the authority of the governor to enter agreements relating to taxation and regulation of oil and gas exploration and production within the boundaries of the Fort Berthold Reservation, Standing Rock Sioux Tribe Reservation, or Turtle Mountain Band of Chippewa Indians Reservation and on certain trust properties outside reservation boundaries; and to provide an effective date.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 36 YEAS, 11 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Carlisle; Casper; Cook; Davison; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Lee, G.; Lee, J.; Luick; Murphy; Nelson; O'Connell; Oehlke; Poolman; Rust; Schaible; Sorvaag; Triplett; Unruh; Wanzek; Wardner

**NAYS:** Axness; Heckaman; Larsen; Marcellais; Mathern; Miller; Oban; Robinson; Schneider; Sinner; Warner

Reengrossed SB 2226 passed.

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**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. RUST MOVED** that the conference committee report on Engrossed SB 2312 as printed on SJ page 1381 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2312, as amended, was placed on the Eleventh order of business.

**SECOND READING OF SENATE BILL**

**SB 2312:** A BILL for an Act to create and enact subsection 9 of section 39-29.2-03 and sections 39-29.2-05 and 39-29.2-06 of the North Dakota Century Code, relating to unconventional vehicles; to amend and reenact subsection 3 of section 26.1-40-01, subsection 10 of section 26.1-41-01, subsection 49 of section 39-01-01, subsection 1 of section 39-04-06, subsection 2 of section 39-29.2-01, subsection 5 of section 39-29.2-03, subsection 7 of section 39-29.2-03, and section 39-29.2-04 of the North Dakota Century Code, relating to unconventional vehicles; to provide a penalty; and to declare an emergency.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 45 YEAS, 2 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Armstrong; Axness; Bowman; Burckhard; Campbell; Carlisle; Casper; Cook; Davison; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, J.; Luick; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oban; Oehlke; Poolman; Robinson; Rust; Schaible; Schneider; Sinner; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

**NAYS:** Bekkedahl; Lee, G.

Reengrossed SB 2312 passed and the emergency clause was declared carried.

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**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. HOGUE MOVED** that the conference committee report on Engrossed SB 2161 as printed on SJ pages 1391-1392 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2161, as amended, was placed on the Eleventh order of business.

**SECOND READING OF SENATE BILL**

**SB 2161:** A BILL for an Act to create and enact a new chapter to title 27 of the North Dakota Century Code, relating to the establishment of an interdisciplinary committee on problem-solving courts.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 6 YEAS, 41 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Dotzenrod; Heckaman; Mathern; O'Connell; Rust; Schneider

**NAYS:** Anderson; Armstrong; Axness; Bekkedahl; Bowman; Burckhard; Campbell; Carlisle; Casper; Cook; Davison; Dever; Erbele; Flakoll; Grabinger; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Marcellais; Miller; Murphy; Nelson; Oban; Oehlke; Poolman; Robinson; Schaible; Sinner; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

Reengrossed SB 2161 failed.

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**MOTION**

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

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

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The Senate has amended and subsequently passed: HCR 3047.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The Senate has amended, subsequently passed, and the emergency clause carried: HB 1018.

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

**MR. PRESIDENT:** The House has passed, unchanged: SB 2074, SB 2075, SB 2190.

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

**MR. PRESIDENT:** The House has amended and subsequently passed: SB 2009, SB 2010, SB 2304, SB 2323.

**HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2009**

Page 1, replace lines 12 and 13 with:

"Salaries and wages	\$10,861,195	\$1,906,006	\$12,767,201
Operating expenses	5,885,262	991,807	6,877,069"

Page 1, replace lines 20 through 22 with:

"Total all funds	\$25,273,808	\$7,325,301	\$32,599,109
Less estimated income	15,754,591	5,263,462	21,018,053
Total general fund	\$9,519,217	\$2,061,839	\$11,581,056"

Page 2, replace lines 7 and 8 with:

"Department web redesign	0	100,000
Total general fund	\$0	\$1,050,222"

Page 2, line 18, replace "\$6,414,476" with "\$6,403,714"

Page 2, after line 30, insert:

**"SECTION 7. WATERBANK PROGRAM - MATCHING FUNDS.** The salaries and wages line item in section 1 of this Act includes \$50,000 from the general fund for matching funds for the North Dakota outdoor heritage fund grant provided for the waterbank program."

ReNUMBER accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### Senate Bill No. 2009 - Department of Agriculture - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$10,861,195	\$12,823,662	(\$56,461)	\$12,767,201
Operating expenses	5,885,262	6,927,069	(50,000)	6,877,069
Capital assets	12,000	8,000		8,000
Grants	4,675,828	10,640,774		10,640,774
State board of animal health	2,109,828	813,665		813,665
Wildlife services	1,417,400	1,417,400		1,417,400
Crop harmonization board	75,000	75,000		75,000
Accrued leave payments	237,295			
Total all funds	\$25,273,808	\$32,705,570	(\$106,461)	\$32,599,109
Less estimated income	15,754,591	21,037,270	(19,217)	21,018,053
General fund	\$9,519,217	\$11,668,300	(\$87,244)	\$11,581,056
FTE	77.00	77.00	0.00	77.00

#### Department No. 602 - Department of Agriculture - Detail of House Changes

	Adjusts Funding for Health Insurance Premium Increases <sup>1</sup>	Reduce Funding to Redesign the Department Website <sup>2</sup>	Total House Changes
Salaries and wages	(\$56,461)		(\$56,461)
Operating expenses		(50,000)	(50,000)
Capital assets			
Grants			
State board of animal health			
Wildlife services			
Crop harmonization board			
Accrued leave payments			
Total all funds	(\$56,461)	(\$50,000)	(\$106,461)
Less estimated income	(19,217)	0	(19,217)
General fund	(\$37,244)	(\$50,000)	(\$87,244)
FTE	0.00	0.00	0.00

<sup>1</sup> Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

<sup>2</sup> One-time funding to redesign the department website is reduced by \$50,000 to provide a total of \$100,000.

This amendment also:

- Reduces funding from the environment and rangeland protection fund by \$10,762, relating to the health insurance adjustment, to provide a total of \$6,403,714 from the fund.
- Adds a new section to the bill to state the salaries and wages line item in Section 1 of the bill includes \$50,000 from the general fund for matching funds for the grant provided through the North Dakota outdoor heritage fund for the waterbank program.

### HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2010

Page 1, replace lines 12 through 16 with:

"Salaries and wages	\$8,019,514	\$923,583	\$8,943,097
Accrued leave payments	163,182	(163,182)	0
Operating expenses	2,858,008	(345,966)	2,512,042
Capital assets	0	90,000	90,000
Total special funds	\$11,040,704	\$504,435	\$11,545,139"

Page 1, line 19, replace "\$16,701,207" with "\$16,481,207"

Page 1, line 23, replace "\$1,020,000, of which, \$130,000 is one-time funds" with "\$800,000"

Renumber accordingly

### STATEMENT OF PURPOSE OF AMENDMENT:

#### Senate Bill No. 2010 - Insurance Department - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$8,019,514	\$8,980,738	(\$37,641)	\$8,943,097
Operating expenses	2,858,008	2,512,042		2,512,042
Capital assets		90,000		90,000
Fire department grants	15,336,386	16,701,207	(220,000)	16,481,207
Accrued leave payments	163,182			
Total all funds	\$26,377,090	\$28,283,987	(\$257,641)	\$28,026,346
Less estimated income	26,377,090	28,283,987	(257,641)	28,026,346
General fund	\$0	\$0	\$0	\$0
FTE	49.50	49.50	0.00	49.50

#### Department No. 401 - Insurance Department - Detail of House Changes

	Adjusts Funding for Health Insurance Premium Increases <sup>1</sup>	Remove Grant Increase for the Firefighter's Association <sup>2</sup>	Remove Funding for Firefighter's Association Computerized Database <sup>3</sup>	Total House Changes
Salaries and wages	(\$37,641)			(\$37,641)
Operating expenses				
Capital assets				
Fire department grants		(90,000)	(130,000)	(220,000)
Accrued leave payments				
Total all funds	(\$37,641)	(\$90,000)	(\$130,000)	(\$257,641)
Less estimated income	(37,641)	(90,000)	(130,000)	(257,641)
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

<sup>1</sup> Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

<sup>2</sup> The House removed \$90,000 of increased ongoing grant funding from the insurance tax distribution fund for the North Dakota Firefighter's Association to provide ongoing funding of \$800,000.

<sup>3</sup> The House removed \$130,000 of one-time grant funding from the insurance tax distribution

fund for a computerized database for the North Dakota Firefighter's Association.

#### **HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2304**

In lieu of the amendments adopted by the House as printed on pages 1228 and 1229 of the House Journal, Engrossed Senate Bill No. 2304 is amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for the design of a governor's residence; to provide an appropriation to the office of management and budget for the demolition of the current governor's residence and the construction of a new residence; and to provide an appropriation to the governor's office for temporary housing expenses.

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

**SECTION 1. GOVERNOR'S RESIDENCE - ARCHITECT AND ENGINEERING SERVICES.** The office of management and budget shall issue a formal invitation for information for obtaining architect and engineering services, pursuant to chapter 54-44.7, for the design of a governor's residence that must include event space to accommodate meetings and entertainment. The office of management and budget project selection committee shall select at least three, but not more than five, design teams to provide preliminary design documents that must be sufficient for the selection committee to clearly comprehend the aesthetic and functional purposes of the design. The office of management and budget shall submit to each member of the legislative assembly a summary and renderings of each design proposal. The budget section shall meet to review the design proposals and receive comments and suggestions from any member of the legislative assembly. A member of the legislative assembly who attends the budget section meeting is entitled to receive expense reimbursement for attending the meeting. The budget section may approve one project design or may disapprove of all project designs. If the budget section approves a project design, the office of management and budget shall proceed with the next phase of the project. The director of the facility management division of the office of management and budget, or the director's designee, shall serve as the project manager.

**SECTION 2. APPROPRIATION - GOVERNOR'S RESIDENCE PROJECT.** There is appropriated out of any moneys in the capitol building fund in the state treasury, not otherwise appropriated, the sum of \$4,000,000, or so much of the sum as may be necessary, and from funds derived from private donations, the sum of \$1,000,000, or so much of the sum as may be necessary, to the office of management and budget for the purpose of designing and constructing a governor's residence in accordance with this Act, for the biennium beginning July 1, 2015, and ending June 30, 2017.

**SECTION 3. CONSTRUCTION AUTHORIZATION - ADDITIONAL INCOME.** Section 2 of this Act includes \$5,000,000, of which \$4,000,000 is from the capitol building fund and \$1,000,000 is from funds to be raised from private donations, for the demolition of the existing governor's residence, the design and construction of a new residence, and for fixtures and furniture for the new residence. Construction may not begin until any private fundraising entity certifies to the office of management and budget that, of the special funds required to complete the project, at least \$500,000 in cash has been received and placed in an account designated for the sole purpose of constructing the project authorized in this Act. If more than \$1,000,000 in donated funds is raised, the office of management and budget may seek emergency commission and budget section approval to spend the excess funds for upgraded fixtures and furniture for the new residence. Any increased spending authority for the project may not be used to expand the scope of the project.

**SECTION 4. APPROPRIATION - TEMPORARY HOUSING EXPENSES.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$50,000, or so much of the sum as may be necessary, to the governor's office for temporary housing expenses for the governor during the demolition of the existing governor's residence and construction of a new residence, for the biennium beginning July 1, 2015, and ending June 30, 2017. The

funding provided in this section is considered a one-time funding item. Any funds not used for temporary housing expenses may not be spent for any other purpose and must be canceled in accordance with section 54-44.1-11."

Renumber accordingly

#### HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2323

Page 1, line 2, replace "book" with "record"

Page 1, line 6, overstrike "**Book**" and insert immediately thereafter "**Record**"

Page 1, line 13, after "public" insert "in a manner that the adjutant general deems advisable"

Renumber accordingly

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

**MR. PRESIDENT:** The House has amended, subsequently passed, and the emergency clause carried: SB 2003.

#### HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2003

Page 1, line 2, remove "to provide for grants;"

Page 1, line 2, after the "a" insert "new section to chapter 27-05 and two"

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

Page 1, line 3, after "to" insert "the responsibility for expert witness expenses, to attorney general opinions, and"

Page 1, line 4, after the first comma insert "54-12-08, and"

Page 1, line 4, remove ", and 54-27-25"

Page 1, line 5, after the second comma insert "the assistant and special assistant attorneys general, and"

Page 1, line 5, remove ", and the"

Page 1, line 6, remove "tobacco settlement trust fund"

Page 1, remove lines 16 through 24

Page 2, replace lines 1 through 8 with:

"Salaries and wages	\$34,806,462	\$5,947,335	\$40,753,797
Accrued leave payments	1,057,247	(1,057,247)	0
Operating expenses	26,994,056	(1,444,463)	25,549,593
Capital assets	2,165,077	506,110	2,671,187
Grants	2,373,947	(611,288)	1,762,659
Criminal justice information sharing	0	5,401,701	5,401,701
Litigation fees	50,000	0	50,000
Abortion litigation fees	400,000	0	400,000
Medical examinations	660,000	0	660,000
North Dakota lottery	4,133,821	1,148,957	5,282,778
Arrest and return of fugitives	10,000	0	10,000
Gaming commission	<u>7,368</u>	<u>122</u>	<u>7,490</u>
Total all funds	\$72,657,978	\$9,891,227	\$82,549,205
Less estimated income	<u>35,382,450</u>	<u>(468,838)</u>	<u>34,913,612</u>
Total general fund	\$37,275,528	\$10,360,065	\$47,635,593
Full-time equivalent positions	212.50	18.00	230.50"

Page 2, replace lines 14 through 20 with:



"BCI vehicles	\$198,000	\$132,000
BCI surveillance vehicles	0	200,000
Criminal justice information sharing	0	1,250,000
Computerized business projects FTE	178,100	0
Total all funds	\$376,100	\$1,582,000
Total special funds	0	133,333
Total general fund	\$376,100	\$1,448,667"

Page 2, remove lines 25 through 30

Page 3, remove lines 14 through 31

Page 4, replace lines 1 and 2 with:

**"SECTION 5.** A new section to chapter 27-05 of the North Dakota Century Code is created and enacted as follows:

**State crime laboratory expert witness travel costs responsibility of district court - Exception.**

In any case before the district court involving an offense other than a class AA felony in which a staff member from the state crime laboratory is subpoenaed to testify as an expert witness, the district court shall pay the mileage and travel expenses incurred by the expert witness as provided in sections 44-04-04 and 54-06-09. If the district court permits the expert witness to testify via the state's interactive video network service or other interactive computer service, the district court is not responsible for any costs related to the testimony of a subpoenaed state crime laboratory expert witness.

**SECTION 6.** A new section to chapter 54-12 of the North Dakota Century Code is created and enacted as follows:

**Attorney general opinions - Notification of receipt of request - Delivery.**

Within thirty days of receipt of a request for a written opinion under section 54-12-01 or 44-04-21.1, the attorney general shall notify the individual who requested the opinion that the request has been received and that a written opinion will be delivered to the requester within sixty days of the receipt of the request or that the attorney general has determined that a written opinion will not be provided to the requester. If the attorney general determines that an opinion will not be written in response to the request, the attorney general shall inform the requester of the basis for that determination."

Page 6, after line 30, insert:

**"SECTION 9. AMENDMENT.** Section 54-12-08 of the North Dakota Century Code is amended and reenacted as follows:

**54-12-08. Assistant and special assistant attorneys general - Appointment - Revocation - Compensation.**

1. After consultation with the head of the state department or institution or with the state board, commission, committee, or agency affected, the attorney general may appoint assistant or special assistant attorneys general to represent the state board, commission, committee, or agency. A state officer, head of any state department, whether elected or appointed, or state department, board, commission, committee, or agency may not employ legal counsel, and no person may act as legal counsel in any matter, action, or proceeding in which the state or any state department, board, commission, committee, or agency is interested or is a party, except upon written appointment by the attorney general. Workforce safety and insurance, the department of transportation, the state tax commissioner, the public service commission, the insurance commissioner, ~~the board of higher education,~~ and the securities commissioner may employ attorneys to represent them. These entities

shall pay the salaries and expenses of the attorneys they employ within the limits of legislative appropriations. The attorneys that represent these entities must be special assistant attorneys general appointed by the attorney general pursuant to this section. Absent good cause, the attorney general shall appoint as special assistant attorneys general licensed attorneys selected by these entities. The attorney general may revoke the appointment only for good cause or upon the request of the entity. Good cause means an inadequate level of experience, competence, or ethical standards.

2. The powers conferred upon special assistant attorneys general are the same as are exercised by the regular assistant attorneys general, unless the powers are limited specifically by the terms of the appointment. Except as otherwise provided by this section, an appointment is revocable at the pleasure of the attorney general. The appointment may be made with or without compensation, and when compensation is allowed by the attorney general for services performed, the compensation must be paid out of the funds appropriated therefor.
3. The attorney general may require payment for legal services rendered by any assistant or special assistant attorney general to any state official, board, department, agency, or commission and those entities shall make the required payment to the attorney general. Moneys received by the attorney general in payment for legal services rendered must be deposited into the attorney general's operating fund. General fund moneys may not be utilized for the payment of legal services provided by the attorneys employed by the attorney general, except for those payments required of the department of human services, state department of health, and the state hospital.
4. Any assistant and special assistant attorney general, appointed to represent the state board of higher education or an institution under the control of the state board of higher education may access and examine any record under the control of the state board of higher education. For purposes of reviewing records under the Family Educational Rights and Privacy Act [20 U.S.C. 1232g; 34 CFR 99] or any other federal privacy law, the assistant and special assistant attorneys general must be considered a state educational official authorized to access student records for legal purposes."

Page 7, remove lines 7 through 30

Page 8, remove lines 1 through 18

Page 8, line 20, replace "Sections" with "Section"

Page 8, line 20, remove "and section 4"

Page 8, line 20, replace "are" with "is"

ReNUMBER accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### Senate Bill No. 2003 - Attorney General - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$34,806,462	\$40,303,241	\$450,556	\$40,753,797
Operating expenses	26,994,056	25,858,095	(308,502)	25,549,593
Capital assets	2,165,077	2,879,187	(208,000)	2,671,187
Grants	2,373,947	1,762,659		1,762,659
Litigation fees	50,000	50,000		50,000
Abortion litigation fees	400,000	400,000		400,000
Medical examinations	660,000	660,000		660,000
North Dakota lottery	4,133,821	5,282,778		5,282,778
Arrest and return of fugitives	10,000	10,000		10,000
Gaming commission	7,368	7,490		7,490

Accrued leave payments	1,057,247			
Law enforcement grants		24,815,507	(24,815,507)	
Criminal justice information sharing		5,406,219	(4,518)	5,401,701
Total all funds	\$72,657,978	\$107,435,176	(\$24,885,971)	\$82,549,205
Less estimated income	35,382,450	60,523,643	(25,610,031)	34,913,612
General fund	\$37,275,528	\$46,911,533	\$724,060	\$47,635,593
FTE	212.50	248.00	(17.50)	230.50

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

	Adjusts Funding for Health Insurance Premium Increases <sup>1</sup>	Adds Funding for Higher Education Legal Staff <sup>2</sup>	Removes Funding for Oil Impact Law Enforcement Grants <sup>3</sup>	Removes Funding for Medicaid Fraud Unit <sup>4</sup>	Removes Funding for Tobacco Enforcement <sup>5</sup>	Removes Funding for Building Feasibility Study <sup>5</sup>
Salaries and wages	(\$180,687)	\$1,487,982	(\$131,847)	(\$724,892)		
Operating expenses		112,000		(190,502)	(200,000)	(30,000)
Capital assets				(20,000)		
Grants						
Litigation fees						
Abortion litigation fees						
Medical examinations						
North Dakota lottery						
Arrest and return of fugitives						
Gaming commission						
Accrued leave payments						
Law enforcement grants			(24,815,507)			
Criminal justice information sharing	(4,518)					
Total all funds	(\$185,205)	\$1,599,982	(\$24,947,354)	(\$935,394)	(\$200,000)	(\$30,000)
Less estimated income	(15,201)	0	(24,456,308)	(841,855)	(200,000)	(30,000)
General fund	(\$170,004)	\$1,599,982	(\$491,046)	(\$93,539)	\$0	\$0
FTE	0.00	6.00	(19.50)	(4.00)	0.00	0.00

	Reduces One- Time Funding for Undercover Vehicles <sup>7</sup>	Reduces One- Time Funding for Surveillance Vehicles <sup>8</sup>	Total House Changes
Salaries and wages			\$450,556
Operating expenses			(308,502)
Capital assets	(88,000)	(100,000)	(208,000)
Grants			
Litigation fees			
Abortion litigation fees			
Medical examinations			
North Dakota lottery			
Arrest and return of fugitives			
Gaming commission			
Accrued leave payments			
Law enforcement grants			(24,815,507)
Criminal justice information sharing			(4,518)
Total all funds	(\$88,000)	(\$100,000)	(\$24,885,971)
Less estimated income	0	(66,667)	(25,610,031)
General fund	(\$88,000)	(\$33,333)	\$724,060
FTE	0.00	0.00	(17.50)

<sup>1</sup> Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

<sup>2</sup> Funding is added from the general fund for 6 FTE positions, related salary increases and health insurance increases (\$1,487,982) and related operating expenses (\$112,000) for providing legal services to the North Dakota University System.

<sup>3</sup> The funding shown below is removed for oil impact law enforcement grants. The other funds include \$24,164,271 from the oil and gas impact grant fund.

	FTE	General Fund	Other Funds	Total
New criminal investigators	(5.00)		(\$1,388,830)	(\$1,388,830)

New intelligence analysts	(3.00)		(480,946)	(480,946)
New BCI agents	(4.00)	(\$270,336)	(495,555)	(765,891)
New victim advocate	(1.00)		(189,580)	(189,580)
New assistant Attorney General	(1.00)		(302,136)	(302,136)
New assistant Attorney General	(1.00)		(198,619)	(198,619)
New administrative assistants	(2.00)		(264,380)	(264,380)
New grants administrator	(1.00)		(132,190)	(132,190)
New forensic scientist	(1.00)		(165,554)	(165,554)
New attorney	(0.50)		(165,264)	(165,264)
Oil impact law enforcement grants			(20,000,000)	(20,000,000)
Operating and other costs			(673,254)	(673,254)
Salary increase - Performance			(220,710)	(220,710)
Total	(19.50)	(\$270,336)	(\$24,677,018)	(\$24,947,354)

<sup>4</sup> Funding for a Medicaid fraud unit is removed as shown below:

	FTE	General Fund	Other Funds	Total
New attorney, auditor, investigator, and administrative assistant	(4.00)	(\$72,489)	(\$652,403)	(\$724,892)
Operating expenses		(19,050)	(171,452)	(190,502)
Capital assets		(2,000)	(18,000)	(20,000)
Total	(4.00)	(\$93,539)	(\$841,855)	(\$935,394)

<sup>5</sup> Funding has been removed for tobacco enforcement and Section 12 has been removed, which amended Section 54-27-25 to allow tobacco settlement funding to be appropriated to the Attorney General for tobacco enforcement.

<sup>6</sup> Funding is removed from other funds for a building feasibility study.

<sup>7</sup> Funding is reduced from one-time capital purchases to provide 6 of the 10 undercover vehicles approved by the Senate.

<sup>8</sup> Funding is reduced from one-time capital purchases to provide 2 of the 3 surveillance vehicles approved by the Senate.

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This amendment also:

- Removes a section to appropriate \$1 million from the general fund to the Attorney General for the 2013-15 biennium for early funding to hire up to 10 FTE positions.
- Removes a section designating that of the law enforcement grants line item in Section 1 of the bill, \$24,164,271 is from the oil and gas impact grant fund, of which \$20,000,000 is to be used for awarding grants to law enforcement agencies in oil-impacted counties, up to 10 percent of the funds can be used for administrative purposes, and \$4,164,271 is related to salaries and wages and equipment for the Attorney General for oil-impacted areas.
- Removes a section which provided an exemption from Section 54-44.1-11 for the amount appropriated in the law enforcement grants line in Section 1 of the bill to allow the grant funds to be continued into the 2017-19 biennium.
- Adds a section to create a new section to Chapter 27-05 regarding State Crime Laboratory expert witness travel costs responsibility of district courts and provides an exemption.
- Adds a section to create a new section to Chapter 54-12 regarding notification to the requestor of the receipt and status of an opinion requested from the Attorney General.
- Adds a section to amend Section 54-12-08 relating to assistant and special assistant Attorneys General and to allow assistant and special assistant Attorneys General that have been appointed to access and examine records under the control of the State Board of Higher Education.
- Removes the appropriation of \$1 million from the general fund to the Attorney General from the emergency clause.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The House has amended, subsequently passed, and the emergency clause carried: SB 2008.

## HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2008

Page 1, remove lines 14 through 24

Page 2, replace lines 1 through 3 with:

"Salaries and wages	\$8,506,704	\$2,404,925	\$10,911,629
Accrued leave payments	168,278	(168,278)	0
Operating expenses	1,895,562	410,464	2,306,026
Capital assets	60,665	(34,265)	26,400
Grants	20,000	0	20,000
Abandoned mined lands contractual	8,000,000	0	8,000,000
Rail rate complaint case	900,000	0	900,000
Reclamation and grain licensing litigation	150,000	(150,000)	0
Railroad safety program	0	970,035	970,035
Specialized legal services	0	900,000	900,000
Total all funds	\$19,701,209	\$4,332,881	\$24,034,090
Less estimated income	13,033,549	2,452,720	15,486,269
Total general fund	\$6,667,660	\$1,880,161	\$8,547,821
Full-time equivalent positions	44.00	8.00	52.00"

Renumber accordingly

## STATEMENT OF PURPOSE OF AMENDMENT:

## Senate Bill No. 2008 - Public Service Commission - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$8,506,704	\$10,350,808	\$560,821	\$10,911,629
Operating expenses	1,895,562	2,224,410	81,616	2,306,026
Capital assets	60,665	26,400		26,400
Grants	20,000	20,000		20,000
Abandoned mined lands contractual	8,000,000	8,000,000		8,000,000
Rail rate complaint case	900,000	900,000		900,000
Reclamation & grain licensing litigation	150,000			
Accrued leave payments	168,278			
Railroad safety program		972,294	(2,259)	970,035
Specialized legal services		900,000		900,000
Total all funds	\$19,701,209	\$23,393,912	\$640,178	\$24,034,090
Less estimated income	13,033,549	14,978,013	508,256	15,486,269
General fund	\$6,667,660	\$8,415,899	\$131,922	\$8,547,821
FTE	44.00	50.00	2.00	52.00

## Department No. 408 - Public Service Commission - Detail of House Changes

	Adjusts Funding for Health Insurance Premium Increases <sup>1</sup>	Adds Funding for New Hazardous Liquids Safety Inspectors <sup>2</sup>	Removes Funding for New Weights and Measures Inspector <sup>3</sup>	Reduces Funding for Travel Expenses <sup>4</sup>	Total House Changes
Salaries and wages	(\$28,997)	\$794,469	(\$204,651)		\$560,821
Operating expenses		247,848	(116,232)	(50,000)	81,616
Capital assets					
Grants					
Abandoned mined lands contractual					
Rail rate complaint case					
Reclamation & grain licensing litigation					
Accrued leave payments					
Railroad safety program	(2,259)				(2,259)
Specialized legal services					
Total all funds	(\$31,256)	\$1,042,317	(\$320,883)	(\$50,000)	\$640,178
Less estimated income	(12,903)	521,159	0	0	508,256
General fund	(\$18,353)	\$521,158	(\$320,883)	(\$50,000)	\$131,922
FTE	0.00	3.00	(1.00)	0.00	2.00

<sup>1</sup> Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

<sup>2</sup> Funding is added from the general fund and other funds for 3 new hazardous liquids safety inspector FTE positions (\$763,077) and related salary increases (\$31,392) and operating expenses (\$247,848).

<sup>3</sup> Funding is removed from the general fund for a new weights and measures inspector FTE position (\$196,803) and related salary increase (\$7,848) and operating expenses (\$116,232).

<sup>4</sup> Funding for travel expenses is reduced from \$1,400,525 to \$1,350,525.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The House has amended and subsequently failed to pass: SB 2160.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The House has failed to pass, unchanged: SB 2321.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**  
**MR. SPEAKER:** The Senate has concurred in the House amendments and subsequently passed: SB 2021.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**  
**MR. SPEAKER:** The Senate does not concur in the House amendments to SB 2012 and SB 2205, and the President has appointed as a conference committee to act with a like committee from the House on:

**SB 2012:** Sens. Kilzer; Erbele; Mathern

**SB 2205:** Sens. Dever; J. Lee; Axness

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The House has appointed as a conference committee to act with a like committee from the Senate on:

**SB 2258:** Reps. B. Koppelman; Larson; Amerman

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The House has concurred in the Senate amendments and subsequently passed: HB 1403.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**  
**MR. SPEAKER:** The Senate has appointed as a conference committee to act with a like committee from the House on:

**HB 1004:** Sens. Kilzer; G. Lee; Mathern

**HB 1005:** Sens. Carlisle; Bowman; Heckaman

**HB 1007:** Sens. Kilzer; Bowman; Robinson

**HB 1010:** Sens. Sorvaag; Erbele; Mathern

**HB 1019:** Sens. Erbele; Holmberg; Heckaman

**HB 1024:** Sens. Kilzer; G. Lee; Mathern

**HB 1025:** Sens. Kilzer; Bowman; Robinson

**HB 1210:** Sens. Luick; Casper; Nelson

**HB 1321:** Sens. Armstrong; Luick; Grabinger

**HB 1367:** Sens. Armstrong; Casper; Grabinger

**HB 1368:** Sens. Casper; Armstrong; Grabinger

**HB 1443:** Sens. Carlisle; Holmberg; Heckaman

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The House has not adopted the conference committee report on:

SB 2120.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: SB 2226.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2312.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently failed to pass: SB 2161.

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

**MR. PRESIDENT:** The House has adopted the conference committee report on: HB 1068, HB 1372.

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

**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently passed: HB 1313.

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

**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently passed: HB 1474.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** Your signature is respectfully requested on: SB 2278, SB 2289, SB 2318, SB 2327, SB 2334.

**REPORT OF CONFERENCE COMMITTEE**

**SB 2070:** Your conference committee (Sens. Armstrong, Luick, Nelson and Reps. Larson, Brabandt, Wallman) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ page 1088, adopt amendments as follows, and place SB 2070 on the Seventh order:

That the House recede from its amendments as printed on page 1088 of the Senate Journal and page 1259 of the House Journal and that Senate Bill No. 2070 be amended as follows:

Page 1, line 13, replace "and" with an underscored comma

Page 1, line 15, after "individual" insert ", and the overdosed individual must have been in need of emergency medical services"

Renumber accordingly

SB 2070 was placed on the Seventh order of business on the calendar.

**REPORT OF CONFERENCE COMMITTEE**

**SB 2072, as engrossed:** Your conference committee (Sens. Casper, Luick, Nelson and Reps. Klemin, Larson, P. Anderson) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1015-1016, adopt amendments as follows, and place SB 2072 on the Seventh order:

That the House recede from its amendments as printed on pages 1015 and 1016 of the Senate Journal and pages 1135 and 1136 of the House Journal and that Engrossed Senate Bill No. 2072 be amended as follows:

Page 4, line 3, remove "Except as provided in subsection 3, the custodian of records of an alleged vulnerable"

Page 4, replace lines 4 through 9 with "The department may obtain records under the control of a custodian other than a financial institution with the consent of the vulnerable adult or the legal guardian of the vulnerable adult or pursuant to an administrative subpoena duces tecum served on the custodian in accordance with rule 45 of the

North Dakota rules of civil procedure. The subpoena may be enforced by applying to any judge of the district court for an order requiring the production of the records described in the subpoena. Failure of a custodian to comply with the order of the district court is contempt of court, which is punishable by the district court upon application. The judge may award attorney's fees and costs to the prevailing party in an application under this subsection. The department or its designee may use the records only for the purpose of the evaluation or assessment of a report.

3. To obtain access to financial institution records, the department or its designee shall comply with the requirements of chapter 6-08.1 and applicable federal law."

Renumber accordingly

Engrossed SB 2072 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**SB 2333, as engrossed:** Your conference committee (Sens. Casper, Armstrong, Grabinger and Reps. Karls, Klemin, Wallman) recommends that the **SENATE ACCEDE** to the House amendments as printed on SJ page 1140 and place SB 2333 on the Seventh order.

Engrossed SB 2333 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**HB 1474, as engrossed:** Your conference committee (Sens. Davison, Dever, Nelson and Reps. B. Koppelman, Dockter, Wallman) recommends that the **HOUSE ACCEDE** to the Senate amendments as printed on HJ pages 1281-1282 and place HB 1474 on the Seventh order.

Engrossed HB 1474 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**HB 1068, as engrossed:** Your conference committee (Sens. Armstrong, Unruh, Triplett and Reps. Nathe, Porter, Hunsakor) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ page 1362 and place HB 1068 on the Seventh order.

Engrossed HB 1068 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**HB 1313, as engrossed:** Your conference committee (Sens. Klein, Poolman, Murphy and Reps. Sukut, Kasper, Hanson) recommends that the **HOUSE ACCEDE** to the Senate amendments as printed on HJ pages 1416-1418 and place HB 1313 on the Seventh order.

Engrossed HB 1313 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**HB 1372, as engrossed:** Your conference committee (Sens. Dever, Poolman, Marcellais and Reps. Rohr, Seibel, Amerman) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ page 1304 and place HB 1372 on the Seventh order.

Engrossed HB 1372 was placed on the Seventh order of business on the calendar.

#### MOTION

**SEN. KLEIN MOVED** that the Senate resolve itself into a Confirmation Session, which motion prevailed.

#### REPORT OF SELECT COMMITTEE

**MR. PRESIDENT:** Your **Select Committee (Sen. Klein, Chairman)** appointed to consider the nomination to North Dakota State Board of Higher Education, do advise and consent to the appointment of Michael Ness.



**MOTION**

**SEN. WARNER MOVED** that the report be adopted.

**ROLL CALL**

The question being, "will the Senate advise and consent to the appointment of Michael Ness to North Dakota State Board of Higher Education," the roll was called and there were 46 YEAS, 1 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Armstrong; Axness; Bekkedahl; Bowman; Burckhard; Campbell; Carlisle; Casper; Cook; Davison; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oban; Oehlke; Poolman; Robinson; Rust; Schaible; Schneider; Sinner; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

**NAYS:** Larsen

The Senate advises and consents to the appointment of Michael Ness to North Dakota State Board of Higher Education.

**MOTION**

**SEN. KLEIN MOVED** that the Confirmation Session be dissolved, which motion prevailed.

**CONSIDERATION OF MESSAGE FROM THE HOUSE**

**SEN. OEHLKE MOVED** that the Senate do concur in the House amendments to SB 2164 as printed on SJ page 1376, which motion prevailed on a voice vote.

SB 2164 as amended, was placed on the Eleventh order of business.

**SECOND READING OF SENATE BILL**

**SB 2164:** A BILL for an Act to amend and reenact subsection 2 of section 39-24-03, subsection 3 of section 39-24-04, and section 39-24-05 of the North Dakota Century Code, relating to snowmobile fees and the state snowmobile fund.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 45 YEAS, 2 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Armstrong; Axness; Bekkedahl; Bowman; Burckhard; Campbell; Carlisle; Casper; Cook; Davison; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Larsen; Lee, J.; Luick; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oban; Oehlke; Poolman; Robinson; Rust; Schaible; Schneider; Sinner; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

**NAYS:** Laffen; Lee, G.

Engrossed SB 2164 passed.

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**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. SCHAIBLE MOVED** that the conference committee report on Engrossed SB 2326 as printed on SJ pages 1418-1421 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2326, as amended, was placed on the Eleventh order of business.

**SECOND READING OF SENATE BILL**

**SB 2326:** A BILL for an Act to create and enact a new section to chapter 15.1-07 and seven new sections to chapter 54-59 of the North Dakota Century Code, relating to reportable data fields and the statewide longitudinal data system; to repeal sections 15.1-02-18, 15.1-02-18.1, and 15.1-02-18.2 of the North Dakota Century Code, relating to the statewide longitudinal data system; and to provide for a continuing appropriation.

**ROLL CALL**

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

**YEAS:** Anderson; Armstrong; Axness; Bekkedahl; Bowman; Burckhard; Campbell; Carlisle; Casper; Cook; Davison; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oban; Oehlke; Poolman; Robinson; Rust; Schaible; Schneider; Sinner; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

Reengrossed SB 2326 passed.

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**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. CASPER MOVED** that the conference committee report on Engrossed SB 2072 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2072, as amended, was placed on the Eleventh order of business.

**SECOND READING OF SENATE BILL**

**SB 2072:** A BILL for an Act to amend and reenact subsection 7 of section 50-25.2-01 and sections 50-25.2-03 and 50-25.2-05 of the North Dakota Century Code, relating to the definition of financial exploitation, allegation of abuse or neglect caused by an individual in the custody of law enforcement against another individual in custody, and access to records of an alleged vulnerable adult.

**ROLL CALL**

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

**YEAS:** Larsen; O'Connell; Schneider

**NAYS:** Anderson; Armstrong; Axness; Bekkedahl; Bowman; Burckhard; Campbell; Carlisle; Casper; Cook; Davison; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Miller; Murphy; Nelson; Oban; Oehlke; Poolman; Robinson; Rust; Schaible; Sinner; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

Reengrossed SB 2072 failed.

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**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. ARMSTRONG MOVED** that the conference committee report on SB 2070 as printed on SJ page 1429 be adopted, which motion prevailed on a voice vote.

SB 2070, as amended, was placed on the Eleventh order of business.

**SECOND READING OF SENATE BILL**

**SB 2070:** A BILL for an Act to create and enact a new section to chapter 19-03.1 of the North Dakota Century Code, relating to immunity from criminal liability for an individual who reports a medical emergency involving drugs.

**ROLL CALL**

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

**YEAS:** Anderson; Armstrong; Axness; Bekkedahl; Bowman; Burckhard; Campbell; Carlisle; Casper; Cook; Davison; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oban; Oehlke; Poolman; Robinson; Rust; Schaible; Schneider; Sinner; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

Engrossed SB 2070 passed.

\*\*\*\*\*

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. CASPER MOVED** that the conference committee report on Engrossed SB 2333 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2333, as amended, was placed on the Eleventh order of business.

**SECOND READING OF SENATE BILL**

**SB 2333:** A BILL for an Act to amend and reenact section 5-02-06 of the North Dakota Century Code, relating to individuals under twenty-one years of age allowed in alcoholic beverage establishments.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 46 YEAS, 1 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Armstrong; Axness; Bekkedahl; Bowman; Campbell; Carlisle; Casper; Cook; Davison; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oban; Oehlke; Poolman; Robinson; Rust; Schaible; Schneider; Sinner; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

**NAYS:** Burckhard

Reengrossed SB 2333 passed.

\*\*\*\*\*

**MOTION**

**SEN. KLEIN MOVED** that the Senate stand in recess until 4:30 p.m., which motion prevailed.

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

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The Senate has concurred in the House amendments and subsequently passed: SB 2164.

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

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

**SB 2001:** Reps. Vigesaa; Thoreson; Hogan

**SB 2006:** Reps. Skarphol; Boehning; Hogan

**SB 2011:** Reps. Kempenich; Skarphol; Hogan

**SB 2017:** Reps. Brandenburg; Thoreson; Glassheim

**SB 2023:** Reps. Skarphol; Schmidt; Froseth

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

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

**SB 2002:** Reps. Monson; Dosch; Boe

**SB 2046:** Reps. Bellew; Silbernagel; Holman

**SB 2048:** Reps. Silbernagel; Weisz; Muscha

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

**MR. PRESIDENT:** The House has concurred in the Senate amendments and subsequently passed: HB 1006, HB 1017, and HB 1023.

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

**MR. PRESIDENT:** The House has concurred in the Senate amendments and subsequently passed: HB 1358 and HB 1390.

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

**MR. PRESIDENT:** The House does not concur in the Senate amendments to HB 1001, HB 1002, HB 1008, HB 1009, HB 1011, HB 1012, HB 1013, HB 1014, HB 1021, and HB 1022, and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

**HB 1001:** Reps. Vigesaa; Thoreson; Hogan

**HB 1002:** Reps. Brandenburg; Thoreson; Glassheim

**HB 1008:** Reps. Boehning; Vigesaa; Glassheim

**HB 1009:** Reps. Schmidt; Dosch; Guggisberg

**HB 1011:** Reps. Vigesaa; Kempenich; Glassheim

**HB 1012:** Reps. Brandenburg; Thoreson; Glassheim

**HB 1013:** Reps. Kempenich; Brandenburg; Hogan

**HB 1014:** Reps. Brandenburg; Kempenich; Hogan

**HB 1021:** Reps. Skarphol; Streyle; Glassheim

**HB 1022:** Reps. Thoreson; Boehning; Glassheim

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

**MR. PRESIDENT:** The House does not concur in the Senate amendments to HB 1020, HB 1046, and HB 1282, and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

**HB 1020:** Reps. Monson; Schmidt; Boe

**HB 1046:** Reps. D. Anderson; B. Anderson; Mooney

**HB 1282:** Reps. Porter; Seibel; Muscha

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: SB 2070, SB 2326, SB 2333.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently failed to pass: SB 2072.

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

**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently passed: HB 1030, HB 1244, HB 1255.

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

**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently passed: SB 2030, SB 2097.

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

**MR. PRESIDENT:** The Speaker has signed: HB 1034, HB 1051, HB 1111, HB 1112, HB 1136, HB 1141, HB 1165, HB 1241, HB 1264, HB 1285, HB 1304, HB 1305, HB 1328, HB 1366, HB 1387, HB 1393, HB 1432, HB 1450, HB 1456, HB 1457.

**REPORT OF STANDING COMMITTEE**

**HB 1003, 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 1003 was placed on the Sixth order on the calendar.

Page 1, line 2, replace "six" with "five"

Page 1, line 3, after "new" insert "subsection to a new"

Page 1, line 3, after "54-10" insert "as created in section 5 of Senate Bill No. 2004, as approved by the sixty-fourth legislative assembly,"

Page 1, line 6, remove ", capital project budget requests"

Page 1, line 9, replace "section 15-10-12.1, subsection 3 of section 15-10-17," with  
"subdivision c of subsection 1 of section 15-10-17,"

Page 1, line 10, remove "15.1-21-02.6,"

Page 1, line 11, remove "campus"

Page 1, remove line 12

Page 1, line 13, replace "higher education" with "university system office personnel"

Page 1, line 13, remove "career and technical education scholarships,"

Page 1, line 17, after "funds" insert "; to authorize the state board of higher education to  
issue and sell bonds for capital projects; to limit tuition rate increases"

Page 1, line 20, remove "to provide an appropriation to the state auditor; to"

Page 1, line 21, remove "provide an appropriation to the attorney general;"

Page 1, line 21, remove "a"

Page 1, line 21, replace the second "appropriation" with "appropriations"

Page 2, remove lines 8 through 31

Page 3, remove lines 1 through 31

Page 4, remove lines 1 through 31

Page 5, remove lines 1 through 30

Page 6, remove lines 1 through 31

Page 7, replace lines 1 through 17 with:

"Subdivision 1.

#### NORTH DAKOTA UNIVERSITY SYSTEM OFFICE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Capital assets - bond payments	\$10,436,045	(\$2,067,209)	\$8,368,836
Competitive research program	7,050,000	0	7,050,000
System governance	12,666,502	(4,702,515)	7,963,987
Title II	1,006,472	0	1,006,472
Core technology services	38,662,551	7,318,414	45,980,965
Student financial assistance grants	21,245,679	4,388,597	25,634,276
Professional student exchange program	4,275,015	0	4,275,015
Academic and technical education scholarships	10,000,000	4,054,677	14,054,677
Two-year campus marketing	800,000	0	800,000
Scholars program	2,113,584	0	2,113,584
Native American scholarships	649,267	0	649,267
Tribally controlled community college grants	1,000,000	0	1,000,000
Education incentive programs	3,349,000	0	3,349,000
Student mental health	282,520	33,480	316,000
Veterans assistance grants	325,000	0	325,000
Deferred maintenance pool	0	5,000,000	5,000,000
Campus security pool	0	3,000,000	3,000,000
Open education resources training	0	110,000	110,000
Internal audit pool	0	300,000	300,000
Contract and leave payouts	<u>0</u>	<u>250,000</u>	<u>250,000</u>

Total all funds	\$113,861,635	\$17,685,444	\$131,547,079
Less estimated income	<u>2,299,912</u>	<u>211,304</u>	<u>2,511,216</u>
Total general fund	\$111,561,723	\$17,474,140	\$129,035,863
Full-time equivalent positions	112.91	(8.52)	104.39

Subdivision 2.

#### BISMARCK STATE COLLEGE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$32,653,654	\$2,943,192	\$35,596,846
Capital assets	<u>417,673</u>	<u>3,532,600</u>	<u>3,950,273</u>
Total all funds	\$33,071,327	\$6,475,792	\$39,547,119
Less estimated income	<u>0</u>	<u>600,000</u>	<u>600,000</u>
Total general fund	\$33,071,327	\$5,875,792	\$38,947,119
Full-time equivalent positions	126.96	6.57	133.53

Subdivision 3.

#### LAKE REGION STATE COLLEGE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$12,429,097	\$2,514,217	\$14,943,314
Capital assets	<u>155,367</u>	<u>1,648,423</u>	<u>1,803,790</u>
Total all funds	\$12,584,464	\$4,162,640	\$16,747,104
Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
Total general fund	\$12,584,464	\$4,162,640	\$16,747,104
Full-time equivalent positions	40.22	9.97	50.19

Subdivision 4.

#### WILLISTON STATE COLLEGE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$12,783,506	(\$157,056)	\$12,626,450
Capital assets	<u>197,801</u>	<u>285,000</u>	<u>482,801</u>
Total all funds	\$12,981,307	\$127,944	\$13,109,251
Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
Total general fund	\$12,981,307	\$127,944	\$13,109,251
Full-time equivalent positions	44.15	5.81	49.96

Subdivision 5.

#### UNIVERSITY OF NORTH DAKOTA

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$149,683,005	\$19,256,679	\$168,939,684
Capital assets	<u>4,411,566</u>	<u>74,241,585</u>	<u>78,653,151</u>
Total all funds	\$154,094,571	\$93,498,264	\$247,592,835
Less estimated income	<u>0</u>	<u>6,000,000</u>	<u>6,000,000</u>
Total general fund	\$154,094,571	\$87,498,264	\$241,592,835
Full-time equivalent positions	633.60	(3.40)	630.20

Subdivision 6.

#### NORTH DAKOTA STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$140,341,540	\$15,504,698	\$155,846,238
Capital assets	<u>2,732,244</u>	<u>13,191,426</u>	<u>15,923,670</u>

Total all funds	\$143,073,784	\$28,696,124	\$171,769,908
Less estimated income	<u>0</u>	<u>11,600,000</u>	<u>11,600,000</u>
Total general fund	\$143,073,784	\$17,096,124	\$160,169,908
Full-time equivalent positions	491.21	45.89	537.10

Subdivision 7.

## NORTH DAKOTA STATE COLLEGE OF SCIENCE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$38,181,456	\$5,869,593	\$44,051,049
Capital assets	<u>1,012,379</u>	<u>13,573,098</u>	<u>14,585,477</u>
Total all funds	\$39,193,835	\$19,442,691	\$58,636,526
Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
Total general fund	\$39,193,835	\$19,442,691	\$58,636,526
Full-time equivalent positions	171.87	(3.57)	168.30

Subdivision 8.

## DICKINSON STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$26,299,227	\$501,965	\$26,801,192
Capital assets	<u>409,078</u>	<u>0</u>	<u>409,078</u>
Total all funds	\$26,708,305	\$501,965	\$27,210,270
Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
Total general fund	\$26,708,305	\$501,965	\$27,210,270
Full-time equivalent positions	100.32	19.94	120.26

Subdivision 9.

## MAYVILLE STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$14,364,424	\$2,139,817	\$16,504,241
Capital assets	<u>358,992</u>	<u>228,285</u>	<u>587,277</u>
Total all funds	\$14,723,416	\$2,368,102	\$17,091,518
Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
Total general fund	\$14,723,416	\$2,368,102	\$17,091,518
Full-time equivalent positions	62.78	3.45	66.23

Subdivision 10.

## MINOT STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$43,810,211	\$3,293,399	\$47,103,610
Capital assets	<u>899,620</u>	<u>0</u>	<u>899,620</u>
Total all funds	\$44,709,831	\$3,293,399	\$48,003,230
Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
Total general fund	\$44,709,831	\$3,293,399	\$48,003,230
Full-time equivalent positions	201.76	2.34	204.10

Subdivision 11.

## VALLEY CITY STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$20,691,135	\$4,559,020	\$25,250,155
Capital assets	<u>408,319</u>	<u>56,382,238</u>	<u>56,790,557</u>

Total all funds	\$21,099,454	\$60,941,258	\$82,040,712
Less estimated income	<u>0</u>	<u>16,000,000</u>	<u>16,000,000</u>
Total general fund	\$21,099,454	\$44,941,258	\$66,040,712
Full-time equivalent positions	97.29	8.30	105.59

Subdivision 12.

#### DAKOTA COLLEGE AT BOTTINEAU

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$7,892,043	\$762,099	\$8,654,142
Capital assets	<u>114,007</u>	<u>11,775,440</u>	<u>11,889,447</u>
Total all funds	\$8,006,050	\$12,537,539	\$20,543,589
Less estimated income	<u>0</u>	<u>10,648,194</u>	<u>10,648,194</u>
Total general fund	\$8,006,050	\$1,889,345	\$9,895,395
Full-time equivalent positions	36.12	10.84	46.96

Subdivision 13.

#### UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$52,762,590	\$18,514,806	\$71,277,396
Total all funds	\$52,762,590	\$18,514,806	\$71,277,396
Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
Total general fund	\$52,762,590	\$18,514,806	\$71,277,396
Full-time equivalent positions	156.55	28.03	184.58

Subdivision 14.

#### NORTH DAKOTA FOREST SERVICE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$6,249,979	\$306,655	\$6,556,634
Capital assets	<u>101,210</u>	<u>0</u>	<u>101,210</u>
Total all funds	\$6,351,189	\$306,655	\$6,657,844
Less estimated income	<u>1,650,000</u>	<u>0</u>	<u>1,650,000</u>
Total general fund	\$4,701,189	\$306,655	\$5,007,844
Full-time equivalent positions	29.00	(0.04)	28.96

Subdivision 15.

#### BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$679,271,846	\$223,543,125	\$902,814,971
Grand total special funds	<u>3,949,912</u>	<u>45,059,498</u>	<u>49,009,410</u>
Grand total all funds	\$683,221,758	\$268,602,623	\$951,824,381"

Page 7, replace lines 23 and 24 with:

"Capital projects - general fund	\$155,691,350	\$125,759,212
Capital projects - other funds	168,531,029	44,848,194"

Page 7, replace line 30 with:

"Theodore Roosevelt center	6,000,000	800,000
Employee contract and leave payouts	0	250,000
Williston state college energy development impact	0	2,500,000"

Page 8, replace lines 11 through 13 with:



"Total all funds	\$394,389,098	\$207,854,401
Total other funds	<u>171,031,029</u>	<u>44,848,194</u>
Total general fund	\$223,358,069	\$163,006,207"

Page 8, remove lines 27 through 30

Page 9, remove lines 1 through 31

Page 10, replace lines 1 through 28 with:

**"SECTION 4. CONTINGENT APPROPRIATION - STATE BOARD OF HIGHER EDUCATION - DUNBAR HALL.** Subject to the provisions of this section, there is appropriated out of any moneys in the general fund, not otherwise appropriated, the sum of \$46,000,000, or so much of the sum as may be necessary, to the state board of higher education for the North Dakota state university Dunbar Hall project, for the biennium beginning July 1, 2015, and ending June 30, 2017.

The appropriation in this section is available only if the office of management and budget determines that actual general fund revenues for the period beginning July 1, 2015, and ending May 31, 2016, exceed the legislative estimates made at the close of the 2015 legislative session for general fund revenues during the same period by at least \$50,000,000. For purposes of this section, "estimated general fund revenues" excludes the unobligated general fund balance on July 1, 2015, and transfers to the general fund from the strategic investment and improvements fund, property tax relief sustainability fund, the lottery, the mill and elevator, and gas tax administration.

**SECTION 5. AMENDMENT.** Subdivision c of subsection 1 of section 15-10-17 of the North Dakota Century Code is amended and reenacted as follows:

- c. Appoint and remove, at will, all university system office personnel, fix their salaries within the limits of legislative appropriations, ~~fix their terms of office~~, and prescribe their duties. The board may provide severance pay to an employee upon termination of employment only in accordance with section 54-14-04.3."

Page 15, line 3, remove the overstrike over "2-3"

Page 15, line 3, remove "1.0"

Page 16, replace lines 6 through 11 with:

- "a. 1.00 if the number of credit-hours is at least 210,000;
- b. 1.05 if the number of credit-hours is at least 180,000 but less than 210,000;
- c. 1.075 if the number of credit-hours is at least 150,000 but less than 180,000;
- d. 1.10 if the number of credit-hours is at least 120,000 but less than 150,000;
- e. 1.125 if the number of credit-hours is at least 100,000 but less than 120,000;
- f. 1.15 if the number of credit-hours is at least 90,000 but less than 100,000;
- g. 1.20 if the number of credit-hours is at least 80,000 but less than 90,000;
- h. 1.30 if the number of credit-hours is at least 70,000 but less than 80,000;

- i. 1.40 if the number of credit-hours is at least 60,000 but less than 70,000;
- j. 1.50 if the number of credit-hours is at least 50,000 but less than 60,000;
- k. 1.60 if the number of credit-hours is at least 40,000 but less than 50,000;
- l. 1.70 if the number of credit-hours is at least 30,000 but less than 40,000; and
- m. 1.80 if the number of credit-hours is less than 30,000."

Page 17, line 12, replace "\$71.00" with "\$73.17"

Page 17, line 14, replace "\$105.10" with "\$108.13"

Page 17, line 17, replace "\$112.46" with "\$115.73"

Page 22, remove lines 8 through 31

Page 23, remove lines 1 through 31

Page 24, remove lines 1 through 31

Page 25, replace lines 1 through 22 with:

**"SECTION 17.** A new subsection to a new section to Chapter 54-10, as created in section 5 of Senate Bill No. 2004, as approved by the sixty-fourth legislative assembly, is created and enacted as follows:

- 4. This section does not prohibit the state board of higher education from employing internal audit staff or contracting for internal audit services."

Page 25, after line 26, insert:

"1."

Page 26, line 3, after the period insert "The state board of higher education may employ attorneys to provide legal services limited to the field of intellectual property law on behalf of research institutions under the supervision of the board."

Page 26, line 12, after the period, insert:

"2."

Page 26, line 18, after the period, insert:

"3."

Page 26, after line 26, insert:

- "4. An assistant or special assistant attorney general appointed to represent the state board of higher education or an institution under the control of the state board of higher education may access and examine any record under the control of the state board of higher education. For purposes of reviewing records under the Family Educational Rights and Privacy Act [20 U.S.C. 1232g; 34 CFR 99] or any other federal privacy law, the assistant or special assistant attorney general is considered a state educational official authorized to access student records."

Page 30, line 11, replace "Act" with "section"

Page 30, line 22, remove "extraordinary repairs funding pool line item includes funding that must be used to"

Page 30, remove lines 23 and 24

Page 30, line 25, replace "forest service" with "internal audit funding pool line item includes funding that must be used for systemwide and campus internal audit purposes"

Page 30, remove lines 26 through 30

Page 30, line 31, remove "utilization of each type of space; and the projected future needs for each type of space."

Page 31, line 3, replace "extraordinary repairs" with "internal audit"

Page 31, line 24, replace "biennium" with "period"

Page 31, line 24, replace "July 1, 2015" with "with the effective date of this section"

Page 31, line 26, replace "\$1,004,744" with "\$1,504,744"

Page 31, line 27, after "fund" insert a comma

Page 31, line 27, after "program" insert ", \$500,000 is for grants to tribally controlled community colleges,"

Page 32, line 3, replace "minimum of twenty-five percent" with "portion"

Page 32, line 19, remove "The amount"

Page 32, remove lines 20 through 22

Page 32, line 23, replace "The" with "Pursuant to section 54-44.1-11, the sum of \$5,000,000 appropriated from the general fund in the performance funding pool line item of subdivision 1 of section 1 of chapter 34 of the 2013 Session Laws may be continued into the biennium beginning July 1, 2015, and ending June 30, 2017. Of the unexpended appropriation, the state board of higher education shall transfer \$1,500,000 to Williston state college, \$1,500,000 to Dickinson state university, \$1,500,000 to Minot state university, and \$500,000 to Dakota college at Bottineau for extraordinary campus needs resulting from energy development. The board shall transfer a prorated amount if sufficient funding is not available to provide for full transfers. Excluding the transfers authorized in this section, the"

Page 32, line 27, remove "- **TRANSFER - GRANT**"

Page 32, line 30, remove "Pursuant to section 54-44.1-11,"

Page 32, remove line 31

Page 33, remove lines 1 and 2

Page 33, line 3, remove "council for the development of elementary and secondary civics education."

Page 33, replace lines 7 through 28 with:

**"SECTION 33. FULL-TIME EQUIVALENT POSITION ADJUSTMENTS.**

Notwithstanding any other provisions of law, the state board of higher education may adjust full-time equivalent positions as needed, subject to the availability of funds, for institutions and entities under its control during the biennium beginning July 1, 2015, and ending June 30, 2017. The North Dakota university system shall report any adjustments to the office of management and budget before the submission of the 2017-19 biennium budget request.

**SECTION 34. BOND ISSUANCE AUTHORIZATION - PURPOSES.** The state board of higher education, in accordance with chapter 15-55, may arrange for the funding of projects authorized in this section, declared to be in the public interest, through the issuance of self-liquidating, tax-exempt evidences of indebtedness under chapter 15-55, beginning with the effective date of this section and ending June 30, 2017. Evidences of indebtedness issued pursuant to this section are not a general obligation of the state of North Dakota. Any unexpended balance resulting from the proceeds of the evidences of indebtedness must be placed in a sinking fund to be used for the retirement of indebtedness. The evidences of indebtedness may be issued and the proceeds are appropriated in section 1 of this Act for the following capital projects:

Dakota college at Bottineau - dormitory renovations	\$2,900,000
North Dakota state university - aquatic center	<u>10,000,000</u>
Total special funds	\$12,900,000

**SECTION 35. TUITION RATE INCREASE LIMITATIONS - BUDGET SECTION APPROVAL.**

1. Notwithstanding any other provision of law, the state board of higher education may not increase tuition rates for students attending institutions of higher education under its control during the 2015-16 academic year by more than two and one-half percent as compared to the tuition rate in effect during the 2015 spring semester unless the board receives prior budget section approval.
2. Notwithstanding any other provision of law, the state board of higher education may not increase tuition rates for students attending institutions of higher education under its control during the 2016-17 academic year by more than two and one-half percent as compared to the tuition rate in effect during the 2016 spring semester unless the board receives prior budget section approval.
3. For purposes of this section, any adjustments to an institution's method of charging tuition and fees must be included in calculations of tuition limits.
4. This section does not apply to tuition rates determined under tuition reciprocity agreements entered into by the state board of higher education with other states or state education compacts.
5. This section does not apply to tuition rates charged for programs offered through the university of North Dakota school of medicine and health sciences.

**SECTION 36. LEGISLATIVE MANAGEMENT REPORT - DICKINSON STATE UNIVERSITY.** Before July 1, 2016, the state board of higher education shall provide a report to the legislative management regarding the operations of Dickinson state university. The report must detail the financial condition of the institution and board directives and plans to improve the financial stability of the institution."

Page 35, line 13, replace "study" with "consider studying"

Page 35, after line 21, insert:

**"SECTION 42. LEGISLATIVE MANAGEMENT STUDY - INSTITUTION ADMINISTRATION COSTS.** During the 2015-16 interim, the legislative management shall consider studying administrative costs at institutions under the control of the state board of higher education. The study, if conducted, must review the number of administrator positions at each institution, the number of new administrator positions added at each institution during the previous five academic years, the total salaries and benefits associated with the administrator positions, the average salaries and benefits for administrator positions at each institution for each of the previous five fiscal years, the percentage of overall institution operating costs attributable to administration, and options to provide future increased legislative appropriations to

institutions specifically for instructional purposes. The legislative management shall report its findings, together with any legislation necessary to implement the findings, to the sixty-fifth legislative assembly."

Page 35, line 22, replace "10, 27, 35, and 36" with "7, 23, 26, 31, 32, and 34"

Page 35, line 23, remove "extraordinary repairs pool,"

Renumber accordingly

# STATEMENT OF PURPOSE OF AMENDMENT:

## House Bill No. 1003 - Summary of Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
State Auditor				
Total all funds	\$0	\$1,221,914	(\$1,221,914)	\$0
Less estimated income	0	0	0	0
General fund	\$0	\$1,221,914	(\$1,221,914)	\$0
Attorney General				
Total all funds	\$0	\$1,604,500	(\$1,604,500)	\$0
Less estimated income	0	0	0	0
General fund	\$0	\$1,604,500	(\$1,604,500)	\$0
University System Office				
Total all funds	\$113,861,635	\$142,312,417	(\$10,715,338)	\$131,597,079
Less estimated income	2,299,912	2,011,216	500,000	2,511,216
General fund	\$111,561,723	\$140,301,201	(\$11,215,338)	\$129,085,863
Bismarck State College				
Total all funds	\$33,071,327	\$37,987,006	\$1,560,113	\$39,547,119
Less estimated income	0	0	600,000	600,000
General fund	\$33,071,327	\$37,987,006	\$960,113	\$38,947,119
Lake Region State College				
Total all funds	\$12,584,464	\$15,274,092	\$1,473,012	\$16,747,104
Less estimated income	0	0	0	0
General fund	\$12,584,464	\$15,274,092	\$1,473,012	\$16,747,104
Williston State College				
Total all funds	\$12,981,307	\$12,532,922	\$576,329	\$13,109,251
Less estimated income	0	0	0	0
General fund	\$12,981,307	\$12,532,922	\$576,329	\$13,109,251
University of North Dakota				
Total all funds	\$154,094,571	\$223,998,846	\$23,593,989	\$247,592,835
Less estimated income	0	0	6,000,000	6,000,000
General fund	\$154,094,571	\$223,998,846	\$17,593,989	\$241,592,835
UND Medical Center				
Total all funds	\$52,762,590	\$72,274,239	(\$996,843)	\$71,277,396
Less estimated income	0	0	0	0
General fund	\$52,762,590	\$72,274,239	(\$996,843)	\$71,277,396
North Dakota State University				
Total all funds	\$143,073,784	\$152,478,383	\$19,291,525	\$171,769,908
Less estimated income	0	0	11,600,000	11,600,000
General fund	\$143,073,784	\$152,478,383	\$7,691,525	\$160,169,908
State College of Science				
Total all funds	\$39,193,835	\$41,968,479	\$16,668,047	\$58,636,526
Less estimated income	0	0	0	0
General fund	\$39,193,835	\$41,968,479	\$16,668,047	\$58,636,526
Dickinson State University				
Total all funds	\$26,708,305	\$25,202,782	\$2,007,488	\$27,210,270
Less estimated income	0	0	0	0
General fund	\$26,708,305	\$25,202,782	\$2,007,488	\$27,210,270
Mayville State University				
Total all funds	\$14,723,416	\$15,216,363	\$1,875,155	\$17,091,518
Less estimated income	0	0	0	0
General fund	\$14,723,416	\$15,216,363	\$1,875,155	\$17,091,518
Minot State University				
Total all funds	\$44,709,831	\$46,790,745	\$1,212,485	\$48,003,230
Less estimated income	0	0	0	0
General fund	\$44,709,831	\$46,790,745	\$1,212,485	\$48,003,230
Valley City State University				

Total all funds	\$21,099,454	\$22,149,777	\$59,890,935	\$82,040,712
Less estimated income	0	0	16,000,000	16,000,000
General fund	\$21,099,454	\$22,149,777	\$43,890,935	\$66,040,712
Dakota College at Bottineau				
Total all funds	\$8,006,050	\$7,901,679	\$12,641,910	\$20,543,589
Less estimated income	0	0	10,648,194	10,648,194
General fund	\$8,006,050	\$7,901,679	\$1,993,716	\$9,895,395
Forest Service				
Total all funds	\$6,351,189	\$6,633,209	\$24,635	\$6,657,844
Less estimated income	1,650,000	1,650,000	0	1,650,000
General fund	\$4,701,189	\$4,983,209	\$24,635	\$5,007,844
Bill total				
Total all funds	\$683,221,758	\$825,547,353	\$126,277,028	\$951,824,381
Less estimated income	3,949,912	3,661,216	45,348,194	49,009,410
General fund	\$679,271,846	\$821,886,137	\$80,928,834	\$902,814,971

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**House Bill No. 1003 - State Auditor - Senate Action**

	Base Budget	House Version	Senate Changes	Senate Version
Higher education audit		\$1,221,914	(\$1,221,914)	
Total all funds	\$0	\$1,221,914	(\$1,221,914)	\$0
Less estimated income	0	0	0	0
General fund	\$0	\$1,221,914	(\$1,221,914)	\$0
FTE	0.00	6.00	(6.00)	0.00

**Department No. 117 - State Auditor - Detail of Senate Changes**

	Removes Higher Education Audit Positions <sup>1</sup>	Total Senate Changes
Higher education audit	(\$1,221,914)	(\$1,221,914)
Total all funds	(\$1,221,914)	(\$1,221,914)
Less estimated income	0	0
General fund	(\$1,221,914)	(\$1,221,914)
FTE	(6.00)	(6.00)

<sup>1</sup> Funding and 6 higher education audit FTE positions added by the House to the State Auditor's office are removed.

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**House Bill No. 1003 - Attorney General - Senate Action**

	Base Budget	House Version	Senate Changes	Senate Version
Higher education legal services		\$1,604,500	(\$1,604,500)	
Total all funds	\$0	\$1,604,500	(\$1,604,500)	\$0
Less estimated income	0	0	0	0
General fund	\$0	\$1,604,500	(\$1,604,500)	\$0
FTE	0.00	6.00	(6.00)	0.00

**Department No. 125 - Attorney General - Detail of Senate Changes**

	Removes Higher Education Legal Services Positions <sup>1</sup>	Total Senate Changes
Higher education legal services	(\$1,604,500)	(\$1,604,500)
	(\$1,604,500)	(\$1,604,500)

Total all funds		
Less estimated income	0	0
General fund	(\$1,604,500)	(\$1,604,500)
FTE	(6.00)	(6.00)

<sup>1</sup> Funding and 6 higher education legal services FTE positions added by the House to the Attorney General's office are removed.

### House Bill No. 1003 - North Dakota University System - General Fund Summary

	Base Budget	House Version	Senate Changes	Senate Version
University System Office	111,561,723	140,301,201	(11,215,338)	129,085,863
Bismarck State College	33,071,327	37,987,006	960,113	38,947,119
Lake Region State College	12,584,464	15,274,092	1,473,012	16,747,104
Williston State College	12,981,307	12,532,922	576,329	13,109,251
University of North Dakota	154,094,571	223,998,846	17,593,989	241,592,835
UND Medical Center	52,762,590	72,274,239	(996,843)	71,277,396
North Dakota State University	143,073,784	152,478,383	7,691,525	160,169,908
State College of Science	39,193,835	41,968,479	16,668,047	58,636,526
Dickinson State University	26,708,305	25,202,782	2,007,488	27,210,270
Mayville State University	14,723,416	15,216,363	1,875,155	17,091,518
Minot State University	44,709,831	46,790,745	1,212,485	48,003,230
Valley City State University	21,099,454	22,149,777	43,890,935	66,040,712
Dakota College at Bottineau	8,006,050	7,901,679	1,993,716	9,895,395
Forest Service	4,701,189	4,983,209	24,635	5,007,844
Total general fund	\$679,271,846	\$819,059,723	\$83,755,248	\$902,814,971

### Detail of Senate changes to the General Fund

	Adjusts University System Office and Institution Funding <sup>1</sup>	Removes House Funding Formula and Base Funding Adjustments <sup>2</sup>	Provides Funding Formula Adjustments and Supplemental Funding <sup>3</sup>	Transfers Extraordinary Repairs Funding to Institutions <sup>4</sup>	Adds Funding for Capital Projects <sup>5</sup>	Total General Fund Changes
University System Office	(\$53,330)			(\$11,162,008)		(\$11,215,338)
Bismarck State College		(3,975,752)	2,943,192	417,673	1,575,000	960,113
Lake Region State College		(2,844,995)	2,514,217	155,367	1,648,423	1,473,012
Williston State College		535,584	(157,056)	197,801		576,329
University of North Dakota		(12,074,256)	19,256,679	4,411,566	6,000,000	17,593,989
UND Medical Center		(996,843)				(996,843)
North Dakota State University		(10,545,417)	15,504,698	2,732,244		7,691,525
State College of Science		(3,511,925)	5,869,593	1,012,379	13,298,000	16,668,047
Dickinson State University	800,000	1,096,445	(298,035)	409,078		2,007,488
Mayville State University		(623,654)	2,139,817	358,992		1,875,155
Minot State University		(2,980,534)	3,293,399	899,620		1,212,485
Valley City State University		(1,215,404)	4,559,020	408,319	40,139,000	43,890,935
Dakota College at Bottineau		18,821	762,099	114,007	1,098,789	1,993,716
Forest Service	(20,327)			44,962		24,635
Total general fund	\$726,343	(\$37,117,930)	\$56,387,623	\$0	\$63,759,212	\$83,755,248

### House Bill No. 1003 - North Dakota University System - Other Funds Summary

	Base Budget	House Version	Senate Changes	Senate Version
University System Office	2,299,912	2,011,216	500,000	2,511,216
Bismarck State College			600,000	600,000
Lake Region State College				
Williston State College				
University of North Dakota			6,000,000	6,000,000
UND Medical Center				
North Dakota State University			11,600,000	11,600,000
State College of Science				
Dickinson State University				
Mayville State University				
Minot State University				
Valley City State University			16,000,000	16,000,000
Dakota College at Bottineau			10,648,194	10,648,194
Forest Service	1,650,000	1,650,000		1,650,000
Total other funds	\$3,949,912	\$3,661,216	\$45,348,194	\$49,009,410

## Detail of Senate changes to Other Funds

	Adjusts University System Office and Institution Funding <sup>1</sup>	Removes House Funding Formula and Base Funding Adjustments <sup>2</sup>	Provides Funding Formula Adjustments and Supplemental Funding <sup>3</sup>	Transfers Extraordinary Repairs Funding to Institutions <sup>4</sup>	Adds Funding for Capital Projects <sup>5</sup>	Total Other Funds Changes
University System Office	\$500,000					\$500,000
Bismarck State College					600,000	600,000
Lake Region State College						
Williston State College						
University of North Dakota					6,000,000	6,000,000
UND Medical Center						
North Dakota State University					11,600,000	11,600,000
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University					16,000,000	16,000,000
Dakota College at Bottineau					10,648,194	10,648,194
Forest Service						
Total other funds	\$500,000	\$0	\$0	\$0	\$44,848,194	\$45,348,194

## House Bill No. 1003 - North Dakota University System - All Funds Summary

	Base Budget	House Version	Senate Changes	Senate Version
University System Office	113,861,635	142,312,417	(10,715,338)	131,597,079
Bismarck State College	33,071,327	37,987,006	1,560,113	39,547,119
Lake Region State College	12,584,464	15,274,092	1,473,012	16,747,104
Williston State College	12,981,307	12,532,922	576,329	13,109,251
University of North Dakota	154,094,571	223,998,846	23,593,989	247,592,835
UND Medical Center	52,762,590	72,274,239	(996,843)	71,277,396
North Dakota State University	143,073,784	152,478,383	19,291,525	171,769,908
State College of Science	39,193,835	41,968,479	16,668,047	58,636,526
Dickinson State University	26,708,305	25,202,782	2,007,488	27,210,270
Mayville State University	14,723,416	15,216,363	1,875,155	17,091,518
Minot State University	44,709,831	46,790,745	1,212,485	48,003,230
Valley City State University	21,099,454	22,149,777	59,890,935	82,040,712
Dakota College at Bottineau	8,006,050	7,901,679	12,641,910	20,543,589
Forest Service	6,351,189	6,633,209	24,635	6,657,844
Total all funds	\$683,221,758	\$822,720,939	\$129,103,442	\$951,824,381
FTE	2304.74	2422.35	8.00	2430.35

## Detail of Senate changes to All Funds

	Adjusts University System Office and Institution Funding <sup>1</sup>	Removes House Funding Formula and Base Funding Adjustments <sup>2</sup>	Provides Funding Formula Adjustments and Supplemental Funding <sup>3</sup>	Transfers Extraordinary Repairs Funding to Institutions <sup>4</sup>	Adds Funding for Capital Projects <sup>5</sup>	Total All Funds Changes
University System Office	\$446,670			(\$11,162,008)		(\$10,715,338)
Bismarck State College		(3,975,752)	2,943,192	417,673	2,175,000	1,560,113
Lake Region State College		(2,844,995)	2,514,217	155,367	1,648,423	1,473,012
Williston State College		535,584	(157,056)	197,801		576,329
University of North Dakota		(12,074,256)	19,256,679	4,411,566	12,000,000	23,593,989
UND Medical Center		(996,843)				(996,843)
North Dakota State University		(10,545,417)	15,504,698	2,732,244	11,600,000	19,291,525
State College of Science		(3,511,925)	5,869,593	1,012,379	13,298,000	16,668,047
Dickinson State University	800,000	1,096,445	(298,035)	409,078		2,007,488
Mayville State University		(623,654)	2,139,817	358,992		1,875,155
Minot State University		(2,980,534)	3,293,399	899,620		1,212,485
Valley City State University		(1,215,404)	4,559,020	408,319	56,139,000	59,890,935
Dakota College at Bottineau		18,821	762,099	114,007	11,746,983	12,641,910
Forest Service	(20,327)			44,962		24,635
Total all funds	\$1,226,343	(\$37,117,930)	\$56,387,623	\$0	\$108,607,406	\$129,103,442
FTE	8.00	0.00	0.00	0.00	0.00	8.00

<sup>1</sup> Funding is adjusted for the University System office, institutions, and the Forest Service as follows:

- University System office funding from the general fund is adjusted as follows:



	Ongoing Funding	One-Time Funding	Total
Health insurance adjustment for system office employees	(\$24,782)		(\$24,782)
Health insurance adjustment for Core Technology Services employees	(72,566)		(72,566)
Restore 1 intellectual property attorney FTE position	436,994		436,994
Internal audit funding pool	300,000		300,000
System office employee contract and leave payouts		250,000	250,000
Adjust funding for academic and career and technical education scholarship program to provide scholarships of \$1,500 per year	(942,976)		(942,976)
Total	(\$303,330)	\$250,000	(\$53,330)

- Funding of \$500,000 from the student loan trust fund is added for tribal college assistance grants to provide total funding of \$1 million.
- One-time funding from the general fund of \$800,000 is added for document digitization and operations of the Theodore Roosevelt Center at Dickinson State University.
- Funding of \$2.5 million from the general fund provided by the House to Williston State College for extraordinary campus needs is classified as one-time funding.
- Health insurance premium funding for the Forest Service is adjusted to reflect revised premium rates.
- The 2013-15 biennium FTE positions for the University System office are adjusted pursuant to Section 36 of 2013 Senate Bill No. 2003 which authorizes the State Board of Higher Education to adjust FTE positions as needed subject to the availability of funds.

<sup>2</sup> Adjustments made by the House for base level funding is removed as follows:

Bismarck State College	(\$3,975,752)
Lake Region State College	(2,844,995)
Williston State College	535,584
University of North Dakota	(12,074,256)
UND Medical Center	(996,843)
North Dakota State University	(10,545,417)
State College of Science	(3,511,925)
Dickinson State University	1,096,445
Mayville State University	(623,654)
Minot State University	(2,980,534)
Valley City State University	(1,215,404)
Dakota College at Bottineau	18,821
Total	(\$37,117,930)

<sup>3</sup> Funding is added to institutions through higher education funding formula adjustments and supplemental funding allocations as follows:

	Base Funding Formula Adjustments	Supplemental Funding	Total
Bismarck State College	\$1,887,437	\$1,055,755	\$2,943,192
Lake Region State College	2,071,604	442,613	2,514,217
Williston State College	(459,708)	302,652	(157,056)
University of North Dakota	12,628,220	6,628,459	19,256,679
North Dakota State University	10,856,018	4,648,680	15,504,698
State College of Science	4,548,572	1,321,021	5,869,593
Dickinson State University	(1,072,244)	774,209	(298,035)
Mayville State University	1,645,476	494,341	2,139,817
Minot State University	1,886,199	1,407,200	3,293,399

Valley City State University	3,806,850	752,170	4,559,020
Dakota College at Bottineau	505,063	257,036	762,099
Total	\$38,303,487	\$18,084,136	\$56,387,623

Funding for Minot State University is adjusted to discontinue \$2.5 million of flood recovery funding. Sections in the bill are also amended to provide for a remedial education weighting factor of 2.3 instead of 1.0 and to adjust the credit volume production factor levels.

<sup>4</sup> Funding is transferred from the University System office extraordinary repairs funding pool to institutions and entities under its control. The House transferred the funding from the institutions and entities to the University System office for the funding pool.

<sup>5</sup> Funding is added for the following major capital projects:

Project	General Fund	Other Funds	Total
Bismarck State College - Campus infrastructure	\$1,575,000		\$1,575,000
Bismarck State College - Student Union lower level renovation		600,000	600,000
Lake Region State College - Switchgear, electrical services, window replacement	1,648,423		1,648,423
University of North Dakota - Student engagement projects		6,000,000	6,000,000
University of North Dakota - Airport project	6,000,000		6,000,000
North Dakota State University - Aquatic center (\$10 million of revenue bonds)		11,000,000	11,000,000
North Dakota State University - Minard Hall		600,000	600,000
State College of Science - Infrastructure repairs	13,298,000		13,298,000
Valley City State University - Fine arts building	25,850,000		25,850,000
Valley City State University - Heating plant	14,289,000		14,289,000
Valley City State University - Health and wellness facility		16,000,000	16,000,000
Dakota College at Bottineau - Allied Health and Wellness Center		6,864,118	6,864,118
Dakota College at Bottineau - Dormitory upgrades (\$2.9 million of revenue bonds)		3,784,076	3,784,076
Dakota College at Bottineau - Nelson Science Center renovation	1,098,789		1,098,789
Total	\$63,759,212	\$44,848,194	\$108,607,406

The Senate did not adjust the House version which provided \$62 million from the general fund for Phase II of the University of North Dakota School of Medicine and Health Sciences facility project.

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#### House Bill No. 1003 - Other Changes - Senate Action

This amendment also:

- Adds a contingent general fund appropriation of \$46 million for the North Dakota State University Dunbar Hall project. The appropriation is contingent upon actual general fund revenues during the first 11 months of the 2015-17 biennium exceeding legislative estimates during the same time period by at least \$50 million.
- Removes Section 6 regarding legislative approval of campus capital projects.
- Removes Section 7 regarding the authority of the State Board of Higher Education to set tuition rates at institutions under its control.
- Removes Section 8 which would require a maintenance reserve account to be established for certain new capital projects.
- Removes Section 20 which adjusts the academic and career and technical scholarship award amount.
- Removes Section 21 regarding higher education audits.
- Adjusts Section 22 to authorize the State Board of Higher Education to employ intellectual property attorneys at research institutions.
- Adjusts Section 27 regarding distributions from systemwide funding pools.
- Amends Section 35 to allow the University System to carryover funds from the 2013-15 biennium performance funding pool and authorizes the transfer of the funds to institutions affected by energy development.
- Amends Section 36 to remove the requirement for the State Board of Higher Education to provide a grant for civics education.

- Removes Section 37 regarding reimbursement to State Fleet Services for motorcoaches.
- Removes Section 38 regarding comprehensive evaluations of certain University System employees.
- Adds a section regarding employee severance payments.
- Adds a section to clarify that the State Board of Higher Education may conduct internal audits.
- Adds a section to authorize the State Board of Higher Education to adjust FTE positions at institutions and entities under its control.
- Adds a section to authorize the issuance of revenue bonds for projects at Dakota College at Bottineau and North Dakota State University.
- Adds a section to limit tuition rate increases to 2.5 percent per year during the 2015-17 biennium at University System institutions unless an institution receives Budget Section approval.
- Adds a section to provide for a report from the State Board of Higher Education to the Legislative Management regarding the financial conditions of Dickinson State University.
- Adds a Legislative Management study of institution administration costs.
- Makes various technical adjustments.

#### REPORT OF STANDING COMMITTEE

**HB 1151, as reengrossed and amended: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Reengrossed HB 1151, as amended, was placed on the Sixth order on the calendar.

In lieu of the amendments adopted by the Senate as printed on page 765 of the Senate Journal, Reengrossed House Bill No. 1151 is amended as follows:

Page 1, line 3, after the semicolon insert "to provide for a legislative management study;"

Page 1, line 19, replace "five" with "seven"

Page 1, line 20, after the period insert "The first two million dollars in matching grants awarded to each institution must be used for student scholarships that comply with section 15-10-53."

Page 2, line 8, replace "forward" with "retain up to"

Page 2, line 9, remove "the office of the governor, to"

Page 2, line 18, after the third comma insert "university of Jamestown."

Page 2, line 20, after the first comma insert "university of Mary."

Page 3, line 8, after "3." insert:

- "a. The board may award an additional five hundred thousand dollars in matching grants to institutions that have been awarded one million dollars in matching grants under subsection 1 and apply for an additional matching grant.
- b. An application submitted under this subsection must meet the same criteria as an original application.
- c. The board shall consider each application submitted under this subsection in chronological order.
- d. If the funding provided under this subsection is insufficient to provide a matching grant in the amount of one dollar for every two dollars raised by the institutional foundation, the board shall award a lesser amount.

4."

Page 3, line 8, replace "forward" with "retain up to"

Page 3, line 9, remove "the office of the governor, to"

Page 5, line 1, remove ", campus facility repair projects."

Page 5, after line 3, insert:

**"SECTION 7. LEGISLATIVE MANAGEMENT STUDY.** During the 2015-16 interim, the legislative management shall consider studying the provision of matching grants to institutions of higher education, as set forth in sections 15-10-48 through 15-10-53 of the North Dakota Century Code, for the purposes of ensuring that the statutory parameters provide sufficient direction, provide flexibility to accommodate changing circumstances and needs, and ultimately enable the delivery of the greatest possible benefits to the students attending institutions of higher education in this state. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly."

Page 5, line 6, replace "\$19,000,000" with "\$23,000,000, or so much of the sum as may be necessary, and out of any moneys in the student loan trust fund in the state treasury, not otherwise appropriated, the sum of \$2,500,000"

Renumber accordingly

#### **STATEMENT OF PURPOSE OF AMENDMENT:**

This amendment provides for the following:

- Increases the amount of matching grants available to North Dakota State University and the University of North Dakota from \$5 million to \$7 million each and requires the first \$2 million of matching grants awarded to each institution to be used for student scholarships.
- Adds University of Jamestown and the University of Mary as institutions eligible to receive higher education challenge grants.
- Provides an additional \$500,000 to be awarded to nonresearch and private institutions that have fully utilized the original \$1,000,000 of grant funding available to the institution.
- Increases the general fund appropriation for the matching grant program from \$19 million to \$23 million and appropriates \$2.5 million from the student loan trust fund.
- Allows the State Board of Higher Education, rather than the Governor's office, to retain one-quarter of one percent of grants awarded to be used for administrative costs of the program.
- Allows grant funds to be used for campus infrastructure repairs.
- Provides for a Legislative Management study of higher education matching grants.

#### **REPORT OF STANDING COMMITTEE**

**HB 1162, as engrossed and amended: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1162, as amended, was placed on the Fourteenth order on the calendar.

#### **REPORT OF CONFERENCE COMMITTEE**

**SB 2292, as reengrossed:** Your conference committee (Sens. Cook, Laffen, Triplett and Reps. Headland, Owens, Haak) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1019-1033, adopt amendments as

follows, and place SB 2292 on the Seventh order:

That the House recede from its amendments as printed on pages 1019-1033 of the Senate Journal and pages 1137-1151 of the House Journal and that Reengrossed Senate Bill No. 2292 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact subsection 5 of section 57-38-04 and sections 57-38.1-09, 57-59-01, 57-59-05, 57-59-06, and 57-59-08 of the North Dakota Century Code, relating to apportionment of business income and the multistate tax compact; to repeal section 57-59-02 of the North Dakota Century Code, relating to the optional computation provision of the multistate tax compact; and to provide an effective date.

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

**SECTION 1. AMENDMENT.** Subsection 5 of section 57-38-04 of the North Dakota Century Code is amended and reenacted as follows:

5. Whenever business activity is carried on partly within and partly without this state by a nonresident of this state as a sole proprietorship, or through a partnership, subchapter S corporation, or other passthrough entity, the entire income therefrom must be allocated to this state and to other states, according to the provisions of chapter 57-38.1 but only according to the apportionment method provided under subsection 1 of section 57-38.1-09, providing for allocation and apportionment of income of corporations doing business within and without this state.

**SECTION 2. AMENDMENT.** Section 57-38.1-09 of the North Dakota Century Code is amended and reenacted as follows:

**57-38.1-09. Business income.**

1. All~~Except as permitted under subsections 2 through 4, all~~ business income must be apportioned to this state by multiplying the income by a fraction, the numerator of which is the property factor plus the payroll factor plus the sales factor, and the denominator of which is three.
2. For the first two taxable years beginning after December 31, 2015, a taxpayer that is not a passthrough entity may elect to apportion business income to this state by multiplying the income by a fraction, the numerator of which is the property factor plus the payroll factor plus two times the sales factor, and the denominator of which is four.
  - a. The election must be made on the return as originally and timely filed in the form and manner prescribed by the tax commissioner.
  - b. The election is applicable for all companies in a unitary group and for all companies filing a consolidated North Dakota return.
  - c. The election is binding for five consecutive taxable years after making the election, at which time the election lapses. The election under this subsection also includes the election to use the sales factor under subsections 3 and 4 for the taxable years those subsections apply.
  - d. Unless a taxpayer makes another election under subsection 4 in the taxable year immediately following the final year of the binding effect of the election under this subsection, the taxpayer must file under subsection 1 for a period of three taxable years before it may make a new election under subsection 4.
3. For the first taxable year beginning after December 31, 2017, a taxpayer that is not a passthrough entity may elect to apportion business income to this state by multiplying the income by a fraction, the numerator of

which is the property factor plus the payroll factor plus six times the sales factor, and the denominator of which is eight.

- a. The election must be made on the return as originally and timely filed in the form and manner prescribed by the tax commissioner.
  - b. The election is applicable for all companies in a unitary group and for all companies filing a consolidated North Dakota return.
  - c. The election is binding for five consecutive taxable years after making the election, at which time the election lapses. The election under this subsection also includes the election to use the sales factor under subsection 4 for the taxable years that subsection applies.
  - d. Unless a taxpayer makes another election under subsection 4 in the taxable year immediately following the final year of the binding effect of the election under this subsection, the taxpayer must file under subsection 1 for a period of three taxable years before it may make a new election under subsection 4.
4. For taxable years beginning after December 31, 2018, a taxpayer that is not a passthrough entity may elect to apportion business income to this state by multiplying the income by the sales factor. A taxpayer electing to file using a single sales factor must comply with the following:
- a. The election must be made on the return as originally and timely filed in the form and manner prescribed by the tax commissioner.
  - b. The election is applicable for all companies in a unitary group and for all companies filing a consolidated North Dakota return.
  - c. The election is binding for five consecutive taxable years after making the election, at which time the election lapses.
  - d. Unless a taxpayer makes another election under this subsection in the taxable year immediately following the final year of a prior single sales factor election, the taxpayer must file under subsection 1 for a period of three taxable years before it may make a new single sales factor election.

**SECTION 3. AMENDMENT.** Section 57-59-01 of the North Dakota Century Code is amended and reenacted as follows:

**57-59-01. Multistate tax compact.**

The multistate tax compact is hereby entered into law and entered into with all jurisdictions legally joining therein, in the form substantially as follows:

**MULTISTATE TAX COMPACT**

**ARTICLE I - PURPOSES**

The purposes of this compact are to:

1. Facilitate proper determination of state and local tax liability of multistate taxpayers, including the equitable apportionment of tax bases and settlement of apportionment disputes.
2. Promote uniformity or compatibility in significant components of tax systems.
3. Facilitate taxpayer convenience and compliance in the filing of tax returns and in other phases of tax administration.

4. Avoid duplicative taxation.

## ARTICLE II - DEFINITIONS

As used in this compact:

1. "Capital stock tax" means a tax measured in any way by the capital of a corporation considered in its entirety.
2. "Gross receipts tax" means a tax, other than a sales tax, which is imposed on or measured by the gross volume of business, in terms of gross receipts or in other terms, and in the determination of which no deduction is allowed which would constitute the tax an income tax.
3. "Income tax" means a tax imposed on or measured by net income including any tax imposed on or measured by an amount arrived at by deducting expenses from gross income, one or more forms of which expenses are not specifically and directly related to particular transactions.
4. "Sales tax" means a tax imposed with respect to the transfer for a consideration of ownership, possession, or custody of tangible personal property or the rendering of services measured by the price of the tangible personal property transferred or services rendered and which is required by state or local law to be separately stated from the sales price by the seller, or which is customarily separately stated from the sales price, but does not include a tax imposed exclusively on the sale of a specifically identified commodity or article or class of commodities or articles.
5. "State" means a state of the United States, the District of Columbia, the commonwealth of Puerto Rico, or any territory or possession of the United States.
6. "Subdivision" means any governmental unit or special district of a state.
7. "Tax" means an income tax, capital stock tax, gross receipts tax, sales tax, use tax, and any other tax which has a multistate impact, except that the provisions of ~~articles~~ article III, IV, and V of this compact shall apply only to the taxes specifically designated therein ~~and the provisions of article IX of this compact shall apply only in respect to determinations pursuant to article IV.~~
8. "Taxpayer" means any corporation, partnership, firm, association, governmental unit, or agency or person acting as a business entity in more than one state.
9. "Use tax" means a nonrecurring tax, other than a sales tax, which (a) is imposed on or with respect to the exercise or enjoyment of any right or power over tangible personal property incident to the ownership, possession, or custody of that property or the leasing of that property from another including any consumption, keeping, retention, or other use of tangible personal property, and (b) is complementary to a sales tax.

## ARTICLE III - ELEMENTS OF INCOME TAX LAWS

### Taxpayer Option, State and Local Taxes

1. ~~Any taxpayer subject to an income tax whose income is subject to apportionment and allocation for tax purposes pursuant to the laws of a party state or pursuant to the laws of subdivisions in two or more party states may elect to apportion and allocate the taxpayer's income in the manner provided by the laws of such state or by the laws of such states and subdivisions without reference to this compact, or may elect to apportion and allocate in accordance with article IV. This election for any~~

tax year may be made in all party states or subdivisions thereof or in any one or more of the party states or subdivisions thereof without reference to the election made in the others. For the purposes of this subsection, taxes imposed by subdivisions shall be considered separately from state taxes and the apportionment and allocation also may be applied to the entire tax base. In no instance wherein article IV is employed for all subdivisions of a state may the sum of all apportionments and allocations to subdivisions within a state be greater than the apportionment and allocation that would be assignable to that state if the apportionment or allocation were being made with respect to a state income tax.

#### **Taxpayer Option, Short Form**

2. Each party state or any subdivision thereof which imposes an income tax shall provide by law that any taxpayer required to file a return, whose only activities within the taxing jurisdiction consist of sales and do not include owning or renting real estate or tangible personal property, and whose dollar volume of gross sales made during the tax year within the state or subdivision, as the case may be, is not in excess of one hundred thousand dollars may elect to report and pay any tax due on the basis of a percentage of such volume, and shall adopt rates which shall produce a tax which reasonably approximates the tax otherwise due. The multistate tax commission, not more than once in five years, may adjust the one hundred thousand dollar figure in order to reflect such changes as may occur in the real value of the dollar, and such adjusted figure, upon adoption by the commission, shall replace the one hundred thousand dollar figure specifically provided herein. Each party state and subdivision thereof may make the same election available to taxpayers additional to those specified in this subsection.

#### **Coverage**

3. Nothing in this article relates to the reporting or payment of any tax other than an income tax.

#### **ARTICLE IV -- DIVISION OF INCOME**

1. As used in this article, unless the context otherwise requires:
  - (a) "Business income" means income arising from transactions and activity in the regular course of the taxpayer's trade or business and includes income from tangible and intangible property if the acquisition, management, and disposition of the property constitute integral parts of the taxpayer's regular trade or business operations.
  - (b) "Commercial domicile" means the principal place from which the trade or business of the taxpayer is directed or managed.
  - (c) "Compensation" means wages, salaries, commissions, and any other form of remuneration paid to employees for personal services.
  - (d) "Financial organization" means any bank, trust company, savings bank, industrial bank, land bank, safe deposit company, private banker, savings and loan association, credit union, cooperative bank, small loan company, sales finance company, investment company, or any type of insurance company.
  - (e) "Nonbusiness income" means all income other than business income.
  - (f) "Public utility" means any business entity (1) which owns or operates any plant, equipment, property, franchise, or license for the transmission of communications, transportation of goods or persons, except by pipeline, or the production, transmission, sale, delivery, or furnishing of electricity, water, or steam; and (2) whose rates of



charges for goods or services have been established or approved by a federal, state, or local government or governmental agency.

- (g) "Sales" means all gross receipts of the taxpayer not allocated under subsections of this article.
  - (h) "State" means any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, and any foreign country or political subdivision thereof.
  - (i) "This state" means the state in which the relevant tax return is filed or, in the case of application of this article to the apportionment and allocation of income for local tax purposes, the subdivision or local taxing district in which the relevant tax return is filed.
- 2. Any taxpayer having income from business activity which is taxable both within and without this state, other than activity as a financial organization or public utility or the rendering of purely personal services by an individual, shall allocate and apportion that taxpayer's net income as provided in this article. If a taxpayer has income from business activity as a public utility but derives the greater percentage of the taxpayer's income from activities subject to this article, the taxpayer may elect to allocate and apportion the taxpayer's entire net income as provided in this article.
  - 3. For purposes of allocation and apportionment of income under this article, a taxpayer is taxable in another state if (a) in that state the taxpayer is subject to a net income tax, a franchise tax measured by net income, a franchise tax for the privilege of doing business, or a corporate stock tax, or (b) that state has jurisdiction to subject the taxpayer to a net income tax regardless of whether, in fact, the state does or does not.
  - 4. Rents and royalties from real or tangible personal property, capital gains, interest, dividends, or patent or copyright royalties, to the extent that they constitute nonbusiness income, shall be allocated as provided in subsections 5 through 8 of this article.
  - 5.
    - (a) Net rents and royalties from real property located in this state are allocable to this state.
    - (b) Net rents and royalties from tangible personal property are allocable to this state: (1) if and to the extent that the property is utilized in this state, or (2) in their entirety if the taxpayer's commercial domicile is in this state and the taxpayer is not organized under the laws of or taxable in the state in which the property is utilized.
    - (c) The extent of utilization of tangible personal property in a state is determined by multiplying the rents and royalties by a fraction, the numerator of which is the number of days of physical location of the property in the state during the rental or royalty period in the taxable year and the denominator of which is the number of days of physical location of the property everywhere during all rental or royalty periods in the taxable year. If the physical location of the property during the rental or royalty period is unknown or unascertainable by the taxpayer, tangible personal property is utilized in the state in which the property was located at the time the rental or royalty payer obtained possession.
  - 6.
    - (a) Capital gains and losses from sales of real property located in this state are allocable to this state.
    - (b) Capital gains and losses from sales of tangible personal property are allocable to this state if (1) the property had a situs in this state at the time of the sale, or (2) the taxpayer's commercial domicile is in this

~~state and the taxpayer is not taxable in the state in which the property had a situs.~~

- ~~(c) Capital gains and losses from sales of intangible personal property are allocable to this state if the taxpayer's commercial domicile is in this state.~~
- 7. ~~Interest and dividends are allocable to this state if the taxpayer's commercial domicile is in this state.~~
- 8. (a) ~~Patent and copyright royalties are allocable to this state: (1) if and to the extent that the patent or copyright is utilized by the payer in this state, or (2) if and to the extent that the patent or copyright is utilized by the payer in a state in which the taxpayer is not taxable and the taxpayer's commercial domicile is in this state.~~
- (b) ~~A patent is utilized in a state to the extent that it is employed in production, fabrication, manufacturing, or other processing in the state or to the extent that a patented product is produced in the state. If the basis of receipts from patent royalties does not permit allocation to states or if the accounting procedures do not reflect states of utilization, the patent is utilized in the state in which the taxpayer's commercial domicile is located.~~
- (c) ~~A copyright is utilized in a state to the extent that printing or other publication originates in the state. If the basis of receipts from copyright royalties does not permit allocation to states or if the accounting procedures do not reflect states of utilization, the copyright is utilized in the state in which the taxpayer's commercial domicile is located.~~
- 9. ~~All business income shall be apportioned to this state by multiplying the income by a fraction, the numerator of which is the property factor plus the payroll factor plus the sales factor, and the denominator of which is three.~~
- 10. ~~The property factor is a fraction, the numerator of which is the average value of the taxpayer's real and tangible personal property owned or rented and used in this state during the tax period and the denominator of which is the average value of all the taxpayer's real and tangible personal property owned or rented and used during the tax period.~~
- 11. ~~Property owned by the taxpayer is valued at its original cost. Property rented by the taxpayer is valued at eight times the net annual rental rate. Net annual rental rate is the annual rental rate paid by the taxpayer less any annual rental rate received by the taxpayer from subrentals.~~
- 12. ~~The average value of property shall be determined by averaging the values at the beginning and ending of the tax period but the tax administrator may require the averaging of monthly values during the tax period if reasonably required to reflect properly the average value of the taxpayer's property.~~
- 13. ~~The payroll factor is a fraction, the numerator of which is the total amount paid in this state during the tax period by the taxpayer for compensation and the denominator of which is the total compensation paid everywhere during the tax period.~~
- 14. ~~Compensation is paid in this state if:~~
  - (a) ~~The individual's service is performed entirely within the state;~~
  - (b) ~~The individual's service is performed both within and without the state, but the service performed without the state is incidental to the individual's service within the state; or~~

- (c) ~~Some of the service is performed in the state and (1) the base of operations or, if there is no base of operations, the place from which the service is directed or controlled is in the state, or (2) the base of operations or the place from which the service is directed or controlled is not in any state in which some part of the service is performed, but the individual's residence is in this state.~~
- 15. ~~The sales factor is a fraction, the numerator of which is the total sales of the taxpayer in this state during the tax period, and the denominator of which is the total sales of the taxpayer everywhere during the tax period.~~
- 16. ~~Sales of tangible personal property are in this state if:~~
  - (a) ~~The property is delivered or shipped to a purchaser, other than the United States government, within this state regardless of the f.o.b. point or other conditions of the sale; or~~
  - (b) ~~The property is shipped from an office, store, warehouse, factory, or other place of storage in this state and (1) the purchaser is the United States government, or (2) the taxpayer is not taxable in the state of the purchaser.~~
- 17. ~~Sales, other than sales of tangible personal property, are in this state if:~~
  - (a) ~~The income-producing activity is performed in this state; or~~
  - (b) ~~The income-producing activity is performed both in and outside this state and a greater proportion of the income-producing activity is performed in this state than in any other state, based on costs of performance.~~
- 18. ~~If the allocation and apportionment provisions of this article do not fairly represent the extent of the taxpayer's business activity in this state, the taxpayer may petition for or the tax administrator may require, in respect to all or any part of the taxpayer's business activity, if reasonable:~~
  - (a) ~~Separate accounting;~~
  - (b) ~~The exclusion of any one or more of the factors;~~
  - (c) ~~The inclusion of one or more additional factors which will fairly represent the taxpayer's business activity in this state; or~~
  - (d) ~~The employment of any other method to effectuate an equitable allocation and apportionment of the taxpayer's income.~~

## **ARTICLE V-- ELEMENTS OF SALES AND USE TAX LAWS**

### **Tax Credit**

1. Each purchaser liable for a use tax on tangible personal property shall be entitled to full credit for the combined amount or amounts of legally imposed sales or use taxes paid by the purchaser with respect to the same property to another state and any subdivision thereof. The credit shall be applied first against the amount of any use tax due the state, and any unused portion of the credit shall then be applied against the amount of any use tax due a subdivision.

### **Exemption Certificates, Vendors May Rely**

2. Whenever a vendor receives and accepts in good faith from a purchaser a resale or other exemption certificate or other written evidence of exemption authorized by the appropriate state or subdivision taxing authority, the vendor shall be relieved of liability for a sales or use tax with respect to the transaction.

**ARTICLE ~~VIII~~ - THE COMMISSION****Organization and Management**

1. (a) The multistate tax commission is hereby established. It shall be composed of one "member" from each party state who shall be the head of the state agency charged with the administration of the types of taxes to which this compact applies. If there is more than one such agency the state shall provide by law for the selection of the commission member from the heads of the relevant agencies. State law may provide that a member of the commission be represented by an alternate but only if there is on file with the commission written notification of the designation and identity of the alternate. The attorney general of each party state or the attorney general's designee, or other counsel if the laws of the party state specifically provide, shall be entitled to attend the meetings of the commission, but shall not vote. Such attorneys general, designees, or other counsel shall receive all notices of meetings required under subdivision e of subsection 1 of this article.
- (b) Each party state shall provide by law for the selection of representatives from its subdivisions affected by this compact to consult with the commission member from that state.
- (c) Each member shall be entitled to one vote. The commission shall not act unless a majority of the members are present, and no action shall be binding unless approved by a majority of the total number of members.
- (d) The commission shall adopt an official seal to be used as it may provide.
- (e) The commission shall hold an annual meeting and such other regular meetings as its bylaws may provide and such special meetings as its executive committee may determine. The commission bylaws shall specify the dates of the annual and any other regular meetings, and shall provide for the giving of notice of annual, regular, and special meetings. Notices of special meetings shall include the reasons therefor and an agenda of the items to be considered.
- (f) The commission shall elect annually, from among its members, a chairman, a vice chairman, and a treasurer. The commission shall appoint an executive director who shall serve at its pleasure, and it shall fix the executive director's duties and compensation. The executive director shall be secretary of the commission. The commission shall make provision for the bonding of such of its officers and employees as it may deem appropriate.
- (g) Irrespective of the civil service, personnel, or other merit system laws of any party state, the executive director shall appoint or discharge such personnel as may be necessary for the performance of the functions of the commission and shall fix their duties and compensation. The commission bylaws shall provide for personnel policies and programs.
- (h) The commission may borrow, accept, or contract for the services of personnel from any state, the United States, or any other governmental entity.
- (i) The commission may accept for any of its purposes and functions any and all donations and grants of money, equipment, supplies, materials, and services, conditional or otherwise, from any governmental entity, and may utilize and dispose of the same.

- (j) The commission may establish one or more offices for the transacting of its business.
- (k) The commission shall adopt bylaws for the conduct of its business. The commission shall publish its bylaws in convenient form, and shall file a copy of the bylaws and any amendments thereto with the appropriate agency or officer in each of the party states.
- (l) The commission annually shall make to the governor and legislature of each party state a report covering its activities for the preceding year. Any donation or grant accepted by the commission or services borrowed shall be reported in the annual report of the commission, and shall include the nature, amount, and conditions, if any, of the donation, gift, grant, or services borrowed and the identity of the donor or lender. The commission may make additional reports as it may deem desirable.

### **Committees**

- 2. (a) To assist in the conduct of its business when the full commission is not meeting, the commission shall have an executive committee of seven members, including the chairman, vice chairman, treasurer, and four other members elected annually by the commission. The executive committee subject to the provisions of this compact and consistent with the policies of the commission, shall function as provided in the bylaws of the commission.
- (b) The commission may establish advisory and technical committees, membership on which may include private persons and public officials, in furthering any of its activities. Such committees may consider any matter of concern to the commission, including problems of special interest to any party state and problems dealing with particular types of taxes.
- (c) The commission may establish such additional committees as its bylaws may provide.

### **Powers**

- 3. In addition to powers conferred elsewhere in this compact, the commission shall have power to:
  - (a) Study state and local tax systems and particular types of state and local taxes.
  - (b) Develop and recommend proposals for an increase in uniformity or compatibility of state and local tax laws with a view toward encouraging the simplification and improvement of state and local tax law and administration.
  - (c) Compile and publish information as in its judgment would assist the party states in implementation of the compact and taxpayers in complying with state and local tax laws.
  - (d) Do all things necessary and incidental to the administration of its functions pursuant to this compact.

### **Finance**

- 4. (a) The commission shall submit to the governor or designated officer or officers of each party state a budget of its estimated expenditures for such period as may be required by the laws of that state for presentation to the legislature thereof.

- (b) Each of the commission's budgets of estimated expenditures shall contain specific recommendations of the amounts to be appropriated by each of the party states. The total amount of appropriations requested under any such budget shall be apportioned among the party states as follows: one-tenth in equal shares; and the remainder in proportion to the amount of revenue collected by each party state and its subdivisions from income taxes, capital stock taxes, gross receipts taxes, and sales and use taxes. In determining such amounts, the commission shall employ such available public sources of information as, in its judgment, present the most equitable and accurate comparisons among the party states. Each of the commission's budgets of estimated expenditures and requests for appropriations shall indicate the sources used in obtaining information employed in applying the formula contained in this subsection.
- (c) The commission shall not pledge the credit of any party state. The commission may meet any of its obligations in whole or in part with funds available to it under subdivision i of subsection 1 of this article; provided, that the commission takes specific action setting aside such funds prior to incurring any obligation to be met in whole or in part in such manner. Except where the commission makes use of funds available to it under subdivision i of subsection 1, the commission shall not incur any obligation prior to the allotment of funds by the party states adequate to meet the same.
- (d) The commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the commission shall be subject to the audit and accounting procedures established under its bylaws. All receipts and disbursements of funds handled by the commission shall be audited yearly by a certified or licensed public accountant and the report of the audit shall be included in and become part of the annual report of the commission.
- (e) The accounts of the commission shall be open at any reasonable time for inspection by duly constituted officers of the party states and by any persons authorized by the commission.
- (f) Nothing contained in this article shall be construed to prevent commission compliance with laws relating to audit or inspection of accounts by or on behalf of any government contributing to the support of the commission.

#### **ARTICLE VIII - UNIFORM REGULATIONS AND FORMS**

1. Whenever any two or more party states, or subdivisions of party states, have uniform or similar provisions of law relating to an income tax, the commission may adopt uniform regulations for any phase of the administration of such law, including assertion of jurisdiction to tax, or prescribing uniform tax forms. ~~The commission may also act with respect to the provisions of article IV of this compact.~~
2. Prior to the adoption of any regulation, the commission shall:
  - (a) As provided in its bylaws, hold at least one public hearing on due notice to all affected party states and subdivisions thereof and to all taxpayers and other persons who have made timely request of the commission for advance notice of its regulation-making proceedings.
  - (b) Afford all affected party states and subdivisions and interested persons an opportunity to submit relevant written data and views, which shall be considered fully by the commission.
3. The commission shall submit any regulations adopted by it to the appropriate officials of all party states and subdivisions to which they

might apply. Each such state and subdivision shall consider any such regulation for adoption in accordance with its own laws and procedures.

#### **ARTICLE VIII - INTERSTATE AUDITS**

1. This article shall be in force only in those party states that specifically provide therefor by statute.
2. Any party state or subdivision thereof desiring to make or participate in an audit of any accounts, books, papers, records, or other documents may request the commission to perform the audit on its behalf. In responding to the request, the commission shall have access to and may examine, at any reasonable time, such accounts, books, papers, records, and other documents and any relevant property or stock of merchandise. The commission may enter into agreements with party states or their subdivisions for assistance in performance of the audit. The commission shall make charges, to be paid by the state or local government or governments for which it performs the service, for any audits performed by it in order to reimburse itself for the actual costs incurred in making the audit.
3. The commission may require the attendance of any person within the state where it is conducting an audit or part thereof at a time and place fixed by it within such state for the purpose of giving testimony with respect to any account, book, paper, document, other record, property, or stock of merchandise being examined in connection with the audit. If the person is not within the jurisdiction, the person may be required to attend for such purpose at any time and place fixed by the commission within the state of which the person is a resident; provided, that such state has adopted this article.
4. The commission may apply to any court having power to issue compulsory process for orders in aid of its powers and responsibilities pursuant to this article and any and all such courts shall have jurisdiction to issue such orders. Failure of any person to obey any such order shall be punishable as contempt of the issuing court. If the party or subject matter on account of which the commission seeks an order is within the jurisdiction of the court to which application is made, such application may be to a court in the state or subdivision on behalf of which the audit is being made or a court in the state in which the object of the order being sought is situated. The provisions of this subsection apply only to courts in a state that has adopted this article.
5. The commission may decline to perform any audit requested if it finds that its available personnel or other resources are insufficient for the purpose or that, in the terms requested, the audit is impracticable of satisfactory performance. If the commission, on the basis of its experience, has reason to believe that an audit of a particular taxpayer, either at a particular time or on a particular schedule, would be of interest to a number of party states or their subdivisions, it may offer to make the audit or audits, the offer to be contingent on sufficient participation therein as determined by the commission.
6. Information obtained by any audit pursuant to this article shall be confidential and available only for tax purposes to party states, their subdivisions, or the United States. Availability of information shall be in accordance with the laws of the states or subdivisions on whose account the commission performs the audit, and only through the appropriate agencies or officers of such states or subdivisions. Nothing in this article shall be construed to require any taxpayer to keep records for any period not otherwise required by law.
7. Other arrangements made or authorized pursuant to law for cooperative audit by or on behalf of the party states or any of their subdivisions are not superseded or invalidated by this article.

8. In no event shall the commission make any charge against a taxpayer for an audit.
9. As used in this article, "tax", in addition to the meaning ascribed to it in article II, means any tax or license fee imposed in whole or in part for revenue purposes.

#### ARTICLE IX—ARBITRATION

1. ~~Whenever the commission finds a need for settling disputes concerning apportionments and allocations by arbitration, it may adopt a regulation placing this article in effect, notwithstanding the provisions of article VII.~~
2. ~~The commission shall select and maintain an arbitration panel composed of officers and employees of state and local governments and private persons who shall be knowledgeable and experienced in matters of tax law and administration.~~
3. ~~Whenever a taxpayer who has elected to employ article IV, or whenever the laws of the party state or subdivision thereof are substantially identical with the relevant provisions of article IV, the taxpayer, by written notice to the commission and to each party state or subdivision thereof that would be affected, may secure arbitration of an apportionment or allocation, if the taxpayer is dissatisfied with the final administrative determination of the tax agency of the state or subdivision with respect thereto on the ground that it would subject the taxpayer to double or multiple taxation by two or more party states or subdivisions thereof. Each party state and subdivision thereof hereby consents to the arbitration as provided herein, and agrees to be bound thereby.~~
4. ~~The arbitration board shall be composed of one person selected by the taxpayer, one by the agency or agencies involved, and one member of the commission's arbitration panel. If the agencies involved are unable to agree on the person to be selected by them, such person shall be selected by lot from the total membership of the arbitration panel. The two persons selected for the board in the manner provided by the foregoing provisions of this subsection shall jointly select the third member of the board. If they are unable to agree on the selection, the third member shall be selected by lot from among the total membership of the arbitration panel. No member of a board selected by lot shall be qualified to serve if that member is an officer or employee or is otherwise affiliated with any party to the arbitration proceeding. Residence within the jurisdiction of a party to the arbitration proceeding shall not constitute affiliation within the meaning of this subsection.~~
5. ~~The board may sit in any state or subdivision party to the proceeding, in the state of the taxpayer's incorporation, residence, or domicile, in any state where the taxpayer does business, or in any place that it finds most appropriate for gaining access to evidence relevant to the matter before it.~~
6. ~~The board shall give due notice of the times and places of its hearings. The parties shall be entitled to be heard, to present evidence, and to examine and cross-examine witnesses. The board shall act by majority vote.~~
7. ~~The board shall have power to administer oaths, take testimony, subpoena, and require the attendance of witnesses and the production of accounts, books, papers, records, and other documents, and issue commissions to take testimony. Subpoenas may be signed by any member of the board. In case of failure to obey a subpoena, and upon application by the board, any judge of a court of competent jurisdiction of the state in which the board is sitting or in which the person to whom the subpoena is directed may be found may make an order requiring compliance with the subpoena, and the court may punish failure to obey~~



~~the order as a contempt. The provisions of this subsection apply only in states that have adopted this article.~~

- ~~8. Unless the parties otherwise agree the expenses and other costs of the arbitration shall be assessed and allocated among the parties by the board in such manner as it may determine. The commission shall fix a schedule of compensation for members of arbitration boards and of other allowable expenses and costs. No officer or employee of a state or local government who serves as a member of a board shall be entitled to compensation therefor unless that person is required on account of that person's service to forego the regular compensation attaching to that person's public employment, but any such board member shall be entitled to expenses.~~
- ~~9. The board shall determine the disputed apportionment or allocation and any matters necessary thereto. The determinations of the board shall be final for purposes of making the apportionment or allocation, but for no other purpose.~~
- ~~10. The board shall file with the commission and with each tax agency represented in the proceeding: the determination of the board; the board's written statement of its reasons therefor; the record of the board's proceedings; and any other documents required by the arbitration rules of the commission to be filed.~~
- ~~11. The commission shall publish the determinations of boards together with the statements of the reasons therefor.~~
- ~~12. The commission shall adopt and publish rules of procedure and practice and shall file a copy of such rules and of any amendment thereto with the appropriate agency or officer in each of the party states.~~
- ~~13. Nothing contained herein shall prevent at any time a written compromise of any matter or matters in dispute, if otherwise lawful, by the parties to the arbitration proceeding.~~

#### **ARTICLE XVII - ENTRY INTO FORCE AND WITHDRAWAL**

1. This compact shall enter into force when enacted into law by any seven states. Thereafter, this compact shall become effective as to any other state upon its enactment thereof. The commission shall arrange for notification of all party states whenever there is a new enactment of the compact.
2. Any party state may withdraw from this compact by enacting a statute repealing the same. No withdrawal shall affect any liability already incurred by or chargeable to a party state prior to the time of such withdrawal.
3. ~~No proceeding commenced before an arbitration board prior to the withdrawal of a state and to which the withdrawing state or any subdivision thereof is a party shall be discontinued or terminated by the withdrawal, nor shall the board thereby lose jurisdiction over any of the parties to the proceeding necessary to make a binding determination therein.~~

#### **ARTICLE XVIII - EFFECT ON OTHER LAWS AND JURISDICTION**

Nothing in this compact shall be construed to:

1. Affect the power of any state or subdivision thereof to fix rates of taxation, ~~except that a party state shall be obligated to implement subsection 2 of article III of this compact.~~

2. Apply to any tax or fixed fee imposed for the registration of a motor vehicle or any tax on motor fuel, other than a sales tax; provided, that the definition of "tax" in subsection 9 of article ~~VIII~~VI may apply for the purposes of that article and the commission's powers of study and recommendation pursuant to subsection 3 of article ~~VII~~IV may apply.
3. Withdraw or limit the jurisdiction of any state or local court or administrative officer or body with respect to any person, corporation, ~~limited liability company~~, or other entity or subject matter, except to the extent that such jurisdiction is expressly conferred by or pursuant to this compact upon another agency or body.
4. Supersede or limit the jurisdiction of any court of the United States.

#### **ARTICLE ~~XIII~~ - CONSTRUCTION AND SEVERABILITY**

This compact shall be liberally construed so as to effectuate the purposes thereof. The provisions of this compact shall be severable and if any phrase, clause, sentence, or provision of this compact is declared to be contrary to the constitution of any state or of the United States or the applicability thereof to any government, agency, person, or circumstance is held invalid, the validity of the remainder of this compact and the applicability thereof to any government, agency, person, or circumstance shall not be affected thereby. If this compact shall be held contrary to the constitution of any state participating therein, the compact shall remain in full force and effect as to the remaining party states and in full force and effect as to the state affected as to all severable matters.

**SECTION 4. AMENDMENT.** Section 57-59-05 of the North Dakota Century Code is amended and reenacted as follows:

##### **57-59-05. Legal counsel.**

The chief counsel of the state tax department or the chief counsel's designee shall attend the meetings of the multistate tax commission as the legal counsel representing the state of North Dakota as provided for by subdivision a of subsection 1 of article ~~VII~~IV of section 57-59-01.

**SECTION 5. AMENDMENT.** Section 57-59-06 of the North Dakota Century Code is amended and reenacted as follows:

##### **57-59-06. Selection of representatives to meet with commission member.**

The state tax commissioner shall appoint two persons who are representatives of subdivisions affected or likely to be affected by the multistate tax compact from among persons nominated by the association of counties and league of cities. The state tax commissioner, and any alternate designated by the state tax commissioner, shall consult with these appointees, in accordance with subdivision b of subsection 1 of article ~~VII~~IV of section 57-59-01. The state tax commissioner shall also consult regularly with the chairman and ranking minority party member of the finance and taxation committees of the senate and house of representatives as provided for in subdivision b of subsection 2 of article ~~VII~~IV of section 57-59-01.

**SECTION 6. AMENDMENT.** Section 57-59-08 of the North Dakota Century Code is amended and reenacted as follows:

##### **57-59-08. Interaudits.**

Article ~~VIII~~VI of the multistate tax compact relating to interaudits shall be in force in and with respect to the state of North Dakota.

**SECTION 7. REPEAL.** Section 57-59-02 of the North Dakota Century Code is repealed.

**SECTION 8. EFFECTIVE DATE.** This Act is effective for taxable years beginning after December 31, 2014."

Renumber accordingly

Reengrossed SB 2292 was placed on the Seventh order of business on the calendar.

**REPORT OF CONFERENCE COMMITTEE**

**SB 2113, as engrossed:** Your conference committee (Sens. Bekkedahl, Oehlke, Triplett and Reps. Froseth, Klein, Mitskog) recommends that the **SENATE ACCEDE** to the House amendments as printed on SJ pages 883-884 and place SB 2113 on the Seventh order.

Engrossed SB 2113 was placed on the Seventh order of business on the calendar.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1030:** Your conference committee (Sens. Armstrong, Luick, Nelson and Reps. Kretschmar, Klemin, Wallman) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ page 1216, adopt amendments as follows, and place HB 1030 on the Seventh order:

That the Senate recede from its amendments as printed on page 1216 of the House Journal and pages 921 and 922 of the Senate Journal and that House Bill No. 1030 be amended as follows:

Page 2, line 28, after "violation" insert "in chapter 19-03.1"

Page 3, line 4, remove the colon

Page 3, remove lines 5 through 12

Page 3, line 13, replace "five-year period before the commission of the offense" with "the individual is sentenced under section 12.1-32-02.1"

Renumber accordingly

HB 1030 was placed on the Seventh order of business on the calendar.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1255:** Your conference committee (Sens. J. Lee, Dever, Axness and Reps. Hofstad, Weisz, Mooney) recommends that the **HOUSE ACCEDE** to the Senate amendments as printed on HJ pages 1369-1371 and place HB 1255 on the Seventh order.

HB 1255 was placed on the Seventh order of business on the calendar.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1244, as engrossed:** Your conference committee (Sens. Anderson, Larsen, Warner and Reps. Damschen, B. Anderson, Muscha) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ page 1369, adopt amendments as follows, and place HB 1244 on the Seventh order:

That the Senate recede from its amendments as printed on page 1369 of the House Journal and page 1098 of the Senate Journal and that Engrossed House Bill No. 1244 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact section 54-06-14.5 of the North Dakota Century Code as created by section 1 of House Bill No. 1387, as approved by the sixty-fourth legislative assembly, relating to state employee use of sick leave and annual leave.

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

**SECTION 1. AMENDMENT.** Section 54-06-14.5 of the North Dakota Century Code as created by section 1 of House Bill No. 1387, as approved by the sixty-fourth legislative assembly, is amended and reenacted as follows:

**54-06-14.5. Use of sick leave and annual leave - Birth or adoption - Family leave priority.**

1. During the first six ~~weeks~~months following birth or placement, an employer shall grant an employee's request to use up to ~~one hundred sixty hours~~six weeks of sick leave under section 54-06-14 to care for the employee's newborn child or to care for a child placed with the employee, by a child-placing agency licensed under chapter 50-12, for adoption or placed with the employee as a precondition to adoption under section 14-15-12, but not both. The employer shall compensate the employee for leave used by the employee under this subsection on the same basis as the employee would be compensated if the leave had been taken due to the employee's illness, medical needs, or health needs. This subsection does not prevent an employee from using sick leave for the employee's illness, medical needs, or health needs following the birth of a child or from using leave under section 54-52.4-03.
2. If an employee requests to use annual leave under section 54-06-14 for any of the reasons identified under subsection 1 of section 54-52.4-02, the employer shall give priority to the request."

Renumber accordingly

Engrossed HB 1244 was placed on the Seventh order of business on the calendar.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**SEN. KLEIN MOVED** that the President appoint a committee of three to act with a like committee from the House as a Conference Committee on Reengrossed HB 1046 and Reengrossed HB 1282, which motion prevailed.

**THE PRESIDENT APPOINTED** as a Conference Committee on:

**Reengrossed HB 1046:** Sens. Dever, Larsen, Axness

**Reengrossed HB 1282:** Sens. Anderson, Larsen, Axness

**CONSIDERATION OF MESSAGES FROM THE HOUSE**

**SEN. KLEIN MOVED** that the Senate do not concur in the House amendments to Engrossed SB 2003, in the House amendments to Engrossed SB 2008, in the House amendments to Engrossed SB 2009, in the House amendments to Engrossed SB 2010, and in the House amendments to Engrossed SB 2304 and that a conference committee be appointed to meet with a like committee from the House on each of these measures, which motion prevailed on a voice vote.

**APPOINTMENT OF CONFERENCE COMMITTEES**

**THE PRESIDENT APPOINTED** as a Conference Committee on:

**Engrossed SB 2003:** Sens. Kilzer, Sorvaag, O'Connell.

**Engrossed SB 2008:** Sens. Carlisle, Wanzek, O'Connell.

**Engrossed SB 2009:** Sens. Bowman, Erbele, O'Connell.

**Engrossed SB 2010:** Sens. Krebsbach, Erbele, Mathern.

**Engrossed SB 2304:** Sens. Poolman, Davison, Dever.

**CONSIDERATION OF MESSAGE FROM THE HOUSE**

**SEN. DEVER MOVED** that the Senate do concur in the House amendments to Engrossed SB 2323, which motion prevailed on a voice vote.

Engrossed SB 2323 as amended, was placed on the Eleventh order of business.

**SECOND READING OF SENATE BILL**

**SB 2323:** A BILL for an Act to amend and reenact section 37-01-45 of the North Dakota Century Code, relating to the record of veterans.

**ROLL CALL**

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

**YEAS:** Anderson; Armstrong; Axness; Bekkedahl; Bowman; Burckhard; Campbell; Carlisle; Casper; Cook; Davison; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oban; Oehlke; Poolman; Robinson; Rust; Schaible; Schneider; Sinner; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

Reengrossed SB 2323 passed.

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#### **CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. BEKKEDAHL MOVED** that the conference committee report on Engrossed SB 2113 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2113, as amended, was placed on the Eleventh order of business.

#### **SECOND READING OF SENATE BILL**

**SB 2113:** A BILL for an Act to amend and reenact section 57-02-08.8 of the North Dakota Century Code, relating to the property tax credit for disabled veterans and extension of the disabled veterans' property tax credit to the disabled veteran's surviving spouse; and to provide an effective date.

#### **ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 46 YEAS, 0 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Armstrong; Axness; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Cook; Davison; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oban; Oehlke; Poolman; Robinson; Rust; Schaible; Schneider; Sinner; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

**ABSENT AND NOT VOTING:** Carlisle

Reengrossed SB 2113 passed.

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#### **CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. COOK MOVED** that the conference committee report on Reengrossed SB 2292 as printed on SJ pages 1426-1427 be adopted, which motion prevailed on a voice vote.

Reengrossed SB 2292, as amended, was placed on the Eleventh order of business.

#### **SECOND READING OF SENATE BILL**

**SB 2292:** A BILL for an Act to amend and reenact subsection 5 of section 57-38-04 and sections 57-38.1-09, 57-59-01, 57-59-05, 57-59-06, and 57-59-08 of the North Dakota Century Code, relating to apportionment of business income and the multistate tax compact; to repeal section 57-59-02 of the North Dakota Century Code, relating to the optional computation provision of the multistate tax compact; and to provide an effective date.

#### **ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 44 YEAS, 2 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Armstrong; Axness; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Cook; Davison; Dever; Dotzenrod; Erbele; Flakoll; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Miller; Murphy; O'Connell; Oban; Oehlke; Poolman; Robinson; Rust; Schaible; Schneider; Sinner; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

**NAYS:** Grabinger; Nelson

**ABSENT AND NOT VOTING:** Carlisle

Reengrossed SB 2292 passed.

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**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. ARMSTRONG MOVED** that the conference committee report on Engrossed HB 1068 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1068 was placed on the Fourteenth order of business.

**SECOND READING OF HOUSE BILL**

**HB 1068:** A BILL for an Act to amend and reenact subsection 5 of section 38-08-04 of the North Dakota Century Code, relating to decisions of the industrial commission.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 46 YEAS, 0 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Armstrong; Axness; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Cook; Davison; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oban; Oehlke; Poolman; Robinson; Rust; Schaible; Schneider; Sinner; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

**ABSENT AND NOT VOTING:** Carlisle

Engrossed HB 1068 passed.

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**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. DEVER MOVED** that the conference committee report on Engrossed HB 1372 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1372 was placed on the Fourteenth order of business.

**SECOND READING OF HOUSE BILL**

**HB 1372:** A BILL for an Act to provide an appropriation for the identification of and provision of services to veterans exposed to agent orange.

**ROLL CALL**

The question being on the final passage of the bill, which has been read, the roll was called and there were 46 YEAS, 0 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Armstrong; Axness; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Cook; Davison; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oban; Oehlke; Poolman; Robinson; Rust; Schaible; Schneider; Sinner; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

**ABSENT AND NOT VOTING:** Carlisle

Engrossed HB 1372 passed.

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**MOTION**

**SEN. KLEIN MOVED** that Sen. Sorvaag replace Sen. Carlisle on the Conference Committee on SB 2017, which motion prevailed on a voice vote.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The House has amended and subsequently passed: SB 2144.

**HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2144**

Page 1, line 1, replace the comma with "and"

Page 1, line 2, remove ", and section 18-10-07.1"

Page 1, line 4, remove "2-06-14,"

Page 1, line 5, remove "2-06-15,"

Page 4, remove lines 6 through 30

Page 9, line 25, overstrike "certify to" and insert immediately thereafter "request from"

Page 9, line 26, after "commissioners" insert "the levy of"

Page 15, line 13, overstrike "certificate and"

Page 15, line 13, after "statement" insert "and levy request"

Page 18, line 29, replace "five" with "ten"

Page 18, line 30, remove ". Upon"

Page 18, remove line 31

Page 19, line 1, remove "conducted as provided in section 18-10-07.1"

Page 19, remove lines 21 through 31

Page 20, remove lines 1 through 30

Page 21, remove lines 1 and 2

Page 62, line 20, after "exceeding" insert "the lesser of"

Page 62, line 20, after "mills" insert "or the limitation as determined under section 11-23-01"

Page 86, line 27, replace "107" with "104"

Page 86, line 28, replace "108" with "105"

Renumber accordingly

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

**HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2016**

Page 1, line 2, after the first semicolon insert "to provide an appropriation to the information technology department;"

Page 1, line 2, after the third semicolon insert "to provide legislative intent;"

Page 1, replace line 13 with:

"Salaries and wages	\$6,063,904	\$636,876	\$6,700,780"
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Page 1, replace line 17 with:

"Civil air patrol	287,451	24,322	311,773"
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Page 1, replace lines 19 through 22 with:

"Air guard contract	11,483,158	(3,428,604)	8,054,554
Army guard contract	59,192,835	750,414	59,943,249
Veterans' cemetery	647,005	164,481	811,486
Reintegration program	1,491,980	411,763	1,903,743"

Page 1, remove line 24

Page 2, replace lines 1 and 2 with:

"Total all funds	\$87,318,968	(\$1,355,432)	\$85,963,536
Less estimated income	<u>70,164,642</u>	<u>(3,230,290)</u>	<u>66,934,352</u>
Total general fund	\$17,154,326	\$1,874,858	\$19,029,184"

Page 2, replace lines 7 and 8 with:

"Salaries and wages	\$10,553,021	\$1,816,888	\$12,369,909
Operating expenses	8,364,488	2,182,981	10,547,469"

Page 2, replace lines 10 and 11 with:

"Grants	19,373,247	(700,000)	18,673,247
Disaster costs	147,718,567	(39,553,083)	108,165,484"

Page 2, replace lines 14 through 16 with:

"Total all funds	\$186,975,218	(\$35,853,109)	\$151,122,109
Less estimated income	<u>177,679,955</u>	<u>(39,161,780)</u>	<u>138,518,175</u>
Total general fund	\$9,295,263	\$3,308,671	\$12,603,934"

Page 2, replace lines 21 through 23 with:

"Grand total general fund	\$26,449,589	\$6,683,529	\$33,133,118
Grand total special funds	<u>247,844,597</u>	<u>(40,392,070)</u>	<u>207,452,527</u>
Grand total all funds	\$274,294,186	(\$33,708,541)	\$240,585,645"

Page 3, replace line 5 with:

"Disaster coordination contract	1,500,000	0"
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Page 3, replace lines 16 through 20 with:

"Total all funds	\$6,751,240	\$2,815,000
Less estimated income	<u>2,000,000</u>	<u>1,069,500</u>
Total general fund	\$4,751,240	\$1,745,500"

Page 3, remove lines 25 through 31

Page 4, line 4, after "providing" insert "for repair and replacement of infrastructure and"

Page 4, line 5, replace "organized" with "recreation"

Page 4, after line 8, insert:

#### **"SECTION 4. APPROPRIATION - INFORMATION TECHNOLOGY**

**DEPARTMENT.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,500,000, or so much of the sum as may be necessary, to the information technology department for the purpose of planning and coordinating the implementation of the statewide radio interoperability network as provided in section 6 of this Act, for the biennium beginning July 1, 2015, and ending June 30, 2017. The funding provided in this section is considered a one-time funding item.



**SECTION 5. STATEWIDE RADIO INTEROPERABILITY NETWORK - LEGISLATIVE INTENT - REPORT TO THE SIXTY-FIFTH LEGISLATIVE ASSEMBLY.**

The information technology department, under the direction of the statewide interoperability executive committee, shall determine the feasibility and desirability of implementing a statewide radio interoperability network. The department shall consult with representatives of political subdivisions and private entities affected by the implementation of the network to determine participation in the project. If the department determines it is feasible and desirable to proceed with the project, the department shall enter into agreements, including joint powers agreements, with affected entities to delineate the roles and responsibilities of each entity to implement the project. The agreements shall detail estimated future project costs to be paid by each entity.

The information technology department shall report to the appropriations committees of the sixty-fifth legislative assembly regarding the department's evaluation of the project, participation by affected entities, and recommendations for proceeding with the project or discontinuing future participation. It is the intent of the sixty-fourth legislative assembly that future legislative appropriations be provided for the state's share of the core project if the information technology department determines it is feasible and desirable to proceed with the project.

**SECTION 6. STATE RADIO POSITIONS - REALIGNMENT.** The salaries and wages line item in subdivision 2 of section 1 of this Act includes \$192,621 from the general fund to realign state radio dispatch positions within the employee classification system."

Page 5, line 13, replace "these purposes" with "the collecting of information on North Dakotans who served in a theatre or area of armed conflict since the Vietnam conflict"

Page 6, line 25, after "to" insert "repair and replacement of infrastructure and"

ReNUMBER accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2016 - Summary of House Action**

	Base Budget	Senate Version	House Changes	House Version
Information Technology Department				
Total all funds	\$0	\$0	\$1,500,000	\$1,500,000
Less estimated income	0	0	0	0
General fund	\$0	\$0	\$1,500,000	\$1,500,000
Adjutant General				
Total all funds	\$87,318,968	\$86,076,472	(\$112,936)	\$85,963,536
Less estimated income	70,164,642	66,999,975	(65,623)	66,934,352
General fund	\$17,154,326	\$19,076,497	(\$47,313)	\$19,029,184
Department of Emergency Services				
Total all funds	\$186,975,218	\$166,387,463	(\$13,265,354)	\$153,122,109
Less estimated income	177,679,955	145,941,897	(5,423,722)	140,518,175
General fund	\$9,295,263	\$20,445,566	(\$7,841,632)	\$12,603,934
Bill total				
Total all funds	\$274,294,186	\$252,463,935	(\$11,878,290)	\$240,585,645
Less estimated income	247,844,597	212,941,872	(5,489,345)	207,452,527
General fund	\$26,449,589	\$39,522,063	(\$6,388,945)	\$33,133,118

**Senate Bill No. 2016 - Information Technology Department - House Action**

	Base Budget	Senate Version	House Changes	House Version
Operating expenses			\$1,500,000	\$1,500,000
Total all funds	\$0	\$0	\$1,500,000	\$1,500,000
Less estimated income	0	0	0	0
General fund	\$0	\$0	\$1,500,000	\$1,500,000

FTE

0.00

0.00

0.00

0.00

**Department No. 112 - Information Technology Department - Detail of House Changes**

	<b>Add One-Time Funding for Statewide Radio Interoperability Network<sup>1</sup></b>	<b>Total House Changes</b>
Operating expenses	\$1,500,000	\$1,500,000
Total all funds	\$1,500,000	\$1,500,000
Less estimated income	0	0
General fund	\$1,500,000	\$1,500,000
FTE	0.00	0.00

<sup>1</sup> One-time funding of \$1.5 million from the general fund is provided for planning and coordinating the implementation of the statewide radio interoperability network.

This amendment also directs the Information Technology Department to consult with representatives of political subdivisions and private entities affected by the implementation of the statewide radio interoperability network to determine participation in the project.

**Senate Bill No. 2016 - Adjutant General - House Action**

	<b>Base Budget</b>	<b>Senate Version</b>	<b>House Changes</b>	<b>House Version</b>
Salaries and wages	\$6,063,904	\$6,725,625	(\$24,845)	\$6,700,780
Operating expenses	4,112,891	4,322,891		4,322,891
Capital assets	200,632	388,046		388,046
Grants	509,514	1,009,514		1,009,514
Civil air patrol	287,451	312,526	(753)	311,773
Tuition, recruiting, and retention	2,517,500	2,517,500		2,517,500
Air guard contract	11,483,158	8,078,647	(24,093)	8,054,554
Army guard contract	59,192,835	59,996,706	(53,457)	59,943,249
Veterans' cemetery	647,005	815,251	(3,765)	811,486
Reintegration program	1,491,980	1,909,766	(6,023)	1,903,743
Accrued leave payments	812,098			
Total all funds	\$87,318,968	\$86,076,472	(\$112,936)	\$85,963,536
Less estimated income	70,164,642	66,999,975	(65,623)	66,934,352
General fund	\$17,154,326	\$19,076,497	(\$47,313)	\$19,029,184
FTE	177.00	165.00	0.00	165.00

**Department No. 540 - Adjutant General - Detail of House Changes**

	<b>Adjusts Funding for Health Insurance Premium Increases<sup>1</sup></b>	<b>Total House Changes</b>
Salaries and wages	(\$24,845)	(\$24,845)
Operating expenses		
Capital assets		
Grants		
Civil air patrol	(753)	(753)
Tuition, recruiting, and retention		
Air guard contract	(24,093)	(24,093)
Army guard contract	(53,457)	(53,457)
Veterans' cemetery	(3,765)	(3,765)
Reintegration program	(6,023)	(6,023)
Accrued leave payments		
Total all funds	(\$112,936)	(\$112,936)
Less estimated income	(65,623)	(65,623)
General fund	(\$47,313)	(\$47,313)
FTE	0.00	0.00

<sup>1</sup> Funding for employee health insurance premiums is adjusted to reflect the revised

premium estimate of \$1,130.22 per month.

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

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$10,553,021	\$12,231,220	\$138,689	\$12,369,909
Operating expenses	8,364,488	15,947,469	(5,400,000)	10,547,469
Capital assets	682,000	740,000		740,000
Grants	19,373,247	21,673,247	(3,000,000)	18,673,247
Disaster costs	147,718,567	108,169,527	(4,043)	108,165,484
Accrued leave payments	283,895			
Radio Communications		626,000		626,000
Disaster costs - State share		5,000,000	(5,000,000)	
Chronic flooding assistance		2,000,000		2,000,000
Total all funds	\$186,975,218	\$166,387,463	(\$13,265,354)	\$153,122,109
Less estimated income	177,679,955	145,941,897	(5,423,722)	140,518,175
General fund	\$9,295,263	\$20,445,566	(\$7,841,632)	\$12,603,934
FTE	69.00	69.00	0.00	69.00

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

	Adjusts Funding for Health Insurance Premium Increases <sup>1</sup>	Add Funding for State Radio Dispatch Positions <sup>2</sup>	Remove Funding from the State Disaster Relief Fund <sup>3</sup>	Remove One- Time Funding for Grants to Fire Departments <sup>4</sup>	Remove One- Time Funding for Radio Communication s Improvement <sup>5</sup>	Remove One- Time Funding for Disaster Volunteer Coordination <sup>6</sup>
Salaries and wages	(\$53,932)	\$192,621				
Operating expenses					(5,000,000)	(400,000)
Capital assets						
Grants				(3,000,000)		
Disaster costs	(4,043)					
Accrued leave payments						
Radio Communications						
Disaster costs - State share			(5,000,000)			
Chronic flooding assistance						
Total all funds	(\$57,975)	\$192,621	(\$5,000,000)	(\$3,000,000)	(\$5,000,000)	(\$400,000)
Less estimated income	(23,722)	0	(5,000,000)	0	0	(400,000)
General fund	(\$34,253)	\$192,621	\$0	(\$3,000,000)	(\$5,000,000)	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Total House Changes
Salaries and wages	\$138,689
Operating expenses	(5,400,000)
Capital assets	
Grants	(3,000,000)
Disaster costs	(4,043)
Accrued leave payments	
Radio Communications	
Disaster costs - State share	(5,000,000)
Chronic flooding assistance	
Total all funds	(\$13,265,354)
Less estimated income	(5,423,722)
General fund	(\$7,841,632)
FTE	0.00

<sup>1</sup> Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

<sup>2</sup> Funding of \$192,621 from the general fund is provided to realign State Radio dispatch positions within the employee classification system.

<sup>3</sup> Funding of \$5 million from the state disaster relief fund appropriated to the Adjutant General in a separate section in the bill to provide the required state share of funding for defraying expenses associated with presidentially declared disasters is removed.

<sup>4</sup> One-time funding of \$3 million for grants to fire departments to purchase equipment for

train derailment fires is removed.

<sup>5</sup> One-time funding of \$5 million from the general fund for the radio communications improvement project is removed.

<sup>6</sup> One-time funding of \$400,000 from the state disaster relief fund for disaster volunteer coordination is removed.

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This amendment also:

- Amends Section 4 to allow the funds provided to remove debris and other health hazards in a service district experiencing chronic flooding to also be used for repairing and replacing infrastructure.
- Adds a new section identifying that of the amount provided for salaries and wages in subdivision 2 of Section 1, \$192,621 from the general fund is to realign State Radio dispatch positions within the employee classification system.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The Senate has concurred in the House amendments and subsequently passed: SB 2323.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The Senate does not concur in the House amendments to SB 2003, SB 2008, SB 2009, SB 2010, and SB 2304, and the President has appointed as a conference committee to act with a like committee from the House on:

**SB 2003:** Sens. Kilzer; Sorvaag; O'Connell

**SB 2008:** Sens. Carlisle; Wanzek; O'Connell

**SB 2009:** Sens. Bowman; Erbele; O'Connell

**SB 2010:** Sens. Krebsbach; Erbele; Mathern

**SB 2304:** Sens. Poolman; Davison; Dever

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

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

**SB 2205:** Reps. Hofstad; Rich S. Becker; Oversen

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

**MR. PRESIDENT:** The House does not concur in the Senate amendments to HB 1113, and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

**HB 1113:** Reps. Laning; Dockter; Mooney

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

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

**HB 1046:** Sens. Dever; Larsen; Axness

**HB 1282:** Sens. Anderson; Larsen; Axness

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The President has appointed Sen. Sorvaag to replace Sen. Carlisle for the Sixty-seventh legislative day on the Conference Committee on SB 2017.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: SB 2113, SB 2292.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: HB 1068, HB 1372.

**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, Thirteenth, and Sixteenth orders of business and at the conclusion of those orders, the Senate stand adjourned until 8:00 a.m., Wednesday, April 15, 2015, which motion prevailed.

**REPORT OF STANDING COMMITTEE**

**HB 1059, as reengrossed: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Reengrossed HB 1059 was placed on the Sixth order on the calendar.

Page 1, line 1, after "Act" insert "to create and enact section 57-02-01.1 of the North Dakota Century Code, relating to training and certification of assessors;"

Page 1, line 1, after "sections" insert "11-10.1-01, 11-10.1-05, and 57-01-05, subsection 1 of section 57-02-08.1, and sections 57-02-33,"

Page 1, line 2, after "to" insert "training and certification of assessors, the homestead tax credit,"

Page 1, line 3, after the semicolon, insert "to provide for transition;"

Page 1, after line 5, insert:

**"SECTION 1. AMENDMENT.** Section 11-10.1-01 of the North Dakota Century Code is amended and reenacted as follows:

**11-10.1-01. County director of tax equalization.**

1. The board of county commissioners of each county ~~in this state~~ shall appoint a county director of tax equalization who must be ~~qualified and experienced in property appraisals, familiar with assessment and equalization procedures and techniques, and who is the holder of~~ holds a current ~~certificate~~ certification as a class I assessor issued by the state supervisor of assessments. ~~The state supervisor of assessments shall confer with representatives of the county commissioners, city governing bodies, state township officers association, and personnel at North Dakota state university to establish or revise the minimum requirements for attaining the certificate. Any person who is denied such certificate may appeal to the state tax commissioner for a hearing under the provisions of chapter 28-32.~~
2. The board of county commissioners may, ~~in its discretion,~~ appoint a ~~person~~ county director of tax equalization on a probationary basis who does not hold a current ~~certificate as provided for in~~ certification as a class I assessor, if the board deems such ~~person~~ the individual qualified to act as county director of tax equalization by virtue of education, training, and experience, ~~and willingness to obtain certification as a class I assessor.~~ The appointment must be for a term of not more than ~~three~~ two years. Any person receiving a probationary appointment who does not obtain a ~~certificate~~ certification as a class I assessor within ~~three~~ two years from the appointment is not eligible for reappointment.

3. The county director of tax equalization shall serve at the pleasure of the board of county commissioners and may be employed on a full-time or part-time basis. Vacancies in the office of county director of tax equalization must be filled in the same manner as the original appointment.

**SECTION 2. AMENDMENT.** Section 11-10.1-05 of the North Dakota Century Code is amended and reenacted as follows:

**11-10.1-05. Powers and duties of county director of tax equalization - Qualifications of assessors.**

1. The county director of tax equalization shall ~~have~~has the power, duty, and responsibility to call upon and confer with ~~township and city~~ assessors in the county and to ~~instruct~~assist them in the preparation and proper use of land maps and property record cards, the preparation of assessment books, the changes in assessment laws and ~~regulations~~rules, the determination of proper standards of value, the use of proper classifications of property, ~~determination of what property qualifies as exempt from property taxes,~~ and the authority to require attendance at meetings, to the end that ~~a~~promote uniform assessment of all real property in the county ~~will prevail~~.
2. Any city with a population of under five thousand or township may, by resolution of its governing body, retain an assessor who is certified or eligible to be certified as a class II assessor who shall retain the powers, duties, and responsibilities of the office. Any city with a population of five thousand or greater may, by resolution of its governing body, retain an assessor who is certified or eligible to be certified as a class I assessor who shall retain the powers, duties, and responsibilities of the office. A person may not serve as an assessor for longer than twenty-four months before being certified by the state supervisor of assessments as having met the minimum requirements. The expenses of the city or township assessors must be paid by the city or township exercising this option.
- 2-3. ~~On January 1, 1981, the~~The county director of tax equalization shall succeed to all the powers and duties of assessors of townships, cities with a population of under five thousand, and unorganized districtssupervise all individuals performing assessor services in the county and arrange for the assessment of property within the county, except that any city with a population of under five thousand or township may, at its option by resolution of its governing body, employ an assessor who shall retain the powers, duties, and responsibilities of the office. The resolutionwithin the jurisdiction of a city or township in which the governing body to employ anretains a certified class I or class II assessor continues in force until rescinded by the governing body. Notwithstanding any other provision of law to the contrary, the state supervisor of assessments shall confer with representatives of the county commissioners, city governing bodies, state township officers association, and personnel at North Dakota state university to establish minimum requirements for all city and township assessors. The standards shall reflect their limited jurisdiction and need not be equal to those minimum requirements set for county directors of tax equalization. Any courses of instruction included in those minimum requirements for assessors of townships or cities with a population under five thousand must be conducted by the county director of tax equalization who may cooperate with other county directors of tax equalization in holding joint classes. The county director of tax equalization may call upon the state supervisor of assessments for any necessary materials and assistance. No person may serve as an assessor of a township or a city with a population under five thousand for longer than twelve months before being certified by the state supervisor of assessments as having met the minimum requirements. No person may serve as an assessor of a city with a population of five thousand or more for longer than three years before being certified by the state supervisor of assessments as having

~~met the minimum requirements. The expenses and salaries of city and township assessors must be paid by the city or township exercising this option.~~

- ~~3-4.~~ Any city or township ~~which that~~ does not employ its own ~~retain a certified~~ class I or class II assessor shall utilize the certified assessor of the county in which the city or township is located. The county commission may require the city or township to reimburse the county for the expenses incurred in assessing the property of that city or township.
- ~~4-5.~~ Any assessment made by an assessor who is not currently certified as ~~qualified for that assessment jurisdiction~~ must be reviewed and approved by a certified county director of tax equalization, or a certified city-assessor of a city with a population of five thousand or more ~~assessor,~~ prior to the township or city board of equalization annual meeting. The cost of the assessment review must be paid by the township or city having jurisdiction over the assessment at the same rate as paid to a special assessor in section 57-14-08.

**SECTION 3. AMENDMENT.** Section 57-01-05 of the North Dakota Century Code is amended and reenacted as follows:

**57-01-05. State supervisor of assessments.**

The state tax commissioner shall appoint a state supervisor of assessments who must be a person trained and experienced in property appraisals and familiar with assessment and equalization procedures and techniques. The state supervisor of assessments serves at the pleasure of the state tax commissioner and office space must be furnished to the state supervisor of assessments by the commissioner.

The state supervisor of assessments shall perform the following duties under the direction of the tax commissioner:

1. The state supervisor of assessments shall advise and give the ~~various assessors in the state~~ the necessary instructions and directions as to their duties under the laws of this state, ~~to the end that a promote~~ uniform assessment of all real and personal property in this state ~~will be attained.~~
2. The state supervisor of assessments shall assist and instruct the ~~various assessors in this state~~ in the use of soil reconnaissance surveys, land classification methods, in the preparation and proper use of land maps and record cards, in the proper classification of real and personal property, and in the determination of proper standards of value.
3. The state supervisor of assessments may require the attendance of groups of assessors at meetings called by the state supervisor of assessments for the purpose of giving them further assistance and instruction as to their duties.
4. The state supervisor of assessments may make sales, market, and productivity studies and other studies of property assessments in the ~~various counties and cities of this state for the purpose of to~~ properly ~~advising~~ advise the various assessors and directors of tax equalization in the state and for the purpose of recommending to recommend to the tax commissioner changes to be made by the state board of equalization in the performance of the ~~its~~ equalization powers and duties ~~prescribed for it by section 57-13-04.~~ In any sales, market, and productivity study made according to section 57-01-06, the county directors of tax equalization or city assessors, ~~as the case may be, are responsible for compiling~~ shall compile a record of sales of property made in the county or city, and in conjunction with the board of county commissioners shall analyze the sales for the purpose of advising the state supervisor of assessments as to the value of using the sales in any such study. The compilations must be forwarded to the state supervisor of assessments with the findings of

the county director of tax equalization, city assessors, and the board of county commissioners. In any county or city or any part thereof where the number of sales of properties is insufficient for making a sales, market, and productivity study, the county director of tax equalization or city assessor, as the case may be, in cooperation with the state supervisor of assessments or that person's assistants shall make appraisals of properties in order to determine the market value.

5. The state supervisor of assessments shall cooperate with North Dakota state university in the development of a soil mapping program, a land classification system, valuation studies, and other matters relating to the assessment of property and shall provide for the use of such information and procedure at the earliest possible date by the assessors of this state.
6. The state supervisor of assessments has general supervision of assessors and county directors of tax equalization pertaining to methods and procedures of assessment of all property and has authority to require all county directors of tax equalization to do any act necessary to obtain uniform methods and procedures of assessment.
7. Whenever an investigation by the state supervisor of assessments shows there is probable cause to believe the holder of a certificate issued by the state supervisor of assessments under ~~chapter 11-10.1~~section 57-02-01.1 has failed to comply with any of the provisions of ~~this title~~law pertaining to assessments, or any rules ~~prescribed~~adopted by the tax commissioner, the state supervisor of assessments may petition the tax commissioner for a hearing to show cause why the certificate should be suspended or revoked.
  - a. The state supervisor of assessments must provide the certificate holder at least ten days' notice of the time and place of the hearing.
  - b. If cause to suspend or revoke the certificate is shown, the tax commissioner may suspend or revoke the certificate.
  - c. The tax commissioner may restore a certificate after suspension or revocation.
  - d. An individual whose certificate has been suspended or revoked in the manner provided in this section may appeal that determination to the district court as provided in section 28-32-42.
8. If a certificate holder's certificate is suspended or revoked under this section, the governing body of the county in which the certificate holder performs duties shall ensure the continued administration of assessments within that county by a person authorized under section 11-10.1-05 and be responsible for any expenses associated with the fulfillment of this responsibility. Expenses incurred by a county to fulfill the duties of a township or city assessment official whose certificate has been suspended or revoked must be charged to the political subdivision in which the certificate holder is employed and must either be paid directly to the county by the political subdivision or deducted by the county treasurer from funds coming into the treasurer's control which are apportionable to the subdivision.
9. The state supervisor of assessments shall perform such other duties relating to assessment and taxation of property as the tax commissioner directs.
10. The tax commissioner may ~~prescribe~~adopt rules under chapter 28-32 necessary for the ~~detailed and efficient~~ administration of this section.

**SECTION 4.** Section 57-02-01.1 of the North Dakota Century Code is created and enacted as follows:



**57-02-01.1. Certification of assessors.**

The state supervisor of assessments shall certify assessors as provided in this section.

1. To be certified as a class I assessor, an individual must:
  - a. Have a high school diploma or its equivalent.
  - b. Successfully complete one hundred eighty hours of assessment and appraisal instruction approved by the state supervisor of assessments. The number of hours of instruction determined necessary by the state supervisor of assessments for each of the following topics is required:
    - (1) Tax administration.
    - (2) Principles and theory of value.
    - (3) Residential property appraisal.
    - (4) Commercial property appraisal.
    - (5) Agricultural property valuation.
2. To be certified as a class II assessor, an individual must:
  - a. Have a high school diploma or its equivalent.
  - b. Successfully complete one hundred hours of assessment and appraisal instruction approved by the state supervisor of assessments. The number of hours of instruction determined necessary by the state supervisor of assessments for each of the following topics is required:
    - (1) Tax administration.
    - (2) Principles and theory of value.
    - (3) Residential property appraisal.
    - (4) Commercial property appraisal.
    - (5) Agricultural property valuation.
3. The state supervisor of assessments may allow credit against required instruction in any topic under subdivision b of subsection 1 and subdivision b of subsection 2 upon receipt of documented training in this state or another state in the topic.
4. An individual appointed as an assessor must hold the required assessor certificate at the time of appointment or obtain that certificate within two years after initial appointment or by July 31, 2017, whichever is later. An assessor who does not obtain the required certificate within two years after initial appointment or by July 31, 2017, whichever is later, or who does not maintain that certificate in good standing is not eligible for reappointment.
5. An assessor certificate is valid for a term of two years from the first day of the calendar year for which it becomes effective.
6. A class I assessor certificate may be renewed if the holder has completed twenty hours of approved classroom instruction or seminars during the term of the certificate. For purposes of this subsection, an assessor certificate holder is entitled to one and one-half hours of credit

for each hour spent as an instructor of approved classroom instruction or seminars during the term of the certificate.

7. A class II assessor certificate may be renewed if the holder has completed ten hours of approved classroom instruction or seminars during the term of the certificate.
8. The state supervisor of assessments shall notify the holder of an assessor certificate of the time for application for renewal of the individual's certificate. The state supervisor of assessments shall notify the governing body of the taxing district employing an assessor whose certificate is not renewed or whose certificate is suspended or revoked.
9. Any person who is denied a certificate under this section may appeal to the tax commissioner for a hearing under chapter 28-32.
10. The tax commissioner may adopt rules under chapter 28-32 for the administration of this section.

**SECTION 5. AMENDMENT.** Subsection 1 of section 57-02-08.1 of the North Dakota Century Code is amended and reenacted as follows:

1. a. Any person sixty-five years of age or older or permanently and totally disabled, in the year in which the tax was levied, with an income that does not exceed the limitations of subdivision c is entitled to receive a reduction in the assessment on the taxable valuation on the person's homestead. An exemption under this subsection applies regardless of whether the person is the head of a family.
- b. The exemption under this subsection continues to apply if the person does not reside in the homestead and the person's absence is due to confinement in a nursing home, hospital, or other care facility, for as long as the portion of the homestead previously occupied by the person is not rented to another person.
- c. The exemption must be determined according to the following schedule:
  - (1) If the person's income is not in excess of twenty-two thousand dollars, a reduction of one hundred percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~four~~five thousand ~~five~~six hundred ~~twenty-five~~ dollars of taxable valuation.
  - (2) If the person's income is in excess of twenty-two thousand dollars and not in excess of twenty-six thousand dollars, a reduction of eighty percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~three~~four thousand ~~six~~five hundred dollars of taxable valuation.
  - (3) If the person's income is in excess of twenty-six thousand dollars and not in excess of thirty thousand dollars, a reduction of sixty percent of the taxable valuation of the person's homestead up to a maximum reduction of two thousand ~~seven~~three hundred ~~seventy-five~~ dollars of taxable valuation.
  - (4) If the person's income is in excess of thirty thousand dollars and not in excess of thirty-four thousand dollars, a reduction of forty percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~one~~two thousand ~~eight~~two hundred ~~fifty~~ dollars of taxable valuation.
  - (5) If the person's income is in excess of thirty-four thousand dollars and not in excess of thirty-eight thousand dollars, a reduction of twenty percent of the taxable valuation of the

person's homestead up to a maximum reduction of ~~nine~~one thousand one hundred ~~twenty-five~~ dollars of taxable valuation.

- (6) If the person's income is in excess of thirty-eight thousand dollars and not in excess of forty-two thousand dollars, a reduction of ten percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~four~~five hundred ~~fifty~~sixty-three dollars of taxable valuation.
- d. Persons residing together, as spouses or when one or more is a dependent of another, are entitled to only one exemption between or among them under this subsection. Persons residing together, who are not spouses or dependents, who are coowners of the property are each entitled to a percentage of a full exemption under this subsection equal to their ownership interests in the property.
  - e. This subsection does not reduce the liability of any person for special assessments levied upon any property.
  - f. Any person claiming the exemption under this subsection shall sign a verified statement of facts establishing the person's eligibility.
  - g. A person is ineligible for the exemption under this subsection if the value of the assets of the person and any dependent residing with the person exceeds five hundred thousand dollars, including the value of any assets divested within the last three years.
  - h. The assessor shall attach the statement filed under subdivision f to the assessment sheet and shall show the reduction on the assessment sheet.
  - i. An exemption under this subsection terminates at the end of the taxable year of the death of the applicant.

**SECTION 6. AMENDMENT.** Section 57-02-33 of the North Dakota Century Code is amended and reenacted as follows:

**57-02-33. Assessor ~~district~~services for unorganized territory.**

~~All counties or parts of counties in this state not organized into civil townships~~Any area not within an organized township or city must be divided into assessor districts, which must be designated by the board of county commissionersassessed by a certified assessor under the supervision and direction of the county director of tax equalization. The board of county commissioners shall appoint the district assessors to a four-year term of office, the first term commencing on January 1, 1974. In case of vacancy in the office of district assessor in any of such districts, such vacancies must be filled by the board of county commissioners for the balance of the term. In making the appointment of a district assessor, theThe county director of tax equalization for such county is eligible for appointment to a district assessor positionmay serve as an assessor of property under this section. Every individual performing assessor of territory not organized into civil townships shall receive ~~asservices~~under this section is entitled to compensation for services a- sum and mileage and travel expenses determined by the board of county commissioners for the time actually and necessarily employed in ~~making and completing the assessment of the district~~property. The compensation and expenses must be paid from the treasury of the county in which such districtthe assessed property is located only upon submission of an itemized statement setting forth the actual time spent in the work of the assessor and mileage traveled, approved by the board of county commissioners. In addition, the district assessor must be paid such mileage as is required to perform the duties of the office. The board of county commissioners has the authority to appoint a deputy assessor if needed, to be compensated in the same manner as the district assessor."

**"SECTION 10. TRANSITION.** The state supervisor of assessments shall recertify assessors at the end of the term of any certification that expires after July 31, 2017, upon application and submission by the certificate holder of evidence of completion of required educational sessions under North Dakota Administrative Code chapter 81-02.1-02 or under section 57-02-01.1 or rules adopted to administer that section, subject to the following additional requirements:

1. The holder of a township assessor or class II city assessor certification may be recertified as a certified class II assessor upon completion of the instruction required for class II assessor certification, with credit allowed by the state supervisor of assessments for any instruction previously received by the applicant for certification as a township assessor.
2. The holder of a class I city assessor or county director of tax equalization certification may be recertified as a certified class I assessor upon submission of evidence of completion of required education sessions during the term of the class I city assessor or county director of tax equalization certification."

Renumber accordingly

#### REPORT OF STANDING COMMITTEE

**HB 1223, as engrossed and amended: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO NOT PASS** (12 YEAS, 1 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1223, as amended, was placed on the Sixth order on the calendar.

Page 1, line 11, replace "thirty-three" with "forty-one"

Page 1, line 13, replace "thirty-seven" with "fifty-four"

Page 1, line 16, replace "eight" with "thirty"

Page 2, replace lines 15 through 19 with:

"\$0	\$37,450	1.16%	\$0
\$37,450	\$90,750	\$434.42 + 2.16%	\$37,450
\$90,750	\$189,300	\$1,585.70 + 2.39%	\$90,750
\$189,300	\$411,500	\$3,941.05 + 2.78%	\$189,300
\$411,500		\$10,118.21 + 3.06%	\$411,500"

Page 2, remove lines 28 through 30

Page 3, replace lines 1 and 2 with

"\$0	\$62,600	1.16%	\$0
\$62,600	\$151,200	\$726.16 + 2.16%	\$62,600
\$151,200	\$230,450	\$2,639.92 + 2.39%	\$151,200
\$230,450	\$411,500	\$4,534.00 + 2.78%	\$230,450
\$411,500		\$9,567.19 + 3.06%	\$411,500"

Page 3, replace lines 11 through 15 with:

"\$0	\$31,300	1.16%	\$0
\$31,300	\$75,600	\$363.08 + 2.16%	\$31,300
\$75,600	\$115,225	\$1,319.96 + 2.39%	\$75,600
\$115,225	\$205,750	\$2,267.00 + 2.78%	\$115,225
\$205,750		\$4,783.60 + 3.06%	\$205,750"

Page 3, replace lines 24 through 28 with:

"\$0	\$50,200	1.16%	\$0
\$50,200	\$129,600	\$582.32 + 2.16%	\$50,200
\$129,600	\$209,850	\$2,297.36 + 2.39%	\$129,600
\$209,850	\$411,500	\$4,215.34 + 2.78%	\$209,850
\$411,500		\$9,821.21 + 3.06%	\$411,500"

Page 4, replace lines 7 through 11 with:

<u>"\$0</u>	<u>\$2,500</u>	<u>1.16%</u>	<u>\$0</u>
<u>\$2,500</u>	<u>\$5,900</u>	<u>\$29.00 + 2.04%</u>	<u>\$2,500</u>
<u>\$5,900</u>	<u>\$9,050</u>	<u>\$98.36 + 2.27%</u>	<u>\$5,900</u>
<u>\$9,050</u>	<u>\$12,300</u>	<u>\$169.87 + 2.64%</u>	<u>\$9,050</u>
<u>\$12,300</u>		<u>\$255.67 + 2.90%</u>	<u>\$12,300"</u>

Page 5, line 8, replace "2014" with "2015"

Renumber accordingly

#### REPORT OF CONFERENCE COMMITTEE

**SB 2011, as engrossed:** Your conference committee (Sens. Bowman, Erbele, O'Connell and Reps. Kempenich, Skarphol, Hogan) recommends that the **SENATE ACCEDE** to the House amendments as printed on SJ pages 1122-1123 and place SB 2011 on the Seventh order.

Engrossed SB 2011 was placed on the Seventh order of business on the calendar.

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

**Jane Schaible, Secretary**

