

JOURNAL OF THE SENATE

Sixty-fifth Legislative Assembly

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Bismarck, March 24, 2017

The Senate convened at 12:30 p.m., with President Sanford presiding.

The prayer was offered by Pastor Randy Upgren, The God's Child Project, Bismarck.

The roll was called and all members were present.

A quorum was declared by the President.

MOTION

SEN. KLEIN MOVED that HB 1166, which is on the Sixth order, be laid over one legislative day, which motion prevailed.

CONSIDERATION OF AMENDMENTS

HB 1324, as reengrossed: SEN. SCHAIKLE (Education Committee) MOVED that the amendments on SJ pages 875-877 be adopted and then be **REREFERRED** to the **Appropriations Committee** with **DO PASS**, which motion prevailed on a voice vote.

Reengrossed HB 1324 was rereferred to the **Appropriations Committee**.

CONSIDERATION OF AMENDMENTS

HB 1041, as reengrossed: SEN. ARMSTRONG (Judiciary Committee) MOVED that the amendments on SJ pages 872-874 be adopted and then be **REREFERRED** to the **Appropriations Committee** with **DO PASS**, which motion prevailed on a voice vote.

Reengrossed HB 1041 was rereferred to the **Appropriations Committee**.

CONSIDERATION OF AMENDMENTS

HB 1194: SEN. D. LARSON (Judiciary Committee) MOVED that the amendments on SJ pages 874-875 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 1194: A BILL for an Act to create and enact a new section to chapter 12.1-34 of the North Dakota Century Code, relating to providing a victim's rights card; and to amend and reenact subsections 6 and 10 of section 12.1-34-01, subsections 1, 2, and 6 of section 12.1-34-02, and subsection 1 of section 12.1-34-06 of the North Dakota Century Code, relating to treatment standards for victims.

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 47 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

HB 1194, as amended, passed.

CONSIDERATION OF AMENDMENTS

HB 1279, as engrossed: SEN. D. LARSON (Judiciary Committee) MOVED that the

amendments on SJ page 875 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 1279: A BILL for an Act to create and enact a new subdivision to subsection 2 of section 62.1-02-05 of the North Dakota Century Code, relating to possession of a firearm; and to declare an emergency.

ROLL CALL

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

YEAS: Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

Engrossed HB 1279, as amended, passed and the emergency clause was declared carried.

SECOND READING OF HOUSE BILL

HB 1435: A BILL for an Act to amend and reenact section 16.1-01-11 of the North Dakota Century Code, relating to school bond issue elections.

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 12 YEAS, 35 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Bekkedahl; Clemens; Cook; Kannianen; Larsen, O.; Larson, D.; Lee, G.; Luick; Osland; Schaible; Unruh; Wanzek

NAYS: Anderson; Armstrong; Bowman; Burckhard; Campbell; Casper; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Kreun; Laffen; Lee, J.; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Piepkorn; Poolman; Robinson; Roers; Rust; Sorvaag; Vedaa; Wardner

Engrossed HB 1435, as amended, failed.

SECOND READING OF HOUSE BILL

HB 1037: A BILL for an Act to create and enact section 15.1-21-02.9 of the North Dakota Century Code, relating to North Dakota scholarship information; and to amend and reenact subsection 1 of section 15.1-06-06 and section 15.1-07-33 of the North Dakota Century Code, relating to the approval of public schools and the student information system.

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

YEAS: Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

NAYS: Larsen, O.

HB 1037, as amended, passed.

SECOND READING OF HOUSE BILL

HB 1247: A BILL for an Act to amend and reenact subsection 4 of section 26.1-39-11, section 26.1-39-20, subsection 5 of section 26.1-40-01, and section 26.1-40-09 of the North Dakota Century Code, relating to termination of insurance and duplicate property insurance coverage.

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 47 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

Engrossed HB 1247, as amended, passed.

SECOND READING OF HOUSE BILL

HB 1428: A BILL for an Act to amend and reenact subsection 2 of section 15.1-23-09 of the North Dakota Century Code, relating to home education standards.

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 30 YEAS, 17 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Davison; Dever; Erbele; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Larsen, O.; Larson, D.; Lee, G.; Luick; Meyer; Myrdal; Oehlke; Osland; Poolman; Sorvaag; Unruh; Wanzek

NAYS: Cook; Dotzenrod; Grabinger; Kreun; Laffen; Lee, J.; Marcellais; Mathern; Nelson; Oban; Piepkorn; Robinson; Roers; Rust; Schaible; Vedaa; Wardner

HB 1428 passed.

SECOND READING OF HOUSE BILL

HB 1254: A BILL for an Act to amend and reenact sections 15.1-29-05, 15.1-29-06, and 15.1-29-07 of the North Dakota Century Code, relating to a school district tuition waiver contract.

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 47 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

HB 1254 passed.

SECOND READING OF HOUSE BILL

HB 1246: A BILL for an Act to create and enact a new section to chapter 54-44.3 of the North Dakota Century Code, relating to state employee claims of employment discrimination.

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 8 YEAS, 39 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Anderson; Dotzenrod; Grabinger; Heckaman; Mathern; Nelson; Oban; Robinson

NAYS: Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Erbele; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Meyer; Myrdal; Oehlke; Osland; Piepkorn; Poolman; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

HB 1246 failed.

SECOND READING OF HOUSE BILL

HB 1402: A BILL for an Act to amend and reenact subsection 4 of section 14-07.1-02 of the North Dakota Century Code, relating to the surrender of firearms or other dangerous weapons pursuant to domestic violence protection orders.

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 47 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

HB 1402 passed.

SECOND READING OF HOUSE BILL

HB 1397: A BILL for an Act to create and enact a new section to chapter 54-03 of the North Dakota Century Code, relating to the introduction of bills by executive branch agencies and the judicial branch.

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 4 YEAS, 43 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Clemens; Kannianen; Larsen, O.; Myrdal

NAYS: Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

Engrossed HB 1397 failed.

SECOND READING OF HOUSE BILL

HB 1431: A BILL for an Act to amend and reenact section 54-35-02.8 of the North Dakota Century Code, relating to the legislative ethics committee.

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 47 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

Engrossed HB 1431 passed.

SECOND READING OF HOUSE BILL

HB 1165: A BILL for an Act to create and enact a new subsection to section 54-60.1-07 of the North Dakota Century Code, relating to transparency of state grants; and to amend and reenact section 54-60.1-01, subdivision g of subsection 3 of section 54-60.1-03, and section 54-60.1-05 of the North Dakota Century Code, relating to transparency of state grants.

ROLL CALL

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

YEAS: Larsen, O.

NAYS: Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

Engrossed HB 1165 failed.

SECOND READING OF HOUSE CONCURRENT RESOLUTION

HCR 3006: A concurrent resolution calling for a convention for the purpose of amending the United States Constitution to impose fiscal restraints on the federal government and limit the power and jurisdiction of the federal government.

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

HCR 3006 was declared adopted on a voice vote.

SECOND READING OF HOUSE CONCURRENT RESOLUTION

HCR 3024: A concurrent resolution declaring June 27, 2017, and each June 27 thereafter, as "Posttraumatic Stress Injury Awareness Day" and the month of June 2017, and each June thereafter, as "Posttraumatic Stress Injury Awareness Month".

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

Engrossed HCR 3024 was declared adopted on a voice vote.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. POOLMAN MOVED that the Senate do concur in the House amendments to SB 2334 as printed on SJ page 709, which motion prevailed on a voice vote.

SB 2334, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

SB 2334: A BILL for an Act to create and enact a new section to chapter 48-08 of the North Dakota Century Code, relating to the designation of memorial hall.

ROLL CALL

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

YEAS: Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

Engrossed SB 2334 passed.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. KLEIN MOVED that the Senate do concur in the House amendments to Engrossed SB 2212 as printed on SJ pages 770-771, which motion prevailed on a voice vote.

Engrossed SB 2212, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

SB 2212: A BILL for an Act to amend and reenact subsection 4 of section 6-03-02 and section 6-05-06 of the North Dakota Century Code, relating to residency requirements of bank directors.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 35 YEAS, 12 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Anderson; Armstrong; Bekkedahl; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Erbele; Grabinger; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larsen, O.; Larson, D.; Luick; Marcellais; Meyer; Myrdal; Oban; Osland; Poolman; Roers; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

NAYS: Bowman; Dotzenrod; Heckaman; Hogue; Lee, G.; Lee, J.; Mathern; Nelson; Oehlke; Piepkorn; Robinson; Rust

Reengrossed SB 2212 passed.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. KLEIN MOVED that the Senate do concur in the House amendments to SB 2094 as printed on SJ page 770, which motion prevailed on a voice vote.

SB 2094, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

SB 2094: A BILL for an Act to create and enact section 65-04-04.4 of the North Dakota Century Code, relating to medical expense assessments; to amend and reenact sections 65-04-22, 65-04-26.1, 65-04-32, and subsections 2, 3, and 4 of section 65-04-33 of the North Dakota Century Code, relating to securing premium payments, correct cross references, employer noncompliance, and employer false statements; to repeal section 65-05-07.2 of the North Dakota Century Code, relating to medical expense assessments; and to provide a penalty.

ROLL CALL

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

YEAS: Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

Engrossed SB 2094 passed.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. BURCKHARD MOVED that the Senate do concur in the House amendments to Engrossed SB 2152 as printed on SJ page 796, which motion prevailed on a voice vote.

Engrossed SB 2152, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

SB 2152: A BILL for an Act to create and enact a new section to chapter 44-04 of the North Dakota Century Code, relating to public employment hiring practices and confidentiality of some applications.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 33 YEAS, 14 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Erbele; Hogue; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Meyer; Myrdal; Oehlke; Osland; Poolman; Roers; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

NAYS: Anderson; Armstrong; Dotzenrod; Grabinger; Heckaman; Holmberg; Luick; Marcellais; Mathern; Nelson; Oban; Piepkorn; Robinson; Rust

Reengrossed SB 2152 passed.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. POOLMAN MOVED that the Senate do concur in the House amendments to Engrossed SB 2110 as printed on SJ page 783, which motion prevailed on a voice vote.

Engrossed SB 2110, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

SB 2110: A BILL for an Act to amend and reenact section 37-17.1-07.1 of the North Dakota Century Code, relating to hazardous chemical preparedness and response program fees and fines.

ROLL CALL

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

YEAS: Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Meyer; Myrdal; Nelson; Oban; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

NAYS: Mathern; Oehlke

Reengrossed SB 2110 passed.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. KLEIN MOVED that the Senate do concur in the House amendments to Engrossed SB 2230 as printed on SJ page 771, which motion prevailed on a voice vote.

Engrossed SB 2230, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

SB 2230: A BILL for an Act to provide for a legislative management study of hybrid long-term care partnership plan insurance coverage.

ROLL CALL

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

YEAS: Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

Reengrossed SB 2230 passed.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. UNRUH MOVED that the Senate do concur in the House amendments to SB 2308 as printed on SJ page 796, which motion prevailed on a voice vote.

SB 2308, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

SB 2308: A BILL for an Act to amend and reenact section 20.1-06-07 and subsection 3 of section 20.1-07-03.1 of the North Dakota Century Code, relating to identification of fishhouses and coyote snares.

ROLL CALL

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

YEAS: Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

Engrossed SB 2308 passed.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. BURCKHARD MOVED that the Senate do concur in the House amendments to Engrossed SB 2168 as printed on SJ page 809, which motion prevailed on a voice vote.

Engrossed SB 2168, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

SB 2168: A BILL for an Act to amend and reenact section 48-01.2-01 of the North Dakota Century Code, relating to public improvements.

ROLL CALL

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

YEAS: Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

Reengrossed SB 2168 passed.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

MR. SPEAKER: The Senate has passed, unchanged: HB 1423.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

MR. SPEAKER: The Senate has amended and subsequently passed: HB 1183, HB 1204, HB 1222, HB 1235, HB 1236, HB 1415.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

MR. SPEAKER: The Senate has amended, subsequently passed, and the emergency clause carried: HB 1365, HB 1395.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

MR. SPEAKER: The Senate has failed to pass, unchanged: HB 1056.

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

MR. PRESIDENT: The House has amended and subsequently passed: SB 2300.

HOUSE AMENDMENTS TO SENATE BILL NO. 2300

Page 1, line 18, after "officer" insert "or correctional institution employee"

Renumber accordingly

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

MR. PRESIDENT: The House has amended and subsequently failed to pass: SB 2204.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

MR. SPEAKER: The Senate has concurred in the House amendments and subsequently passed: SB 2094, SB 2110, SB 2152, SB 2168, SB 2212, SB 2230, SB 2308, and SB 2334.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

MR. SPEAKER: Your signature is respectfully requested on: SB 2098, SB 2115, SB 2117, SB 2125, SB 2176, SB 2199, SB 2249, SB 2269, SB 2288, SB 2290, SB 2325, SB 2326.

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

MR. PRESIDENT: Your signature is respectfully requested on: HB 1273, HB 1322.

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

MR. PRESIDENT: The Speaker has signed: SB 2098, SB 2115, SB 2117, SB 2125, SB 2176, SB 2199, SB 2249, SB 2269, SB 2288, SB 2290, SB 2325, SB 2326.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

MR. SPEAKER: The President has signed: SB 2098, SB 2115, SB 2117, SB 2125, SB 2176, SB 2199, SB 2249, SB 2269, SB 2288, SB 2290, SB 2325, SB 2326.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

MR. SPEAKER: The President has signed: HB 1273, HB 1322.

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 1:15 p.m., Monday, March 27, 2017, which motion prevailed.

REPORT OF STANDING COMMITTEE

HB 1011, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1011 was placed on the Sixth order on the calendar.

Page 1, replace line 11 with:

"Salaries and wages	\$1,801,279	\$47,388	\$1,848,667"
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Page 1, replace line 13 with:

"Total all funds	\$2,260,781	\$93,933	\$2,354,714"
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Page 1, replace line 15 with:

"Total general fund	\$2,090,781	\$93,933	\$2,184,714"
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Page 1, line 18, replace "\$25,578" with "\$23,892"

Page 1, line 19, replace "\$1,249" with "\$1,241"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:**House Bill No. 1011 - Securities Department - Senate Action**

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$1,801,279	\$1,850,533	(\$1,866)	\$1,848,667
Operating expenses	459,502	506,047		506,047
Total all funds	\$2,260,781	\$2,356,580	(\$1,866)	\$2,354,714
Less estimated income	170,000	170,000	0	170,000
General fund	\$2,090,781	\$2,186,580	(\$1,866)	\$2,184,714
FTE	9.00	9.00	0.00	9.00

Department No. 414 - Securities Department - Detail of Senate Changes

	Adjusts Funding for Health Insurance Increases ¹	Total Senate Changes
Salaries and wages	(\$1,866)	(\$1,866)
Operating expenses		
Total all funds	(\$1,866)	(\$1,866)
Less estimated income	0	0
General fund	(\$1,866)	(\$1,866)

FTE

0.00

0.00

¹Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month.

REPORT OF STANDING COMMITTEE

HB 1017, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1017 was placed on the Sixth order on the calendar.

Page 1, replace line 12 with:

"Salaries and wages	\$29,670,242	\$184,632	\$29,854,874"
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Page 1, replace line 16 with:

"Land habitat and deer depredation	16,922,681	901,496	17,824,177"
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Page 1, replace line 18 with:

"Missouri River enforcement	282,540	1,317	283,857"
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Page 1, replace line 21 with:

"Lonetree reservoir	1,823,005	(24,886)	1,798,119"
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Page 1, replace line 23 with:

"Total special funds	\$77,231,739	\$5,995,759	\$83,227,498"
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Page 2, line 2, replace "\$453,615" with "\$420,749"

Page 2, line 3, replace "\$1,249" with "\$1,241"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1017 - Game and Fish Department - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$29,670,242	\$29,885,205	(\$30,331)	\$29,854,874
Operating expenses	13,668,944	15,338,130		15,338,130
Capital assets	5,497,996	6,330,956		6,330,956
Grants - Game and fish	7,334,412	9,650,184		9,650,184
Land habitat and deer depredation	16,922,681	17,825,808	(1,631)	17,824,177
Noxious weed control	700,000	725,000		725,000
Missouri River enforcement	282,540	283,932	(75)	283,857
Grants - Gifts - Donations	827,519	802,201		802,201
Nongame wildlife conservation	120,000	120,000		120,000
Lonetree Reservoir	1,823,005	1,798,948	(829)	1,798,119
Wildlife services	384,400	500,000		500,000
Total all funds	\$77,231,739	\$83,260,364	(\$32,866)	\$83,227,498
Less estimated income	77,231,739	83,260,364	(32,866)	83,227,498
General fund	\$0	\$0	\$0	\$0
FTE	163.00	163.00	0.00	163.00

Department No. 720 - Game and Fish Department - Detail of Senate Changes

	Adjusts Funding for Health Insurance Increases ¹	Total Senate Changes
Salaries and wages	(\$30,331)	(\$30,331)
Operating expenses		
Capital assets		
Grants - Game and fish		
Land habitat and deer depredation	(1,631)	(1,631)
Noxious weed control		
Missouri River enforcement	(75)	(75)
Grants - Gifts - Donations		
Nongame wildlife conservation		
Lonetree Reservoir	(829)	(829)
Wildlife services		
Total all funds	(\$32,866)	(\$32,866)
Less estimated income	(32,866)	(32,866)
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month. Section 2 of the bill is also changed to reflect the revised premium rate.

REPORT OF STANDING COMMITTEE

HB 1021, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1021 was placed on the Sixth order on the calendar.

Page 1, replace lines 10 through 12 with:

"Workforce safety and insurance operations	<u>\$61,865,170</u>	<u>\$10,541,489</u>	<u>\$72,406,659</u>
Total special funds	\$61,865,170	\$10,541,489	\$72,406,659"

Page 1, line 14, after the boldfaced period insert "**HEALTH INSURANCE INCREASE.**"

Page 1, line 14, replace "\$775,925" with "\$719,707"

Page 1, line 15, replace "\$1,249" with "\$1,241"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1021 - Workforce Safety and Insurance - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
WSI operations	<u>\$61,865,170</u>	<u>\$72,462,877</u>	(\$56,218)	<u>\$72,406,659</u>
Total all funds	\$61,865,170	\$72,462,877	(\$56,218)	\$72,406,659
Less estimated income	<u>61,865,170</u>	<u>72,462,877</u>	(56,218)	<u>72,406,659</u>
General fund	\$0	\$0	\$0	\$0
FTE	260.14	260.14	0.00	260.14

Department No. 485 - Workforce Safety and Insurance - Detail of Senate Changes

Adjusts Funding for Health Insurance	Total Senate Changes
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	Increases ¹	
WSI operations	(\$56,218)	(\$56,218)
Total all funds	(\$56,218)	(\$56,218)
Less estimated income	(56,218)	(56,218)
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month. Section 2 of the bill is also adjusted to reflect the revised premium rate.

REPORT OF STANDING COMMITTEE

HB 1022, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1022 was placed on the Sixth order on the calendar.

Page 1, replace lines 10 through 13 with:

"Salaries and wages	\$4,340,551	\$85,019	\$4,425,570
Operating expenses	990,874	(200,847)	790,027
Contingencies	82,000	(30,000)	52,000
Total special funds	\$5,413,425	(\$145,828)	\$5,267,597"

Page 1, line 16, replace "\$54,376" with "\$50,436"

Page 1, line 17, replace "\$1,249" with "\$1,241"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1022 - Retirement and Investment Office - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$4,340,551	\$4,429,510	(\$3,940)	\$4,425,570
Operating expenses	990,874	790,027		790,027
Contingencies	82,000	52,000		52,000
Total all funds	\$5,413,425	\$5,271,537	(\$3,940)	\$5,267,597
Less estimated income	5,413,425	5,271,537	(3,940)	5,267,597
General fund	\$0	\$0	\$0	\$0
FTE	19.00	19.00	0.00	19.00

Department No. 190 - Retirement and Investment Office - Detail of Senate Changes

	Adjusts Funding for Health Insurance Increases ¹	Total Senate Changes
Salaries and wages	(\$3,940)	(\$3,940)
Operating expenses		
Contingencies		
Total all funds	(\$3,940)	(\$3,940)
Less estimated income	(3,940)	(3,940)
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding for employee health insurance is adjusted to reflect the updated premium amount

of \$1,241 per month. Section 2 of the bill is also changed to reflect the revised premium rate.

REPORT OF STANDING COMMITTEE

HB 1025, as engrossed: Energy and Natural Resources Committee (Sen. Unruh, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1025 was placed on the Sixth order on the calendar.

Page 1, line 1, after "enact" insert "section 20.1-04-07.1 and"

Page 1, line 2, after the first "to" insert "wild turkey hunting licenses for veterans receiving hunting expeditions from a nonprofit organization and"

Page 4, after line 4, insert:

"SECTION 3. Section 20.1-04-07.1 of the North Dakota Century Code is created and enacted as follows:

20.1-04-07.1. Spring wild turkey licenses for certain veterans.

The director shall issue four spring wild turkey licenses and permits to hunt wild turkeys to veterans residing in North Dakota who are selected by a nonprofit organization that provides outdoor recreation activities to veterans to help improve their health and well - being, and reduce the rate of suicide among veterans. The organization must provide each veteran a hunting expedition during the spring wild turkey season designed to achieve the purpose of the organization during which the veteran may use the veteran's wild turkey license."

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1045, as reengrossed: Finance and Taxation Committee (Sen. Cook, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Reengrossed HB 1045 was placed on the Sixth order on the calendar.

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

Page 1, line 2, remove ", subsection 5 of section 57-38.5-01, and sections 57-38.5-02, 57-38.5-03,"

Page 1, line 3, remove "57-38.5-04, 57-38.5-05, and 57-38.5-06"

Page 1, line 4, remove "and the seed capital investment tax credit; to repeal section"

Page 1, remove line 5

Page 1, line 6, remove "investment tax credit and the seed capital investment tax credit"

Page 1, line 6, after the first semicolon insert "to provide a penalty;"

Page 1, line 11, after the first boldfaced period insert "**(Effective for investments made before July 1, 2017)**"

Page 1, line 13, replace "April" with "July"

Page 1, line 14, overstrike "created" and insert immediately thereafter "organized before July 1, 2017."

Page 6, after line 6, insert:

"SECTION 2. AMENDMENT. Section 57-38-01.26 of the North Dakota Century Code is amended and reenacted as follows:

57-38-01.26. (Effective for investments made after June 30, 2017) Angel fund investment investor tax credit.

1. A taxpayer is entitled to a credit against state income tax liability under section 57-38-30 or 57-38-30.3 for an investment made in an angel fund that is a domestic organization created under the laws of this state. The amount of the credit to which a taxpayer is entitled is forty-five percent of the amount remitted by the taxpayer to an angel fund during the taxable year. The aggregate annual credit for which a taxpayer may obtain a tax credit is not more than forty-five thousand dollars. The aggregate lifetime credits under this section that may be obtained by an individual, married couple, passthrough entity and its affiliates, or other taxpayer is five hundred thousand dollars. The investment used to calculate the credit under this section may not be used to calculate any other income tax deduction or credit allowed by law.
2. To be eligible for the credit, the investment must be at risk in the angel fund for at least three years. An investment made in a qualified business from the assets of a retirement plan is deemed to be the retirement plan participant's investment for the purpose of this section if a separate account is maintained for the plan participant and the participant directly controls where the account assets are invested. Investments placed in escrow do not qualify for the credit. The credit must be claimed in the taxable year in which the investment in the angel fund was received by the angel fund. The credit allowed may not exceed the liability for tax under this chapter. If the amount of credit determined under this section exceeds the liability for tax under this chapter, the excess may be carried forward to each of the seven succeeding taxable years. A taxpayer claiming a credit under this section may not claim any credit available to the taxpayer as a result of an investment made by the angel fund in a qualified business under chapter 57-38.5 or 57-38.6.
3. An angel fund must:
 - a. Be a partnership, limited partnership, corporation, limited liability company, limited liability partnership, limited liability limited partnership, trust, or estate organized on a for-profit basis which is headquartered in this state.
 - b. Be organized for the purpose of investing in a portfolio of at least three primary sector companies that are early-stage and mid-stage private, nonpublicly traded enterprises with strong growth potential. For purposes of this section, an early-stage entity means an entity with annual revenues of up to two million dollars and a mid-stage entity means an entity with annual revenues over two million dollars not to exceed ten million dollars. Investments in real estate or real estate holding companies are not eligible investments by certified angel funds. Any angel fund certified before January 1, 2013, which has invested in real estate or a real estate holding company is not eligible for recertification.
 - c. Consist of at least six accredited investors as defined by securities and exchange commission regulation D, rule 501.
 - d. Not have more than twenty-five percent of its capitalized investment assets owned by an individual investor.
 - e. Have at least five hundred thousand dollars in commitments from accredited investors and that capital must be subject to call to be invested over an unspecified number of years to build a portfolio of investments in enterprises.
 - f. Be member-managed or a manager-managed limited liability company and the investor members or a designated board that

~~includes investor members must make decisions as a group on which enterprises are worthy of investments.~~

- ~~g. Be certified as an angel fund that meets the requirements of this section by the department of commerce.~~
 - ~~h. Be in compliance with the securities laws of this state.~~
 - ~~i. Within thirty days after the date on which an investment in an angel fund is made, the angel fund shall file with the tax commissioner and provide to the investor completed forms prescribed by the tax commissioner which show as to each investment in the angel fund the following:~~
 - ~~(1) The name, address, and social security number or federal employer identification number of the taxpayer or passthrough entity that made the investment;~~
 - ~~(2) The dollar amount remitted by the taxpayer or passthrough entity; and~~
 - ~~(3) The date the payment was received by the angel fund for the investment.~~
 - ~~j. Within thirty days after the end of a calendar year, the angel fund shall file with the tax commissioner a report showing the name and principal place of business of each enterprise in which the angel fund has an investment.~~
- 4. ~~The tax commissioner may disclose to the legislative management the reported information described under paragraphs 2 and 3 of subdivision i of subsection 3 and the reported information described under subdivision j of subsection 3.~~
 - 5. ~~Angel fund investors may be actively involved in the enterprises in which the angel fund invests but the angel fund may not invest in any enterprise if any one angel fund investor owns directly or indirectly more than forty-nine percent of the ownership interests in the enterprise. The angel fund may not invest in an enterprise if any one partner, shareholder, or member of a passthrough entity that directly or indirectly owns more than forty-nine percent of the ownership interests in the enterprise.~~
 - 6. ~~Investors in one angel fund may not receive more than five million dollars in aggregate credits under this section during the life of the angel fund but this provision may not be interpreted to limit additional investments in that angel fund.~~
 - 7.
 - a. ~~A passthrough entity entitled to the credit under this section must be considered to be the taxpayer for purposes of this section, and the amount of the credit allowed must be determined at the passthrough entity level.~~
 - b. ~~For the first two taxable years beginning after December 31, 2010, if a passthrough entity does not elect to sell, transfer, or assign the credit as provided under this subsection and subsection 8, the amount of the total credit determined at the entity level must be passed through to the partners, shareholders, or members in proportion to their respective interests in the passthrough entity.~~
 - c. ~~For the first two taxable years beginning after December 31, 2010, if a passthrough entity elects to sell, transfer, or assign a credit as provided under this subsection and subsection 8, the passthrough entity shall make an irrevocable election to sell, transfer, or assign the credit on the return filed by the entity for the taxable year in which the credit was earned. A passthrough entity that makes a valid~~

election to sell, transfer, or assign a credit shall sell one hundred percent of the credit earned, may sell the credit to only one purchaser, and shall comply with the requirements of this subsection and subsection 8.

8. For the first two taxable years beginning after December 31, 2010, a taxpayer may elect to sell, transfer, or assign all of the earned or excess tax credit earned under this section for investment in an angel fund established after July 31, 2011, subject to the following:
- a. A taxpayer's total credit sale, transfer, or assignment under this section may not exceed one hundred thousand dollars over any combination of taxable years. The cumulative credits transferred by all investors in an angel fund may not exceed fifty percent of the aggregate credits under this section during the life of the angel fund under subsection 6.
 - b. If the taxpayer elects to sell, assign, or transfer a credit under this subsection, the tax credit transferor and the tax credit purchaser jointly shall file with the tax commissioner a copy of the purchase agreement and a statement containing the names, addresses, and taxpayer identification numbers of the parties to the transfer, the amount of the credit being transferred, the gross proceeds received by the transferor, and the taxable year or years for which the credit may be claimed. The taxpayer and the purchaser also shall file a document allowing the tax commissioner to disclose tax information to either party for the purpose of verifying the correctness of the transferred tax credit. The purchase agreement, supporting statement, and waiver must be filed within thirty days after the date the purchase agreement is fully executed.
 - c. The purchaser of the tax credit shall claim the credit beginning with the taxable year in which the credit purchase agreement was fully executed by the parties. A purchaser of a tax credit under this section has only such rights to claim and use the credit under the terms that would have applied to the tax credit transferor. This subsection does not limit the ability of the tax credit purchaser to reduce the tax liability of the purchaser, regardless of the actual tax liability of the tax credit transferor.
 - d. A sale, assignment, or transfer of a tax credit under this section is irrevocable and the purchaser of the tax credit may not sell, assign, or otherwise transfer the credit.
 - e. If the amount of the credit available under this section is changed as a result of an amended return filed by the transferor, or as the result of an audit conducted by the internal revenue service or the tax commissioner, the transferor shall report to the purchaser the adjusted credit amount within thirty days of the amended return or within thirty days of the final determination made by the internal revenue service or the tax commissioner. The tax credit purchaser shall file amended returns reporting the additional tax due or claiming a refund as provided in section 57-38-38 or 57-38-40, and the tax commissioner may audit these returns and assess or issue refunds, even though other time periods prescribed in these sections may have expired for the purchaser.
 - f. Gross proceeds received by the tax credit transferor must be assigned to North Dakota. The amount assigned under this subsection cannot be reduced by the taxpayer's income apportioned to North Dakota or any North Dakota net operating loss of the taxpayer.
 - g. The tax commissioner has four years after the date of the credit assignment to audit the returns of the credit transferor and the

purchaser to verify the correctness of the amount of the transferred credit and if necessary assess the credit purchaser if additional tax is found due. This subdivision does not limit or restrict any other time-period prescribed in this chapter for the assessment of tax.

- h. The tax commissioner may adopt rules to establish necessary administrative provisions for the credit under this section, including provisions to permit verification of the validity and timeliness of the transferred tax credit.
1. For investments made after June 30, 2017, an angel investor is entitled to a credit against the income tax liability under section 57-38-30.3 for investments made by a certified angel fund into a qualified business. The credit is equal to thirty-five percent of the amount invested by the angel fund on behalf of the angel investor in a qualified business during the taxable year.
 - a. The aggregate amount of credits allowed to an angel investor in a taxable year is limited to forty-five thousand dollars. The aggregate amount of credits allowed to an angel investor for investments made in all taxable years is five hundred thousand dollars. The limitation under this subdivision does not apply to the angel fund but applies to each angel investor.
 - b. The credit must be claimed in the taxable year in which the investment is made in the qualified business. The credit allowed may not exceed the liability for tax under this chapter. If the amount of the credit determined under this section exceeds the liability for tax under this chapter, the excess may be carried forward to each of the five succeeding taxable years.
 - c. The investment used to calculate the credit under this section may not be used to calculate any other income tax deduction or credit allowed by law.
 - d. Angel investors may not receive more than five million dollars in aggregate credits under this section during the life of an angel fund but this provision may not be interpreted to limit additional investments in that angel fund.
 - e. Investments placed in escrow do not qualify for the credit.
 - f. A passthrough entity entitled to the credit under this section must be considered to be the taxpayer for purposes of calculating the credit. The amount of the allowable credit must be determined at the passthrough entity level. The total credit determined at the entity level must be passed through to the partners, shareholders, or members in proportion to their respective interests in the passthrough entity. An individual taxpayer may take the credit passed through under this section against the individual's state income tax liability under section 57-38-30.3.
 2. For purposes of this section:
 - a. "Early-stage entity" means an entity with annual revenues of up to two million dollars.
 - b. "Investment" means a cash investment in a qualified business that is made in exchange for common stock, a partnership or membership interest, preferred stock, debt with a mandatory conversion to equity, or an equivalent ownership interest as determined by the tax commissioner.
 - c. "Mid-stage entity" means an entity with annual revenues over two million dollars not to exceed ten million dollars.

- d. "North Dakota qualified business" means an early-stage or mid-stage private, nonpublicly traded enterprise that:
- (1) Is created, or its satellite operation is created, as a for-profit entity under the laws of this state.
 - (2) Has its principal office in this state and has the majority of its business activity performed in this state, except sales activity, or has a significant operation in this state that has or is projected to have more than ten employees in this state.
 - (3) Relies on research or the development of new products and processes in its plans for growth and profitability.
 - (4) Is in compliance with state and federal securities laws.
 - (5) Is not an entity or enterprise which is engaged in real estate development, is a real estate holding company, derives income from the selling or leasing of residential or commercial real estate, or carries on operations in the hotel, restaurant, convention, or hospitality industries, or makes any other similar use of real estate.
 - (6) Is certified as a North Dakota qualified business that meets the requirements of this section by the department of commerce.
- e. "Qualified business" means an early-stage or mid-stage private, nonpublicly traded enterprise that:
- (1) Is created as a for-profit entity.
 - (2) Relies on research or the development of new products and processes in its plans for growth and profitability.
 - (3) Is in compliance with state and federal securities laws.
 - (4) Is not an entity or enterprise engaged in real estate development, is a real estate holding company, derives income from the selling or leasing of residential or commercial real estate, or carries on operations in the hotel, restaurant, convention, or hospitality industries, or makes any other similar use of real estate.
 - (5) Is certified as a qualified business that meets the requirements of this section by the department of commerce.

Except as used in this subdivision, the term "qualified business" also includes a North Dakota qualified business.

3. An angel fund must:

- a. Be a passthrough entity organized after June 30, 2017, as a domestic for-profit entity under the laws of this state, and have its headquarters in this state.
- b. Not have invested, or intend on investing during its certification period, in real estate or real estate activities as described under subdivision e of subsection 2.
- c. Consist of at least six accredited investors as defined in regulation D, rule 501 of the federal Securities Act of 1933.
- d. Not have more than twenty-five percent of its capitalized investment assets owned by any one investor.

- e. Have at least five hundred thousand dollars in commitments from accredited investors which are subject to call to be invested over an unspecified number of years to build a portfolio of investments in enterprises.
- f. Be member-managed or a manager-managed limited liability company and the investor members or a designated board that includes investor members must make decisions as a group on which enterprises are worthy of investments.
- g. Be certified as an angel fund that meets the requirements of this subsection by the department of commerce.
- h. Be in, and remain in, compliance with state and federal securities laws, and invest only in qualified businesses that are issuing securities in compliance with state and federal securities laws.
- 4. On or before December 31, 2019, and every two calendar years thereafter, a minimum of seventy-five percent of an angel fund's investments, as defined under subdivision b of subsection 2, must be invested into a North Dakota qualified business.
- 5. An angel fund shall hold the investment in a qualified business for at least three years from the date of investment. The three-year period does not apply if, before the end of the three-year period:
 - a. The investment becomes worthless;
 - b. Eighty percent or more of the assets of the qualified business are sold;
 - c. The qualified business is sold;
 - d. The common stock of the qualified business begins trading on a public exchange; or
 - e. A partner, shareholder, or member of the angel fund dies, in which case the exception to the three-year holding period only applies to the deceased individual's portion of the investment and related credit.
- 6. Within thirty days after the date on which an angel fund makes an investment in a qualified business, the angel fund shall report the investment to the tax commissioner on forms and in the manner prescribed by the tax commissioner. The report must contain:
 - a. The name, address, and federal employer identification number of the angel fund;
 - b. The total amount of the investment from all angel investors investing in the qualified business;
 - c. The name, address, and social security or federal identification number of each angel investor investing in the qualified business;
 - d. The amount invested by each angel investor in the qualified business;
 - e. The type of security received by the angel fund in exchange for the investment;
 - f. The name, address, and federal employer identification number of the qualified business;
 - g. The type of industry in which the qualified business is engaged; and

- h. Any other information the tax commissioner determines is necessary for administration of this section.
- 7. An angel fund is subject to a penalty of one thousand dollars per month for each month, or fraction thereof, the report under subsection 6 is not filed. The tax commissioner, for good cause shown, may waive all or part of the penalty imposed under this subsection.
- 8. By January thirty-first of each year, the angel fund shall file with the tax commissioner a report showing:
 - a. The name and address of each qualified business in which the angel fund has made an investment;
 - b. The principal place of business for each qualified business reported under subdivision a;
 - c. The total amount invested in each qualified business; and
 - d. Any other information the tax commissioner determines is necessary for administration of this section.
- 9. For an angel fund certified before July 1, 2017, within thirty days after the end of each calendar year, the angel fund shall file with the tax commissioner a report showing the name and principal place of business of each enterprise in which the angel fund has an investment and the amount of the investment.
- 10. Upon receipt of a written request from the chairman of the legislative management or the chairman of a standing committee of the legislative assembly, the tax commissioner shall disclose any information described under subsections 6, 8, and 9. This subsection does not authorize disclosure of the angel investor's name, social security number or federal employer identification number, address, or any other information prohibited from disclosure under this chapter.
- 11. Angel investors may be actively involved in the qualified businesses in which the angel fund invests but the angel fund may not invest in any qualified business if any one angel investor owns directly or indirectly more than forty-nine percent of the ownership interests in the qualified business. The angel fund may not invest in a qualified business if any one angel investor is a partner, shareholder, or member of another passthrough entity that directly or indirectly owns more than forty-nine percent of the ownership interests in the qualified business.
- 12. Failure to comply with any provision of this section is cause to revoke the certification of an angel fund or qualified business, or disallow the credit attributable to the noncompliance.
 - a. Notice of the revocation of the angel fund or qualified business's certification must be provided to the angel fund or qualified business by the tax commissioner, department of commerce, or securities commissioner. Within thirty days of receipt of the notice, the angel fund shall provide a copy of the notice to each of its angel investors.
 - b. The angel fund's investors shall file an amended return for each taxable year in which the disallowed credit reduced the investor's income tax liability and pay the amount due. The amended return, if required, must be filed within ninety days after the date of the written notice given to the angel fund.
 - c. If the amended return is not timely filed, the tax commissioner shall disallow the credit and assess any tax due. An assessment of tax made under this subsection is final and irrevocably fixed.

- d. If an amended return is filed as required under subdivision b, the tax commissioner has two years after the amended return is filed in which to audit and assess any tax due attributable to the revocation of the credit, even though other time periods for assessment under this chapter have expired. This subdivision does not limit or restrict any other time period for assessment under this chapter that has not expired.
13. An angel fund or a representative of the fund that knowingly makes, or causes to be made, any material false statement or representation in any application, report, or other document required to be filed under any provision of this section, or omits to state any material statement or fact in any such application, report, or other document required to be filed under any provision of this section, or fails to file the report required in subsection 8 or 9, and after thirty days' notice to file is given by the tax commissioner, is subject to a penalty of ten thousand dollars.
14. Notwithstanding any other provision of law, the tax commissioner, securities commissioner, and the department of commerce may exchange any information obtained under this section to the extent necessary to administer this section."

Page 6, line 13, remove the overstrike over "Seed"

Page 6, line 13, remove "Angel investor seed"

Page 6, line 14, remove "(effective for the first three taxable years beginning after December 31, 2016)"

Page 6, line 21, replace "three taxable years" with "taxable year"

Page 7, after line 4, insert:

"r. Angel investor tax credit under section 57-38-01.26."

Page 7, remove lines 5 through 30

Page 8, remove lines 1 through 29

Page 9, remove lines 1 through 31

Page 10, remove lines 1 through 31

Page 11, remove lines 1 through 10

Page 11, line 11, replace "Section 9 of this" with "This"

Page 11, line 12, remove "2019, and sections 2 through 8 of this Act are effective for taxable"

Page 11, line 13, remove "years beginning after December 31,"

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1128: Appropriations Committee (Sen. Holmberg, Chairman) recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1128 was placed on the Fourteenth order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1129, as engrossed: Transportation Committee (Sen. Laffen, Chairman) recommends **DO NOT PASS** (5 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed HB 1129 was placed on the Fourteenth order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1151, as engrossed: Energy and Natural Resources Committee (Sen. Unruh,

Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (6 YEAS, 1 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1151 was placed on the Sixth order on the calendar.

Page 5, line 20, replace "and" with an underscored comma

Page 5, line 21, after the first "the" insert "site or"

Page 5, line 21, remove "or site and the facility or site has impermeable base material"

Page 5, line 22, replace "and containment" with ", and is on a well site where the well was spud after September 1, 2000, or on a facility, other than a well site, constructed after September 1, 2000"

ReNUMBER accordingly

REPORT OF STANDING COMMITTEE

HB 1181, as engrossed: Energy and Natural Resources Committee (Sen. Unruh, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1181 was placed on the Sixth order on the calendar.

Page 2, line 25, replace the first "with" with "when"

Page 3, line 18, replace "with" with "when"

ReNUMBER accordingly

REPORT OF STANDING COMMITTEE

HB 1189: Government and Veterans Affairs Committee (Sen. Poolman, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1189 was placed on the Sixth order on the calendar.

Page 1, line 1, after "reenact" insert "subsection 3 of section 54-44.7-03 and"

Page 1, line 2, after the first "to" insert "procurement procedures and"

Page 1, after line 3, insert:

"SECTION 1. AMENDMENT. Subsection 3 of section 54-44.7-03 of the North Dakota Century Code is amended and reenacted as follows:

3. The date for submission of information from interested persons or firms in response to an invitation must be not less than twenty-one days after publication of the invitation. Interested architect, engineer, and land surveying persons or firms must be required to respond to the invitation with the submission of the information required in general services administration ~~forms SF 254 and SF 255~~form SF 330, architect-engineer ~~related services questionnaire~~qualifications for specific project, or such similar information as the agency selection committee may prescribe by rule."

ReNUMBER accordingly

REPORT OF STANDING COMMITTEE

HB 1202, as engrossed: Transportation Committee (Sen. Laffen, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1202 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 for a department of transportation study.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. DEPARTMENT OF TRANSPORTATION STUDY - REPORT TO LEGISLATIVE ASSEMBLY. The department of transportation, in collaboration and consultation with the autonomous vehicle technology industry, shall study the use of vehicles equipped with automated driving systems on the highways in this state and the data or information stored or gathered by the use of those vehicles. The study must include a review of current laws dealing with licensing, registration, insurance, data ownership and use, and inspection and how they should apply to vehicles equipped with automated driving systems. The department of transportation shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-sixth legislative assembly."

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1241: Transportation Committee (Sen. Laffen, Chairman) recommends **DO NOT PASS** (5 YEAS, 1 NAYS, 0 ABSENT AND NOT VOTING). HB 1241 was placed on the Fourteenth order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1249, as engrossed: Transportation Committee (Sen. Laffen, Chairman) recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1249 was placed on the Fourteenth order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1255, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1255 was placed on the Fourteenth order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1320, as engrossed: Transportation Committee (Sen. Laffen, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1320 was placed on the Sixth order on the calendar.

Page 2, line 1, remove "The department shall allow for the most efficient routing of"

Page 2, remove lines 2 through 5

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1328, as engrossed: Transportation Committee (Sen. Laffen, Chairman) recommends **DO NOT PASS** (5 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed HB 1328 was placed on the Fourteenth order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1330: Government and Veterans Affairs Committee (Sen. Poolman, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (4 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). HB 1330 was placed on the Sixth order on the calendar.

Page 1, line 24, remove "if"

Page 2, line 1, remove "the number of members in"

Page 2, remove line 2

Page 2, line 3, replace "leader in the house must represent that party" with "must be represented by at least two members"

Page 2, line 16, remove "if the"

Page 2, line 17, remove "number of members in"

Page 2, line 17, remove "would not result in any"

Page 2, remove line 18

Page 2, line 19, replace "represent that party" with "must be represented by at least two members"

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1389, as reengrossed: Education Committee (Sen. Schaible, Chairman)
recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends
DO PASS (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).
Reengrossed HB 1389 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 15.1-21 of the North Dakota Century Code, relating to parental directives; and to provide an expiration date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

Parental directive - Administration of tests and assessments - Report.

1. A student's parent may direct the school district in which the student is enrolled not to administer to the student any state test or state assessment required in accordance with section 15.1-21-08.
2. In addition to the authority granted under subsection 1, a student's parent may direct the school district in which the student is enrolled not to administer any other specific test or assessment to the student, except a parental directive under this subsection does not apply to:
 - a. Any test or assessment required by the student's school district of enrollment or this state for the completion of any grade from kindergarten through twelve;
 - b. Any test or assessment required by the student's school district of enrollment or this state for high school graduation;
 - c. The ACT; or
 - d. WorkKeys assessments.
3.
 - a. A parental directive is valid only if it is presented to the school district using a standardized form, prepared by the superintendent of public instruction, and signed by the student's custodial parent.
 - b. A parental directive is valid only until the conclusion of the school year in which it is received by the school district.
 - c. A parental directive submitted to a school district in accordance with this section must be retained as part of the student's educational record.
4. A school district is not liable for any consequences incurred by a student as a result of a parental directive submitted in accordance with this section.
5. A school district is not required to provide instruction or activities for a student during the administration of any test or assessment referenced in the parental directive submitted by the student's parent.
6. Each school district shall post the parental directive form on its website and make the form available to a parent, upon request.

7. At the time and in the manner directed by the superintendent of public instruction, each school district shall provide a report regarding:
- a. The number of parental directives received;
 - b. The number of parental directives applicable to students who are economically disadvantaged, students from major racial and ethnic groups, students with disabilities, and students with limited English proficiency; and
 - c. Any loss of funding stemming from the parental directives.

SECTION 2. EXPIRATION DATE. This Act is effective through June 30, 2019, and after that date is ineffective."

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1394, as engrossed: Transportation Committee (Sen. Laffen, Chairman) recommends **DO NOT PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1394 was placed on the Fourteenth order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1419, as reengrossed and amended: Appropriations Committee (Sen. Holmberg, Chairman) recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Reengrossed HB 1419, as amended, was placed on the Fourteenth order on the calendar.

REPORT OF STANDING COMMITTEE

HCR 3019: Energy and Natural Resources Committee (Sen. Unruh, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (5 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). HCR 3019 was placed on the Sixth order on the calendar.

Page 1, line 1, after "resolution" replace the remainder of the resolution with "requesting the Army Corps of Engineers exercise nondiscrimination in public land management and develop, in cooperation with the North Dakota Board of University and School Lands, a process consistent with this resolution to allow prior owners, their heirs, and their successors to repurchase eligible land within the Pick-Sloan Missouri Basin project.

WHEREAS, the Army Corps of Engineers maintains control of excess land purchased or condemned for the Pick-Sloan Missouri Basin project but which is located above the ordinary high-water mark of the Missouri River, was not needed for the original intent of that project, and is not needed for flood control; and

WHEREAS, the Army Corps of Engineers has transferred a portion of the excess land to the Department of the Interior to manage in trust for the Three Affiliated Tribes of the Fort Berthold Reservation; and

WHEREAS, fairness dictates the Army Corps of Engineers, in cooperation with the North Dakota Board of University and School Lands, should make the remainder of the excess land available to United States citizens through a process that will allow prior owners, and their heirs and successors, of excess land that is not being used by the state for public benefit to repurchase their eligible land without discrimination or the appearance of discrimination; and

WHEREAS, the process should include a designation by the Army Corps of Engineers or Department of the Interior of the eligible land as disposable for land management purposes; and

WHEREAS, the process should provide an opportunity for a prior owner of eligible land, or the prior owner's heir or successor, to make a case to the North Dakota Board of University and School Lands that the prior owner, heir, or successor has just cause to repurchase the prior owner's eligible land and doing so will not conflict with the state's interest; and

WHEREAS, if the North Dakota Board of University and School Lands finds the prior owner, heir, or successor has just cause to repurchase the prior owner's eligible land and doing so will not conflict with the state's interests, the prior owner, heir, or successor must be allowed to repurchase the eligible land at market value plus survey and transfer costs;

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

That the Sixty-fifth Legislative Assembly requests the Army Corps of Engineers to exercise nondiscrimination in public land management and develop, in cooperation with the North Dakota Board of University and School Lands, a process consistent with this resolution to allow prior owners, their heirs, and their successors to repurchase eligible land within the Pick-Sloan Missouri Basin project; and

BE IT FURTHER RESOLVED, that the Secretary of State forward copies of this resolution to the Secretary of the United States Department of the Interior, the Commanding General and Chief of Engineers of the Army Corps of Engineers, and to each member of the North Dakota Congressional Delegation."

Renumber accordingly

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

Shanda Morgan, Secretary

