

JOURNAL OF THE SENATE

Sixty-fourth Legislative Assembly

* * * * *

Bismarck, March 31, 2015

The Senate convened at 1:30 p.m., with President Wrigley presiding.

The prayer was offered by Bishop Mark Narum, ELCA Western North Dakota Synod, Bismarck.

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

A quorum was declared by the President.

CORRECTION AND REVISION OF THE JOURNAL

MR. PRESIDENT: Your **Committee on Correction and Revision of the Journal (Sen. Poolman, Chairman)** has carefully examined the Journal of the Fifty-seventh Day and recommends that it be corrected as follows and when so corrected, recommends that it be approved:

Page 988, line 48, replace "passed" with "failed"

SEN. POOLMAN MOVED that the report be adopted, which motion prevailed on a voice vote.

MOTION

SEN. KLEIN MOVED that after action taken on the Sixth order, Engrossed HB 1249 be placed on the Fourteenth order for immediate second reading and final passage, which motion prevailed.

CONSIDERATION OF AMENDMENTS

HB 1249, as engrossed: SEN. TRIPLETT (Energy and Natural Resources Committee) MOVED that the amendments on SJ pages 997-999 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed on a voice vote.

SECOND READING OF HOUSE BILL

HB 1249: A BILL for an Act to create and enact chapter 61-42 of the North Dakota Century Code, relating to the creation of the Missouri River advisory council.

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 42 YEAS, 4 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

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

NAYS: Anderson; Laffen; Larsen; Miller

ABSENT AND NOT VOTING: Axness

Engrossed HB 1249, as amended, passed.

CONSIDERATION OF AMENDMENTS

HB 1358, as reengrossed: SEN. ARMSTRONG (Energy and Natural Resources Committee) MOVED that the amendments on SJ pages 999-1000 be adopted and then be

REREFERRED to the **Appropriations Committee** with **DO PASS**, which motion prevailed on a voice vote.

Reengrossed HB 1358 was rereferred to the **Appropriations Committee**.

CONSIDERATION OF AMENDMENTS

HB 1474, as engrossed: SEN. NELSON (Government and Veterans Affairs Committee) MOVED that the amendments on SJ pages 1001-1002 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed on a voice vote.

SECOND READING OF HOUSE BILL

HB 1474: A BILL for an Act to amend and reenact sections 16.1-03-02 and 16.1-03-05 of the North Dakota Century Code, relating to political organizations.

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 46 YEAS, 0 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

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

ABSENT AND NOT VOTING: Axness

Engrossed HB 1474, as amended, passed.

CONSIDERATION OF AMENDMENTS

HB 1085: SEN. DEVER (Government and Veterans Affairs Committee) MOVED that the amendments on SJ page 996 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed on a voice vote.

SECOND READING OF HOUSE BILL

HB 1085: A BILL for an Act to create and enact a new section to chapter 54-27 of the North Dakota Century Code, relating to federal funds reporting requirements by state agencies and reports to the legislative management; and to amend and reenact section 54-27-27 of the North Dakota Century Code, relating to federal grant applications reporting requirements by state agency.

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 45 YEAS, 1 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

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

NAYS: Mathern

ABSENT AND NOT VOTING: Axness

HB 1085, as amended, passed.

CONSIDERATION OF AMENDMENTS

HB 1145: SEN. ARMSTRONG (Energy and Natural Resources Committee) MOVED that the amendments on SJ pages 996-997 be adopted and then be placed on the Fourteenth order with **DO NOT PASS**, which motion prevailed on a voice vote.

SECOND READING OF HOUSE BILL

HB 1145: A BILL for an Act to create and enact a new section to chapter 61-04 of the North Dakota Century Code, relating to tracking of water used for oil and gas development.

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 9 YEAS, 37 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Grabinger; Marcellais; Mathern; Murphy; Nelson; Oban; Oehlke; Triplett; Warner

NAYS: Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Carlisle; Casper; Cook; Davison; Dever; Dotzenrod; Erbele; Flakoll; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Miller; O'Connell; Poolman; Robinson; Rust; Schaible; Schneider; Sinner; Sorvaag; Unruh; Wanzek; Wardner

ABSENT AND NOT VOTING: Axness

HB 1145, as amended, failed.

MOTION

SEN. KLEIN MOVED that HB 1409, which is on the Sixth order, be laid over one legislative day, which motion prevailed.

SECOND READING OF HOUSE BILL

HB 1459: A BILL for an Act to provide for a legislative management study of use of a building authority or other methods to finance public building projects as an alternative to political subdivision bonding.

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 0 YEAS, 46 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

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

ABSENT AND NOT VOTING: Axness

Engrossed HB 1459 failed.

SECOND READING OF HOUSE BILL

HB 1081: A BILL for an Act to amend and reenact sections 20.1-04-07, 20.1-08-04.2, 20.1-08-04.6, 20.1-08-04.13 of the North Dakota Century Code, relating to big game and turkey hunting licenses for youth with a life-threatening illness; and to provide for a legislative management study.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, and is PLACED ON THE CALENDAR WITHOUT RECOMMENDATION, the roll was called and there were 46 YEAS, 0 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

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

ABSENT AND NOT VOTING: Axness

HB 1081, as amended, passed.

MOTION

SEN. KLEIN MOVED that HB 1186 be placed at the top of the Fourteenth order, which motion prevailed.

SECOND READING OF HOUSE BILL

HB 1186: A BILL for an Act to create and enact section 12.1-31-03.2 of the North Dakota Century Code, relating to child-resistant packaging for liquid nicotine containers; to amend and reenact sections 12.1-31-03, 12.1-31-03.1, subsection 19 of section 27-20-02, and section 51-32-01 of the North Dakota Century Code, relating to the sale to minors and use by minors of electronic smoking devices or alternative nicotine products; to provide a penalty; and to provide an expiration 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 46 YEAS, 0 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

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

ABSENT AND NOT VOTING: Axness

Engrossed HB 1186 passed.

SECOND READING OF HOUSE BILL

HB 1078: A BILL for an Act to amend and reenact sections 12.1-31-03 and 12.1-31-03.1, subsection 19 of section 27-20-02, and section 51-32-01 of the North Dakota Century Code, relating to the sale and use of nicotine devices by minors; 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 NOT PASS, the roll was called and there were 9 YEAS, 37 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Bekkedahl; Carlisle; Cook; Dever; Flakoll; Larsen; Lee, G.; Mathern; Rust

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

ABSENT AND NOT VOTING: Axness

Engrossed HB 1078 failed.

SECOND READING OF HOUSE BILL

HB 1395: A BILL for an Act to provide for a legislative management study of an emergency information program.

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 46 YEAS, 0 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

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

ABSENT AND NOT VOTING: Axness

Engrossed HB 1395 passed.

SECOND READING OF HOUSE BILL

HB 1352: A BILL for an Act to repeal section 4 of chapter 496 of the 2011 Session Laws, relating to eliminating the expiration date for special assessments for irrigation by the Garrison diversion conservancy district.

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 46 YEAS, 0 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

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

ABSENT AND NOT VOTING: Axness

HB 1352 passed.

SECOND READING OF HOUSE BILL

HB 1158: A BILL for an Act to amend and reenact sections 20.1-03-17, 20.1-03-18, 20.1-03-19, 20.1-03-20, and 26.1-21-09.1 of the North Dakota Century Code, relating to the issuance of game and fish licenses; and to provide an effective date.

ROLL CALL

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

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

ABSENT AND NOT VOTING: Axness

HB 1158, as amended, passed.

MOTION

SEN. KLEIN MOVED that HB 1235 be placed at the bottom of the calendar, which motion prevailed.

SECOND READING OF HOUSE BILL

HB 1194: A BILL for an Act to create and enact a new chapter to title 21 of the North Dakota Century Code, relating to a political subdivision borrowing funds; and to amend and reenact sections 11-11-18, 21-02-01, and 21-03-02 of the North Dakota Century Code, relating to exemptions from statutory provisions for bonds and the definition of revenues.

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 44 YEAS, 2 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

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

NAYS: Cook; Lee, G.

ABSENT AND NOT VOTING: Axness

Engrossed HB 1194 passed.

SECOND READING OF HOUSE BILL

HB 1394: A BILL for an Act to amend and reenact subsections 7 and 9 of section 19-03.1-23 of the North Dakota Century Code, relating to marijuana possession offenses and penalties.

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 46 YEAS, 0 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

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

ABSENT AND NOT VOTING: Axness

Engrossed HB 1394 passed.

SECOND READING OF HOUSE CONCURRENT RESOLUTION

HCR 3040: A concurrent resolution directing the Legislative Management to study the Airport Authorities Act, with particular attention to airport finances.

The question being on the final adoption of the resolution, which has been read, and has committee recommendation of DO PASS.

HCR 3040 was declared adopted on a voice vote.

SECOND READING OF HOUSE CONCURRENT RESOLUTION

HCR 3018: A concurrent resolution urging Congress to pursue enactment of the Regulations from the Executive in Need of Scrutiny Act introduced by Senator Paul in February 2013 requiring Congress to approve every major rule proposed by the Executive Branch which has an annual economic impact of one hundred million dollars or more, before it can be enforced on the American people.

The question being on the final adoption of the resolution, which has been read, and has committee recommendation of DO PASS.

Engrossed HCR 3018 was declared adopted on a voice vote.

SECOND READING OF HOUSE CONCURRENT RESOLUTION

HCR 3046: A concurrent resolution directing the Legislative Management to study public higher education in North Dakota for the purpose of developing and implementing a governance model that articulates the roles and functions of the State Board of Higher Education, the commissioner of higher education, and the presidents of each institution of higher education under the control of the board.

The question being on the final adoption of the resolution, which has been read, and has committee recommendation of DO PASS.

Engrossed HCR 3046 was declared adopted on a voice vote.

SECOND READING OF HOUSE CONCURRENT RESOLUTION

HCR 3020: A concurrent resolution directing the Legislative Management to study the impact on owners of land that has been inundated by rising waters in Devils Lake and Stump Lake.

The question being on the final adoption of the resolution, which has been read, and has committee recommendation of DO PASS.

HCR 3020 was declared adopted on a voice vote.

SECOND READING OF HOUSE CONCURRENT RESOLUTION

HCR 3057: A concurrent resolution directing the Legislative Management to study election administration.

The question being on the final adoption of the resolution, which has been read, and has committee recommendation of DO NOT PASS.

HCR 3057 was declared lost on a voice vote.

SECOND READING OF HOUSE CONCURRENT RESOLUTION

HCR 3026: A concurrent resolution recognizing February 14, 2015, as "National Socks for the Homeless Day" in North Dakota.

The question being on the final adoption of the resolution, which has been read, and has committee recommendation of DO PASS.

HCR 3026 was declared adopted on a voice vote.

CONSIDERATION OF MESSAGES FROM THE HOUSE

SEN. FLAKOLL MOVED that the Senate do not concur in the House amendments to Engrossed SB 2092 as printed on SJ pages 798-799 and in the House amendments to Engrossed SB 2326 as printed on SJ pages 866-867 and that a conference committee be appointed to meet with a like committee from the House on each of these measures, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEES

THE PRESIDENT APPOINTED as a Conference Committee on:

Engrossed SB 2092: Sens. Rust, Davison, Marcellais.

Engrossed SB 2326: Sens. Schaible, Flakoll, Oban.

CONSIDERATION OF MESSAGES FROM THE HOUSE

SEN. KLEIN MOVED that the Senate do not concur in the House amendments to Engrossed SB 2188 as printed on SJ page 885 and in the House amendments to Engrossed SB 2347 as printed on SJ page 783 and that a conference committee be appointed to meet with a like committee from the House on each of these measures, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEES

THE PRESIDENT APPOINTED as a Conference Committee on:

Engrossed SB 2188: Sens. Klein, Poolman, Sinner.

Engrossed SB 2347: Sens. Burckhard, Miller, Murphy.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. SCHAIBLE MOVED that the Senate do not concur in the House amendments to Engrossed SB 2120 as printed on SJ page 866 and that a conference committee be appointed to meet with a like committee from the House, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE PRESIDENT APPOINTED as a Conference Committee on:

Engrossed SB 2120: Sens. Laffen, Hogue, Triplett.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. HOGUE MOVED that the Senate do not concur in the House amendments to Engrossed SB 2052 as printed on SJ page 832 and that a conference committee be appointed to meet with a like committee from the House, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE PRESIDENT APPOINTED as a Conference Committee on:

Engrossed SB 2052: Sens. Armstrong, Casper, Grabinger.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. FLAKOLL MOVED that the Senate do not concur in the House amendments to Engrossed SCR 4011 as printed on SJ page 904 and that a conference committee be appointed to meet with a like committee from the House, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE PRESIDENT APPOINTED as a Conference Committee on:

Engrossed SCR 4011: Sens. Davison, Rust, Oban.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. COOK MOVED that the Senate do not concur in the House amendments to Engrossed SB 2143 as printed on SJ page 799 and that a conference committee be appointed to meet with a like committee from the House, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE PRESIDENT APPOINTED as a Conference Committee on:

Engrossed SB 2143: Sens. Oehlke, Bekkedahl, Triplett.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. SCHAIBLE MOVED that the Senate do not concur in the House amendments to Engrossed SB 2356 as printed on SJ page 945 and that a conference committee be appointed to meet with a like committee from the House, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE PRESIDENT APPOINTED as a Conference Committee on:
Engrossed SB 2356: Sens. Laffen, Schaible, Murphy.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. OEHLKE MOVED that the Senate do not concur in the House amendments to Engrossed SB 2109 as printed on SJ pages 939-940 and that a conference committee be appointed to meet with a like committee from the House, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE PRESIDENT APPOINTED as a Conference Committee on:
Engrossed SB 2109: Sens. Casper, Campbell, Axness.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. KLEIN MOVED that the Senate do not concur in the House amendments to Engrossed SB 2233 as printed on SJ page 965 and that a conference committee be appointed to meet with a like committee from the House, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE PRESIDENT APPOINTED as a Conference Committee on:
Engrossed SB 2233: Sens. Campbell, Poolman, Murphy.

MOTION

SEN. KLEIN MOVED that the Senate amend Senate Rule 328(4) replacing "fifty-seventh legislative day" with "fifty-eighth legislative day", which motion prevailed.

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

MR. SPEAKER: The Senate has passed, unchanged: HB 1083, HB 1302, HB 1311, HB 1378, HB 1428, HB 1445, HCR 3003, HCR 3006.

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

MR. SPEAKER: The Senate has passed, the emergency clause carried, unchanged: HB 1407.

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

MR. SPEAKER: The Senate has amended and subsequently passed: HB 1116, HB 1126, HB 1136, HB 1191, HB 1284, HB 1437.

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

MR. SPEAKER: The Senate has amended and subsequently failed to pass: HB 1272.

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

MR. SPEAKER: The Senate has failed to pass, unchanged: HB 1053, HB 1094, HB 1187, HB 1213, HB 1246, HB 1280, HB 1348, HB 1414, HB 1444.

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

MR. PRESIDENT: The House has passed, unchanged: SB 2077, SB 2086.

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

MR. PRESIDENT: The House has amended and subsequently passed: SB 2072, SB 2161, SB 2175, SB 2231, SB 2266, SB 2292, SB 2334.

HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2072

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

HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2161

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new chapter to title 27 of the North Dakota Century Code, relating to the establishment of an interdisciplinary committee on problem-solving courts.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new chapter to title 27 of the North Dakota Century Code is created and enacted as follows:

Interdisciplinary committee on problem-solving courts.

1. The interdisciplinary committee on problem-solving courts is established as a collaborative mechanism to acquire and analyze relevant information related to the need for and feasibility of establishing problem-solving courts in this state. For purposes of this chapter, a "problem-solving court" is a juvenile or adult drug court, mental health court, veterans court, or other specialized court comprised of interdisciplinary teams, enhanced judicial involvement, court-supervised treatment programs, and other components designed to achieve effective alternatives to traditional case dispositions.
2. The interdisciplinary committee on problem-solving courts consists of:
 - a. A justice of the supreme court appointed by the chief justice.
 - b. A member appointed by the governor.
 - c. A presiding judge elected by the judicial system administrative council.
 - d. The executive director of the department of human services, or the director's designee.
 - e. The director of the department of corrections and rehabilitation, or the director's designee.
 - f. The state court administrator, or the administrator's designee.
 - g. A state's attorney appointed by the state's attorneys' association.
 - h. A defense attorney appointed by the commission on legal counsel for indigents.

- i. A court administrator appointed by the state court administrator.
 - j. A representative of chemical, mental health, or other treatment providers in the state as agreed upon by the committee members.
 - k. The director of parole and probation services.
 - l. A director of juvenile court appointed by the chief justice.
 - m. Two members appointed by the North Dakota peace officers association, one representing city law enforcement agencies and one representing county law enforcement agencies.
 - n. A legislator appointed by the chairman of legislative management.
 - o. The executive director of the department of veterans' affairs.
- 3. The chief justice designates the chairman and vice-chairman of the interdisciplinary committee.
 - 4. Members of the interdisciplinary committee serve for a term of three years beginning January 1, 2016. Appointed members are limited to two consecutive terms.
 - 5. With the consent of committee members, the chairman of the interdisciplinary committee may temporarily supplement membership to assist in the review of whether establishment of a problem-solving court should be recommended.
 - 6. The interdisciplinary committee shall meet at least semiannually but must timely consider any requests for evaluation of the establishment of a problem-solving court.

Functions and duties.

The interdisciplinary committee on problem-solving courts shall:

- 1. Acquire and analyze information and data, including budgetary requirements and funding sources, regarding whether establishment of a problem-solving court in a judicial district should be considered.
- 2. Determine the feasibility of establishing a problem-solving court in a judicial district, including the availability of judicial and nonjudicial resources.
- 3. Based on relevant data and analysis, recommend to the presiding judge of a judicial district and the supreme court that establishment of a problem-solving court in the judicial district should be considered.
- 4. Review requests to establish problem-solving courts and submit recommendations to the supreme court regarding whether a particular problem-solving court should be established.
- 5. Establish a mechanism for monitoring and evaluating the effectiveness of established problem-solving courts and related treatment services.

Request to establish a problem-solving court - Submission - Review.

- 1. A request for establishment of a problem-solving court must be submitted to the interdisciplinary committee on problem-solving courts for review and recommendation.
- 2. The interdisciplinary committee shall promptly review any information submitted in support of the request and consider the committee's own analysis, if any, regarding the need for a problem-solving court.

3. Following its review, the interdisciplinary committee shall promptly submit to the supreme court its recommendation regarding the need for and feasibility of the requested problem-solving court.

Staff services.

The interdisciplinary committee on problem-solving courts may request appropriate staff services from the office of the state court administrator."

Renumber accordingly

HOUSE AMENDMENTS TO REENGROSSED SENATE BILL NO. 2175

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 subject to legislative appropriation."

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

Renumber accordingly

HOUSE AMENDMENTS TO SENATE BILL NO. 2231

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

HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2266

Page 2, line 13, after the "in" insert "a"

Page 2, line 13, remove "conduct during a"

Page 2, line 13, after "performance" insert an underscored comma

Page 2, line 14, replace "himself or herself as" with "the adult to be"

Renumber accordingly

HOUSE AMENDMENTS TO REENGROSSED SENATE BILL NO. 2292

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 VII - 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 ~~XIV~~III - EFFECT ON OTHER LAWS AND JURISDICTION

Nothing in this compact shall be construed to:

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

ARTICLE ~~XIII~~X - 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~~IV of section 57-59-01.

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

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

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

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

57-59-08. Interaudits.

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

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

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

Renumber accordingly

HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2334

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

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

MR. SPEAKER: The Senate does not concur in the House amendments to SB 2052, SB 2092, SB 2109, SB 2120, SB 2143, SB 2188, SB 2233, SB 2326, SB 2347, SB 2356, and SCR 4011, and the President has appointed as a conference committee to act with a like committee from the House on:

SB 2052: Sens. Armstrong; Casper; Grabinger

SB 2092: Sens. Rust; Davison; Marcellais

SB 2109: Sens. Casper; Campbell; Axness

SB 2120: Sens. Laffen; Hogue; Triplett

SB 2143: Sens. Oehlke; Bekkedahl; Triplett

SB 2188: Sens. Klein; Poolman; Sinner

SB 2233: Sens. Campbell; Poolman; Murphy

SB 2326: Sens. Schaible; Flakoll; Oban

SB 2347: Sens. Burckhard; Miller; Murphy

SB 2356: Sens. Laffen; Schaible; Murphy

SCR 4011: Sens. Davison; Rust; Oban

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

MR. PRESIDENT: The House has concurred in the Senate amendments and subsequently passed: HB 1060, HB 1082, and HB 1107.

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

MR. SPEAKER: Your signature is respectfully requested on: SB 2077, SB 2086.

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

MR. SPEAKER: Your signature is respectfully requested on: SB 2331, SCR 4005.

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

MR. PRESIDENT: Your signature is respectfully requested on: HB 1215, HB 1314, HB 1365, HB 1401, HB 1455, HB 1463, HCR 3033.

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

MR. PRESIDENT: The Speaker has signed: SB 2057, SB 2096, SB 2130, SB 2145, SB 2209, SB 2270, SB 2285, SB 2324, SB 2371.

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

MR. PRESIDENT: The Speaker has signed: SB 2331, SCR 4005.

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

MR. SPEAKER: The President has signed: SB 2057, SB 2096, SB 2130, SB 2145, SB 2209, SB 2270, SB 2285, SB 2324, SB 2331, SB 2371.

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

MR. SPEAKER: The President has signed: SCR 4005.

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

MR. SPEAKER: The President has signed: HB 1215, HB 1228, HB 1309, HB 1314, HB 1365, HB 1401, HB 1455, HB 1463, HB 1467, HCR 3012, HCR 3037, HCR 3048, HCR 3049.

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

MR. PRESIDENT: The Speaker has signed: HCR 3031.

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following bills were delivered to the Governor for approval on March 31, 2015: SB 2057, SB 2096, SB 2130, SB 2145, SB 2209, SB 2270, SB 2285, SB 2324, SB 2331, SB 2371.

COMMUNICATION FROM GOVERNOR JACK DALRYMPLE

This is to inform you that on March 30, 2015, I have signed the following: SB 2025, SB 2099, SB 2186, SB 2248, SB 2363, and SB 2375.

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following resolution was delivered to the Secretary of State for filing on March 31, 2015: SCR 4005.

MOTION

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

MOTION

SEN. KLEIN MOVED that the Senate be on the Fourth, Fifth, Thirteenth, and Sixteenth orders of business and at the conclusion of those orders, the Senate stand adjourned until 12:30 p.m., Wednesday, April 1, 2015, which motion prevailed.

REPORT OF STANDING COMMITTEE

HB 1005, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1005 was placed on the Sixth order on the calendar.

Page 1, replace lines 14 through 18 with:

"Salaries and wages	\$852,869	\$80,170	\$933,039
Accrued leave payments	8,421	(8,421)	0
Operating expenses	<u>166,268</u>	<u>117,938</u>	<u>284,206</u>
Total general fund	\$1,027,558	\$189,687	\$1,217,245
Full-time equivalent positions	5.00	0.00	5.00"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:**House Bill No. 1005 - Indian Affairs Commission - Senate Action**

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$852,869	\$936,802	(\$3,763)	\$933,039
Operating expenses	166,268	276,706	7,500	284,206
Accrued leave payments	<u>8,421</u>			
Total all funds	\$1,027,558	\$1,213,508	\$3,737	\$1,217,245
Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	\$1,027,558	\$1,213,508	\$3,737	\$1,217,245

General fund				
FTE	5.00	5.00	0.00	5.00

Department No. 316 - Indian Affairs Commission - Detail of Senate Changes

	Adjusts Funding for Health Insurance Premium Increases ¹	Adds Funding for Desktop Services ²	Adds Funding for Travel ³	Total Senate Changes
Salaries and wages	(\$3,763)			(\$3,763)
Operating expenses		4,500	3,000	7,500
Accrued leave payments				
Total all funds	(\$3,763)	\$4,500	\$3,000	\$3,737
Less estimated income	0	0	0	0
General fund	(\$3,763)	\$4,500	\$3,000	\$3,737
FTE	0.00	0.00	0.00	0.00

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

² Desktop support service funding is added to the level recommended in the executive budget of \$21,775 (\$12,000 ongoing funding for desktop support services and \$9,775 one-time funding for hardware).

³ Funding is added to increase travel from \$48,529 to \$51,529 for increased costs incurred due to the addition of the Native American health system program administrator in the 2013-15 biennium.

REPORT OF STANDING COMMITTEE

HB 1017, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1017 was placed on the Sixth order on the calendar.

Page 1, replace lines 10 through 13 with:

"Salaries and wages	\$1,059,175	\$136,109	\$1,195,284
Accrued leave payments	10,698	(10,698)	0
Operating expenses	<u>1,749,023</u>	<u>3,744</u>	<u>1,752,767</u>
Total special funds	\$2,818,896	\$129,155	\$2,948,051"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:**House Bill No. 1017 - Office of Administrative Hearings - Senate Action**

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$1,059,175	\$1,199,048	(\$3,764)	\$1,195,284
Operating expenses	1,749,023	1,752,767		1,752,767
Accrued leave payments	<u>10,698</u>			
Total all funds	\$2,818,896	\$2,951,815	(\$3,764)	\$2,948,051
Less estimated income	<u>2,818,896</u>	<u>2,951,815</u>	<u>(3,764)</u>	<u>2,948,051</u>
General fund	\$0	\$0	\$0	\$0
FTE	5.00	5.00	0.00	5.00

Department No. 140 - Office of Administrative Hearings - Detail of Senate Changes

Adjusts Funding for Health Insurance	Total Senate Changes
---	-------------------------

	Premium Increases ¹	
Salaries and wages	(\$3,764)	(\$3,764)
Operating expenses		
Accrued leave payments		
Total all funds	(\$3,764)	(\$3,764)
Less estimated income	(3,764)	(3,764)
General fund	\$0	\$0
FTE	0.00	0.00

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

REPORT OF STANDING COMMITTEE

HB 1022, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1022 was placed on the Sixth order on the calendar.

Page 1, line 2, after "indigents" insert "; and to amend and reenact subsection 6 of section 54-61-01 of the North Dakota Century Code, relating to the commission on legal counsel for indigents"

Page 1, replace lines 12 and 13 with:

"Commission on legal counsel for indigents"	\$14,304,404	\$5,891,758	\$20,196,162
--	--------------	-------------	--------------

Page 1, replace lines 15 through 17 with:

"Total all funds	\$14,421,276	\$5,774,886	\$20,196,162
Less special funds	<u>2,497,866</u>	<u>(590,952)</u>	<u>1,906,914</u>
Total general fund	\$11,923,410	\$6,365,838	\$18,289,248"

Page 1, after line 18, insert:

"SECTION 2. AMENDMENT. Subsection 6 of section 54-61-01 of the North Dakota Century Code is amended and reenacted as follows:

6. A member of the commission is entitled to reimbursement for travel and expenses as provided by law for other state officers. If not otherwise employed by the state of North Dakota, a member is entitled to receive per diem compensation of sixty-two dollars and fifty cents for each day devoted to attending meetings or performing other duties relating to the official business of the commission. A member of the commission who is a member of the legislative assembly is entitled to receive per diem compensation at the rate as provided under section 54-35-10 for each day devoted to attending meetings or performing other duties relating to the official business of the commission."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1022 - Commission on Legal Counsel for Indigent - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Comm. on legal counsel for indigents	\$14,304,404	\$20,026,275	\$169,887	\$20,196,162
Accrued leave payments	<u>116,872</u>			
Total all funds	\$14,421,276	\$20,026,275	\$169,887	\$20,196,162
Less estimated income	<u>2,497,866</u>	<u>1,906,914</u>	0	<u>1,906,914</u>
General fund	\$11,923,410	\$18,119,361	\$169,887	\$18,289,248
FTE	33.00	40.00	0.00	40.00

Department No. 188 - Commission on Legal Counsel for Indigent - Detail of Senate Changes

	Adjusts Funding for Health Insurance Premium Increases ¹	Adds Funding for Legal Contract Services ²	Total Senate Changes
Comm. on legal counsel for indigents	(\$30,113)	\$200,000	\$169,887
Accrued leave payments			
Total all funds	(\$30,113)	\$200,000	\$169,887
Less estimated income	0	0	0
General fund	(\$30,113)	\$200,000	\$169,887
FTE	0.00	0.00	0.00

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

² Funding is added for contract fees for legal services related to increasing case loads to provide a total of \$4.4 million.

This amendment also adds a section providing that a member of the Commission on Legal Counsel for Indigents who is also a legislator is entitled to receive per diem compensation as provided under Section 54-35-10.

REPORT OF STANDING COMMITTEE

HB 1024, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1024 was placed on the Sixth order on the calendar.

Page 1, replace lines 11 through 14 with:

"Comprehensive tobacco control	\$15,807,437	\$740,602	\$16,548,039
Accrued leave	<u>8,391</u>	<u>(8,391)</u>	<u>0</u>
Total special funds	\$15,815,828	\$732,211	\$16,548,039
Full-time equivalent positions	8.00	0.00	8.00"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1024 - Tobacco Prevention & Control Exec Comm - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Comprehensive tobacco control	\$15,807,437	\$16,047,355	\$500,684	\$16,548,039
Accrued leave payments	<u>8,391</u>			
Total all funds	\$15,815,828	\$16,047,355	\$500,684	\$16,548,039
Less estimated income	<u>15,815,828</u>	<u>16,047,355</u>	<u>500,684</u>	<u>16,548,039</u>
General fund	\$0	\$0	\$0	\$0
FTE	8.00	8.00	0.00	8.00

Department No. 305 - Tobacco Prevention & Control Exec Comm - Detail of Senate Changes

Adjusts Funding for	Increases Funding for	Adds Funding for State	Total Senate Changes
------------------------	--------------------------	---------------------------	-------------------------

	Health Insurance Premium Increases ¹	Information Technology ²	Department of Health Grant ³	
Comprehensive tobacco control Accrued leave payments	(\$6,776)	\$7,460	\$500,000	\$500,684
Total all funds	(\$6,776)	\$7,460	\$500,000	\$500,684
Less estimated income	(6,776)	7,460	500,000	500,684
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

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

² Funding for information technology is increased to provide a total of \$21,460 for ongoing information technology costs related to House Bill No. 1053, the same as the executive recommendation.

³ Funding is added to provide a grant to the State Department of Health to be used for the Centers for Disease Control *Best Practices for Comprehensive Tobacco Prevention and Control Programs*.

REPORT OF STANDING COMMITTEE

HB 1057: Finance and Taxation Committee (Sen. Cook, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1057 was placed on the Sixth order on the calendar.

Page 1, line 6, after the semicolon insert "to provide for a legislative management study;"

Page 6, after line 11, insert:

"SECTION 7. LEGISLATIVE MANAGEMENT STUDY - PROPERTY TAX INFORMATION. During the 2015-16 interim, the legislative management shall consider studying delivery and contents of property tax information to taxpayers when the property assessment has been determined by the assessor, when the budget hearing will be held for each taxing district in which the property is located, and when the property tax statement for the taxable year is delivered. The study must consider the feasibility and desirability of changes to the timing of events scheduled by law for the taxable year and must consider improvements to the transparency, administration, and understanding of the property tax system. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-fifth legislative assembly."

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1124: Energy and Natural Resources Committee (Sen. Schaible, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (6 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1124 was placed on the Sixth order on the calendar.

Page 1, line 7, overstrike "Every" and insert immediately thereafter "Each"

Page 1, line 8, remove "and file"

Page 1, line 9, replace "Every" with "Each"

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1229: Industry, Business and Labor Committee (Sen. Klein, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (6 YEAS, 1 NAYS, 0 ABSENT AND NOT VOTING). HB 1229 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 sections 43-09-09.2 and 43-09-14 of the North Dakota Century Code, relating to contracting for electrical services and undertakings for electricians contracting for electrical installations; and to provide for a legislative management study.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 43-09-09.2 of the North Dakota Century Code is amended and reenacted as follows:

43-09-09.2. Advertising prohibited - Exceptions - Liability - Penalty.

1. Except as provided in this section, if an electrical license is required under section 43-09-09 or by local ordinance, ~~no~~ a person may not advertise to contract for electrical services without being licensed as or being associated with a class B or master electrician unless that person intends to contract the electrical services with a licensed electrical contractor.
2. If a person associates with a class B or master electrician under subsection 1, that person is jointly and severally liable for any electrical services contracts entered under that association.
3. A person that violates subsection 1 is guilty of:
 - a. ~~A person violating this section is guilty of a class B misdemeanor for a first conviction, but no fine in excess of one hundred dollars and no term of imprisonment may be imposed.~~
 - b. ~~A person violating this section is guilty of a class A misdemeanor for a second or subsequent conviction, but the penalties are as follows:~~
 - (1) For a second conviction, no fine in excess of one thousand dollars and no term of imprisonment may be imposed.
 - (2) For a third or subsequent conviction, a fine not to exceed one thousand dollars, or imprisonment not to exceed thirty days, or both, may be imposed.

SECTION 2. AMENDMENT. Section 43-09-14 of the North Dakota Century Code is amended and reenacted as follows:

43-09-14. Master electrician and class B electrician - Undertaking - Fund.

1. ~~Before entering into a contract agreement or undertaking with another person for the installation of electrical wiring or installation of electrical parts of other apparatus, a master electrician or a class B electrician shall execute and deposit with the board an initial undertaking in the sum of five thousand dollars for a master electrician or four thousand dollars for a class B electrician conditioned on the faithful performance of all electrical work undertaken by the electrician, on strict compliance with the provisions of this chapter, and on the requirements of the board. In addition, a deposit must be made with a term of licensure renewal for an electrician who made an initial undertaking under this section, the board may require a renewal undertaking in the amount of fifty dollars by a master electrician and in the amount of forty~~
Before entering into a contract agreement or undertaking with another person for the installation of electrical wiring or installation of electrical parts of other apparatus, a master electrician or a class B electrician shall execute and deposit with the board an initial undertaking in the sum of one hundred dollars for a master electrician or four hundred dollars for a class B electrician conditioned on the faithful performance of all electrical work undertaken by the electrician, on strict compliance with the provisions of this chapter, and on the requirements of the board. In addition, a deposit must be made with a term of licensure renewal for an electrician who made an initial undertaking under this section, the board may require a renewal undertaking in the amount of fifty dollars by a master electrician and in the amount of forty

~~dollars by a class B electrician, in lieu of a surety bond not to exceed one hundred dollars.~~

- ~~2. The deposit so made must be accumulated by the board shall deposit in a special fund to be used for the completion of installations abandoned by electricians all money collected under this section. The board shall use this fund to make code compliant an installation abandoned by an electrician referred to in this section, not to exceed the amount of fivethirty-five thousand dollars for a master electrician and four thousand dollars for a class B electrician per electrician. The board shall waive the deposit for requirement for a renewal of license by electricians who have made an initial deposit under this section undertaking if at the beginning of the renewal year the fund exceeds fiftytwo hundred thousand dollars. Funds in excess of fifty thousand dollars at the end of each year may be committed and used at the direction of~~
- ~~3. Annually, the board may use from the fund an amount not to exceed ten percent of the fund's year-end balance to inform and educate electricians concerning the requirements of the electrical code.~~
- ~~4. The board may prescribe forms for the undertaking and make rules if the board deems necessary to carry out the intent of this section.~~

SECTION 3. LEGISLATIVE MANAGEMENT STUDY - ABANDONED ELECTRICAL INSTALLATIONS. During the 2015-16 interim, the legislative management shall consider studying the current process used by the state electrical board to address abandoned electrical installations and the feasibility and desirability of changing this process. 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

REPORT OF STANDING COMMITTEE

HB 1359, as reengrossed and amended: Appropriations Committee (Sen. Holmberg, Chairman) recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Reengrossed HB 1359, as amended, was placed on the Fourteenth order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1372, as engrossed and amended: Appropriations Committee (Sen. Holmberg, Chairman) recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1372, as amended, was placed on the Fourteenth order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1390, as reengrossed: Energy and Natural Resources Committee (Sen. Schaible, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Reengrossed HB 1390 was placed on the Sixth order on the calendar.

Page 1, line 2, replace "licensing of" with "establishment by the state department of health of an operating pilot project to examine and determine standards for rules governing operations and permitting of"

Page 1, line 2, replace "recyclers of" with "recycling facilities for"

Page 1, line 3, after "operations" insert "; and to declare an emergency"

Page 1, line 7, replace "**recyclers**" with "**recycling facilities**"

Page 1, after line 8, insert "1."

Page 1, line 9, replace "The state" with "By June 1, 2015, the"

Page 1, line 9, remove "of health"

Page 1, line 9, replace "license" with "select one"

Page 1, line 9, remove "recyclers and"

Page 1, remove lines 10 through 13

Page 1, line 14 replace "special waste received by the recycler or recycling facility" with "recycling facility having a pending beneficial use application, for authorization of operation of the facility as a pilot project and to assist the department to develop standards for recycling of oilfield special waste. The pending beneficial use application of the pilot project facility must be supported by scientific findings from a third-party source focused on the anticipated environmental performance of the end products of the recycled oilfield special waste and the practical utility of those end products"

Page 1, after line 14, insert:

- "2. The pilot project facility and any commercial oilfield special waste recycling facility permitted after June 30, 2017, must obtain a special waste landfill permit from the state department of health and a treating plant permit from the industrial commission for treatment of oilfield special waste.
3. The selected pilot project facility may operate as an oilfield special waste recycling facility through June 30, 2017, and may implement beneficial use demonstration projects using processed materials under the guidance of the state department of health. The selected pilot project facility operator shall cooperate with the state department of health to monitor and analyze impacts to the environment.
- 4."

Page 1, line 15, replace "The health council" with "By July 1, 2017, the department"

Page 1, line 15, after "operations" insert "and permitting"

Page 1, line 16, replace "recyclers" with "recycling facilities"

Page 1, line 19, replace "1." with "5."

Page 1, line 22, replace "recycler" with "recycling facility"

Page 2, line 3, replace "c." with "6."

Page 2, line 3, after "The" insert "operator of the"

Page 2, line 3, replace "recycler" with "recycling facility"

Page 2, line 4, remove "state"

Page 2, line 4, remove "of health"

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

Page 2, line 5, replace "licensure" with "permitting"

Page 2, line 5, remove "state"

Page 2, line 5, replace "of health shall" with "may"

Page 2, line 5, after "that" insert "the operator of"

Page 2, line 6, replace "recycler must" with "recycling facility"

Page 2, line 6, after "bond" insert "or other financial assurance"

Page 2, line 11, replace "3." with "8."

Page 2, line 12, replace "recycler" with "recycling facility"

Page 2, line 13, replace "licensed" with "permitted, or a commercial recycling facility pilot project authorized."

Page 2, line 13, replace "chapter" with "section"

Page 2, line 17, after "means" insert "special"

Page 2, line 20, replace "4." with "9."

Page 2, line 20, replace "recycler" with "recycling facility"

Page 2, line 21, replace "licensed" with "permitted or authorized to conduct recycling operations"

Page 2, line 22, replace "recycler" with "recycling facility"

Page 2, after line 26, insert:

"SECTION 2. EMERGENCY. This Act is declared to be an emergency measure."

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1415, as engrossed: Energy and Natural Resources Committee (Sen. Schaible, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1415 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 provide an appropriation to the state water commission; to provide legislative intent; to provide an exemption; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$30,000,000, or so much of the sum as may be necessary, and out of any moneys in the state disaster relief fund in the state treasury, not otherwise appropriated, the sum of \$30,000,000, or so much of the sum as may be necessary, to the state water commission for the purpose of providing funding for flood protection projects within city limits of Fargo for the period beginning with the effective date of this Act and ending June 30, 2017. The city of Fargo must apply for flood protection project funding, but the state water commission may not deny an application unless the funds are not intended to be used in accordance with provisions of this section. The city of Fargo may use the funds for costs directly associated with completion of interior flood protection projects within its city limits, including engineering and legal fees, right of way acquisition costs, land purchases, home buyouts, and construction costs. Funds may not be used for general operations or administrative costs.

SECTION 2. LEGISLATIVE INTENT - FARGO INTERIOR FLOOD PROTECTION. It is the intent of the sixty-fourth legislative assembly that a total of \$120,000,000 be provided by the state for flood protection projects within the city limits of Fargo during the 2015-17 and 2017-19 bienniums.

SECTION 3. EXEMPTION. The funds appropriated in section 1 of this Act are not subject to section 54-44.1-11, and any unexpended funds must be continued

into the 2017-19 or subsequent bienniums and may be spent only for flood protection projects within city limits of Fargo.

SECTION 4. EMERGENCY. This Act is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides an appropriation of \$60 million, \$30 million from the strategic investment and improvements fund and \$30 million from the state disaster relief fund to the State Water Commission for providing funding for flood protection projects within city limits of Fargo.

REPORT OF STANDING COMMITTEE

HCR 3004: Human Services Committee (Sen. J. Lee, Chairman) recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HCR 3004 was placed on the Fourteenth order on the calendar.

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

Jane Schaible, Secretary

