

**JOURNAL OF THE HOUSE****Sixty-fourth Legislative Assembly**

\* \* \* \* \*

**Bismarck, March 25, 2015**

The House convened at 1:00 p.m., with Acting Speaker Devlin presiding.

The prayer was offered by Reverend Curtis Dickoff, Child Evangelism Fellowship, Bismarck.

The roll was called and all members were present except Representatives Belter, Dosch, Frantsvog, Glassheim, and Kempenich.

A quorum was declared by the Acting Speaker.

**THE HOUSE RECOGNIZED THE PRESENCE OF:**

Former Representative Bill Gackle

**THE HOUSE RECOGNIZED THE PRESENCE OF:**

Former Representative Nancy Johnson

**SIXTH ORDER OF BUSINESS**

**ACTING SPEAKER DEVLIN DEEMED** approval of the amendments to Engrossed SB 2037, Engrossed SB 2054, SB 2104, Engrossed SB 2151, Engrossed SB 2161, Engrossed SB 2181, SB 2221, Engrossed SB 2233, Engrossed SB 2266, SB 2277, Engrossed SB 2283, and SB 2337.

Engrossed SB 2151, as amended, was rereferred to the **Appropriations Committee**.

Engrossed SB 2037, Engrossed SB 2054, SB 2104, Engrossed SB 2161, Engrossed SB 2181, SB 2221, Engrossed SB 2233, Engrossed SB 2266, SB 2277, Engrossed SB 2283, and SB 2337, as amended, were placed on the Fourteenth order of business on the calendar for the succeeding legislative day.

**SECOND READING OF SENATE BILL**

**SB 2119:** A BILL for an Act to provide for a legislative management study of requirements for the submission of financial statements by public warehouses and grain buyers.

**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 79 YEAS, 10 NAYS, 0 EXCUSED, 5 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Anderson, B.; Anderson, P.; Beadle; Becker, Rich S.; Bellew; Boe; Boehning; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Devlin; Dockter; Fehr; Froseth; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Headland; Hofstad; Hogan; Holman; Hunskor; Johnson, D.; Johnson, M.; Kading; Karls; Kasper; Keiser; Kelsh; Kiefert; Klein; Klemin; Koppelman, K.; Kreidt; Kretschmar; Laning; Larson; Lefor; Looyesen; Louser; Maragos; Martinson; Meier; Mock; Monson; Mooney; Muscha; Nathe; Nelson, M.; Onstad; Oversen; Owens; Pollert; Porter; Rohr; Ruby; Sanford; Schatz; Schmidt; Schneider; Schreiber Beck; Seibel; Silbernagel; Skarphol; Steiner; Strinden; Sukut; Thoreson; Toman; Trottier; Vigasaa; Wallman; Zubke

**NAYS:** Anderson, D.; Becker, Rick C.; Delzer; Koppelman, B.; Mitskog; Nelson, J.; Olson; Paur; Streyle; Weisz

**ABSENT AND NOT VOTING:** Dosch; Frantsvog; Glassheim; Kempenich; Speaker Belter

SB 2119, as amended, passed.

\*\*\*\*\*

**SECOND READING OF SENATE BILL**

**SB 2356:** A BILL for an Act to provide for a legislative management study of abandoned gravel pit reclamation practices and standards.

**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 79 YEAS, 10 NAYS, 0 EXCUSED, 5 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Becker, Rich S.; Boe; Boehning; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Devlin; Dockter; Fehr; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Headland; Hofstad; Hogan; Holman; Hunskor; Johnson, D.; Johnson, M.; Kading; Karls; Kasper; Keiser; Kelsh; Kiefert; Klein; Klemin; Koppelman, K.; Kreidt; Kretschmar; Laning; Larson; Looyesen; Maragos; Martinson; Meier; Mitskog; Mock; Monson; Mooney; Muscha; Nathe; Nelson, J.; Nelson, M.; Olson; Onstad; Oversen; Owens; Paur; Pollert; Porter; Sanford; Schatz; Schmidt; Schneider; Schreiber Beck; Seibel; Silbernagel; Skarphol; Steiner; Strinden; Sukut; Thoreson; Toman; Trottier; Vigasaa; Wallman; Weisz; Zubke

**NAYS:** Becker, Rick C.; Bellew; Delzer; Froseth; Koppelman, B.; Lefor; Louser; Rohr; Ruby; Streyle

**ABSENT AND NOT VOTING:** Dosch; Frantsvog; Glassheim; Kempenich; Speaker Belter

Engrossed SB 2356, as amended, passed.

\*\*\*\*\*

**SECOND READING OF SENATE BILL**

**SB 2238:** A BILL for an Act to amend and reenact section 23-06-03 of the North Dakota Century Code, relating to providing military caskets or urns for eligible deceased veterans.

**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 83 YEAS, 6 NAYS, 0 EXCUSED, 5 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Becker, Rich S.; Becker, Rick C.; Bellew; Boe; Boehning; Boschee; Brabandt; Brandenburg; Carlson; Delmore; Delzer; Devlin; Dockter; Fehr; Froseth; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Headland; Hofstad; Hogan; Holman; Hunskor; Johnson, D.; Johnson, M.; Kading; Karls; Kasper; Keiser; Kelsh; Kiefert; Klein; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Laning; Lefor; Looyesen; Louser; Maragos; Martinson; Meier; Mitskog; Mock; Monson; Mooney; Muscha; Nelson, J.; Nelson, M.; Onstad; Oversen; Owens; Pollert; Porter; Rohr; Ruby; Sanford; Schatz; Schmidt; Schneider; Schreiber Beck; Seibel; Silbernagel; Skarphol; Steiner; Streyle; Strinden; Sukut; Thoreson; Toman; Trottier; Vigasaa; Wallman; Zubke

**NAYS:** Damschen; Larson; Nathe; Olson; Paur; Weisz

**ABSENT AND NOT VOTING:** Dosch; Frantsvog; Glassheim; Kempenich; Speaker Belter

Reengrossed SB 2238, as amended, passed.

\*\*\*\*\*

**SECOND READING OF SENATE BILL**

**SB 2300:** A BILL for an Act to amend and reenact sections 54-35.2-01, 54-35.2-02, 54-35.2-03, 54-35.2-04, and 54-35.2-05 of the North Dakota Century Code, relating to transforming the advisory commission on intergovernmental relations into legislative management appointed task forces on intergovernmental issues.

**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 80 YEAS, 9 NAYS, 0 EXCUSED, 5 ABSENT AND NOT VOTING.

**YEAS:** Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Becker, Rich S.; Becker, Rick C.; Bellew; Boe; Boehning; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Delzer; Devlin; Dockter; Fehr; Froseth; Guggisberg; Haak; Hatlestad; Hawken; Headland; Hofstad; Holman; Hunskor; Johnson, D.; Johnson, M.; Kading; Karls; Kasper; Keiser; Kiefert; Klein; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Laning; Larson; Lefor; Looyesen; Louser; Maragos; Martinson; Meier; Mitskog; Monson; Mooney; Nathe; Nelson, J.; Nelson, M.; Olson; Onstad; Owens; Paur; Pollert; Porter; Rohr; Ruby; Sanford; Schatz; Schmidt; Schneider; Schreiber Beck; Seibel; Silbernagel; Skarphol; Steiner; Streyle; Sukut; Thoreson; Toman; Trottier; Vigesaa; Weisz; Zubke

**NAYS:** Amerman; Hanson; Hogan; Kelsh; Mock; Muscha; Oversen; Strinden; Wallman

**ABSENT AND NOT VOTING:** Dosch; Frantsvog; Glasshiem; Kempenich; Speaker Belter

Engrossed SB 2300, as amended, passed.

\*\*\*\*\*

**SECOND READING OF SENATE BILL**

**SB 2109:** A BILL for an Act to amend and reenact sections 2-05-11 and 2-05-11.3 of the North Dakota Century Code, relating to aircraft registration; and to repeal sections 2-05-11.1 and 2-05-11.2 of the North Dakota Century Code, relating to the registration of older aircraft and related definitions.

**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 71 YEAS, 18 NAYS, 0 EXCUSED, 5 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Becker, Rich S.; Becker, Rick C.; Boehning; Boschee; Brabandt; Brandenburg; Damschen; Delmore; Devlin; Dockter; Fehr; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Headland; Hofstad; Hogan; Holman; Hunskor; Johnson, D.; Johnson, M.; Kading; Karls; Keiser; Kelsh; Kiefert; Klemin; Koppelman, K.; Kreidt; Kretschmar; Laning; Larson; Lefor; Looyesen; Louser; Maragos; Martinson; Meier; Mitskog; Mock; Monson; Mooney; Muscha; Nelson, J.; Nelson, M.; Olson; Onstad; Oversen; Owens; Paur; Pollert; Ruby; Sanford; Schatz; Schneider; Schreiber Beck; Seibel; Silbernagel; Skarphol; Strinden; Sukut; Wallman; Weisz; Zubke

**NAYS:** Bellew; Boe; Carlson; Delzer; Froseth; Kasper; Klein; Koppelman, B.; Nathe; Porter; Rohr; Schmidt; Steiner; Streyle; Thoreson; Toman; Trottier; Vigesaa

**ABSENT AND NOT VOTING:** Dosch; Frantsvog; Glasshiem; Kempenich; Speaker Belter

Engrossed SB 2109, as amended, passed.

\*\*\*\*\*

**SECOND READING OF SENATE BILL**

**SB 2148:** A BILL for an Act to create and enact a new section to chapter 39-06 of the North Dakota Century Code, relating to an enhanced operator's license.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO NOT PASS, the roll was called and there were 26 YEAS, 63 NAYS, 0 EXCUSED, 5 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Anderson, D.; Anderson, P.; Beadle; Boschee; Delmore; Guggisberg; Haak; Hanson; Hawken; Hogan; Holman; Hunskor; Kelsh; Mitskog; Mock; Monson;

Mooney; Muscha; Nelson, J.; Nelson, M.; Onstad; Oversen; Schneider; Strinden; Wallman

**NAYS:** Anderson, B.; Becker, Rich S.; Becker, Rick C.; Bellew; Boe; Boehning; Brabandt; Brandenburg; Carlson; Damschen; Delzer; Devlin; Dockter; Fehr; Froseth; Hatlestad; Headland; Hofstad; Johnson, D.; Johnson, M.; Kading; Karls; Kasper; Keiser; Kiefert; Klein; Klemm; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Laning; Larson; Lefor; Looyesen; Louser; Maragos; Martinson; Meier; Nathe; Olson; Owens; Paur; Pollert; Porter; Rohr; Ruby; Sanford; Schatz; Schmidt; Schreiber Beck; Seibel; Silbernagel; Skarphol; Steiner; Streyle; Sukut; Thoreson; Toman; Trottier; Vigesaa; Weisz; Zubke

**ABSENT AND NOT VOTING:** Dosch; Frantsvog; Glassheim; Kempenich; Speaker Belter

Engrossed SB 2148, as amended, failed.

\*\*\*\*\*

### SECOND READING OF SENATE BILL

**SB 2166:** A BILL for an Act to create and enact paragraph 40 to subdivision a of subsection 3 of section 39-06.1-10 of the North Dakota Century Code, relating to entries against driving records; to amend and reenact sections 39-06.1-05 and 39-06.1-09, subdivision b of subsection 3 of section 39-06.1-10, and sections 39-07-09 and 39-21-45.1 of the North Dakota Century Code, relating to authorized procedures for traffic violations, definitions of moving violations, entries against driving records, discretion for release upon promise to appear, and modified vehicles.

### ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 88 YEAS, 1 NAYS, 0 EXCUSED, 5 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Becker, Rich S.; Becker, Rick C.; Bellew; Boe; Boehning; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Delzer; Devlin; Dockter; Fehr; Froseth; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Headland; Hofstad; Hogan; Holman; Hunskor; Johnson, D.; Johnson, M.; Kading; Karls; Kasper; Keiser; Kelsh; Kiefert; Klein; Klemm; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Laning; Larson; Lefor; Looyesen; Louser; Maragos; Martinson; Meier; Mitskog; Mock; Monson; Mooney; Muscha; Nathe; Nelson, J.; Olson; Onstad; Oversen; Owens; Paur; Pollert; Porter; Rohr; Ruby; Sanford; Schatz; Schmidt; Schneider; Schreiber Beck; Seibel; Silbernagel; Skarphol; Steiner; Streyle; Strinden; Sukut; Thoreson; Toman; Trottier; Vigesaa; Wallman; Weisz; Zubke

**NAYS:** Nelson, M.

**ABSENT AND NOT VOTING:** Dosch; Frantsvog; Glassheim; Kempenich; Speaker Belter

Engrossed SB 2166, as amended, passed.

\*\*\*\*\*

### SECOND READING OF SENATE BILL

**SB 2255:** A BILL for an Act to amend and reenact subsection 1 of section 39-31-03, sections 39-31-04, 39-31-06, 39-31-11, 39-31-12, 39-31-13, and 39-31-14 of the North Dakota Century Code, relating to common household goods carriers; and to repeal sections 39-31-05, 39-31-07, 39-31-08, 39-31-09, and 39-31-10 of the North Dakota Century Code, relating to common household goods carriers.

### 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 89 YEAS, 0 NAYS, 0 EXCUSED, 5 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Becker, Rich S.;

Becker, Rick C.; Bellew; Boe; Boehning; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Delzer; Devlin; Dockter; Fehr; Froseth; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Headland; Hofstad; Hogan; Holman; Hunskor; Johnson, D.; Johnson, M.; Kading; Karls; Kasper; Keiser; Kelsh; Kiefert; Klein; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Laning; Larson; Lefor; Looyen; Louser; Maragos; Martinson; Meier; Mitskog; Mock; Monson; Mooney; Muscha; Nathe; Nelson, J.; Nelson, M.; Olson; Onstad; Oversen; Owens; Paur; Pollert; Porter; Rohr; Ruby; Sanford; Schatz; Schmidt; Schneider; Schreiber Beck; Seibel; Silbernagel; Skarphol; Steiner; Streyle; Strinden; Sukut; Thoreson; Toman; Trottier; Vigesaa; Wallman; Weisz; Zubke

**ABSENT AND NOT VOTING:** Dosch; Frantsvog; Glassheim; Kempenich; Speaker Belter

SB 2255, as amended, passed.

\*\*\*\*\*

#### SECOND READING OF SENATE BILL

**SB 2026:** A BILL for an Act to create and enact chapter 43-36.1 of the North Dakota Century Code, relating to soil classifiers; to amend and reenact subsection 28 of section 38-14.1-02 and subdivision t of subsection 1 of section 38-14.1-14 of the North Dakota Century Code, relating to soil classifiers; to repeal chapter 43-36 of the North Dakota Century Code, relating to soil classifiers; and to provide for a report to the legislative management.

#### ROLL CALL

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO NOT PASS, the roll was called and there were 1 YEAS, 88 NAYS, 0 EXCUSED, 5 ABSENT AND NOT VOTING.

**YEAS:** Boe

**NAYS:** Amerman; Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Becker, Rich S.; Becker, Rick C.; Bellew; Boehning; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Delzer; Devlin; Dockter; Fehr; Froseth; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Headland; Hofstad; Hogan; Holman; Hunskor; Johnson, D.; Johnson, M.; Kading; Karls; Kasper; Keiser; Kelsh; Kiefert; Klein; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Laning; Larson; Lefor; Looyen; Louser; Maragos; Martinson; Meier; Mitskog; Mock; Monson; Mooney; Muscha; Nathe; Nelson, J.; Nelson, M.; Olson; Onstad; Oversen; Owens; Paur; Pollert; Porter; Rohr; Ruby; Sanford; Schatz; Schmidt; Schneider; Schreiber Beck; Seibel; Silbernagel; Skarphol; Steiner; Streyle; Strinden; Sukut; Thoreson; Toman; Trottier; Vigesaa; Wallman; Weisz; Zubke

**ABSENT AND NOT VOTING:** Dosch; Frantsvog; Glassheim; Kempenich; Speaker Belter

Engrossed SB 2026 failed.

\*\*\*\*\*

#### SECOND READING OF SENATE BILL

**SB 2261:** A BILL for an Act to amend and reenact sections 4.1-53-12, 4.1-53-16, 4.1-53-17, 4.1-53-48, 4.1-53-57, 4.1-53-59, 4.1-53-61, 4.1-55-17, 4.1-56-13, and 4.1-57-22 of the North Dakota Century Code, relating to agricultural seed; and to provide a penalty.

#### ROLL CALL

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 81 YEAS, 8 NAYS, 0 EXCUSED, 5 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Becker, Rich S.; Becker, Rick C.; Bellew; Boe; Boehning; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Devlin; Dockter; Fehr; Froseth; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Headland; Hofstad; Hogan; Holman; Hunskor; Johnson, D.;

Johnson, M.; Kading; Karls; Keiser; Kelsh; Kiefert; Klein; Klemin; Koppelman, K.; Kreidt; Kretschmar; Laning; Larson; Lefor; Looyesen; Louser; Maragos; Martinson; Meier; Mitskog; Mock; Monson; Mooney; Muscha; Nathe; Nelson, J.; Olson; Onstad; Oversen; Owens; Paur; Pollert; Porter; Ruby; Sanford; Schatz; Schneider; Schreiber Beck; Seibel; Silbernagel; Skarphol; Steiner; Streyle; Strinden; Sukut; Toman; Trottier; Vigesaa; Wallman; Zubke

**NAYS:** Delzer; Kasper; Koppelman, B.; Nelson, M.; Rohr; Schmidt; Thoreson; Weisz

**ABSENT AND NOT VOTING:** Dosch; Frantsvog; Glassheim; Kempenich; Speaker Belter

SB 2261 passed.

\*\*\*\*\*

### SECOND READING OF SENATE CONCURRENT RESOLUTION

**SCR 4023:** A concurrent resolution directing the Legislative Management to study options for protecting farmers who prepay for chemicals, feed, fertilizer, seed, and similar agricultural supplies.

### ROLL CALL

The question being on the final adoption of the resolution, which has been read, and has committee recommendation of DO NOT PASS. The roll was called and there were 22 YEAS, 67 NAYS, 0 EXCUSED, 5 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Anderson, P.; Boe; Boschee; Delmore; Guggisberg; Haak; Hanson; Holman; Hunskor; Kelsh; Mitskog; Mock; Mooney; Muscha; Nelson, M.; Onstad; Oversen; Schneider; Strinden; Trottier; Wallman

**NAYS:** Anderson, B.; Anderson, D.; Beadle; Becker, Rich S.; Becker, Rick C.; Bellew; Boehning; Brabandt; Brandenburg; Carlson; Damschen; Delzer; Devlin; Dockter; Fehr; Froseth; Hatlestad; Hawken; Headland; Hofstad; Hogan; Johnson, D.; Johnson, M.; Kading; Karls; Kasper; Keiser; Kiefert; Klein; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Laning; Larson; Lefor; Looyesen; Louser; Maragos; Martinson; Meier; Monson; Nathe; Nelson, J.; Olson; Owens; Paur; Pollert; Porter; Rohr; Ruby; Sanford; Schatz; Schmidt; Schreiber Beck; Seibel; Silbernagel; Skarphol; Steiner; Streyle; Sukut; Thoreson; Toman; Vigesaa; Weisz; Zubke

**ABSENT AND NOT VOTING:** Dosch; Frantsvog; Glassheim; Kempenich; Speaker Belter

SCR 4023 was declared lost on a recorded roll call vote.

\*\*\*\*\*

### SECOND READING OF SENATE BILL

**SB 2329:** A BILL for an Act to amend and reenact subsection 1 of section 40-63-03 and subsection 5 of section 40-63-07 of the North Dakota Century Code, relating to the size of a renaissance zone and renaissance zone tax exemptions; and to provide an effective date.

### ROLL CALL

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 63 YEAS, 26 NAYS, 0 EXCUSED, 5 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Becker, Rich S.; Boe; Boehning; Boschee; Brandenburg; Carlson; Damschen; Delmore; Devlin; Froseth; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Headland; Hofstad; Hogan; Hunskor; Johnson, D.; Kading; Karls; Kasper; Keiser; Kelsh; Kiefert; Klemin; Koppelman, B.; Koppelman, K.; Kretschmar; Laning; Looyesen; Maragos; Martinson; Mitskog; Mock; Monson; Mooney; Muscha; Nelson, J.; Onstad; Oversen; Owens; Paur; Porter; Sanford; Schneider; Schreiber Beck; Silbernagel; Skarphol; Strinden; Sukut; Thoreson; Trottier; Vigesaa; Wallman; Weisz; Zubke

**NAYS:** Becker, Rick C.; Bellew; Brabandt; Delzer; Dockter; Fehr; Holman; Johnson, M.;

Klein; Kreidt; Larson; Lefor; Louser; Meier; Nathe; Nelson, M.; Olson; Pollert; Rohr; Ruby; Schatz; Schmidt; Seibel; Steiner; Streyle; Toman

**ABSENT AND NOT VOTING:** Dosch; Frantsvog; Glassheim; Kempenich; Speaker Belter

Engrossed SB 2329 passed.

\*\*\*\*\*

### SECOND READING OF SENATE BILL

**SB 2314:** A BILL for an Act to amend and reenact section 53-06.1-10.1 of the North Dakota Century Code, relating to conducting raffles using a random number generator.

### ROLL CALL

The question being on the final passage of the bill, which has been read, and is PLACED ON THE CALENDAR WITHOUT RECOMMENDATION, the roll was called and there were 42 YEAS, 47 NAYS, 0 EXCUSED, 5 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Anderson, P.; Beadle; Becker, Rich S.; Becker, Rick C.; Boehning; Boschee; Delmore; Dockter; Fehr; Haak; Hanson; Hatlestad; Hawken; Hogan; Johnson, D.; Johnson, M.; Kading; Kelsh; Kretschmar; Looyesen; Louser; Maragos; Martinson; Mitskog; Mock; Monson; Mooney; Nathe; Nelson, J.; Onstad; Oversen; Owens; Porter; Sanford; Schneider; Streyle; Strinden; Thoreson; Toman; Trottier; Weisz

**NAYS:** Anderson, B.; Anderson, D.; Bellew; Boe; Brabandt; Brandenburg; Carlson; Damschen; Delzer; Devlin; Froseth; Guggisberg; Headland; Hofstad; Holman; Hunskor; Karls; Kasper; Keiser; Kiefert; Klein; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Laning; Larson; Lefor; Meier; Muscha; Nelson, M.; Olson; Paur; Pollert; Rohr; Ruby; Schatz; Schmidt; Schreiber Beck; Seibel; Silbernagel; Skarphol; Steiner; Sukut; Vigesaa; Wallman; Zubke

**ABSENT AND NOT VOTING:** Dosch; Frantsvog; Glassheim; Kempenich; Speaker Belter

Engrossed SB 2314 failed.

\*\*\*\*\*

### SECOND READING OF SENATE BILL

**SB 2375:** A BILL for an Act to provide for a legislative management study of the formation of community facilities districts for public improvements.

### ROLL CALL

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 66 YEAS, 23 NAYS, 0 EXCUSED, 5 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Anderson, B.; Anderson, P.; Beadle; Becker, Rich S.; Boe; Boschee; Brabandt; Carlson; Delmore; Dockter; Fehr; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Hogan; Holman; Hunskor; Johnson, M.; Kading; Karls; Kasper; Kelsh; Kiefert; Klein; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Larson; Lefor; Looyesen; Louser; Maragos; Martinson; Meier; Mitskog; Mock; Monson; Mooney; Muscha; Nathe; Nelson, J.; Nelson, M.; Olson; Onstad; Oversen; Owens; Sanford; Schatz; Schneider; Schreiber Beck; Seibel; Skarphol; Streyle; Strinden; Sukut; Thoreson; Toman; Trottier; Wallman; Weisz; Zubke

**NAYS:** Anderson, D.; Becker, Rick C.; Bellew; Boehning; Brandenburg; Damschen; Delzer; Devlin; Froseth; Headland; Hofstad; Johnson, D.; Keiser; Laning; Paur; Pollert; Porter; Rohr; Ruby; Schmidt; Silbernagel; Steiner; Vigesaa

**ABSENT AND NOT VOTING:** Dosch; Frantsvog; Glassheim; Kempenich; Speaker Belter

Engrossed SB 2375 passed.

\*\*\*\*\*

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

**MR. PRESIDENT:** The House has passed, unchanged: SB 2025, SB 2099, SB 2186, SB 2248, SB 2363.

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

**MR. PRESIDENT:** The House has amended and subsequently failed to pass: SB 2293, SB 2355.

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

**MR. PRESIDENT:** The House has failed to pass, unchanged: SB 2110, SB 2336, SB 2361.

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

**MR. PRESIDENT:** The House has failed to pass, unchanged: SB 2134, SB 2202, SB 2208, SB 2241, SB 2246, SB 2288, SB 2307, SB 2378.

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

**MR. SPEAKER:** The Senate has passed, unchanged: HB 1138, HB 1338, HB 1347, HB 1373, HCR 3015, HCR 3045.

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

**MR. SPEAKER:** The Senate has amended and subsequently passed: HB 1106, HB 1441, HB 1469.

**SENATE AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1106**

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for a legislative management study of issues relating to criminal defendants who are veterans or who are currently serving in the armed forces.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:****SECTION 1. CRIMINAL JUSTICE ISSUES RELATING TO DEFENDANTS WHO ARE VETERANS OR SERVING IN ARMED FORCES - LEGISLATIVE MANAGEMENT STUDY.**

1. The legislative management shall consider studying, during the 2015-16 interim, issues related to criminal defendants who are veterans or who are currently serving in the armed forces, including:
  - a. Whether additional treatment and sentencing options should be considered if a defendant is suspected to have posttraumatic stress disorder or other behavioral health conditions;
  - b. Whether the additional treatment and sentencing options should apply to both misdemeanor and felony offenses and, if applied to misdemeanor offenses, the impact those additional cases would have on the courts and the department of corrections and rehabilitation;
  - c. The point in the criminal proceeding at which the inquiry regarding the defendant's behavioral health condition should be made; and
  - d. What steps the state needs to take to ensure that veterans and other armed forces personnel with posttraumatic stress disorder or other behavioral health conditions are best handled in the state's criminal justice system.
2. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly."

Renumber accordingly

**SENATE AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1441**

Page 1, line 2, after "states" insert ", called pursuant to article V of the United States Constitution,"

Page 1, line 3, remove "; and to provide a penalty"

Page 1, line 7, remove "**- Penalty**"

Page 1, line 8, replace "an interstate" with "a"

Page 1, line 8, after "convention" insert "of the states"

Page 1, line 10, replace the first "the" with "this"

Page 1, line 22, remove the second underscored comma

Page 2, line 6, remove the second "the"

Page 2, line 10, after "assembly" insert an underscored comma

Page 2, line 11, after "text" insert an underscored comma

Page 2, line 11, remove the underscored comma

Page 2, line 13, replace "on" with "upon"

Page 2, line 14, after "convention" insert an underscored comma

Page 2, line 17, after "assembly" insert an underscored comma

Page 2, line 17, remove the underscored comma

Page 2, line 18, replace "on" with "upon"

Page 2, line 21, after "assembly" insert an underscored comma

Page 2, remove line 31

Renumber accordingly

**SENATE AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1469**

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact section 39-04.2-04 of the North Dakota Century Code, relating to conditions for public transportation funding.

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

**SECTION 1. AMENDMENT.** Section 39-04.2-04 of the North Dakota Century Code is amended and reenacted as follows:

**39-04.2-04. Distribution of funds - Continuing appropriation.**

1. Moneys in the public transportation fund must be disbursed under guidelines issued by the director. The funds must be used by transportation providers to establish and maintain public transportation, especially for the elderly and handicapped, and may be used to contract to provide public transportation, as matching funds to procure money from other sources for public transportation and for other expenditures authorized by the director. If a transportation provider receives funds from the public transportation fund, that transportation provider shall provide transportation to a disabled veteran at no charge if the transportation is within a funded transportation program, the disabled veteran qualifies for United States department of veterans' affairs health care benefits, and

the disabled veteran otherwise qualifies for the funded transportation program. Moneys in the public transportation fund are appropriated to the department of transportation on a continuing basis for distributions authorized under this section.

2. Each county shall receive a base amount of four-tenths of one percent of the appropriation for the program plus one dollar and fifty cents per capita of population in the county, based upon the latest regular or special official federal census. Each year the director shall increase or decrease the one dollar and fifty cents per capita amount in order to distribute all funds appropriated for the biennium. If there are multiple transportation providers in one county, then the base amount must be divided equally among the providers and the additional per capita amount must be based upon the percentage of elderly and handicapped ridership provided by each transportation provider within the county. Funds not expended by a county during a contract period, or previous contract periods, may be redistributed under guidelines established by the director. In addition, unexpended funds may also be used by the director for transit coordination purposes."

Renumber accordingly

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

**MR. SPEAKER:** The Senate has amended, subsequently passed, and the emergency clause carried: HB 1206.

**SENATE AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1206**

Page 1, line 4, after the semicolon insert "to provide a penalty;"

Page 1, line 13, after "insurance" insert "**- Report - Penalty**"

Page 1, line 14, replace "defined in" with "required under"

Page 1, line 15, after the underscored period insert "Failure to provide satisfactory evidence of liability coverage required under this section within ten days after a police officer has requested evidence of such liability coverage is an infraction for a first offense and a class B misdemeanor for a second or subsequent offense. A municipal court or district court shall make a report of a violation of this section to the secretary of state for any special mobile equipment owned or operated by a contractor licensed under chapter 43-07."

Renumber accordingly

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

**MR. SPEAKER:** The Senate has failed to pass, unchanged: HB 1237, HCR 3014, HCR 3016, HCR 3017.

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

**MR. SPEAKER:** Your signature is respectfully requested on: SCR 4007, SCR 4012, SCR 4013, SCR 4014, SCR 4018.

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

**MR. SPEAKER:** The President has signed: HB 1245, HB 1251, HB 1310, HB 1312.

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

**MR. PRESIDENT:** The Speaker has signed: HB 1047, HB 1052, HB 1062, HB 1063, HB 1064, HB 1066, HB 1110, HB 1123, HB 1148, HB 1149, HB 1153, HB 1163, HB 1189, HB 1199, HB 1375, HB 1418, HB 1436.

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

**MR. PRESIDENT:** The Speaker has signed: SB 2129, SB 2131, SB 2172, SB 2215, SB 2335, SB 2364.

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

**MR. PRESIDENT:** The Speaker has signed: SCR 4007, SCR 4012, SCR 4013, SCR 4014, SCR 4018.

**DELIVERY OF ENROLLED BILLS AND RESOLUTIONS**

The following bills were delivered to the Governor for approval on March 25, 2015: HB 1047, HB 1052, HB 1062, HB 1063, HB 1064, HB 1066, HB 1110, HB 1123, HB 1148, HB 1149, HB 1153, HB 1163, HB 1189, HB 1199, HB 1375, HB 1418, HB 1436.

**MOTION**

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

**MOTION**

**REP. VIGESAA MOVED** that the House be on the Fourth, Fifth, and Sixteenth orders of business and at the conclusion of those orders, the House stand adjourned until 1:00 p.m., Thursday, March 26, 2015, which motion prevailed.

**REPORT OF STANDING COMMITTEE**

**HB 1475: Industry, Business and Labor Committee (Rep. Keiser, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (10 YEAS, 4 NAYS, 1 ABSENT AND NOT VOTING). HB 1475 was placed on the Sixth order on the calendar.

Page 2, line 9, after "network" insert "coverage"

Page 3, line 4, replace "violated the terms" with "breached a material term"

Page 3, line 5, after the first "contract" insert "or violated a material provision of this chapter which has not been remedied within thirty-one days of the determination"

Page 3, line 5, after "in" insert "either a"

Page 3, line 5, remove "which is effective one"

Page 3, remove line 6

Page 3, line 7, replace "and is not appealable" with "or will result in a decrease of three percent of the monthly premium for each insured contract for each month the breach or violation continues; a provision that the board has discretion to determine which remedy under this provision will be pursued; and a provision that the board's determination under this provision is final and not appealable. The provisions under this subdivision are in addition to any other remedies that may be available in the case of breach of the contract or violation of the law"

Page 3, line 8, after "2." insert "a."

Page 3, after line 14, insert:

"b. If any of the information provided by the board to the legislative management is a confidential record, the board shall inform the legislative management of the confidential nature of any such record.

c. If the legislative management discusses any of the confidential information received under this subsection, the discussion must be held in an executive session."

Page 3, line 24, replace "The" with "That except as necessary for treatment, payment, and operations, the"

Page 3, line 26, replace "a" with "an identified"

Page 3, line 27, after "or" insert "an identified"

Page 3, line 27, after the underscored period insert "This paragraph limits a carrier's ability to market providers but does not limit a carrier's ability to market services."

Page 3, line 31, remove "annually"

Page 4, line 1, replace "the insurance commissioner shall review" with "for purposes of"

Page 4, line 2, replace "to ensure the rates" with "with in-state providers:

- a. For a provider that is a critical access hospital that does not have common ownership with the carrier, the negotiated provider discount rates may not be less than the negotiated provider discount rates"

Page 4, line 2, remove "are"

Page 4, remove line 3

Page 4, line 4, replace "providers" with "that is a critical access hospital.

- b. For a provider that is not a critical access hospital and that does not have common ownership with the carrier, the negotiated provider discount rates may not be less than the negotiated provider discount rates the carrier has with the related health care delivery entity that is not a critical access hospital

Page 4, line 15, remove "May not disrupt existing nor impede future provider relationships with insureds."

Page 4, line 16, remove "c."

Page 4, line 19 replace "state's" with "previous carrier's in-state"

Page 4, line 22, after "the" insert "previous carrier's"

Page 4, line 30, replace "unobstructed access to and choice of" with "right to select any"

Page 4, line 31, replace "providers" with "provider of the insured's choice"

Page 4, line 31, after the underscored period insert:

- "(4) For purposes of this subdivision, the date of measurement of the previous carrier's network coverage is the date the board signs the contract with the new carrier."

Page 5, line 1, replace "d." with "c."

Page 5, line 1, remove "in that"

Page 5, line 2, remove "instance"

Page 5, line 2, remove "would not have been financially liable due to balance billing"

Page 5, line 3, replace "under the previous carrier" with "received preauthorization"

Page 5, line 4, replace "e." with "d."

Page 5, line 4, replace "require" with "limit"

Page 5, line 4, replace "insured" with "insured's right to"

Page 5, line 4, replace "in-state" with "in-network"

Page 5, line 4, replace "or" with ", regardless of whether the provider is in-state or out-of-state and may not require an insured"

Page 5, line 6, replace "f." with "e."

Page 5, line 6, after "approval" insert "or preauthorization"

Page 5, replace lines 9 through 11 with:

- "f. As part of a prior approval or preauthorization process, may not direct or redirect an insured to a specified provider or health care delivery entity."

Page 5, line 20, replace "If" with "For the uniform group insurance program health insurance policy beginning July 1, 2015, if"

Page 5, line 21, replace "five percent" with "\$5,000,000"

Page 5, line 21, after "the" insert "accepted bid for the"

Page 5, line 22, replace "as bid" with "for the 2015-17 biennium"

Renumber accordingly

#### REPORT OF STANDING COMMITTEE

**SB 2050, as engrossed: Human Services Committee (Rep. Weisz, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (7 YEAS, 6 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2050 was placed on the Sixth order on the calendar.

Page 1, line 2, after "disabled" insert ";and to amend and reenact subsection 2 of section 50-24.1-07 of the North Dakota Century Code, relating to claims against an estate"

Page 1, after line 16, insert:

**"SECTION 2. AMENDMENT.** Subsection 2 of section 50-24.1-07 of the North Dakota Century Code is amended and reenacted as follows:

2. a. A claim may not be required to be paid nor may interest begin to accrue during the lifetime of the decedent's surviving spouse, if any, nor while there is a surviving child who is under the age of twenty-one years or is blind or permanently and totally disabled, but no timely filed claim may be disallowed because of the provisions of this section.
- b. The department may not file a claim against an estate to recover payments made on behalf of a recipient who was eligible for medicaid under section 50-24.1-37 and who received coverage through a private carrier."

Renumber accordingly

#### REPORT OF STANDING COMMITTEE

**SB 2072, as engrossed: Judiciary Committee (Rep. K. Koppelman, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (11 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2072 was placed on the Sixth order on the calendar.

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: "To obtain access to records under the control of a custodian other than a financial institution, the department or its designee shall certify in writing to the custodian that access to specifically described records is necessary to the evaluation or assessment of a report and that the custodian's release of the records to the department or its designee without consent of each person to whom a record pertains is not prohibited by state or federal law. A custodian that receives a written certification from the department or its designee shall give the department or its designee reasonable access to the requested records or, within ten business days of receipt of the certification, shall object to the department or its designee in writing and state the reasons for the

objection. 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

#### REPORT OF STANDING COMMITTEE

**SB 2077: Appropriations Committee (Rep. Delzer, Chairman)** recommends **DO PASS** (20 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING). SB 2077 was placed on the Fourteenth order on the calendar.

#### REPORT OF STANDING COMMITTEE

**SB 2086: Industry, Business and Labor Committee (Rep. Keiser, Chairman)** recommends **DO PASS** (14 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2086 was placed on the Fourteenth order on the calendar.

#### REPORT OF STANDING COMMITTEE

**SB 2088, as engrossed: Education Committee (Rep. Nathe, Chairman)** recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (8 YEAS, 5 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2088 was rereferred to the **Appropriations Committee**.

#### REPORT OF STANDING COMMITTEE

**SB 2147, as engrossed: Industry, Business and Labor Committee (Rep. Keiser, Chairman)** recommends **DO NOT PASS** (10 YEAS, 4 NAYS, 1 ABSENT AND NOT VOTING). Engrossed SB 2147 was placed on the Fourteenth order on the calendar.

#### REPORT OF STANDING COMMITTEE

**SB 2175, as reengrossed: Finance and Taxation Committee (Rep. Headland, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Reengrossed SB 2175 was placed on the Sixth order on the calendar.

Page 1, line 1, replace "57-39.5-02" with "4-05.1-20"

Page 1, line 2, after "to" insert "the agricultural research fund, the creation of the supplemental extension and research fund, and"

Page 1, line 2, remove "the farm machinery gross"

Page 1, line 3, remove "receipts tax and"

Page 1, replace lines 5 through 24 with:

**"SECTION 1. AMENDMENT.** Section 4-05.1-20 of the North Dakota Century Code is amended and reenacted as follows:

**4-05.1-20. Agricultural research fund - Supplemental extension and research fund - Continuing appropriation.**

1. The agricultural research fund is a special fund in the state treasury. The state board of agriculture research and education may receive and accept in the name of the state any funds that are offered or become available from any federal grant or appropriation, private gift, bequest, or donation. Any grants, appropriations, private gifts, bequests, or donations to the fund must be paid to the state treasurer who shall credit that amount to the agricultural research fund. The moneys in the fund must be expended for purposes of agricultural research. Any interest earned by the fund is appropriated to the state board of agricultural research and education. The fund balance may not exceed two million dollars and any excess amount must be transferred to the supplemental extension and research fund.

2. The supplemental extension and research fund is a special fund in the state treasury. The moneys in the fund may be expended for purposes of extension service functions or research to legislative appropriation."

Page 2, line 10, replace "This" with "Section 2 of this"

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**SB 2182: Judiciary Committee (Rep. K. Koppelman, Chairman)** recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2182 was placed on the Fourteenth order on the calendar.

**REPORT OF STANDING COMMITTEE**

**SB 2231: Human Services Committee (Rep. Weisz, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2231 was placed on the Sixth order on the calendar.

Page 1, line 2, after the semicolon insert "comprehensive health association of North Dakota notification of policy holders;"

Page 3, after line 2, insert:

**"SECTION 2. NOTIFICATION.** The board shall notify current policy holders of their options under the federal Patient Protection and Affordable Care Act [Pub. L. 111-148]."

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**SB 2270, as engrossed: Judiciary Committee (Rep. K. Koppelman, Chairman)** recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2270 was placed on the Fourteenth order on the calendar.

**REPORT OF STANDING COMMITTEE**

**SB 2289, as engrossed: Human Services Committee (Rep. Weisz, Chairman)** recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2289 was rereferred to the **Appropriations Committee**.

**REPORT OF STANDING COMMITTEE**

**SB 2292, as reengrossed: Finance and Taxation Committee (Rep. Headland, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (11 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING). Reengrossed SB 2292 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact 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, 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 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 two taxable years beginning after December 31, 2019, 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, 2021, 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 ~~XIV~~ may apply for the purposes of that article and the commission's powers of study and recommendation pursuant to subsection 3 of article ~~XIV~~ 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 XIX - 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 ~~VI~~ 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 ~~VI~~ 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 ~~VI~~ 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 ~~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

**REPORT OF STANDING COMMITTEE**

**SB 2327: Judiciary Committee (Rep. K. Koppelman, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2327 was placed on the Sixth order on the calendar.

Page 1, line 12, replace "no less than monthly" with "every Monday morning"

Page 1, line 13, replace "Within thirty days after receiving a report, the" with "The"

Page 1, line 19, replace "no less than monthly" with "every Monday morning"

Page 1, line 19, replace "Within thirty days after receiving a report, the" with "The"

Page 1, line 22, remove "The director of the department of corrections and rehabilitation shall provide"

Page 1, remove lines 23 and 24

Page 2, replace lines 1 and 2 with "An individual who has been convicted of and incarcerated for a felony and whose civil rights have been restored as provided under chapter 12.1-33 must be allowed to vote if the individual meets the"

qualifications of an elector under section 16.1-01-04. The county auditor shall change the status of the individual's record in the central voter file as necessary."

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**SB 2331, as engrossed: Judiciary Committee (Rep. K. Koppelman, Chairman)** recommends **DO PASS** (10 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING). Engrossed SB 2331 was placed on the Fourteenth order on the calendar.

**REPORT OF STANDING COMMITTEE**

**SB 2334, as engrossed: Human Services Committee (Rep. Weisz, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2334 was placed on the Sixth order on the calendar.

Page 2, line 6, replace the first underscored comma with "or"

Page 2, line 6, replace ". or" with "licensed by the state board of medical examiners."

Page 2, line 7, after "nurse" insert "licensed by the state board of nursing. or naturopath licensed by the state board of integrative health care"

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**SB 2339, as engrossed: Finance and Taxation Committee (Rep. Headland, Chairman)** recommends **DO NOT PASS** (9 YEAS, 5 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2339 was placed on the Fourteenth order on the calendar.

**REPORT OF STANDING COMMITTEE**

**SB 2348, as engrossed: Human Services Committee (Rep. Weisz, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2348 was placed on the Sixth order on the calendar.

Page 1, line 10, after "training" insert "in a nationally recognized course"

Page 1, line 12, remove "by means of:"

Page 1, remove lines 13 and 14

Page 1, line 15, remove "(2) A"

Page 1, line 15, overstrike "nationally recognized course"

Page 1, line 16, remove the overstrike over the period

Page 1, line 16, remove "provided by an entity other than one"

Page 1, remove lines 17 through 19

Renumber accordingly

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

**Buell J. Reich, Chief Clerk**