

JOURNAL OF THE HOUSE

Sixty-third Legislative Assembly

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Bismarck, April 29, 2013

The House convened at 8:00 a.m., with Speaker Devlin presiding.

The prayer was offered by Representative Belter, Fargo.

The roll was called and all members were present except Representatives M. Nelson, Strinden, and Zaiser.

A quorum was declared by the Speaker.

ANNOUNCEMENT

SPEAKER DEVLIN ANNOUNCED that Rep. Belter replaced Rep. Froseth on the Conference Committee on HB 1198.

ANNOUNCEMENT

SPEAKER DEVLIN ANNOUNCED that Rep. Weisz replaced Rep. Silbernagel on the Conference Committee on HB 1233.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. SANFORD MOVED that the conference committee report on Engrossed SB 2002 as printed on HJ pages 1973-1977 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2002, as amended, was placed on the Fourteenth order of business.

SECOND READING OF SENATE BILL

SB 2002: A BILL for an Act to provide an appropriation for defraying the expenses of the judicial branch; and to amend and reenact section 27-02-02, subsection 1 of section 27-05-02.1, and section 27-05-03 of the North Dakota Century Code, relating to salaries of supreme and district court judges and disposition of vacant judgeships.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 87 YEAS, 4 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

YEAS: Amerman; Anderson; Beadle; Belter; Boe; Boehning; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Delzer; Dockter; Dosch; Drovdal; Fehr; Frantsvog; Froseth; Glassheim; Grande; Gruchalla; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Headland; Heilman; Heller; Hofstad; Hogan; Holman; Hunskor; Johnson, D.; Johnson, N.; Karls; Kasper; Keiser; Kelsh, J.; Kelsh, S.; Kempenich; Kiefert; Klein; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Kreun; Laning; Larson; Looyson; Louser; Maragos; Martinson; Meier; Mock; Monson; Mooney; Muscha; Nathe; Nelson, J.; Onstad; Oversen; Owens; Paur; Pollert; Porter; Rohr; Rust; Sanford; Schmidt; Silbernagel; Skarphol; Steiner; Streyle; Sukut; Thoreson; Toman; Trotter; Vigasaa; Wall; Weisz; Wieland; Williams; Speaker Devlin

NAYS: Becker; Bellew; Ruby; Schatz

ABSENT AND NOT VOTING: Nelson, M.; Strinden; Zaiser

Engrossed SB 2002, as amended, passed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. KREIDT MOVED that the conference committee report on Reengrossed SB 2007 as printed on HJ pages 1977-1981 be adopted, which motion prevailed on a voice vote.

Reengrossed SB 2007, as amended, was placed on the Fourteenth order of business.

SECOND READING OF SENATE BILL

SB 2007: A BILL for an Act to provide an appropriation for defraying the expenses of the veterans' home and department of veterans' affairs; to provide legislative intent; to provide an exemption; and to declare an emergency.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 87 YEAS, 3 NAYS, 0 EXCUSED, 4 ABSENT AND NOT VOTING.

YEAS: Amerman; Anderson; Beadle; Becker; Bellew; Belter; Boe; Boehning; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Delzer; Dockter; Fehr; Frantsvog; Froseth; Glassheim; Grande; Gruchalla; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Headland; Heilman; Heller; Hofstad; Hogan; Holman; Hunskor; Johnson, D.; Johnson, N.; Karls; Kasper; Kelsh, J.; Kelsh, S.; Kempenich; Kiefert; Klein; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Kreun; Laning; Larson; Looyesen; Louser; Maragos; Martinson; Meier; Mock; Monson; Mooney; Muscha; Nathe; Nelson, J.; Onstad; Oversen; Owens; Paur; Pollert; Porter; Rohr; Rust; Sanford; Schatz; Schmidt; Silbernagel; Skarphol; Steiner; Streyle; Sukut; Thoreson; Toman; Trottier; Vigesaa; Wall; Weisz; Wieland; Williams; Speaker Devlin

NAYS: Dosch; Keiser; Ruby

ABSENT AND NOT VOTING: Drovdal; Nelson, M.; Strinden; Zaiser

Reengrossed SB 2007, as amended, passed and the emergency clause was declared carried.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. DOSCH MOVED that the conference committee report on Reengrossed SB 2009 as printed on HJ pages 1981-1982 be adopted, which motion prevailed on a voice vote.

Reengrossed SB 2009, as amended, was placed on the Fourteenth order of business.

SECOND READING OF SENATE BILL

SB 2009: A BILL for an Act to provide an appropriation for defraying the expenses of the state fair association; and to declare an emergency.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 68 YEAS, 23 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

YEAS: Amerman; Anderson; Beadle; Bellew; Boe; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Dockter; Dosch; Fehr; Frantsvog; Froseth; Glassheim; Gruchalla; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Heilman; Hofstad; Hogan; Holman; Hunskor; Johnson, D.; Johnson, N.; Karls; Keiser; Kelsh, J.; Kelsh, S.; Kiefert; Klein; Klemin; Kreidt; Kretschmar; Kreun; Looyesen; Louser; Maragos; Martinson; Meier; Mock; Mooney; Muscha; Nathe; Nelson, J.; Onstad; Oversen; Paur; Porter; Ruby; Rust; Sanford; Schatz; Silbernagel; Steiner; Streyle; Sukut; Toman; Trottier; Vigesaa; Wall; Weisz; Williams

NAYS: Becker; Belter; Boehning; Delzer; Drovdal; Grande; Headland; Heller; Kasper; Kempenich; Koppelman, B.; Koppelman, K.; Laning; Larson; Monson; Owens; Pollert; Rohr; Schmidt; Skarphol; Thoreson; Wieland; Speaker Devlin

ABSENT AND NOT VOTING: Nelson, M.; Strinden; Zaiser

Engrossed SB 2009, as amended, passed and the emergency clause was declared carried.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The Speaker has appointed Rep. Belter to replace Rep. Froseth on the Conference Committee on HB 1198.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The Speaker has appointed Rep. Weisz to replace Rep. Silbernagel on the Conference Committee on HB 1233.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)
MR. SPEAKER: The President has appointed Sen. J. Lee to replace Sen. Oehlke for the Seventy-sixth, Seventy-seventh, Seventy-eighth, and Seventy-ninth legislative days on the Conference Committee on HB 1233.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The House has adopted the conference committee report and subsequently passed: SB 2002.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2007, SB 2009.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)
MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: HB 1009, HB 1011, HB 1017.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The Speaker has signed: HB 1004, HB 1005, HB 1025, HB 1041.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: Your signature is respectfully requested on: HB 1007, HB 1452.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)
MR. SPEAKER: Your signature is respectfully requested on: SB 2024, SB 2369, SCR 4030.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The Speaker has signed: SB 2024, SB 2233, SB 2369, SCR 4030.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)
MR. SPEAKER: Your signature is respectfully requested on: SB 2233.

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following bills were delivered to the Governor for approval on April 29, 2013: HB 1002, HB 1004, HB 1005, HB 1021, HB 1022, HB 1025, HB 1041, HB 1128, HB 1300.

COMMUNICATION FROM GOVERNOR JACK DALRYMPLE

This is to inform you that on April 26, 2013, I have signed the following: HB 1063, HB 1112, HB 1133, HB 1134, HB 1157, HB 1163, HB 1170, HB 1171, HB 1227, and HB 1281.

ANNOUNCEMENT

SPEAKER DEVLIN ANNOUNCED that the House would stand in recess until 1:00 p.m.

THE HOUSE RECONVENED pursuant to recess taken, with Speaker Devlin presiding.

CORRECTION AND REVISION OF THE JOURNAL

MR. SPEAKER: Your **Committee on Correction and Revision of the Journal (Rep. Kretschmar, Chairman)** has carefully examined the Journal of the Sixty-sixth and Seventy-third Days and recommends that it be corrected as follows and when so corrected, recommends that it be approved:

Page 1493, line 4, replace "Reengrossed" with "Engrossed"

Page 1904, line 42, after "on" insert "Engrossed"

Page 1904, line 45, before "SB 2298" insert "Engrossed"

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

REPORT OF CONFERENCE COMMITTEE

HB 1001, as engrossed: Your conference committee (Sens. Carlisle, Holmberg, O'Connell and Reps. Thoreson, Brandenburg, Glassheim) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1038-1039, adopt amendments as follows, and place HB 1001 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1038 and 1039 of the House Journal and pages 809-811 of the Senate Journal and that Engrossed House Bill No. 1001 be amended as follows:

Page 1, line 2, remove the first "and"

Page 1, line 3, after the second "governor" insert "; and to provide for a report to the legislative management"

Page 1, replace lines 12 and 13 with:

"Salaries and wages	\$3,278,486	\$262,499	\$3,540,985
Accrued leave payments	0	67,722	67,722"

Page 1, replace line 17 with:

"Total general fund	\$3,708,942	\$324,931	\$4,033,873"
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Page 2, after line 9, insert:

"SECTION 4. APPOINTMENTS - LEGISLATIVE MANAGEMENT REPORT.

The governor or the governor's designee shall report to the legislative management annually regarding the status of gender balance on appointive boards, commissions, committees, and councils as provided in section 54-06-19 and within the governor's appointive cabinet for the biennium beginning July 1, 2013, and ending June 30, 2015.

Page 2, line 13, replace "twenty" with "twenty-one"

Page 2, line 13, overstrike "five" and insert immediately thereafter "six"

Page 2, line 14, replace "eleven" with "eighty-one"

Page 2, line 14, replace "twenty-four" with "twenty-five"

Page 2, line 15, overstrike "one" and insert immediately thereafter "three"

Page 2, line 15, replace "twenty-six" with "thirty-one"

Page 2, line 19, replace "ninety-three" with "ninety-four"

Page 2, line 19, replace "five" with "four"

Page 2, line 20, replace "fifty-four" with "sixty-two"

Page 2, line 20, replace "ninety-six" with "ninety-seven"

Page 2, line 21, replace "three" with "two"

Page 2, line 21, replace "sixty-one" with "ninety-six"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1001 - Governor's Office - Conference Committee Action

	Executive Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$3,553,129	\$3,491,675	\$49,310	\$3,540,985	\$3,625,896	(\$84,911)
Operating expenses	404,366	404,366		404,366	404,366	
Contingencies	10,000	10,000		10,000	10,000	
Roughrider awards	10,800	10,800		10,800	10,800	
Accrued leave payments		67,722		67,722		67,722
Total all funds	\$3,978,295	\$3,984,563	\$49,310	\$4,033,873	\$4,051,062	(\$17,189)
Less estimated income	0	0	0	0	0	0
General fund	\$3,978,295	\$3,984,563	\$49,310	\$4,033,873	\$4,051,062	(\$17,189)
FTE	18.00	18.00	0.00	18.00	18.00	0.00

Department No. 101 - Governor's Office - Detail of Conference Committee Changes

	Removes House Changes to Executive Compensation Package ¹	Adjusts State Employee Compensation and Benefits Package ²	Total Conference Committee Changes
Salaries and wages	\$66,499	(\$17,189)	\$49,310
Operating expenses			
Contingencies			
Roughrider awards			
Accrued leave payments			
Total all funds	\$66,499	(\$17,189)	\$49,310
Less estimated income	0	0	0
General fund	\$66,499	(\$17,189)	\$49,310
FTE	0.00	0.00	0.00

¹ Changes made by the House to the executive compensation package are removed.

² This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 3 to 5 percent for the first year of the biennium and 2 to 4 percent for the second year of the biennium.
- Reduces funding for retirement contribution increases to provide for a 1 percent state and 1 percent employee increase beginning in January 2014 and no increase in January 2015.

A section is added providing that the Governor report to the Legislative Management on the gender balance of the Governor's appointments. The Senate provided for a report to the Budget Section.

Sections 4 and 5 of the bill are changed to provide a 4 percent first year and a 3 percent second year salary increase for the Governor and Lieutenant Governor. The Senate and the executive budget provided 4 percent annual increases. The House provided 3 percent annual increases.

Engrossed HB 1001 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. THORESON MOVED that the conference committee report on Engrossed HB 1001 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1001, as amended, was placed on the Eleventh order of business.

SECOND READING OF HOUSE BILL

HB 1001: A BILL for an Act to provide an appropriation for defraying the expenses of the office of the governor; to amend and reenact sections 54-07-04 and 54-08-03 of the North Dakota Century Code, relating to the salaries of the governor and lieutenant governor; and to provide for a report to the legislative management.

ROLL CALL

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 92 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Amerman; Anderson; Beadle; Becker; Bellew; Belter; Boe; Boehning; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Delzer; Dockter; Dosch; Drovdal; Fehr; Frantsvog; Froseth; Glassheim; Grande; Gruchalla; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Headland; Heilman; Heller; Hofstad; Hogan; Holman; Hunskor; Johnson, D.; Johnson, N.; Karls; Kasper; Keiser; Kelsh, J.; Kelsh, S.; Kempenich; Kiefert; Klein; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Kreun; Laning; Larson; Looyson; Louser; Maragos; Martinson; Meier; Mock; Monson; Mooney; Muscha; Nathe; Nelson, J.; Nelson, M.; Onstad; Oversen; Owens; Paur; Pollert; Porter; Rohr; Ruby; Rust; Sanford; Schatz; Schmidt; Silbernagel; Skarphol; Steiner; Streyle; Sukut; Thoreson; Toman; Trottier; Vigesaa; Wall; Weisz; Wieland; Williams; Speaker Devlin

ABSENT AND NOT VOTING: Strinden; Zaiser

Reengrossed HB 1001 passed.

REPORT OF CONFERENCE COMMITTEE

HB 1020, as engrossed: Your conference committee (Sens. Grindberg, Holmberg, Robinson and Reprs. Carlson, Skarphol, Williams) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1677-1681, adopt amendments as follows, and place HB 1020 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1677-1681 of the House Journal and pages 1477-1480 of the Senate Journal and that Engrossed House Bill No. 1020 be amended as follows:

Page 1, line 2, remove "to create and enact a new"

Page 1, remove line 3

Page 1, line 4, remove "policies and procedures of the state water commission;"

Page 1, line 4, replace "sections" with "section"

Page 1, line 5, remove "and 54-35-02.37"

Page 1, line 5, remove "sections 6 and 7 of"

Page 1, line 6, replace "chapter 46 of the 2011 Session Laws" with "section 54-35-02.7 of the North Dakota Century Code as amended by Senate Bill No. 2233, as approved by the sixty-third legislative assembly"

Page 1, line 6, replace the second comma with "and"

Page 1, line 7, remove ", and Fargo flood control project funding"

Page 1, line 8, after the semicolon insert "to provide for a loan from the Bank of North Dakota;"

Page 1, replace lines 17 through 22 with:

"Administrative and support services	\$3,229,873	\$1,531,792	\$4,761,665
Accrued leave payments	0	325,774	325,774
Water and atmospheric resources	<u>498,413,774</u>	<u>324,194,592</u>	<u>822,608,366</u>
Total all funds	\$501,643,647	\$326,052,158	\$827,695,805
Less estimated income	<u>486,648,448</u>	<u>341,047,357</u>	<u>827,695,805</u>
Total general fund	\$14,995,199	(\$14,995,199)	\$0"

Page 2, after line 28, insert:

"SECTION 5. BANK OF NORTH DAKOTA LOAN - WESTERN AREA WATER SUPPLY AUTHORITY. The Bank of North Dakota shall provide a loan of \$40,000,000 to the western area water supply authority for construction of the project. The terms and conditions of the loan must be negotiated by the western area water supply authority and the Bank of North Dakota and any previous loans may be added to and merged into this loan as agreed by the authority and the Bank of North Dakota. The authority may repay the loan from income from specific project features. If the authority is in default in the payment of the principal of or interest on the obligation to the Bank of North Dakota for the loan, the authority is subject to the default provisions under section 61-40-09."

Page 3, remove lines 5 through 31

Page 4, replace lines 1 through 13 with:

"SECTION 7. FARGO FLOOD CONTROL PROJECT CONSTRUCTION - LIMITATION. Except for the construction of ring dikes and levees, construction relating to Fargo flood control project components located south of the city of Fargo's extraterritorial zoning jurisdiction may not begin until after July 1, 2014.

SECTION 8. FARGO FLOOD CONTROL PROJECT FUNDING. Funds designated by the sixty-first legislative assembly, the sixty-second legislative assembly, and the sixty-third legislative assembly for Fargo flood control are available only for levee and dike protection until the Fargo flood control project receives federal authorization, a project partnership agreement is executed, a federal appropriation is provided for project construction, and the budget for the Fargo flood control project is approved by the state water commission.

SECTION 9. FARGO FLOOD CONTROL PROJECT FUNDING AGREEMENT. Prior to the state water commission expending any state cost-sharing funds, the local Fargo flood control sponsor and state water commission shall enter a cost-sharing agreement. The agreement must provide for the exclusion of state cost-sharing for components of the project identified as recreational by the United States Army Corps of Engineers. The agreement must also provide for the exclusion of state cost-sharing relating to funds expected to be provided for the project by nonfederal entities outside the state of North Dakota. An advance funding agreement between the United States Army Corps of Engineers and the local Fargo flood control sponsor must precede any state funding used to advance construction work considered to be a federal responsibility.

SECTION 10. LEGISLATIVE INTENT - FARGO FLOOD CONTROL PROJECT FUNDING. It is the intent of the sixty-third legislative assembly that the state provide one-half of the local cost-share of constructing a federally authorized Fargo flood control project and that total Fargo flood control project funding to be provided by the state not exceed \$450,000,000. It is further the intent of the sixty-third legislative assembly that the \$275,000,000 yet to be designated by the state for the Fargo flood control project be made available in equal installments over the next four bienniums."

Page 4, line 19, after "projects" insert ", including levees and dikes"

Page 4, line 21, remove "or for a river diversion project. Notwithstanding"

Page 4, remove lines 22 and 23

Page 4, line 24, remove "Fargo flood control project"

Page 4, line 27, after the period insert "Costs incurred by nonstate entities for dwellings or other real property which are not paid by state funds are eligible for application by the nonstate entity for cost-sharing with the state."

Page 4, remove line 28 through 31

Page 5, remove lines 1 through 3

Page 5, line 13, replace "\$515,000,000" with "\$287,000,000"

Page 5, remove lines 14 through 29

Page 5, line 31, after "section" insert "every six months during the 2013-14 interim regarding"

Page 6, line 2, remove "within ninety days of the state water commission approving the change"

Page 6, after line 3, insert:

"SECTION 15. FARGO FLOOD CONTROL - REPORTS TO THE BUDGET SECTION. During the 2013-14 interim, the Fargo-Moorhead area diversion authority board shall report to the budget section biannually regarding an update on congressional authorization of the diversion project and the status of the self-insured crop insurance pool; mitigation efforts, alternatives, and costs; easements; and the project budget. The MNDak upstream coalition shall report to the budget section biannually regarding an update on the impacts of the Fargo flood control project and mitigation efforts, alternatives, and costs."

Page 6, remove lines 12 through 30

Page 7, replace lines 1 through 16 with:

"SECTION 17. AMENDMENT. Section 54-35-02.7 of the North Dakota Century Code as amended by Senate Bill No. 2233, as approved by the sixty-third legislative assembly, is amended and reenacted as follows:

54-35-02.7. Water-related topics overview committee - Duties.

The legislative management, during each interim, shall appoint a water-related topics overview committee in the same manner as the legislative management appoints other interim committees. The committee must meet quarterly and is responsible for legislative overview of water-related topics and related matters, the Garrison diversion project, and for any necessary discussions with adjacent states on water-related topics. The committee shall work collaboratively with the state water commission to develop policies to further define the state role in major flood control projects ~~and the prioritization of water projects. The committee shall prepare a schedule of priorities with respect to water projects. The state water commission and state engineer shall assist the committee in developing the schedule of priorities, and the committee may seek input from stakeholders within the state regarding water project priorities. The committee also shall study policies regarding the development and financing of municipal projects, including water treatment plants; pipelines, including pipeline expansion, public and industrial use of water, cost analysis of future project development, and ongoing maintenance cost of current and future projects; and technology, including the use of technology for permitting and electronic metering.~~ During the 2013-14 interim, the committee shall review water supply routes and alternatives for the Red River valley water supply project. The committee consists of thirteen members, and the legislative management shall designate the chairman of the committee. The committee shall operate according to the statutes and procedure governing the operation of other legislative management interim committees."

Page 7, line 17, after "1" insert "of this Act and section 5"

Page 7, line 18, replace "is" with "are"

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1020 - State Water Commission - Conference Committee Action

	Executive Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Administrative and support services	\$4,042,784	\$3,909,500	\$852,165	\$4,761,665	\$4,850,009	(\$88,344)
Water and atmospheric resources	823,096,248	822,339,358	269,008	822,608,366	823,108,562	(500,196)
Accrued leave payments		325,774		325,774		325,774
Total all funds	\$827,139,032	\$826,574,632	\$1,121,173	\$827,695,805	\$827,958,571	(\$262,766)
Less estimated income	809,359,388	826,574,632	1,121,173	827,695,805	827,958,571	(262,766)
General fund	\$17,779,644	\$0	\$0	\$0	\$0	\$0
FTE	90.00	90.00	0.00	90.00	90.00	0.00

Department No. 770 - State Water Commission - Detail of Conference Committee Changes

	Removes House Changes to Executive Compensation Package ¹	Adjusts State Employee Compensation and Benefits Package ²	Increases Funding for Operating Expenses ³	Total Conference Committee Changes
Administrative and support services	\$86,252	(\$39,152)	\$805,065	\$852,165
Water and atmospheric resources	492,622	(223,614)		269,008
Accrued leave payments				
Total all funds	\$578,874	(\$262,766)	\$805,065	\$1,121,173
Less estimated income	578,874	(262,766)	805,065	1,121,173
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

¹ Changes made by the House to the executive compensation package are removed.

² This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 3 to 5 percent for the first year of the biennium and 2 to 4 percent for the second year of the biennium.
- Reduces the market component from 2 to 4 percent per year to 1 to 2 percent per year for employees below the midpoint of their salary range.
- Reduces funding for retirement contribution increases to provide for a 1 percent state and 1 percent employee increase beginning in January 2014 and no increase in January 2015.

³ The Senate did not remove the House funding source change for the administration of the State Water Commission from the general fund to the resources trust fund. Funding for the following operating expenses is increased to pay fees to other agencies due to the change in funding source for the State Water Commission from the general fund to special funds, the same as the Senate version:

- Audit fees (\$53,000) - State Auditor.
- Attorney's fees (\$321,276) - Attorney General.
- Rent (\$430,789) - Office of Management and Budget.

This amendment removes:

- Sections added by the House to amend 2011 Session Laws and 2009 Session Laws, previously amended in 2011, related to legislative guidelines for Fargo flood control project expenditures, the same as the Senate.
- A section added by the House to provide that total Fargo flood control project funding to be provided by the state not exceed \$325 million, the same as the Senate.
- Sections added by the House directing the State Water Commission to study the use of ring dikes as part of a flood protection plan for the city of Fargo and water supply needs in the Red River Valley, the same as the Senate.
- A section added by the House to require the State Water Commission to adopt policies regarding project development and financing, the same as the Senate.
- A section added by the House to require the State Water Commission to move information technology hardware to the Information Technology Department secure data center, the same as the Senate.

In addition, this amendment:

- Restores the requirement that the State Water Commission receive Budget Section approval prior to spending any additional funds that may become available in the resources trust fund or water development trust fund during the 2013-15 biennium, the same as the House. The Senate removed this requirement.
- Adds a section to provide for a \$40 million loan from the Bank of North Dakota to the Western Area Water Supply Authority for construction of the project, which is declared an emergency measure, the same as the Senate.
- Adds a section to provide that funds designated by the Legislative Assembly for Fargo flood control are available only for levee and dike protection until the project receives federal authorization, a project partnership agreement is executed, a federal appropriation is provided for construction, and the budget for the Fargo flood control project is approved by the State Water Commission, the same as the Senate.
- Adds a section to require the State Water Commission enter a cost-sharing agreement with the Fargo flood control sponsor prior to expending any state funds for the Fargo flood control project. The section also provides that state funds may not be used for recreational components of the project or to cost-share with nonfederal entities outside the state. An advance funding agreement between the United States Army Corps of Engineers and the local Fargo flood control sponsor must precede any state funding used to advance construction work considered to be a federal responsibility. This section was not included in the House or Senate version of the bill.
- Adds a section of legislative intent that the state provide one-half of the local cost-share of constructing a federally authorized Fargo flood control project and that total Fargo flood control project funding not exceed \$450 million, the same as the Senate. In addition, the Conference Committee provided further intent that the \$275 million yet to be designated for Fargo flood control is to be made available in equal installments over the next four bienniums.
- Adds a section which limits Fargo flood control project construction south of the city of Fargo to ring dikes and levees until after July 1, 2014. This section was not included in the House or Senate version of the bill.

- Adds a section requiring the Fargo-Moorhead Area Diversion Authority and the MNDak Upstream Coalition report to the Budget Section, the Senate required only the diversion authority to report.
- Amends guidelines for Fargo flood control project expenditures included in a section added by the House to designate \$100 million for Fargo flood control projects. The guidelines are amended to match the guidelines approved by the 62nd and 61st Legislative Assemblies and to include levees and dikes, the same as the Senate.
- Allows the State Water Commission to use funding in the resources trust fund to pay off or defease outstanding bond issues when the balance in the resources trust fund exceeds \$287 million rather than \$515 million, as provided in the executive recommendation, the same as the Senate.
- Amends a section added by the House to require the State Water Commission to report to the Budget Section within 90 days of any changes made to the water project priority list presented to the Legislative Assembly in 2013 to provide the State Water Commission report every six months. The Senate removed this section.
- Replaces a section added by the House, but removed by the Senate, which increases the membership of the Water-Related Topics Overview Committee and directs the committee to prepare a water project priority schedule to be included in the committee's final report to the Legislative Management. The new section amends Section 54-35-02.7 related to the Water-Related Topics Overview Committee, as amended by Senate Bill No. 2233, to provide the committee study policies regarding the development and financing of municipal projects. In addition, the amendments require the State Water Commission and the State Engineer assist the committee in developing a schedule of priorities with respect to water projects.

Engrossed HB 1020 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. CARLSON MOVED that the conference committee report on Engrossed HB 1020 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1020, as amended, was placed on the Eleventh order of business.

SECOND READING OF HOUSE BILL

HB 1020: A BILL for an Act to provide an appropriation for defraying the expenses of the state water commission; to provide exemptions; to provide legislative intent; to amend and reenact section 6-09.5-03 of the North Dakota Century Code and section 54-35-02.7 of the North Dakota Century Code as amended by Senate Bill No. 2233, as approved by the sixty-third legislative assembly, relating to the community water facility loan fund and the water-related topics overview committee; to provide for legislative management reports; to provide for a loan from the Bank of North Dakota; and to declare an emergency.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 75 YEAS, 17 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Beadle; Bellew; Belter; Boehning; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Dockter; Dosch; Drovdal; Fehr; Frantsvog; Froseth; Glassheim; Grande; Gruchalla; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Heilman; Heller; Hofstad; Hogan; Holman; Hunskor; Johnson, D.; Johnson, N.; Karls; Kasper; Keiser; Kelsh, S.; Kempenich; Kiefert; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Kreun; Larson; Looyesen; Louser; Maragos; Martinson; Meier; Mock; Mooney; Muscha; Nathe; Nelson, J.; Onstad; Oversen; Owens; Pollert; Porter; Rohr; Ruby; Rust; Sanford; Schatz; Schmidt; Silbernagel; Skarphol; Steiner; Streyle; Sukut; Thoreson; Trottier; Vigesaa; Wieland; Speaker Devlin

NAYS: Amerman; Anderson; Becker; Boe; Delzer; Headland; Kelsh, J.; Klein; Kretschmar;

Laning; Monson; Nelson, M.; Paur; Toman; Wall; Weisz; Williams

ABSENT AND NOT VOTING: Strinden; Zaiser

Reengrossed HB 1020 passed and the emergency clause was declared carried.

REPORT OF CONFERENCE COMMITTEE

HB 1233, as reengrossed: Your conference committee (Sens. J. Lee, Wanzek, O'Connell and Reps. Owens, Schmidt, Weisz) recommends that the **HOUSE ACCEDE** to the Senate amendments as printed on HJ page 1757 and place HB 1233 on the Seventh order.

Reengrossed HB 1233 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. OWENS MOVED that the conference committee report on Reengrossed HB 1233 be adopted.

REQUEST

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

ROLL CALL

The question being on the motion to adopt the conference committee report on Reengrossed HB 1233, the roll was called and there were 38 YEAS, 54 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Amerman; Anderson; Beadle; Bellew; Boe; Boschee; Damschen; Delmore; Drovdal; Fehr; Glasheim; Gruchalla; Guggisberg; Hanson; Hawken; Hofstad; Holman; Hunskor; Johnson, D.; Johnson, N.; Kelsh, J.; Kelsh, S.; Looyesen; Maragos; Mock; Monson; Mooney; Muscha; Nelson, M.; Onstad; Oversen; Owens; Porter; Steiner; Toman; Weisz; Wieland; Speaker Devlin

NAYS: Becker; Belter; Boehning; Brabandt; Brandenburg; Carlson; Delzer; Dockter; Dosch; Frantsovog; Froseth; Grande; Haak; Hatlestad; Headland; Heilman; Heller; Hogan; Karls; Kasper; Keiser; Kempenich; Kiefert; Klein; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Kreun; Laning; Larson; Louser; Martinson; Meier; Nathe; Nelson, J.; Paur; Pollert; Rohr; Ruby; Rust; Sanford; Schatz; Schmidt; Silbernagel; Skarphol; Streyle; Sukut; Thoreson; Trottier; Vigasaa; Wall; Williams

ABSENT AND NOT VOTING: Strinden; Zaiser

The conference committee report on Reengrossed HB 1233 was rejected on a recorded roll call vote.

MOTION

REP. VIGESAA MOVED that HB 1250 be moved to the bottom of the Seventh order, which motion prevailed.

REPORT OF CONFERENCE COMMITTEE

HB 1261: Your conference committee (Sens. Schaible, Flakoll, Marcellais and Reps. Rust, Schatz, Hunskor) recommends that the **HOUSE ACCEDE** to the Senate amendments as printed on HJ page 1361 and place HB 1261 on the Seventh order.

HB 1261 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. RUST MOVED that the conference committee report on HB 1261 be adopted, which motion prevailed on a verification vote.

HB 1261, as amended, was placed on the Eleventh order of business.

SECOND READING OF HOUSE BILL

HB 1261: A BILL for an Act to provide an appropriation for school district rapid enrollment

growth grants.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 85 YEAS, 7 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Amerman; Anderson; Beadle; Belter; Boe; Boehning; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delzer; Dockter; Drovdal; Fehr; Frantsvog; Froseth; Glassheim; Grande; Gruchalla; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Headland; Heilman; Heller; Hofstad; Hogan; Holman; Hunskor; Johnson, D.; Johnson, N.; Karls; Kasper; Keiser; Kelsh, J.; Kelsh, S.; Kempenich; Kiefert; Klein; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Kreun; Laning; Larson; Looyesen; Maragos; Martinson; Meier; Mock; Monson; Mooney; Muscha; Nathe; Nelson, M.; Onstad; Oversen; Owens; Paur; Pollert; Porter; Rohr; Ruby; Rust; Sanford; Schatz; Schmidt; Silbernagel; Skarphol; Steiner; Streyle; Sukut; Thoreson; Toman; Trottier; Vigesaa; Wall; Wieland; Williams; Speaker Devlin

NAYS: Becker; Bellew; Delmore; Dosch; Louser; Nelson, J.; Weisz

ABSENT AND NOT VOTING: Strinden; Zaiser

Engrossed HB 1261 passed.

REPORT OF CONFERENCE COMMITTEE

HB 1286, as engrossed: Your conference committee (Sens. Laffen, Sorvaag, Murphy and Reps. Kasper, B. Koppelman, Amerman) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ page 1170, adopt amendments as follows, and place HB 1286 on the Seventh order:

That the Senate recede from its amendments as printed on page 1170 of the House Journal and page 951 of the Senate Journal and that Engrossed House Bill No. 1286 be amended as follows:

Page 1, line 1, after "21-03-06.1" insert "and a new section to chapter 48-05"

Page 1, line 3, after "means" insert "and the governing body of a building authority; to amend and reenact section 21-03-07 of the North Dakota Century Code, relating to voter approval of bond issues; and to repeal section 57-15-59 of the North Dakota Century Code, relating to county or city authority to enter lease agreements for court, corrections, and law enforcement facilities"

Page 1, line 7, replace "**indirect**" with "**building project**"

Page 1, line 13, after "structure" insert "at a total cost of four million dollars or more"

Page 1, line 15, replace "sixty" with "fifty-five"

Page 1, line 18, after the underscored period insert "A municipality or governing body of a municipality, regardless of the funding source, may not enter an agreement after June 30, 2013, in connection with acquisition, improvement, or construction of any property or structure at a total cost of four million dollars or more to be used by the municipality unless the agreement has been approved by a vote of at least fifty-five percent of the qualified electors of the municipality voting on the question, except for a public-private partnership agreement or agreement to implement a project under a bond issue approved by the electors under section 21-03-07."

Page 2, after line 6, insert:

"SECTION 2. AMENDMENT. Section 21-03-07 of the North Dakota Century Code is amended and reenacted as follows:

21-03-07. Election required - Exceptions.

No municipality, and no governing board thereof, may issue bonds without being first authorized to do so by a vote equal to ~~sixty-five~~ sixty-five percent or more of all the qualified voters of such municipality voting upon the question of such issue except:

1. As otherwise provided in section 21-03-04.
2. The governing body may issue bonds of the municipality for the purpose and within the limitations specified by subdivision e of subsection 1 of section 21-03-06, subdivision g of subsection 2 of section 21-03-06, and subsections 4.1 and 7 of section 21-03-06 without an election.
3. The governing body of any municipality may issue bonds of the municipality for the purpose of providing funds to meet its share of the cost of any federal aid highway project undertaken under an agreement entered into by the governing body with the United States government, the director of the department of transportation, the board of county commissioners, or any of them, including the cost of any construction, improvement, financing, planning, and acquisition of right of way of a bridge eligible for federal matching funds, federal aid highway routed through the municipality and of any bridges and controlled access facilities thereon and any necessary additional width or capacity of the bridge or roadway thereof greater than that required for federal or state bridge or highway purposes, and of any necessary relaying of utility mains and conduits, curbs and gutters, and the installation of utility service connections and streetlights. The portion of the total cost of the project to be paid by the municipality under the agreement, including all items of cost incurred directly by the municipality and all amounts to be paid by it for work done or contracted for by other parties to the agreement, may not exceed a sum equal to thirty percent of the total cost, including engineering and other incidental costs, of all construction and reconstruction work to be done plus fifty percent of the total cost of all right of way to be acquired in connection therewith. The initial resolution authorizing issuance of bonds under this subsection must be published in the official newspaper of the municipality. Within sixty days after publication, an owner of taxable property within the municipality may file with the auditor or chief fiscal officer of the municipality a written protest against adoption of the resolution. A protest must describe the property that is the subject of the protest. If the governing body finds protests have been signed by the owners of taxable property having an assessed valuation equal to five percent or more of the assessed valuation of all taxable property in the municipality, as most recently finally equalized, all further proceedings under the initial resolution are barred. Nothing herein may be deemed to prevent any municipality from appropriating funds for or financing out of taxes, special assessments, or utility revenues any work incidental to any such project, in the manner and to the extent otherwise permitted by law, and the cost of any work so financed may not be included in computing the portion of the project cost payable by the municipality, within the meaning of this subsection, unless the work is actually called for by the agreement between the municipality and the other governmental agencies involved.
4. The governing body of any city may also by resolution adopted by a two-thirds vote authorize and issue general obligation bonds of the city for the purpose of providing funds to pay the cost of any improvement of the types stated below, to the extent that the governing body determines that such cost should be paid by the city and should not be assessed upon property specially benefited thereby; provided that the initial resolution authorizing such bonds must be published in the official newspaper, and any owner of taxable property within the city may, within sixty days after such publication, file with the city auditor a protest against the adoption of the resolution. If the governing body finds such protests to have been signed by the owners of taxable property having an

assessed valuation equal to five percent or more of the assessed valuation of all taxable property within the city, as theretofore last finally equalized, all further proceedings under such initial resolution are barred. This procedure is authorized for the financing of the following types of improvements:

- a. Any street improvement, as defined in subsection 2 of section 40-22-01, to be made in or upon any federal or state highway or any other street designated by ordinance as an arterial street.
- b. The construction of a bridge, culvert, overpass, or underpass at the intersection of any street with a stream, watercourse, drain, or railway, and the acquisition of any land or easement required for that purpose.
- c. Any improvement incidental to the carrying out of an urban renewal project, the issuance of bonds for which is authorized by subsection 4 of section 40-58-13.

Nothing herein may be deemed to prevent any municipality from appropriating funds for or financing out of taxes, special assessments, or utility revenues any work incidental to any such improvement, in the manner and to the extent otherwise permitted by law.

5. The governing body of any city may also by resolution adopted by a two-thirds vote dedicate the mill levies as authorized by sections 57-15-42 and 57-15-44 and may authorize and issue general obligation bonds to be paid by these dedicated levies for the purpose of providing funds for the purchase, construction, reconstruction, or repair of public buildings or fire stations; provided, that the initial resolution authorizing the mill levy dedication and general obligation bonds must be published in the official newspaper, and any owner of taxable property within the city may, within sixty days after publication, file with the city auditor a protest against the adoption of the resolution. Protests must be in writing and must describe the property which is the subject of the protest. If the governing body finds such protests to have been signed by the owners of taxable property having an assessed valuation equal to five percent or more of the assessed valuation of all taxable property within the city, as theretofore last finally equalized, all further proceedings under the initial resolution are barred.
6. The governing body of any county may also by resolution adopted by a two-thirds vote dedicate the tax levies as authorized by sections 57-15-06.6 and 57-15-06.9 and may authorize and issue general obligation bonds to be paid by these dedicated levies for the purpose of providing funds for the purchase, construction, reconstruction, or repair of regional or county correction centers, or parks and recreational facilities; provided, that the initial resolution authorizing the tax levy dedication and general obligation bonds must be published in the official newspaper, and any owner of taxable property within the county may, within sixty days after publication, file with the county auditor a protest against the adoption of the resolution. Protests must be in writing and must describe the property which is the subject of the protest. If the governing body finds such protests to have been signed by the owners of taxable property having an assessed valuation equal to five percent or more of the assessed valuation of all taxable property within the county, as theretofore last finally equalized, all further proceedings under the initial resolution are barred.
7. The governing body of any public school district may also by resolution adopted by a two-thirds vote dedicate the tax levies as authorized by section 15.1-09-47, 15.1-09-49, or 57-15-16 and may authorize and issue general obligation bonds to be paid by these dedicated levies for the purpose of providing funds for the purchase, construction, reconstruction, or repair of public school buildings or for the construction or improvement

of a project under section 15.1-36-02 or 15.1-36-03. The initial resolution authorizing the tax levy dedication and general obligation bonds must be published in the official newspaper of the school district, and any owner of taxable property within the school district may, within sixty days after publication, file with the business manager of the school district a protest against the adoption of the resolution. Protests must be in writing and must describe the property that is the subject of the protest. If the governing body finds the protests to have been signed by the owners of taxable property having an assessed valuation equal to five percent or more of the assessed valuation of all taxable property within the school district, as theretofore last finally equalized, all further proceedings under the initial resolution are barred.

8. The governing body of any city having a population of twenty-five thousand persons or more may use the provisions of subsection 3 to provide funds to participate in the cost of any construction, improvement, financing, and planning of any bypass routes, interchanges, or other intersection improvements on a federal or state highway system which is situated in whole or in part outside of the corporate limits of the city; provided, that the governing body thereof shall determine by resolution that the undertaking of such work is in the best interest of the city for the purpose of providing access and relieving congestion or improving traffic flow on municipal streets.
9. The governing body of a municipality or other political subdivision, located at least in part within a county that is included within a disaster or emergency executive order or proclamation of the governor under chapter 37-17.1, may by resolution adopted by a two-thirds vote authorize and issue general obligation bonds of the political subdivision without an election for the purpose of providing funds to pay costs associated with the emergency condition. The political subdivision may dedicate and levy taxes for retirement of bonds under this subsection and such levies are not subject to limitations as otherwise provided by law.
10. The governing board of any county, city, public school district, park district, or township may by resolution adopted by a two-thirds vote dedicate the tax levy authorized by section 57-15-41 and authorize and issue general obligation bonds to be paid by the dedicated levy for the purpose of providing funds to prepay outstanding special assessments made in accordance with the provisions of title 40 against property owned by the county, city, public school district, park district, or township.

SECTION 3. A new section to chapter 48-05 of the North Dakota Century Code is created and enacted as follows:

Building authority governing body - Contract conflict of interest.

The governing body of a building authority established after June 30, 2013, may not include any officer, employee, or member of the governing body of a political subdivision that contracts with the building authority.

The governing body of a building authority may not enter a contract after June 30, 2013, relating to a public improvement with an entity of which a member of the governing body of the building authority is an owner, officer, or employee.

SECTION 4. REPEAL. Section 57-15-59 of the North Dakota Century Code is repealed."

ReNUMBER accordingly

Engrossed HB 1286 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. KASPER MOVED that the conference committee report on Engrossed HB 1286 be adopted.

REQUEST

REP. KASPER REQUESTED a verification vote, which request was granted.

The question being on the motion to adopt the conference committee report on Engrossed HB 1286, the conference committee report on Engrossed HB 1286 was rejected on a verification vote.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. SILBERNAGEL MOVED that the conference committee report on Engrossed SB 2242 as printed on HJ page 1950 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2242, as amended, was placed on the Fourteenth order of business.

SECOND READING OF SENATE BILL

SB 2242: A BILL for an Act to create and enact a new subsection to section 20.1-01-02 and a new subsection to section 20.1-03-12 of the North Dakota Century Code, relating to disabled veterans and hunting fees.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 92 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Amerman; Anderson; Beadle; Becker; Bellew; Belter; Boe; Boehning; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Delzer; Dockter; Dosch; Drovdal; Fehr; Frantsvog; Froseth; Glassheim; Grande; Gruchalla; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Headland; Heilman; Heller; Hofstad; Hogan; Holman; Hunskor; Johnson, D.; Johnson, N.; Karls; Kasper; Keiser; Kelsh, J.; Kelsh, S.; Kempenich; Kiefert; Klein; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Kreun; Laning; Larson; Looyesen; Louser; Maragos; Martinson; Meier; Mock; Monson; Mooney; Muscha; Nathe; Nelson, J.; Nelson, M.; Onstad; Oversen; Owens; Paur; Pollert; Porter; Rohr; Ruby; Rust; Sanford; Schatz; Schmidt; Silbernagel; Skarphol; Steiner; Streyle; Sukut; Thoreson; Toman; Trotter; Vigasaa; Wall; Weisz; Wieland; Williams; Speaker Devlin

ABSENT AND NOT VOTING: Strinden; Zaiser

Engrossed SB 2242, as amended, passed.

APPOINTMENT OF CONFERENCE COMMITTEE

REP. VIGESAA MOVED that the Speaker appoint a new committee of three to act with a like committee from the Senate as a Conference Committee on Reengrossed HB 1233 and Engrossed HB 1286, which motion prevailed.

THE SPEAKER APPOINTED as a new Conference Committee on:

Reengrossed HB 1233: Reps. Owens, Schmidt, Weisz

Engrossed HB 1286: Reps. Kasper, B. Koppelman, Amerman

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

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

HB 1233: Reps. Owens; Schmidt; Weisz

HB 1286: Reps. Kasper; B. Koppelman; Amerman

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

MR. PRESIDENT: The House has adopted the conference committee report and subsequently passed: HB 1001, HB 1261.

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

MR. PRESIDENT: The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1020.

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

MR. PRESIDENT: The House has not adopted the conference committee report on: HB 1233 and HB 1286.

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

MR. PRESIDENT: The House has adopted the conference committee report and subsequently passed: SB 2242.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently failed to pass: SB 2219.

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

MR. PRESIDENT: Your signature is respectfully requested on: HB 1009, HB 1011, HB 1017.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

MR. SPEAKER: Your signature is respectfully requested on: SB 2002, SB 2007, SB 2009.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

MR. SPEAKER: The President has signed: HB 1007, HB 1452.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

MR. SPEAKER: The President has signed: SB 2024, SB 2233, SB 2369, SCR 4030.

ANNOUNCEMENT

SPEAKER DEVLIN ANNOUNCED that the House would stand in recess until 4:30 p.m.

THE HOUSE RECONVENED pursuant to recess taken, with Speaker Devlin presiding.

REPORT OF CONFERENCE COMMITTEE

HB 1250: Your conference committee (Sens. Miller, Campbell, Triplett and Reps. Belter, Headland, S. Kelsh) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1802-1813, adopt amendments as follows, and place HB 1250 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1802-1813 of the House Journal and pages 1549-1559 of the Senate Journal and that House Bill No. 1250 be amended as follows:

Page 1, line 1, after "Act" insert "to create and enact a new section to chapter 57-38, subsections 7 and 8 to section 57-38-34, subsection 11 to section 57-38-38, and subsection 16 to section 57-38-40 of the North Dakota Century Code, relating to corporate and individual income tax credits and transition of financial institutions to corporate income tax treatment;"

Page 1, line 1, replace "sections 57-35.3-03, 57-35.3-07," with "subsection 5 of section 11-37-08, subsection 8 of section 40-63-01, subsection 5 of section 40-63-04, section 40-63-06, subsections 3 and 4 of section 40-63-07, subsection 3 of section 57-38-01.3, subsections 1 and 3 of section 57-38-01.26, subsections 5 and 7 of section 57-38-01.32, section"

Page 1, replace the second "and" with a comma

Page 1, line 2, after "1" insert "and subdivisions c, d, and f of subsection 2"

Page 1, line 2, after "57-38-30.3" insert ", and section 57-39.2-26.1"

Page 1, line 2, remove "reduction of

Page 1, line 3, remove "financial institutions tax and"

Page 1, line 3, after "rates" insert "and credits and increased allocations from the state aid distribution fund; to repeal chapter 57-35.3 of the North Dakota Century Code, relating to elimination of the financial institutions tax"

Page 1, remove lines 6 through 23

Page 2, replace lines 1 through 12 with:

"SECTION 1. AMENDMENT. Subsection 5 of section 11-37-08 of the North Dakota Century Code is amended and reenacted as follows:

5. Bonds issued by a commerce authority under this section are declared to be issued for an essential public government purpose, and together with interest and income on the bonds, are exempt from all individual and corporate taxes imposed under sections ~~57-35.3-03~~, 57-38-30, and 57-38-30.3.

SECTION 2. AMENDMENT. Subsection 8 of section 40-63-01 of the North Dakota Century Code is amended and reenacted as follows:

8. "Taxpayer" means an individual, corporation, ~~financial institution~~, or trust subject to the taxes imposed by chapter ~~57-35.3~~ or 57-38 and includes a partnership, subchapter S corporation, limited partnership, limited liability company, or any other passthrough entity.

SECTION 3. AMENDMENT. Subsection 5 of section 40-63-04 of the North Dakota Century Code is amended and reenacted as follows:

5. The exemptions provided by this section do not eliminate any duty to file a return or to report income as required under chapter ~~57-35.3~~ or 57-38.

SECTION 4. AMENDMENT. Section 40-63-06 of the North Dakota Century Code is amended and reenacted as follows:

40-63-06. Historic preservation and renovation tax credit.

A credit against state tax liability as determined under sections ~~57-35.3-03~~, 57-38-30, and 57-38-30.3 is allowed for investments in the historic preservation or renovation of property within the renaissance zone. The amount of the credit is twenty-five percent of the amount invested, up to a maximum of two hundred fifty thousand dollars. The credit may be claimed in the year in which the preservation or renovation is completed. Any excess credit may be carried forward for a period of up to five taxable years.

SECTION 5. AMENDMENT. Subsections 3 and 4 of section 40-63-07 of the North Dakota Century Code are amended and reenacted as follows:

3. A renaissance fund organization is exempt from any tax imposed by chapter ~~57-35.3~~ or 57-38. An exemption under this section may be passed through to any shareholder, partner, and owner if the renaissance fund organization is a passthrough entity for tax purposes. A corporation ~~or financial institution~~ entitled to the exemption provided by this subsection shall file required returns and report income to the tax commissioner as required by the provisions of ~~those chapters~~ chapter 57-38 as if the exemption did not exist. If an employer, this subsection does not exempt a renaissance fund organization from complying with the income tax withholding laws.
4. A credit against state tax liability as determined under section ~~57-35.3-03~~, 57-38-30, or 57-38-30.3 is allowed for investments in a renaissance fund organization. The amount of the credit is fifty percent of the amount invested in the renaissance fund organization during the taxable year. Any amount of credit which exceeds a taxpayer's tax liability for the taxable year may be carried forward for up to five taxable years after the taxable year in which the investment was made.

SECTION 6. AMENDMENT. Subsection 3 of section 57-38-01.3 of the North Dakota Century Code is amended and reenacted as follows:

3. The sum calculated pursuant to subsection 1 must be reduced by the amount of any net operating loss that is attributable to North Dakota sources, including a net operating loss calculated under chapter 57-35.3 for tax years beginning before January 1, 2013. If the net operating loss that is attributable to North Dakota sources exceeds the sum calculated pursuant to subsection 1, the excess may be carried forward for the same time period that an identical federal net operating loss may be carried forward. If a corporation uses an apportionment formula to determine the amount of income that is attributable to North Dakota, the corporation must use the same formula to determine the amount of net operating loss that is attributable to North Dakota. In addition, no deduction may be taken for a carryforward when determining the amount of net operating loss that is attributable to North Dakota sources.

SECTION 7. AMENDMENT. Subsections 1 and 3 of section 57-38-01.26 of the North Dakota Century Code are amended and reenacted as follows:

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 ~~one~~five hundred ~~thirty~~ 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.
3. An angel fund must:
 - a. Be a partnership, limited partnership, corporation, limited liability company, limited liability 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. ~~Early-stage and mid-stage entities do not include those that have more than twenty five percent of their revenue from income-producing real estate. 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.

SECTION 8. AMENDMENT. Subsections 5 and 7 of section 57-38-01.32 of the North Dakota Century Code are amended and reenacted as follows:

- 5. The aggregate amount of tax credits allowed to all eligible contributors is limited to fifteen million dollars per biennium. ~~This limitation applies to all contributions for which tax credits are claimed under section 57-35.3-05 and this section.~~
- 7. To receive the tax credit provided under this section, a taxpayer shall claim the credit on the taxpayer's state income ~~or financial institutions~~ tax return in the manner prescribed by the tax commissioner and file with the return a copy of the form issued by the housing finance agency under subsection 6.

SECTION 9. A new section to chapter 57-38 of the North Dakota Century Code is created and enacted as follows:

Financial institutions - Net operating losses - Credit carryovers.

- 1. A subchapter S corporation that was a financial institution under chapter 57-35.3 may elect to be treated as a taxable corporation under chapter 57-38. If an election is made under this section, the election:
 - a. Must be made in the form and manner prescribed by the tax commissioner on the return filed for the tax year beginning on January 1, 2013, or the return filed for the short period required under subsection 8 of section 57-38-34; and
 - b. Is binding until the earlier of:
 - (1) The end of the tax year for which the taxpayer reports a tax liability after tax credits; or
 - (2) The beginning of the tax year for which the taxpayer elects to be recognized as a subchapter S corporation under section 57-38-01.4.
- 2. If an election is made under this section, the following apply:

- a. A subchapter S corporation may not file a consolidated return.
- b. Any unused credit carryovers earned by a financial institution under chapter 57-35.3 for tax years beginning before January 1, 2013, may be carried forward in the same number of years the financial institution would have been entitled under chapter 57-35.3.
- c. Any unused net operating losses incurred by a financial institution under chapter 57-35.3 for tax years beginning before January 1, 2013, may be carried forward for the same number of years the financial institution would have been entitled under chapter 57-35.3."

Page 2, line 19, overstrike "sixty-eight" and insert immediately thereafter "twenty-six"

Page 2, line 23, replace "thirty" with "eighty-seven"

Page 3, line 9, replace "\$50,000" with "\$36,250"

Page 3, line 9, replace "0.90%" with "1.13%"

Page 3, line 10, replace "\$50,000" with "\$36,250"

Page 3, line 10, replace "\$450.00" with "\$410.53"

Page 3, line 10, replace "1.90%" with "2.12%"

Page 3, line 11, replace "\$125,000" with "\$87,850"

Page 3, line 11, replace "\$50,000" with "\$36,250"

Page 3, line 12, replace "\$125,000" with "\$87,850"

Page 3, line 12, replace "\$1,875.00" with "\$1,501.87"

Page 3, line 12, replace "2.90%" with "2.35%"

Page 3, line 13, after "\$174,400" insert "but not over \$183,250"

Page 3, line 13, replace "\$125,000" with "\$87,850"

Page 3, line 14, after "\$174,400" insert "Over \$183,250"

Page 3, line 14, after "3.63%" insert "\$3,741.39 plus 2.72%"

Page 3, line 15, after "\$379,150" insert "but not over \$398,350"

Page 3, line 15, after "\$174,400" insert "of amount over \$183,250"

Page 3, line 16, after "\$379,150" insert "Over \$398,350"

Page 3, line 16, after "3.99%" insert "\$9,597.49 plus 2.99%"

Page 3, line 17, after "\$379,150" insert "of amount over \$398,350"

Page 3, line 20, replace "\$85,000" with "\$60,650"

Page 3, line 20, replace "0.90%" with "1.13%"

Page 3, line 21, replace "\$85,000" with "\$60,650"

Page 3, line 21, replace "\$765.00" with "\$686.86"

Page 3, line 21, replace "1.90%" with "2.12%"

Page 3, line 22, replace "\$210,000" with "\$146,400"

Page 3, line 22, replace "\$85,000" with "\$60,650"

Page 3, line 23, replace "\$210,000" with "\$146,400"

Page 3, line 23, replace "\$3,140.00" with "\$2,500.47"

Page 3, line 23, replace "2.90%" with "2.35%"

Page 3, line 24, after "~~\$212,300~~" insert "but not over \$223,050"

Page 3, line 24, replace "\$210,000" with "\$146,400"

Page 3, line 25, after "~~\$212,300~~" insert "Over \$223,050"

Page 3, line 25, after "~~3.63%~~" insert "\$4,299.83 plus 2.72%"

Page 3, line 26, after "~~\$379,150~~" insert "but not over \$398,350"

Page 3, line 26, after "~~\$212,300~~" insert "of amount over \$223,050"

Page 3, line 27, after "~~\$379,150~~" insert "Over \$398,350"

Page 3, line 27, after "~~3.99%~~" insert "\$9,072.37 plus 2.99%"

Page 3, line 28, after "~~\$379,150~~" insert "of amount over \$398,350"

Page 3, line 31, replace "\$42,500" with "\$30,325"

Page 3, line 31, replace "0.90%" with "1.13%"

Page 4, line 1, replace "\$42,500" with "\$30,325"

Page 4, line 1, replace "\$382.50" with "\$343.43"

Page 4, line 1, replace "1.90%" with "2.12%"

Page 4, line 2, replace "\$105,000" with "\$73,200"

Page 4, line 2, replace "\$42,500" with "\$30,325"

Page 4, line 3, replace "\$105,000" with "\$73,200"

Page 4, line 3, replace "\$1,570.00" with "\$1,250.24"

Page 4, line 3, replace "2.90%" with "2.35%"

Page 4, line 4, after "~~\$106,150~~" insert "\$111,525"

Page 4, line 4, replace "\$105,000" with "\$73,200"

Page 4, line 5, after "~~\$106,150~~" insert "Over \$111,525"

Page 4, line 5, after "~~3.63%~~" insert "\$2,149.92 plus 2.72%"

Page 4, line 6, after "~~\$189,575~~" insert "but not over \$199,175"

Page 4, line 6, after "~~\$106,150~~" insert "of amount over \$111,525"

Page 4, line 7, after "~~\$189,575~~" insert "Over \$199,175"

Page 4, line 7, after "~~3.99%~~" insert "\$4,536.19 plus 2.99%"

Page 4, line 8, after "~~\$189,575~~" insert "of amount over \$199,175"

Page 4, line 11, replace "\$65,000" with "\$48,600"

Page 4, line 11, replace "0.90%" with "1.13%"

Page 4, line 12, replace "\$65,000" with "\$48,600"

Page 4, line 12, replace "\$585.00" with "\$555.40"

Page 4, line 12, replace "1.90%" with "2.12%"

Page 4, line 13, replace "\$180,000" with "\$125,450"

Page 4, line 13, replace "\$65,000" with "\$48,600"

Page 4, line 14, replace "\$180,000" with "\$125,450"

Page 4, line 14, replace "\$2,770.00" with "\$2,175.78"

Page 4, line 14, replace "2.90%" with "2.35%"

Page 4, line 15, after "\$193,350" insert "but not over \$203,150"

Page 4, line 15, replace "\$180,000" with "\$125,450"

Page 4, line 16, after "\$193,350" insert "Over \$203,150"

Page 4, line 16, after "3.63%" insert "\$3,999.79 plus 2.72%"

Page 4, line 17, after "\$379,150" insert "but not over \$398,350"

Page 4, line 17, after "\$193,350" insert "of amount over \$203,150"

Page 4, line 18, after "\$379,150" insert "Over \$398,350"

Page 4, line 18, after "3.99%" insert "\$9,314.11 plus 2.99%"

Page 4, line 19, after "\$379,150" insert "of amount over \$398,350"

Page 4, line 22, replace "\$5,000" with "\$2,450"

Page 4, line 22, replace "0.90%" with "1.13%"

Page 4, line 23, replace "\$5,000" with "\$2,450"

Page 4, line 23, replace "\$45.00" with "\$27.75"

Page 4, line 23, replace "1.90%" with "2.12%"

Page 4, line 24, replace "\$10,000" with "\$5,700"

Page 4, line 24, replace "\$5,000" with "\$2,450"

Page 4, line 25, replace "\$10,000" with "\$5,700"

Page 4, line 25, replace "\$140.00" with "\$96.49"

Page 4, line 25, replace "2.90%" with "2.35%"

Page 4, line 26, after "\$8,300" insert "but not over \$8,750"

Page 4, line 26, replace "\$10,000" with "\$5,700"

Page 4, line 27, after "\$8,300" insert "Over \$8,750"

Page 4, line 27, after "3.63%" insert "\$168.09 plus 2.72%"

Page 4, line 28, after "\$11,350" insert "but not over \$11,950"

Page 4, line 28, after "\$8,300" insert "of amount over \$8,750"

Page 4, line 29, after "\$11,350" insert "Over \$11,950"

Page 4, line 29, after "3.99%" insert "\$255.21 plus 2.99%"

Page 4, line 30, remove the overstrike over "~~of amount over~~"

Page 4, line 30, after "\$11,350" insert "\$11,950"

Page 5, after line 26, insert:

"SECTION 12. AMENDMENT. Subdivisions c, d, and f of subsection 2 of section 57-38-30.3 of the North Dakota Century Code are amended and reenacted as follows:

- c. Reduced by the amount equal to the earnings that are passed through to a taxpayer in connection with an allocation and apportionment to North Dakota under ~~chapter 57-35.3~~section 9 of this Act.
- d. Reduced by ~~thirty~~forty percent of:
 - (1) The excess of the taxpayer's net long-term capital gain for the taxable year over the net short-term capital loss for that year, as computed for purposes of the Internal Revenue Code of 1986, as amended. The adjustment provided by this subdivision is allowed only to the extent the net long-term capital gain is allocated to this state.
 - (2) ~~The qualified dividend income that is taxed at the same rate as long-term capital gain for federal income tax purposes under Internal Revenue Code provisions in effect on December 31, 2008.~~Qualified dividends as defined under Internal Revenue Code section 1(h)(11), added by section 302(a) of the Jobs and Growth Tax Relief Reconciliation Act of 2003 [Pub. L. 108-27; 117 Stat. 752; 2 U.S.C. 963 et seq.], but only if taxed at a federal income tax rate that is lower than the regular federal income tax rates applicable to ordinary income. If, for any taxable year, qualified dividends are taxed at the regular federal income tax rates applicable to ordinary income, the reduction allowed under this subdivision is equal to thirty percent of all dividends included in federal taxable income. The adjustment provided by this subdivision is allowed only to the extent the qualified dividend income is allocated to this state.
- f. Increased by an amount equal to the losses that are passed through to a taxpayer in connection with an allocation and apportionment to North Dakota under ~~chapter 57-35.3~~section 9 of this Act.

SECTION 13. Subsections 7 and 8 to section 57-38-34 of the North Dakota Century Code are created and enacted as follows:

- 7. For a person that was subject to the tax under chapter 57-35.3 for the calendar year ending December 31, 2012, payment of the tax under this chapter is due six months after the due date of the return as required under this section. The provisions of subdivision a of subsection 1 of section 57-38-45 do not apply to the tax due under this subsection. This subsection applies to the first tax year beginning after December 31, 2012.
- 8. A person that previously reported under chapter 57-35.3 on a calendar year basis and files its federal income tax return on a fiscal year basis must file a short period return for the period beginning January 1, 2013, and ending on the last day of the tax year in calendar year 2013.

SECTION 14. Subsection 11 to section 57-38-38 of the North Dakota Century Code is created and enacted as follows:

11. This section applies if additional tax would be due under the provisions of chapter 57-35.3 in effect for taxable years beginning before January 1, 2013.

SECTION 15. Subsection 16 to section 57-38-40 of the North Dakota Century Code is created and enacted as follows:

16. A person that would have been entitled to a credit or refund under chapter 57-35.3 for a taxable year beginning before January 1, 2013, may file a claim for refund or credit of an overpayment of tax.

SECTION 16. AMENDMENT. Section 57-39.2-26.1 of the North Dakota Century Code is amended and reenacted as follows:

57-39.2-26.1. Allocation of revenues among political subdivisions.

Notwithstanding any other provision of law, a portion of sales, gross receipts, use, and motor vehicle excise tax collections, equal to ~~forty~~forty-three and one-half percent of an amount determined by multiplying the quotient of one percent divided by the general sales tax rate, that was in effect when the taxes were collected, times the net sales, gross receipts, use, and motor vehicle excise tax collections under chapters 57-39.2, 57-39.5, 57-39.6, 57-40.2, and 57-40.3 must be deposited by the state treasurer in the state aid distribution fund. The state tax commissioner shall certify to the state treasurer the portion of sales, gross receipts, use, and motor vehicle excise tax net revenues that must be deposited in the state aid distribution fund as determined under this section. Revenues deposited in the state aid distribution fund are provided as a standing and continuing appropriation and must be allocated as follows:

1. Fifty-three and seven-tenths percent of the revenues must be allocated to counties in the first month after each quarterly period as provided in this subsection.
 - a. Sixty-four percent of the amount must be allocated among the seventeen counties with the greatest population, in the following manner:
 - (1) Thirty-two percent of the amount must be allocated equally among the counties; and
 - (2) The remaining amount must be allocated based upon the proportion each such county's population bears to the total population of all such counties.
 - b. Thirty-six percent of the amount must be allocated among all counties, excluding the seventeen counties with the greatest population, in the following manner:
 - (1) Forty percent of the amount must be allocated equally among the counties; and
 - (2) The remaining amount must be allocated based upon the proportion each such county's population bears to the total population of all such counties.

A county shall deposit all revenues received under this subsection in the county general fund. Each county shall reserve a portion of its allocation under this subsection for further distribution to, or expenditure on behalf of, townships, rural fire protection districts, rural ambulance districts, soil conservation districts, county recreation service districts, county hospital districts, the Garrison Diversion Conservancy District, the southwest water authority, and other taxing districts within the county, excluding

school districts, cities, and taxing districts within cities. The share of the county allocation under this subsection to be distributed to a township must be equal to the percentage of the county share of state aid distribution fund allocations that township received during calendar year 1996. The governing boards of the county and township may agree to a different distribution.

2. Forty-six and three-tenths percent of the revenues must be allocated to cities in the first month after each quarterly period based upon the proportion each city's population bears to the total population of all cities.

A city shall deposit all revenues received under this subsection in the city general fund. Each city shall reserve a portion of its allocation under this subsection for further distribution to, or expenditure on behalf of, park districts and other taxing districts within the city, excluding school districts. The share of the city allocation under this subsection to be distributed to a park district must be equal to the percentage of the city share of state aid distribution fund allocations that park district received during calendar year 1996, up to a maximum of thirty percent. The governing boards of the city and park district may agree to a different distribution.

SECTION 17. REPEAL. Chapter 57-35.3 of the North Dakota Century Code is repealed."

Page 5, line 27, replace "This" with "Section 17 of this Act is effective for taxable events occurring after June 30, 2014, and the remainder of this"

Renumber accordingly

HB 1250 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. BELTER MOVED that the conference committee report on HB 1250 be adopted.

REQUEST

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

ROLL CALL

The question being on the motion to adopt the conference committee report on HB 1250, the roll was called and there were 70 YEAS, 20 NAYS, 0 EXCUSED, 4 ABSENT AND NOT VOTING.

YEAS: Anderson; Beadle; Becker; Bellew; Belter; Boe; Boehning; Brabandt; Brandenburg; Carlson; Damschen; Delzer; Dockter; Dosch; Drovdal; Fehr; Frantsvog; Froseth; Grande; Hatlestad; Hawken; Headland; Heilman; Heller; Hofstad; Johnson, D.; Johnson, N.; Karls; Kasper; Kempenich; Kiefert; Klein; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Kreun; Laning; Larson; Looyen; Louser; Maragos; Martinson; Meier; Nathe; Nelson, J.; Owens; Paur; Pollert; Porter; Rohr; Ruby; Rust; Sanford; Schatz; Schmidt; Silbernagel; Skarphol; Steiner; Streyle; Sukut; Thoreson; Toman; Trottier; Vigesaa; Wall; Weisz; Wieland; Speaker Devlin

NAYS: Amerman; Boschee; Delmore; Glassheim; Gruchalla; Guggisberg; Haak; Hanson; Hogan; Holman; Hunskor; Kelsh, J.; Kelsh, S.; Mock; Mooney; Muscha; Nelson, M.; Onstad; Oversen; Williams

ABSENT AND NOT VOTING: Keiser; Monson; Strinden; Zaiser

The conference committee report on HB 1250 was adopted on a recorded roll call vote.

HB 1250, as amended, was placed on the Eleventh order of business.

SECOND READING OF HOUSE BILL

HB 1250: A BILL for an Act to create and enact a new section to chapter 57-38, subsections 7 and 8 to section 57-38-34, subsection 11 to section 57-38-38, and subsection 16 to section 57-38-40 of the North Dakota Century Code, relating to

corporate and individual income tax credits and transition of financial institutions to corporate income tax treatment; to amend and reenact subsection 5 of section 11-37-08, subsection 8 of section 40-63-01, subsection 5 of section 40-63-04, section 40-63-06, subsections 3 and 4 of section 40-63-07, subsection 3 of section 57-38-01.3, subsections 1 and 3 of section 57-38-01.26, subsections 5 and 7 of section 57-38-01.32, section 57-38-30, subsection 1 and subdivisions c, d, and f of subsection 2 of section 57-38-30.3, and section 57-39.2-26.1 of the North Dakota Century Code, relating to individual and corporation income tax rates and credits and increased allocations from the state aid distribution fund; to repeal chapter 57-35.3 of the North Dakota Century Code, relating to elimination of the financial institutions tax; and to provide an effective date.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 75 YEAS, 15 NAYS, 0 EXCUSED, 4 ABSENT AND NOT VOTING.

YEAS: Anderson; Beadle; Becker; Bellew; Belter; Boe; Boehning; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Delzer; Dockter; Dosch; Drovdal; Fehr; Frantsvog; Froseth; Grande; Haak; Hanson; Hatlestad; Hawken; Headland; Heilman; Heller; Hofstad; Johnson, D.; Johnson, N.; Karls; Kasper; Kempenich; Kiefert; Klein; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Kreun; Laning; Larson; Looyen; Louser; Maragos; Martinson; Meier; Mock; Nathe; Nelson, J.; Owens; Paur; Pollert; Porter; Rohr; Ruby; Rust; Sanford; Schatz; Schmidt; Silbernagel; Skarphol; Steiner; Streyle; Sukut; Thoreson; Toman; Trotter; Vigesaa; Wall; Weisz; Wieland; Williams; Speaker Devlin

NAYS: Amerman; Boschee; Glassheim; Gruchalla; Guggisberg; Hogan; Holman; Hunskor; Kelsh, J.; Kelsh, S.; Mooney; Muscha; Nelson, M.; Onstad; Oversen

ABSENT AND NOT VOTING: Keiser; Monson; Strinden; Zaiser

Engrossed HB 1250 passed.

REPORT OF CONFERENCE COMMITTEE

HB 1258: Your conference committee (Sens. Flakoll, Poolman, Heckaman and Reps. Dosch, Skarphol, Williams) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1813-1815, adopt amendments as follows, and place HB 1258 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1813-1815 of the House Journal and pages 1595-1597 of the Senate Journal and that House Bill No. 1258 be amended as follows:

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

Page 1, line 1, after "15.1-21-02.5" insert "and 15.1-21-02.6"

Page 2, replace lines 6 through 14 with:

- "6. a. Completed two units of:
- (1) ~~Two units of the~~The same foreign or native American language;
 - (2) The same native American language;
 - (3) American sign language; or
 - (4) Career and technical education from a coordinated plan of study recommended by the department of career and technical education and approved by the superintendent of public instruction; and

- b. One unit selected from:
 - (1) Foreign languages;
 - (2) Native American languages;
 - (3) American sign language;
 - (4) Fine arts; or
 - (5) Career and technical education;"

Page 2, after line 29, insert:

"SECTION 2. AMENDMENT. Section 15.1-21-02.6 of the North Dakota Century Code is amended and reenacted as follows:

5.1-21-02.6. North Dakota scholarship - Amount - Applicability.

- 1. a. (1) The state board of higher education shall provide to any student certified as being eligible by the superintendent of public instruction either a North Dakota academic scholarship or a North Dakota career and technical education scholarship in the amount of seven hundred fifty dollars for each semester during which the student is enrolled full time at an accredited institution of higher education in this state and maintains a cumulative grade point average of 2.75.
 - b. (2) The state board of higher education shall provide to any student certified as being eligible by the superintendent of public instruction either a North Dakota academic scholarship or a North Dakota career and technical education scholarship in the amount of five hundred dollars for each quarter during which the student is enrolled full time at an accredited institution of higher education in this state and maintains a cumulative grade point average of 2.75.
 - b. (1) The state board of higher education shall provide to any student who graduates from high school during or after the 2012-13 school year and who is certified as being eligible by the superintendent of public instruction either a North Dakota academic scholarship or a North Dakota career and technical education scholarship, in the amount of one thousand two hundred fifty dollars, for each semester during which the student is enrolled full time at an accredited institution of higher education in this state and maintains a cumulative grade point average of 2.75.
 - (2) The state board of higher education shall provide to any student who graduates from high school during or after the 2012-13 school year and is certified as being eligible by the superintendent of public instruction either a North Dakota academic scholarship or a North Dakota career and technical education scholarship, in the amount of eight hundred thirty-three dollars, for each quarter during which the student is enrolled full time at an accredited institution of higher education in this state and maintains a cumulative grade point average of 2.75.
- 2. The state board shall monitor each scholarship recipient to ensure that the student meets the academic and other requirements of this section. Upon determining that a recipient student has failed to meet the requirements of this section, the board shall provide notification to the student within ten days.

3.
 - a. AExcept as provided in this subsection, a student is not entitled to receive more than six thousand dollars under this section.
 - b. A student who graduates from high school during or after the 2012-13 school year is entitled to receive up to ten thousand dollars under this section.
4. The state board of higher education shall forward the scholarship directly to the institution in which the student is enrolled.
5.
 - a.
 - (1) This section does not require a student to be enrolled in consecutive semesters.
 - (2) This section does not require a student to be enrolled in consecutive quarters.
 - b. However, a scholarship under this section is valid only for six academic years after the student's graduation from high school and may not be applied to graduate programs.
6. A scholarship under this section is available to any eligible resident student who fulfills the requirements of section 15.1-21-02.4 or 15.1-21-02.5 and who graduates from:
 - a. A high school in this state;
 - b. A high school in a bordering state under chapter 15.1-29; or
 - c. A nonpublic high school in a bordering state while residing with a custodial parent in this state.
7.
 - a. For purposes of North Dakota scholarship eligibility under this section, "full-time" means enrollment in at least twelve credits during a student's first two semesters and enrollment in at least fifteen credits during each semester thereafter or enrollment in the equivalent number of credits, as determined by the state board of higher education, with respect to students in a quarter system.
 - b.
 - (1) If a student requires fewer than fifteen credits to graduate, the student may retain scholarship eligibility by enrolling in fewer than fifteen but at least twelve credits during the semester, or the equivalent number of credits, as determined by the state board of higher education, with respect to students in a quarter system.
 - (2) Students who graduated from high school during the 2009-10 or the 2010-11 school year and who have completed six semesters may retain scholarship eligibility by enrolling in only twelve credits during each of the student's final two semesters, or the equivalent number of credits, as determined by the state board of higher education, with respect to students in a quarter system.
 - (3) The requirement that a student be enrolled in at least fifteen credits, as set forth in subdivision a, does not apply in the case of a student participating in a clinical, practicum, internship, cooperative program, or similar external experience, provided the external experience is equivalent to at least twelve units, or such similar amount as determined by the state board of higher education, with respect to students in a quarter system, and considered to be a "full time" placement for purposes of meeting graduation requirements."

Renumber accordingly

HB 1258 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. DOSCH MOVED that the conference committee report on HB 1258 be adopted, which motion failed on a verification vote.

APPOINTMENT OF CONFERENCE COMMITTEE

REP. VIGESAA MOVED that the Speaker appoint a new committee of three to act with a like committee from the Senate as a Conference Committee on HB 1258, which motion prevailed.

THE SPEAKER APPOINTED as a new Conference Committee on:

HB 1258: Reps. Dosch, Skarphol, Williams

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

MR. PRESIDENT: The House has adopted the conference committee report and subsequently passed: HB 1250.

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

MR. PRESIDENT: The House has not adopted the conference committee report on: HB 1258.

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

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

HB 1258: Reps. Dosch; Skarphol; Williams

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: HB 1001.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

MR. SPEAKER: The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1020.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

MR. SPEAKER: The Senate has adopted the conference committee report on: HB 1261.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: SB 2019, SB 2298.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

MR. SPEAKER: The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2001.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

MR. SPEAKER: The President has signed: HB 1009, HB 1011, HB 1017.

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

MR. PRESIDENT: The Speaker has signed: SB 2002, SB 2007, SB 2009.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

MR. SPEAKER: The President has signed: SB 2002, SB 2007, SB 2009.

MOTION

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

MOTION

REP. VIGESAA MOVED that the House be on the Fourth, Fifth, Seventh, and Sixteenth orders of business and at the conclusion of those orders, the House stand adjourned until 8:00 a.m., Tuesday, April 30, 2013, which motion prevailed.

REPORT OF CONFERENCE COMMITTEE

HB 1422, as engrossed: Your conference committee (Sens. Anderson, J. Lee, Axness and Reps. Weisz, Streyle, Oversen) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ page 1687, adopt amendments as follows, and place HB 1422 on the Seventh order:

That the Senate recede from its amendments as printed on page 1687 of the House Journal and page 1413 and 1414 of the Senate Journal and that Engrossed House Bill No. 1422 be amended as follows:

Page 1, line 4, remove "and"

Page 1, line 5, replace "to the department of human services for a child care stabilization initiative" with "; to provide a contingent appropriation; to provide legislative intent; to provide a report to the legislative management; to provide for application; and to provide an expiration date"

Page 1, line 13, remove "provided by an employer for the children"

Page 1, line 14, replace "of employees which is not open to the public" with "services that are located in the actual building in which the child's parent is employed, not to exceed ten children per location"

Page 1, line 18, replace "The" with "If a facility licensed under this chapter has sufficient indoor recreation space, the"

Page 1, line 18, remove "the recreation areas used by children in a facility licensed"

Page 1, line 19, replace "under this chapter to be indoors" with "outdoor play space"

Page 2, replace lines 1 through 24 with:

Staffing requirements.

The maximum group size of children in a child care center must be:

1. For children less than eighteen months of age, the maximum group size is ten children;
2. For children eighteen months of age to thirty-six months of age, the maximum group size is fifteen children;
3. For children three years of age to four years of age, the maximum group size is twenty children;
4. For children four years of age to five years of age, the maximum group size is twenty-five children;
5. For children five years of age to six years of age, the maximum group size is thirty children; and
6. For children six years of age to twelve years of age, the maximum group size is forty children."

Page 2, remove lines 25 through 31

Page 3, replace lines 1 and 2 with:

"SECTION 5. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,000,000, or so much of the sum as may be necessary, to the department of human services for the purpose of providing child care provider incentive grants pursuant to section 50-11.1-14.1, for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 6. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$300,000, or so much of the sum as may be necessary, to the department of human services for the purpose of funding early childhood services specialists pursuant to section 50-11.1-18, for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 7. CONTINGENT APPROPRIATION. If the changes in the eligibility and copay requirements for the child care assistance program as contained in section 8 of this Act require more funding than the amounts appropriated to the department of human services in House Bill No. 1012, as approved by the sixty-third legislative assembly, for the child care assistance program for the 2013-15 biennium, there is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$2,500,000, or so much of the sum as may be necessary, to the department of human services for the purpose of implementing the changes contained in section 8 of this Act, for the biennium beginning July 1, 2013, and ending June 30, 2015. If the changes in section 8 of this Act can be implemented within the child care assistance program appropriation appropriated to the department of human services in House Bill No. 1012, as approved by the sixty-third legislative assembly, for the child care assistance program for the 2013-15 biennium, or requires less than the \$2,500,000 provided in this section, up to \$1,000,000 of the \$2,500,000 appropriated in this section may be used by the department of human services to provide child care provider incentive grants pursuant to section 50-11.1-14.1.

SECTION 8. LEGISLATIVE INTENT - CHILD CARE ASSISTANCE PROGRAM - REPORT TO THE LEGISLATIVE MANAGEMENT. It is the intent of the legislative assembly that the department of human services change the eligibility requirement for the child care assistance program from fifty percent of the state median income to eighty-five percent of the state median income. Beginning July 1, 2014, if the funding appropriated to the department of human services in House Bill No. 1012, as approved by the sixty-third legislative assembly, and in section 7 of this Act for the child care assistance program is sufficient, the department of human services may reduce copay requirements for the child care assistance program. The department of human services shall report the impact of these changes to the legislative management.

SECTION 9. APPLICATION. Section 4 of this Act does not apply to a child care center operator who has maintained a license since before January 1, 1999.

SECTION 10. EXPIRATION DATE. Sections 4 and 9 of this Act are effective until the date the administrative rules containing the requirements of section 4 of this Act on maximum group size of children in a child care center take effect. The department of human services shall certify to the legislative council the date those rules will take effect, and as of that date sections 4 and 9 of this Act become ineffective."

Renumber accordingly

Engrossed HB 1422 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2001, as engrossed: Your conference committee (Sens. Carlisle, Holmberg, Mathern and Reps. Thoreson, Brandenburg, Guggisberg) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1516-1521, adopt amendments as follows, and place SB 2001 on the Seventh order:

That the House recede from its amendments as printed on pages 1516-1521 of the Senate Journal and pages 1594-1598 of the House Journal and that Engrossed Senate Bill No. 2001 be amended as follows:

Page 1, line 3, after the semicolon insert "to create and enact a new section to chapter 54-35 of the North Dakota Century Code, relating to promotional expenses;"

Page 1, line 4, after "compensation" insert "and expense reimbursement; to provide legislative intent"

General fund	\$14,336,364	\$14,197,971	(\$276,000)	\$13,921,971	\$13,921,971	\$0
Legislative Council						
Total all funds	\$12,220,456	\$12,175,513	\$506,961	\$12,682,474	\$12,585,640	\$96,834
Less estimated income	69,999	69,999	0	69,999	69,999	0
General fund	\$12,150,457	\$12,105,514	\$506,961	\$12,612,475	\$12,515,641	\$96,834
Bill total						
Total all funds	\$26,556,820	\$26,373,484	\$230,961	\$26,604,445	\$26,507,611	\$96,834
Less estimated income	69,999	69,999	0	69,999	69,999	0
General fund	\$26,486,821	\$26,303,485	\$230,961	\$26,534,446	\$26,437,612	\$96,834

Senate Bill No. 2001 - Legislative Assembly - Conference Committee Action

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$9,205,759	\$9,205,759		\$9,205,759	\$9,205,759	
Operating expenses	4,367,319	4,228,926	(276,000)	3,952,926	3,952,926	
Capital assets	530,000	530,000		530,000	530,000	
National Conf of State Legislatures	233,286	233,286		233,286	233,286	
Total all funds	\$14,336,364	\$14,197,971	(\$276,000)	\$13,921,971	\$13,921,971	\$0
Less estimated income	0	0	0	0	0	0
General fund	\$14,336,364	\$14,197,971	(\$276,000)	\$13,921,971	\$13,921,971	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department No. 150 - Legislative Assembly - Detail of Conference Committee Changes

	Adds Funding for Connectivity ¹	Removes Funding for Audio/Video ²	Total Conference Committee Changes
Salaries and wages			
Operating expenses	121,000	(397,000)	(276,000)
Capital assets			
National Conf of State Legislatures			
Total all funds	\$121,000	(\$397,000)	(\$276,000)
Less estimated income	0	0	0
General fund	\$121,000	(\$397,000)	(\$276,000)
FTE	0.00	0.00	0.00

¹ The operating expenses line item is increased by \$121,000 to provide a total of \$425,000 for costs associated with providing legislators with remote access to data, including broadband, data plans for cellular phones, and other methods as determined by the Legislative Management's Legislative Procedure and Arrangements Committee, the same as the House version.

² One-time funding is removed for installing audio and video recording equipment in committee rooms, the same as the House version. A section of legislative intent added by the House that the Legislative Management not proceed with implementing a process to record and archive video of standing committee meetings during the legislative session is removed. The Legislative Procedure and Arrangements Committee may use funding available for legislative wing improvements to install audio and video recording equipment in committee rooms.

Sections are added:

- Providing legislative intent that the Legislative Management consider implementing a bill analysis pilot project for the 2015 legislative session, the same as the House version.
- Increasing the monthly limit on legislative lodging reimbursement from 65 to 70

percent of the state employee daily rate. The House had increased the rate to 75 percent of the state employee daily rate retroactively to January 1, 2013. The Senate did not change the current 65 percent rate.

Senate Bill No. 2001 - Legislative Council - Conference Committee Action

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$8,336,986	\$8,336,986	\$323,874	\$8,660,860	\$8,564,026	\$96,834
Operating expenses	3,858,470	3,813,527	40,000	3,853,527	3,853,527	
Capital assets	25,000	25,000		25,000	25,000	
Accrued leave payments			143,087	143,087	143,087	
Total all funds	\$12,220,456	\$12,175,513	\$506,961	\$12,682,474	\$12,585,640	\$96,834
Less estimated income	69,999	69,999	0	69,999	69,999	0
General fund	\$12,150,457	\$12,105,514	\$506,961	\$12,612,475	\$12,515,641	\$96,834
FTE	34.00	34.00	3.00	37.00	37.00	0.00

Department No. 160 - Legislative Council - Detail of Conference Committee Changes

	Adjusts State Employee Compensation and Benefits Package ¹	Provides Separate Line Item for Accrued Leave Payments ²	Adds Fiscal Analyst Positions ³	Adds Funding for Energy Meetings ⁴	Total Conference Committee Changes
Salaries and wages	(\$43,039)	(\$143,087)	\$510,000		\$323,874
Operating expenses			15,000	25,000	40,000
Capital assets					
Accrued leave payments		143,087			143,087
Total all funds	(\$43,039)	\$0	\$525,000	\$25,000	\$506,961
Less estimated income	0	0	0	0	0
General fund	(\$43,039)	\$0	\$525,000	\$25,000	\$506,961
FTE	0.00	0.00	3.00	0.00	3.00

¹ This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 3 to 5 percent for the first year of the biennium and 2 to 4 percent for the second year of the biennium.
- Reduces funding for retirement contribution increases to provide for a 1 percent state and 1 percent employee increase beginning in January 2014 and no increase in January 2015.

² A portion of salaries and wages funding from the general fund for permanent employees' compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees, the same as the House version.

³ Funding is added for three new fiscal analyst positions and related operating expenses, including information technology and equipment, the same as the House version.

⁴ The operating expenses line item is increased by \$25,000 to provide funding for costs relating to legislators attending meetings of the Energy Producing States Coalition, the same as the House version.

A section added by the House authorizing the hosting of out-of-state dignitaries and the purchase of promotional items is changed to require the Legislative Management to establish a policy regarding promotional expenses.

Engrossed SB 2001 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2019, as engrossed: Your conference committee (Sens. Erbele, Grindberg, O'Connell and Reps. Martinson, Streyle, Williams) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1314-1317, adopt amendments as follows, and place SB 2019 on the Seventh order:

That the House recede from its amendments as printed on pages 1314-1317 of the Senate Journal and pages 1379-1382 of the House Journal and that Engrossed Senate Bill No. 2019 be amended as follows:

Page 1, line 2, remove "to amend and reenact sections 52-08-09, 52-08-10, and"

Page 1, remove line 3

Page 1, line 4, remove "requirements; and"

Page 1, line 4, after "section" insert "; and to provide borrowing authority to Williston state college"

Page 1, replace lines 14 through 23 with:

"Salaries and wages	\$4,362,974	\$306,969	\$4,669,943
Accrued leave payments	0	96,477	96,477
Operating expenses	1,253,339	0	1,253,339
Grants	29,025,000	1,878,698	30,903,698
Grants - postsecondary	357,452	490,000	847,452
Adult farm management	749,802	0	749,802
Workforce training	<u>3,000,000</u>	<u>1,000,000</u>	<u>4,000,000</u>
Total all funds	\$38,748,567	\$3,772,144	\$42,520,711
Less estimated income	<u>10,766,888</u>	<u>(479,093)</u>	<u>10,287,795</u>
Total general fund appropriation	\$27,981,679	\$4,251,237	\$32,232,916
Full-time equivalent positions	27.50	(0.50)	27.00"

Page 2, remove lines 1 through 31

Page 3, replace lines 1 through 4 with:

"SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FOURTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and the 2013-15 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2011-13</u>	<u>2013-15</u>
Workforce training	\$0	\$1,000,000
Total general fund	\$0	\$1,000,000

The 2013-15 one-time funding amounts are not a part of the entity's base budget for the 2015-17 biennium. The state board for career and technical education shall report to the appropriations committees of the sixty-fourth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2013, and ending June 30, 2015."

Page 3, remove lines 12 through 15

Page 3, line 18, replace "\$300,000" with "\$150,000"

Page 3, after line 22, insert:

"SECTION 5. WORKFORCE TRAINING GRANTS - MATCHING REQUIREMENT. The workforce training line item in section 1 of this Act includes the

sum of \$1,000,000 from the general fund for workforce training grants to the trainND program for the purchase of appropriate equipment specific to each of the four quadrant's workforce training needs. Prior to awarding a grant from these funds, the state board for career and technical education shall verify that the grant recipient has available matching funds from private industry equal to the state grant award, for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 6. BORROWING AUTHORITY - APPROPRIATION - WILLISTON STATE COLLEGE - WORKFORCE TRAINING PROJECT. Williston state college may borrow the sum of \$2,500,000, or so much of the sum as may be necessary, from the Bank of North Dakota, under the terms and conditions as determined by the Bank of North Dakota, for the workforce training facility project, for the biennium beginning July 1, 2013, and ending June 30, 2015. The proceeds of the loan authorized in this section are appropriated to Williston state college for the purpose of constructing a workforce training facility for the biennium beginning July 1, 2013, and ending June 30, 2015."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2019 - Summary of Conference Committee Action

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Williston State College						
Total all funds	\$0	\$0	\$2,500,000	\$2,500,000	\$2,500,000	\$0
Less estimated income	0	0	2,500,000	2,500,000	2,500,000	0
General fund	\$0	\$0	\$0	\$0	\$0	\$0
Dept. of Career and Technical Education						
Total all funds	\$41,124,457	\$44,531,146	(\$2,010,435)	\$42,520,711	\$41,069,457	\$1,451,254
Less estimated income	10,290,485	13,290,619	(3,002,824)	10,287,795	10,285,770	2,025
General fund	\$30,833,972	\$31,240,527	\$992,389	\$32,232,916	\$30,783,687	\$1,449,229
Bill total						
Total all funds	\$41,124,457	\$44,531,146	\$489,565	\$45,020,711	\$43,569,457	\$1,451,254
Less estimated income	10,290,485	13,290,619	(502,824)	12,787,795	12,785,770	2,025
General fund	\$30,833,972	\$31,240,527	\$992,389	\$32,232,916	\$30,783,687	\$1,449,229

Senate Bill No. 2019 - Williston State College - Conference Committee Action

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Capital assets			\$2,500,000	\$2,500,000	\$2,500,000	
Total all funds	\$0	\$0	\$2,500,000	\$2,500,000	\$2,500,000	\$0
Less estimated income	0	0	2,500,000	2,500,000	2,500,000	0
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department No. 229 - Williston State College - Detail of Conference Committee Changes

	Adds Funding for Workforce Training Facility ¹	Total Conference Committee Changes
Capital assets	\$2,500,000	\$2,500,000
Total all funds	\$2,500,000	\$2,500,000
Less estimated income	2,500,000	2,500,000
General fund	\$0	\$0
FTE	0.00	0.00

¹ A section is added authorizing Williston State College to borrow up to \$2.5 million from the Bank of North Dakota and appropriates the loan proceeds for the construction of a workforce training facility. The House also added this section.

Senate Bill No. 2019 - Dept. of Career and Technical Education - Conference Committee Action

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$4,860,166	\$4,866,855	(\$196,912)	\$4,669,943	\$4,568,689	\$101,254
Operating expenses	1,253,339	1,253,339		1,253,339	1,253,339	
Grants	30,903,698	30,803,698	100,000	30,903,698	30,903,698	
Grants - Postsecondary	357,452	1,257,452	(410,000)	847,452	497,452	350,000
Adult farm management	749,802	749,802		749,802	749,802	
Workforce training	3,000,000	5,600,000	(1,600,000)	4,000,000	3,000,000	1,000,000
Accrued leave payments			96,477	96,477	96,477	
Total all funds	\$41,124,457	\$44,531,146	(\$2,010,435)	\$42,520,711	\$41,069,457	\$1,451,254
Less estimated income	10,290,485	13,290,619	(3,002,824)	10,287,795	10,285,770	2,025
General fund	\$30,833,972	\$31,240,527	\$992,389	\$32,232,916	\$30,783,687	\$1,449,229
FTE	27.00	27.00	0.00	27.00	27.00	0.00

Department No. 270 - Dept. of Career and Technical Education - Detail of Conference Committee Changes

	Adjusts State Employee Compensation and Benefits Package ¹	Provides Separate Line Item for Accrued Leave Payments ²	Reduces Funding for STEM Programs ³	Changes Funding for Additional Workforce Training Grants ⁴	Increases Funding to New and Expanding Programs ⁵	Reduces the Funding for STEM Network ⁶
Salaries and wages	(\$100,435)	(\$96,477)				
Operating expenses						
Grants					100,000	
Grants - Postsecondary			(150,000)			(260,000)
Adult farm management						
Workforce training				(1,600,000)		
Accrued leave payments		96,477				
Total all funds	(\$100,435)	\$0	(\$150,000)	(\$1,600,000)	\$100,000	(\$260,000)
Less estimated income	(2,824)	0	0	(2,600,000)	0	(400,000)
General fund	(\$97,611)	\$0	(\$150,000)	\$1,000,000	\$100,000	\$140,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Total Conference Committee Changes
Salaries and wages	(\$196,912)
Operating expenses	
Grants	100,000
Grants - Postsecondary	(410,000)
Adult farm management	
Workforce training	(1,600,000)
Accrued leave payments	96,477
Total all funds	(\$2,010,435)
Less estimated income	(3,002,824)
General fund	\$992,389
FTE	0.00

¹ This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 3 to 5 percent

for the first year of the biennium and 2 to 4 percent for the second year of the biennium.

- Reduces the market component from 2 to 4 percent per year to 1 to 2 percent per year for employees below the midpoint of their salary range.
- Reduces funding for retirement contribution increases to provide for a 1 percent state and 1 percent employee increase beginning in January 2014 and no increase in January 2015.

² A portion of salaries and wages funding from the general fund (\$81,028) and from other funds (\$15,449) for permanent employees' compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees.

³ This amendment reduces the funding added by the Senate for science, technology, engineering, and mathematics (STEM) programs to provide a total of \$150,000. The Senate provided \$300,000 for STEM programs; the House removed this funding.

⁴ This amendment changes the funding source of the additional workforce training grants added by the Senate and reduces the total funding to provide an additional \$1 million, all of which is from the general fund, to provide a total of \$4 million. A section has been added to the bill requiring each workforce training quadrant to provide a dollar-for-dollar match from private industry in order to qualify for the grant from the additional \$1 million. The Senate added \$2.6 million, all of which was from the strategic investment and improvements fund. The House removed this funding. The executive budget included \$3 million for workforce training grants. The additional \$1 million provided for workforce training grants is one-time funding.

⁵ This amendment provides additional funding to the new and expanding programs to provide a total of \$700,000, all of which is from the general fund, the same as the House version. The Senate did not change the executive recommendation.

⁶ Adjusts STEM funding to provide a total of \$300,000, including the \$160,000 from the general fund appropriated in House Bill No. 1228 which has been approved by both chambers, and changes the funding source from the strategic investment and improvements fund to the general fund. The same as the House version.

This amendment also:

- Removes Sections 2, 3, and 4 added by the Senate which changed the Workforce Training Board reporting requirements from the State Board of Higher Education to the State Board for Career and Technical Education.

Engrossed SB 2019 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2298, as engrossed: Your conference committee (Sens. Klein, Laffen, Murphy and Reps. Ruby, Keiser, M. Nelson) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ page 1142, adopt amendments as follows, and place SB 2298 on the Seventh order:

That the House recede from its amendments as printed on page 1142 of the Senate Journal and pages 1234 and 1235 of the House Journal and that Engrossed Senate Bill No. 2298 be amended as follows:

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

Page 1, line 3, remove "application"

Page 1, line 8, overstrike "If the organization does not give an injured employee's treating" and insert immediately thereafter "A presumption may not be established in favor of any"

Page 1, overstrike lines 9 through 11

Page 1, line 12, overstrike "employee's record based on one or more of" and insert immediately thereafter ". The organization shall resolve conflicting medical opinions and in doing so the organization shall consider"

Page 1, line 20, remove "At an administrative hearing, the organization's determination under subsection 1 is"

Page 1, remove line 21

Page 1, line 22, remove "3."

Page 2, remove lines 1 and 2

Renumber accordingly

Engrossed SB 2298 was placed on the Seventh order of business on the calendar.

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

Buell J. Reich, Chief Clerk

