

**JOURNAL OF THE SENATE**

**Fifty-eighth Legislative Assembly**

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**Bismarck, April 23, 2003**

The Senate convened at 8:30 a.m., with President Dalrymple presiding.

The prayer was offered by Senator Dever.

The roll was called and all members were present except Senators Christenson, Heitkamp, and Trenbeath.

A quorum was declared by the President.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. GRINDBERG MOVED** that the conference committee report on Engrossed HB 1001 as printed on SJ pages 1530-1532 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1001, as amended, was placed on the Fourteenth order.

**SECOND READING OF HOUSE BILL**

**HB 1001:** A BILL for an Act providing an appropriation for defraying the expenses of the legislative branch of state government; 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 41 YEAS, 0 NAYS, 0 EXCUSED, 6 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Brown; Christmann; Cook; Dever; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Holmberg; Kilzer; Klein; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mutch; Nelson; Nothing; Nichols; O'Connell; Polovitz; Robinson; Schobinger; Seymour; Stenehjem; Syverson; Tallackson; Taylor; Thane; Tollefson; Traynor; Urlacher; Wardner

**ABSENT AND NOT VOTING:** Bercier; Christenson; Heitkamp; Krauter; Mathern; Trenbeath

Engrossed HB 1001, as amended, passed, the title was agreed to, and the emergency clause was declared carried.

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**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. HOLMBERG MOVED** that the conference committee report on Engrossed HB 1002 as printed on SJ pages 1532-1534 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1002, as amended, was placed on the Fourteenth order.

**SECOND READING OF HOUSE BILL**

**HB 1002:** A BILL for an Act to provide an appropriation for defraying the expenses of the judicial branch.

**ROLL CALL**

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

**YEAS:** Andrist; Bowman; Brown; Christmann; Cook; Dever; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Holmberg; Kilzer; Klein; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mutch; Nelson; Nothing; Nichols; O'Connell; Polovitz; Robinson; Schobinger; Seymour; Stenehjem; Syverson; Tallackson; Taylor; Thane; Tollefson; Traynor; Urlacher; Wardner

**ABSENT AND NOT VOTING:** Bercier; Christenson; Heitkamp; Krauter; Mathern; Trenbeath

Engrossed HB 1002, as amended, passed and the title was agreed to.

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**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. SCHOBINGER MOVED** that the conference committee report on Engrossed HB 1018 as printed on SJ page 1535 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1018, as amended, was placed on the Fourteenth order.

**SECOND READING OF HOUSE BILL**

**HB 1018:** A BILL for an Act to provide an appropriation for defraying the expenses of the office of administrative hearings.

**ROLL CALL**

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

**YEAS:** Andrist; Bowman; Brown; Christmann; Cook; Dever; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Holmberg; Kilzer; Klein; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mutch; Nelson; Nething; Nichols; O'Connell; Polovitz; Robinson; Schobinger; Seymour; Stenehjem; Syverson; Tallackson; Taylor; Thane; Tollefson; Traynor; Urlacher; Wardner

**ABSENT AND NOT VOTING:** Bercier; Christenson; Heitkamp; Krauter; Mathern; Trenbeath

Engrossed HB 1018, as amended, passed and the title was agreed to.

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**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. THANE MOVED** that the conference committee report on Engrossed HB 1020 as printed on SJ pages 1535-1537 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1020, as amended, was placed on the Fourteenth order.

**SECOND READING OF HOUSE BILL**

**HB 1020:** A BILL for an Act to provide an appropriation for defraying the expenses of the state board for vocational and technical education; and to provide a statement of legislative intent.

**ROLL CALL**

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

**YEAS:** Andrist; Bowman; Brown; Christmann; Cook; Dever; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Holmberg; Kilzer; Klein; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mutch; Nelson; Nething; Nichols; O'Connell; Polovitz; Robinson; Schobinger; Seymour; Stenehjem; Syverson; Tallackson; Taylor; Thane; Tollefson; Traynor; Urlacher; Wardner

**ABSENT AND NOT VOTING:** Bercier; Christenson; Heitkamp; Krauter; Mathern; Trenbeath

Engrossed HB 1020, as amended, passed and the title was agreed to.

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**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 2154.

**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 1002, HB 1018, HB 1020.

**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 1001.

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

**MR. SPEAKER:** The President has signed and your signature is respectfully requested on: SB 2001, SB 2002, SB 2003, SB 2007, SB 2011, SB 2014, SB 2358.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**  
**MR. SPEAKER:** The President has signed: HB 1295, HB 1421.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**  
**MR. SPEAKER:** The President has signed: HCR 3039.

**MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)**  
**MR. PRESIDENT:** The Speaker has signed and your signature is respectfully requested on: HB 1005, HB 1015, HB 1035, HB 1489.

**MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)**  
**MR. PRESIDENT:** The Speaker has signed: SB 2001, SB 2002, SB 2003, SB 2007, SB 2011, SB 2014, SB 2358.

#### MOTION

**SEN. CHRISTMANN MOVED** that the Senate stand in recess until 12:30 p.m., which motion prevailed.

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

#### CONSIDERATION OF AMENDMENTS

**HB 1497, as engrossed: SEN. SCHOBINGER (Appropriations Committee) MOVED** that the amendments on SJ page 1274 be adopted and then be placed on the Fourteenth order with **DO NOT PASS**, which motion prevailed.

#### SECOND READING OF HOUSE BILL

**HB 1497:** A BILL for an Act to provide for state government performance measurement.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 28 YEAS, 14 NAYS, 0 EXCUSED, 5 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Brown; Christmann; Cook; Dever; Erbele; Espegard; Every; Fischer; Flakoll; Freborg; Grindberg; Holmberg; Kilzer; Klein; Krebsbach; Kringstad; Lee, G.; Lyson; Nelson; O'Connell; Stenehjerm; Syverson; Tallackson; Traynor; Urlacher; Wardner

**NAYS:** Christenson; Fairfield; Lee, J.; Lindaas; Mutch; Nothing; Nichols; Polovitz; Robinson; Schobinger; Seymour; Taylor; Thane; Tollefson

**ABSENT AND NOT VOTING:** Bercier; Heitkamp; Krauter; Mathern; Trenbeath

Engrossed HB 1497, as amended, passed and the title was agreed to.

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#### VOTING INTENTION

**SEN. KREBSBACH REQUESTED** that the record show she intended to vote NAY on Engrossed HB 1497, as amended, which request was granted.

#### REPORT OF CONFERENCE COMMITTEE

**SB 2006, as engrossed:** Your conference committee (Sens. Schobinger, Christmann, Robinson and Reps. Skarphol, Svedjan, Glassheim) recommends that the **HOUSE RECEDE** from the House amendments on SJ page 1118, adopt amendments as follows, and place SB 2006 on the Seventh order:

That the House recede from its amendments as printed on page 1118 of the Senate Journal and page 1237 of the House Journal and that Engrossed Senate Bill No. 2006 be amended as follows:

Page 1, line 3, remove "and"

Page 1, line 4, after "Code" insert "; and to provide for a legislative council study"

Page 1, line 12, replace "12,820,250" with "12,806,112"

Page 1, line 13, replace "4,465,113" with "4,438,627"

Page 1, line 16, replace "21,310,363" with "21,269,739"

Page 1, line 18, replace "21,195,319" with "21,154,695"

Page 2, after line 4, insert:

**"SECTION 4. LEGISLATIVE COUNCIL STUDY - ELIMINATION OF ESTATE TAX.** The legislative council shall consider studying, during the 2003-04 interim, with assistance from the tax commissioner, the effect on cities and counties of repeal of the estate tax. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-ninth legislative assembly."

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### Senate Bill No. 2006 - State Tax Commissioner - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	\$13,073,578	\$12,820,250	(\$14,138)	\$12,806,112	\$12,806,112	
Operating expenses	4,595,113	4,465,113	(26,486)	4,438,627	3,933,588	\$505,039
Capital assets	75,000	25,000		25,000	25,000	
Homestead tax credit	<u>4,000,000</u>	<u>4,000,000</u>		<u>4,000,000</u>	<u>4,000,000</u>	
Total all funds	\$21,743,691	\$21,310,363	(\$40,624)	\$21,269,739	\$20,764,700	\$505,039
Less estimated income	<u>115,044</u>	<u>115,044</u>		<u>115,044</u>	<u>115,044</u>	
General fund	\$21,628,647	\$21,195,319	(\$40,624)	\$21,154,695	\$20,649,656	\$505,039
FTE	137.00	137.00	0.00	137.00	137.00	0.00

#### Dept. 127 - State Tax Commissioner - Detail of Conference Committee Changes

	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS <sup>1</sup>	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE <sup>2</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages		(\$14,138)	(\$14,138)
Operating expenses	(\$26,486)		(26,486)
Capital assets			
Homestead tax credit			
Total all funds	(\$26,486)	(\$14,138)	(\$40,624)
Less estimated income			
General fund	(\$26,486)	(\$14,138)	(\$40,624)
FTE	0.00	0.00	0.00

<sup>1</sup> This amendment reduces funding for information technology by \$26,486 from the general fund, which represents a reduction in information technology funding of approximately 5 percent, excluding information technology salaries and wages and previous reductions made in the area of information technology.

<sup>2</sup> Funding for state employee health insurance premiums is reduced from \$493 to \$488.70 per month.

This amendment also adds a section providing for a Legislative Council study of the effect on cities and counties of repeal of the estate tax.

Engrossed SB 2006 was placed on the Seventh order of business on the calendar.

#### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**SEN. SCHOBINGER MOVED** that the conference committee report on Engrossed SB 2006 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2006, as amended, was placed on the Eleventh order.

#### SECOND READING OF SENATE BILL

**SB 2006:** A BILL for an Act to provide an appropriation for defraying the expenses of the office of the state tax commissioner and for payment of state reimbursement under the homestead tax credit; to provide for an exemption from the provisions of section 54-44.1-11 of the North Dakota Century Code; and to provide for a legislative council study.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 42 YEAS, 0 NAYS, 0 EXCUSED, 5 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Brown; Christenson; Christmann; Cook; Dever; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Holmberg; Kilzer; Klein; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mutch; Nelson; Nething; Nichols; O'Connell; Polovitz; Robinson; Schobinger; Seymour; Stenehjem; Syverson; Tallackson; Taylor; Thane; Tollefson; Traynor; Urlacher; Wardner

**ABSENT AND NOT VOTING:** Bercier; Heitkamp; Krauter; Mathern; Trenbeath

Reengrossed SB 2006 passed and the title was agreed to.

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**REPORT OF CONFERENCE COMMITTEE**

**SB 2021, as engrossed:** Your conference committee (Sens. Andrist, Schobinger, Tallackson and Reps. Martinson, Monson, Gullerson) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1144-1146, adopt amendments as follows, and place SB 2021 on the Seventh order:

That the House recede from its amendments as printed on pages 1144-1146 of the Senate Journal and pages 1249-1251 of the House Journal and that Engrossed Senate Bill No. 2021 be amended as follows:

Page 1, line 15, replace "5,254,210" with "5,254,566"

Page 1, line 16, replace "4,412,157" with "4,601,793"

Page 1, line 17, replace "1,932,794" with "2,517,794"

Page 1, line 18, replace "4,836,000" with "4,336,000"

Page 1, line 19, replace "710,721" with "760,618"

Page 1, line 20, replace "17,145,882" with "17,470,771"

Page 1, line 21, replace "10,652,416" with "10,767,112"

Page 1, line 22, replace "6,493,466" with "6,703,659"

Page 2, line 1, replace "346,354" with "352,854"

Page 2, line 2, replace "346,354" with "352,854"

Page 2, line 3, replace "6,839,820" with "7,056,513"

Page 2, line 4, replace "10,652,416" with "10,767,112"

Page 2, line 5, replace "17,492,236" with "17,823,625"

Page 3, line 6, replace "\$550,000" with "\$902,888"

Page 3, line 11, replace "\$80,000" with "\$50,000"

Page 3, line 16, replace "\$100,000" with "\$100,456"

Re-number accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:****Senate Bill No. 2021 - Summary of Conference Committee Action**

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Parks and Recreation Department						
Total all funds	\$18,038,433	\$17,145,882	\$324,889	\$17,470,771	\$17,429,653	\$41,118
Less estimated income	<u>11,279,169</u>	<u>10,652,416</u>	<u>114,696</u>	<u>10,767,112</u>	<u>10,727,355</u>	<u>39,757</u>

General fund	\$6,759,264	\$6,493,466	\$210,193	\$6,703,659	\$6,702,298	\$1,361
International Peace Garden						
Total all funds	\$346,354	\$346,354	\$6,500	\$352,854	\$346,354	\$6,500
Less estimated income						
General fund	\$346,354	\$346,354	\$6,500	\$352,854	\$346,354	\$6,500
Bill Total						
Total all funds	\$18,384,787	\$17,492,236	\$331,389	\$17,823,625	\$17,776,007	\$47,618
Less estimated income	11,279,169	10,652,416	114,696	10,767,112	10,727,355	39,757
General fund	\$7,105,618	\$6,839,820	\$216,693	\$7,056,513	\$7,048,652	\$7,861

### Senate Bill No. 2021 - Parks and Recreation Department - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	\$5,295,996	\$5,254,210	\$356	\$5,254,566	\$5,254,566	
Operating expenses	4,412,157	4,412,157	189,636	4,601,793	4,560,675	\$41,118
Capital assets	3,567,794	1,932,794	585,000	2,517,794	2,517,794	
Grants	3,791,000	4,836,000	(500,000)	4,336,000	4,336,000	
Lewis and Clark Bicentennial	971,486	710,721	49,897	760,618	760,618	
Total all funds	\$18,038,433	\$17,145,882	\$324,889	\$17,470,771	\$17,429,653	\$41,118
Less estimated income	11,279,169	10,652,416	114,696	10,767,112	10,727,355	39,757
General fund	\$6,759,264	\$6,493,466	\$210,193	\$6,703,659	\$6,702,298	\$1,361
FTE	44.25	44.25	0.00	44.25	44.25	0.00

### Dept. 750 - Parks and Recreation Department - Detail of Conference Committee Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE 1	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS 2	INCREASES FUNDING FOR INCREASED SNOWMOBILE REGISTRATION FEES 3	CHANGES FUNDING SOURCE 4	ADDS FUNDING TO LEWIS AND CLARK BICENTENNIAL LINE 5	TRANSFERS FEMA DOLLARS BACK TO CAPITAL ASSETS LINE FROM GRANTS LINE 6
Salaries and wages	(\$4,644)		\$5,000			
Operating expenses		(\$20,364)	210,000			
Capital assets			85,000			\$500,000
Grants						(500,000)
Lewis and Clark Bicentennial	(103)				\$50,000	
Total all funds	(\$4,747)	(\$20,364)	\$300,000	\$0	\$50,000	\$0
Less estimated income	(310)	(4,994)	300,000	(180,000)		
General fund	(\$4,437)	(\$15,370)	\$0	\$180,000	\$50,000	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00
	TOTAL CONFERENCE COMMITTEE CHANGES					
Salaries and wages	\$356					
Operating expenses	189,636					
Capital assets	585,000					
Grants	(500,000)					
Lewis and Clark Bicentennial	49,897					
Total all funds	\$324,889					
Less estimated income	114,696					
General fund	\$210,193					
FTE	0.00					

1 This amendment reduces the funding for state employee health insurance premiums from \$493 to \$488.70 per month.

2 This amendment reduces funding for information technology by a total of \$20,364, which is \$15,370 from the general fund and \$4,994 from other funds, which represents a reduction in total information technology funding of approximately 5 percent.

3 This amendment increases funding to the Parks and Recreation Department for increased snowmobile registration fees in Senate Bill No. 2162.

4 This amendment changes funding sources from special funds to the general fund to offset the funding source change done by the Senate.

5 This amendment adds funding to the Lewis and Clark Bicentennial line item for a grant to the Three Affiliated Tribes Lewis and Clark Bicentennial Celebration Foundation for the national signature event.

6 This amendment transfers \$500,000 of federal funds for FEMA construction projects back to the capital projects line item from the grants line item. The Senate transferred the \$500,000 as part of the amendment that removed bonding capital projects and transferred the federal funds from those bonding projects removed from the capital assets line item to the grants line item. The \$500,000 of federal funds for the FEMA construction projects was included in the amount of the federal funds transferred from the capital assets line item to the grants line item.

This amendment also corrects the amounts in Sections 4, 5, and 6 of the bill for the snowmobile fund, the trail tax transfer fund, and the state parks gift fund.

#### Senate Bill No. 2021 - International Peace Garden - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
International Peace Garden	\$346,354	\$346,354	\$6,500	\$352,854	\$346,354	\$6,500
Total all funds	\$346,354	\$346,354	\$6,500	\$352,854	\$346,354	\$6,500
Less estimated income	_____	_____	_____	_____	_____	_____
General fund	\$346,354	\$346,354	\$6,500	\$352,854	\$346,354	\$6,500
FTE	0.00	0.00	0.00	0.00	0.00	0.00

#### Dept. 751 - International Peace Garden - Detail of Conference Committee Changes

	ADDS FUNDING FOR BIENNIAL AUDIT <sup>1</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
International Peace Garden	\$6,500	\$6,500
Total all funds	\$6,500	\$6,500
Less estimated income	_____	_____
General fund	\$6,500	\$6,500
FTE	0.00	0.00

<sup>1</sup> This amendment adds \$6,500 to the International Peace Garden line item from the general fund for the biennial audit.

Engrossed SB 2021 was placed on the Seventh order of business on the calendar.

#### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**SEN. ANDRIST MOVED** that the conference committee report on Engrossed SB 2021 be adopted, which motion prevailed on a voice vote.

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

#### SECOND READING OF SENATE BILL

**SB 2021:** A BILL for an Act to provide an appropriation for defraying the expenses of the parks and recreation department and the International Peace Garden; to amend and reenact section 55-08-06 of the North Dakota Century Code, relating to park permit fees; to repeal section 55-08-14 of the North Dakota Century Code, relating to capital projects and revenue bonds authorization; 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 42 YEAS, 0 NAYS, 0 EXCUSED, 5 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Brown; Christenson; Christmann; Cook; Dever; Erbele; Espgaard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Holmberg; Kilzer; Klein; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mutch; Nelson; Nething; Nichols; O'Connell; Polovitz; Robinson; Schobinger; Seymour; Stenehjerm; Syverson; Tallackson; Taylor; Thane; Tollefson; Traynor; Urlacher; Wardner

**ABSENT AND NOT VOTING:** Bercier; Heitkamp; Krauter; Mathern; Trenbeath

Reengrossed SB 2021 passed, the title was agreed to, and the emergency clause was declared carried.

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#### REPORT OF CONFERENCE COMMITTEE

**SB 2022, as engrossed:** Your conference committee (Sens. Grindberg, Holmberg, Robinson and Reps. Wald, Rennerfeldt, Gulleon) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1140-1142, adopt amendments as follows, and place SB 2022 on the Seventh order:

That the House recede from its amendments as printed on pages 1140-1142 of the Senate Journal and pages 1251-1253 of the House Journal and that Engrossed Senate Bill No. 2022 be amended as follows:

Page 1, line 4, after "projects" insert "; to create and enact a new section to chapter 61-02 of the North Dakota Century Code, relating to construction of the Devils Lake outlet", replace "section" with "sections", and after "54-27-25" insert "and 61-02.1-02.1"

Page 1, line 5, after "fund" insert "and funding statewide water development projects; to transfer funds from the water development trust fund to the general fund" and replace "repeal chapter 61-38 of" with "provide a continuing appropriation."

Page 1, remove line 6

Page 1, line 14, replace "2,077,370" with "2,076,235"

Page 1, line 15, replace "147,367,303" with "157,782,619"

Page 1, line 16, replace "149,444,673" with "159,858,854"

Page 1, line 17, replace "140,004,556" with "150,473,458"

Page 1, line 18, replace "9,440,117" with "9,385,396"

Page 3, line 24, after "facility" insert "on new or the existing water commission property"

Page 4, line 3, after "building" insert "on new or the existing water commission property"

Page 4, line 6, after "building" insert "on new or the existing water commission property"

Page 4, line 8, after "appurtenances" insert "on new or the existing water commission property"

Page 4, line 12, after "building" insert "on new or the existing water commission property"

Page 4, line 16, after "appurtenances" insert "on new or the existing water commission property"

Page 5, line 3, replace "\$49,523,771" with "\$60,000,000"

Page 6, replace line 16 with:

**"SECTION 12.** A new section to chapter 61-02 of the North Dakota Century Code is created and enacted as follows:

Construction of the Devils Lake outlet - Authorization - Agreement. The state water commission may do all things reasonably necessary to construct an outlet from Devils Lake, including executing an agreement with the federal government wherein the state water commission agrees to hold the United States harmless and free from damages, except for damages due to the fault or negligence of the United States or its contractors.

**SECTION 13. AMENDMENT.** Section 61-02.1-02.1 of the North Dakota Century Code is amended and reenacted as follows:

**61-02.1-02.1. Funding - Statewide water development projects - Bond issuance amount.**

1. The priorities for the statewide water development program for the 2001-03 biennium include municipal, rural, and industrial projects; irrigation projects; general water management projects, including rural flood control, snagging and clearing, channel improvement, recreation, and planning studies; flood control projects; and weather modification projects. The state water commission may provide the funds necessary to construct these projects from money appropriated to the state water commission from the resources trust fund, the water development trust fund, or by issuing bonds in an amount not to exceed twenty million dollars plus the costs of issuance of the bonds, capitalized interest, and reasonably required reserves. ~~The commission may utilize up to five million five hundred thousand dollars from the water development trust fund, the resources trust fund, or from bond proceeds to provide cost share for a flood control channel and levy~~



~~project designed to provide protection from overland flooding to a city with a population in excess of eighty thousand as of the 2000 federal decennial census. The amount provided may not exceed fifty percent of the city's share of the cost to construct the project. Bonds may be issued utilizing the procedures set forth in chapter 61-02. The proceeds of any bonds issued under the authority provided in this section are appropriated to the state water commission for the purposes set forth in this section.~~

2. If the state water commission determines it is appropriate to do so, it may, in lieu of issuing or in combination with the issuance of bonds pursuant to sections 61-02.1-01 and 61-02.1-02, for all or part of the state's cost share for the projects set forth in those provisions, use funds appropriated to it from the resources trust fund or the water development trust fund. ~~Regardless of the source, the amount of funds used may not exceed the limits set forth in section 61-02.1-02.~~

#### **SECTION 14. CONTINUING APPROPRIATION - DEVILS LAKE OUTLET.**

There is appropriated to the state water commission on a continuing basis from the water development trust fund or the resources trust fund in the state treasury, or from bond proceeds from bonds issued by the state water commission, as determined by the state water commission, the amount of funds required by the agreement between the state and the federal government to construct an outlet from Devils Lake to meet its cost-share obligations under the agreement and from any legally available funds to meet its indemnification obligations under the agreement.

**SECTION 15. TRANSFER.** Notwithstanding section 54-27-25, during the biennium beginning July 1, 2003, and ending June 30, 2005, the director of the office of management and budget shall transfer \$10,070,373 from the water development trust fund to the general fund."

ReNUMBER accordingly

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

#### **Senate Bill No. 2022 - Water Commission - Conference Committee Action**

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Administrative and support services	\$2,639,225	\$2,077,370	(\$1,135)	\$2,076,235	\$2,058,795	\$17,440
Water and atmospheric resources	<u>147,746,765</u>	<u>147,367,303</u>	<u>10,415,316</u>	<u>157,782,619</u>	<u>157,825,983</u>	(43,364)
Total all funds	\$150,385,990	\$149,444,673	\$10,414,181	\$159,858,854	\$159,884,778	(\$25,924)
Less estimated income	<u>150,385,990</u>	<u>140,004,556</u>	<u>10,468,902</u>	<u>150,473,458</u>	<u>150,473,458</u>	
General fund	\$0	\$9,440,117	(\$54,721)	\$9,385,396	\$9,411,320	(\$25,924)
FTE	85.00	82.00	0.00	82.00	82.00	0.00

#### **Dept. 770 - Water Commission - Detail of Conference Committee Changes**

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE <sup>1</sup>	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS <sup>2</sup>	INCREASES BONDING AUTHORITY <sup>3</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Administrative and support services	(\$1,135)			(\$1,135)
Water and atmospheric resources	<u>(7,637)</u>	<u>(\$53,276)</u>	<u>\$10,476,229</u>	<u>10,415,316</u>
Total all funds	(\$8,772)	(\$53,276)	\$10,476,229	\$10,414,181
Less estimated income	<u>(7,327)</u>		<u>10,476,229</u>	<u>10,468,902</u>
General fund	(\$1,445)	(\$53,276)	\$0	(\$54,721)
FTE	0.00	0.00	0.00	0.00

<sup>1</sup> This amendment reduces funding for state employee health insurance premiums from \$493 to \$448.70 per month.

<sup>2</sup> This amendment reduces funding for information technology by \$53,276 from the general fund, which represents a reduction in information technology from the general fund of approximately 5 percent.

<sup>3</sup> This amendment increases the bonding authority for water projects from \$49,523,771 to \$60,000,000.

The Conference Committee amendment provides that the State Water Commission may either sell all of its land and the existing shop building located at 2603 East Broadway in Bismarck and use the proceeds to purchase replacement land and build a new shop building or sell a portion of the land adjacent to the existing shop and use the proceeds to build a new shop on the remaining property.

The Conference Committee amendment removed the section which would have repealed North Dakota Century Code (NDCC) Chapter 61-38 relating to assumption of the Section 404 program of the Clean Water Act by the State Water Commission.

The House added a section providing for the State Water Commission to do all things reasonably necessary to construct an outlet from Devils Lake and provides the necessary funding to complete the project from a continuing appropriation from the water development trust fund, the resources trust fund, or from bond proceeds. The Conference Committee did not change this amendment.

The House added a section which removed from NDCC Section 61-02.1-02.1 the reference of funding to be provided to Fargo for flood control projects. The Conference Committee did not change this amendment.

The House added a section providing for a transfer of funds in the amount of State Water Commission's administrative expenses included in the executive budget recommendation of \$10,070,373 from the water development trust fund to the general fund. The Conference Committee did not change this amendment.

Engrossed SB 2022 was placed on the Seventh order of business on the calendar.

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

**SEN. GRINDBERG MOVED** that the conference committee report on Engrossed SB 2022 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2022, as amended, was placed on the Eleventh order.

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

**SB 2022:** A BILL for an Act to provide an appropriation for defraying the expenses of the state water commission; to provide a line of credit and an appropriation for repayment; to authorize the state water commission to issue and sell evidences of indebtedness for the construction of water-related projects; to create and enact a new section to chapter 61-02 of the North Dakota Century Code, relating to construction of the Devils Lake outlet; to amend and reenact sections 54-27-25 and 61-02.1-02.1 of the North Dakota Century Code, relating to allocation of the tobacco settlement trust fund and funding statewide water development projects; to transfer funds from the water development trust fund to the general fund; and to provide a continuing appropriation.

#### **ROLL CALL**

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

**YEAS:** Andrist; Bowman; Brown; Christenson; Christmann; Cook; Dever; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Kilzer; Klein; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mutch; Nelson; Nething; Nichols; O'Connell; Polovitz; Robinson; Schobinger; Seymour; Stenehjem; Syverson; Tallackson; Taylor; Thane; Tollefson; Traynor; Urlacher; Wardner

**ABSENT AND NOT VOTING:** Bercier; Heitkamp; Holmberg; Krauter; Mathern; Trenbeath

Reengrossed SB 2022 passed and the title was agreed to.

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

**SB 2004, as engrossed:** Your conference committee (Sens. Christmann, Andrist, Lindaas and Reps. Skarphol, Timm, Glassheim) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1116-1117, adopt amendments as follows, and place SB 2004 on the Seventh order:

That the House recede from its amendments as printed on pages 1116 and 1117 of the Senate Journal and pages 1235 and 1236 of the House Journal and that Engrossed Senate Bill No. 2004 be amended as follows:

Page 1, line 1, after "auditor" insert "; and to amend and reenact subsection 4 of section 54-10-01 of the North Dakota Century Code, relating to the powers and duties of the state auditor"

Page 1, line 8, replace "5,620,686" with "5,981,437"

Page 1, line 9, replace "732,580" with "717,771"

Page 1, remove line 10

Page 1, line 11, replace "6,403,266" with "6,699,208"

Page 1, line 12, replace "2,121,195" with "2,117,976"

Page 1, line 13, replace "4,282,071" with "4,581,232"

Page 1, after line 18, insert:

**"SECTION 3. AMENDMENT.** Subsection 4 of section 54-10-01 of the North Dakota Century Code is amended and reenacted as follows:

4. Perform or provide for performance audits of state agencies as determined necessary by the state auditor or the legislative audit and fiscal review committee. A performance audit must be done in accordance with generally accepted auditing standards applicable to performance audits. The state auditor may not hire a consultant to assist with conducting a performance audit of a state agency without the prior approval of the legislative audit and fiscal review committee. The state auditor shall notify an agency of the need for a consultant before requesting approval by the legislative audit and fiscal review committee. The agency that is audited shall pay for the cost of any consultant approved."

ReNUMBER accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2004 - State Auditor - Conference Committee Action**

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	\$5,754,797	\$5,620,686	\$360,751	\$5,981,437	\$5,981,437	
Operating expenses	761,380	732,580	(14,809)	717,771	675,204	\$42,567
Performance audits	<u>100,000</u>	<u>50,000</u>	<u>(50,000)</u>		<u>50,000</u>	<u>(50,000)</u>
Total all funds	\$6,616,177	\$6,403,266	\$295,942	\$6,699,208	\$6,706,641	(\$7,433)
Less estimated income	<u>2,140,958</u>	<u>2,121,195</u>	<u>(3,219)</u>	<u>2,117,976</u>	<u>2,119,441</u>	<u>(1,465)</u>
General fund	\$4,475,219	\$4,282,071	\$299,161	\$4,581,232	\$4,587,200	(\$5,968)
FTE	52.00	52.00	3.00	55.00	55.00	0.00

**Dept. 117 - State Auditor - Detail of Conference Committee Changes**

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE 1	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS 2	ADDS 3 FTE AND FUNDING FOR POSITIONS DELETED IN THE EXECUTIVE BUDGET 3	RESTORES FUNDING FOR SALARIES AND WAGES 4	REMOVES FUNDING FOR PERFORMANCE AUDITS 5	ADDS FUNDING FOR COPIER REPAIRS 6
Salaries and wages	(\$5,366)		\$294,917	\$71,200		
Operating expenses		(\$15,809)				\$1,000
Performance audits					(\$50,000)	
Total all funds	(\$5,366)	(\$15,809)	\$294,917	\$71,200	(\$50,000)	\$1,000
Less estimated income	<u>(1,754)</u>	<u>(1,465)</u>				
General fund	(\$3,612)	(\$14,344)	\$294,917	\$71,200	(\$50,000)	\$1,000
FTE	0.00	0.00	3.00	0.00	0.00	0.00

	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	\$360,751

Operating expenses	(14,809)
Performance audits	<u>(50,000)</u>
Total all funds	\$295,942
Less estimated income	<u>(3,219)</u>
General fund	\$299,161
FTE	3.00

- 1 This amendment reduces the funding for state employee health insurance premiums from \$493 to \$488.70 per month.
- 2 This amendment reduces funding for information technology by \$15,809, which is \$14,344 from the general fund and \$1,465 from other funds, which represents a reduction in total information technology funding of approximately 5 percent.
- 3 This amendment restores the three FTE positions and funding for the positions that were deleted in the executive budget recommendation.
- 4 This amendment restores funding of \$71,200 for a position that the Senate removed.
- 5 This amendment removes funding for performance audits.
- 6 This amendment adds \$1,000 from the general fund to the operating expenses line item for copier repairs. The Senate had removed \$28,800 from the operating expenses line item, which was to be used for the purchase of a new copy machine. These adjustments were done in addition to the 5 percent information technology reduction in footnote No. 2.

This amendment also amends and reenacts subsection 4 of North Dakota Century Code Section 54-10-01 relating to the powers and duties of the State Auditor, to require Legislative Audit and Fiscal Review Committee approval before the State Auditor may hire a consultant to assist in state agency performance audits, and that the State Auditor shall notify the agency of the need to hire a consultant.

Engrossed SB 2004 was placed on the Seventh order of business on the calendar.

#### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**SEN. CHRISTMANN MOVED** that the conference committee report on Engrossed SB 2004 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2004, as amended, was placed on the Eleventh order.

#### SECOND READING OF SENATE BILL

**SB 2004:** A BILL for an Act to provide an appropriation for defraying the expenses of the state auditor; and to amend and reenact subsection 4 of section 54-10-01 of the North Dakota Century Code, relating to the powers and duties of the state auditor.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 42 YEAS, 0 NAYS, 0 EXCUSED, 5 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bowman; Brown; Christenson; Christmann; Cook; Dever; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Holmberg; Kilzer; Klein; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mutch; Nelson; Nothing; Nichols; O'Connell; Polovitz; Robinson; Schobinger; Seymour; Stenehjerm; Syverson; Tallackson; Taylor; Thane; Tollefson; Traynor; Urlacher; Wardner

**ABSENT AND NOT VOTING:** Bercier; Heitkamp; Krauter; Mathern; Trenbeath

Reengrossed SB 2004 passed and the title was agreed to.

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#### MOTION

**SEN. HOLMBERG MOVED** that the Senate reconsider the action whereby it did not concur in the House amendments to Engrossed SB 2416, which motion prevailed on a voice vote.

Engrossed SB 2416, as amended, was placed on the Eleventh order.

#### MOTION

**SEN. CHRISTMANN MOVED** that SB 2004, SB 2006, SB 2021, SB 2022, and HB 1497 be messaged to the House immediately, which motion prevailed.

**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 2004, SB 2006, SB 2022.

**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 2021.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**  
**MR. SPEAKER:** The Senate has amended and subsequently passed: HB 1497.

**MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)**  
**MR. PRESIDENT:** The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1023.

**MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)**  
**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently passed: SB 2154.

#### **DELIVERY OF ENROLLED BILLS AND RESOLUTIONS**

The following bills were delivered to the Governor for approval on April 23, 2003: SB 2014, SB 2358.

#### **COMMUNICATION FROM GOVERNOR JOHN HOEVEN**

This is to inform you that on April 23, 2003, I have signed the following: SB 2029, SB 2148, SB 2149, SB 2150, SB 2188, SB 2235, SB 2363, and SB 2384.

#### **MOTION**

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

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

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

**SB 2416:** A BILL for an Act to provide an appropriation for capital projects of the state historical society of North Dakota; to authorize the industrial commission to issue and sell bonds for capital projects; 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 46 YEAS, 1 NAY, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bercier; Bowman; Brown; Christenson; Christmann; Cook; Dever; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Nelson; Nething; Nichols; O'Connell; Polovitz; Robinson; Schobinger; Seymour; Stenehjem; Syverson; Tallackson; Taylor; Thane; Tollefson; Traynor; Trenbeath; Urlacher; Wardner

**NAYS:** Mutch

Reengrossed SB 2416 passed, the title was agreed to, and the emergency clause was declared carried.

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

**HB 1023, as reengrossed:** Your conference committee (Sens. Kringstad, Christmann, Krauter and Reps. Timm, Delzer, Aarsvold) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1420-1421, adopt amendments as follows, and place HB 1023 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1420 and 1421 of the House Journal and pages 1201-1203 of the Senate Journal and that Reengrossed House Bill No. 1023 be amended as follows:

Page 1, line 2, after "for" insert "the", replace "projects" with "project", and replace "various state" with "the department of corrections and rehabilitation;"

Page 1, line 3, remove "departments and institutions; and"

Page 1, line 4, after "projects" insert "; to provide for a legislative council study; and to declare an emergency"

Page 2, line 16, replace "105,326" with "105,326"

Page 2, remove lines 18 and 19

Page 2, line 20, replace "3,134,517" with "105,326"

Page 2, after line 20, insert:

**"SECTION 3. LEGISLATIVE COUNCIL STUDY - CAPITAL CONSTRUCTION LEASE PAYMENT LIMITATION.** The legislative council shall consider studying, during the 2003-04 interim, the provisions of section 54-17.2-23 of the North Dakota Century Code regarding the statutory limitation on the amount of capital construction lease payments paid from the general fund and the effect of increasing the percentage limitation. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-ninth legislative assembly.

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

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1023 - Summary of Conference Committee Action**

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
University System office						
Total all funds	\$3,029,191	\$3,029,191	(\$3,029,191)	\$0	\$0	\$0
Less estimated income	<u>3,029,191</u>	<u>3,029,191</u>	<u>(3,029,191)</u>			
General fund	\$0	\$0	\$0	\$0	\$0	\$0
State Department of Health						
Total all funds	\$1,574,865	\$1,574,865	\$0	\$1,574,865	\$1,574,865	\$0
Less estimated income	<u>1,574,865</u>	<u>1,574,865</u>		<u>1,574,865</u>	<u>1,574,865</u>	
General fund	\$0	\$0	\$0	\$0	\$0	\$0
Department of Corrections and Rehabilitation						
Total all funds	\$2,768,216	\$2,768,216	\$0	\$2,768,216	\$3,198,216	(\$430,000)
Less estimated income	<u>2,768,216</u>	<u>2,768,216</u>		<u>2,768,216</u>	<u>3,198,216</u>	<u>(430,000)</u>
General fund	\$0	\$0	\$0	\$0	\$0	\$0
Bill Total						
Total all funds	\$7,372,272	\$7,372,272	(\$3,029,191)	\$4,343,081	\$4,773,081	(\$430,000)
Less estimated income	<u>7,372,272</u>	<u>7,372,272</u>	<u>(3,029,191)</u>	<u>4,343,081</u>	<u>4,773,081</u>	<u>(430,000)</u>
General fund	\$0	\$0	\$0	\$0	\$0	\$0

**House Bill No. 1023 - University System Office - Conference Committee Action**

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Capital assets	<u>\$3,029,191</u>	<u>\$3,029,191</u>	<u>(\$3,029,191)</u>			
Total all funds	\$3,029,191	\$3,029,191	(\$3,029,191)	\$0	\$0	\$0
Less estimated income	<u>3,029,191</u>	<u>3,029,191</u>	<u>(3,029,191)</u>			
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

**Dept. 215 - University System Office - Detail of Conference Committee Changes**

	REMOVES FUNDING FOR STATE FACILITY ENERGY IMPROVEMENT PROJECTS <sup>1</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Capital assets	<u>(\$3,029,191)</u>	<u>(\$3,029,191)</u>
Total all funds	(\$3,029,191)	(\$3,029,191)
Less estimated income	<u>(3,029,191)</u>	<u>(3,029,191)</u>
General fund	\$0	\$0

FTE

0.00

0.00

<sup>1</sup> This amendment removes the state facility energy improvement projects for the University System, which consisted of North Dakota State University sundry projects of \$1,077,977 and University of North Dakota sundry projects of \$1,951,214.

### House Bill No. 1023 - Other changes - Conference Committee Action

This amendment also adds a section to the bill to provide for a Legislative Council study of the statutory capital construction lease payment limitation and adds a section to the bill to declare this Act an emergency measure.

Reengrossed HB 1023 was placed on the Seventh order of business on the calendar.

#### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**SEN. KRINGSTAD MOVED** that the conference committee report on Reengrossed HB 1023 be adopted, which motion prevailed on a voice vote.

Reengrossed HB 1023, as amended, was placed on the Fourteenth order.

#### SECOND READING OF HOUSE BILL

**HB 1023:** A BILL for an Act to provide an appropriation for capital projects of various state departments; to provide an appropriation for the state facility energy improvement capital project of the department of corrections and rehabilitation; to authorize the industrial commission to issue and sell evidences of indebtedness for capital projects; to provide for a legislative council study; 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 46 YEAS, 1 NAY, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bercier; Bowman; Brown; Christenson; Christmann; Cook; Dever; Erbele; Espgaard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Nelson; Nething; Nichols; O'Connell; Polovitz; Robinson; Schobinger; Seymour; Stenehjem; Syverson; Tallackson; Taylor; Thane; Tollefson; Traynor; Trenbeath; Urlacher; Wardner

**NAYS:** Mutch

Reengrossed HB 1023, as amended, passed, the title was agreed to, and the emergency clause was declared carried.

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#### REPORT OF CONFERENCE COMMITTEE

**SB 2008, as engrossed:** Your conference committee (Sens. Schobinger, Christmann, Mathern and Reps. Koppelman, Carlson, Glassheim) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1130-1131, adopt amendments as follows, and place SB 2008 on the Seventh order:

That the House recede from its amendments as printed on pages 1130 and 1131 of the Senate Journal and pages 1238-1240 of the House Journal and that Engrossed Senate Bill No. 2008 be amended as follows:

Page 1, line 2, after "funding" insert "; to provide for legislative council studies"

Page 1, line 10, replace "4,775,728" with "4,771,497"

Page 1, line 11, replace "1,212,261" with "1,197,261"

Page 1, line 16, replace "10,003,492" with "9,984,261"

Page 1, line 17, replace "6,074,179" with "6,072,767"

Page 1, line 18, replace "3,929,313" with "3,911,494"

Page 1, line 20, replace "\$250,000" with "\$225,000"

Page 1, line 22, after the comma insert "and \$25,000 from other sources,"

Page 1, line 23, after the period insert "The commission must have written commitments for the \$25,000 from other sources before spending any moneys from the state rail fund."

Page 2, after line 3, insert:

**"SECTION 4. LEGISLATIVE COUNCIL STUDY - PUBLIC SERVICE COMMISSION DUTIES.** The legislative council shall consider studying, during the 2003-04 interim, the feasibility and desirability of transferring inspection and standards functions performed by various state agencies to the public service commission, including the potential cost-savings and efficiencies that may be realized by training and certifying employees to conduct multiple inspection duties. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-ninth legislative assembly.

**SECTION 5. LEGISLATIVE COUNCIL STUDY - PUBLIC SERVICE COMMISSION FUNDING.** The legislative council shall consider studying, during the 2003-04 interim, the feasibility and desirability of funding the public service commission entirely from special fund revenue sources. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-ninth legislative assembly."

ReNUMBER accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### Senate Bill No. 2008 - Public Service Commission - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	\$4,830,580	\$4,775,728	(\$4,231)	\$4,771,497	\$4,771,497	
Operating expenses	1,232,261	1,212,261	(15,000)	1,197,261	1,137,006	\$60,255
Capital assets	45,011	35,011		35,011	35,011	
Grants	62,000	62,000		62,000	62,000	
Abandoned mined lands contractual services	3,668,492	3,668,492		3,668,492	3,668,492	
Rail rate complaint case	<u>250,000</u>	<u>250,000</u>		<u>250,000</u>	<u>250,000</u>	
Total all funds	\$10,088,344	\$10,003,492	(\$19,231)	\$9,984,261	\$9,924,006	\$60,255
Less estimated income	<u>6,084,744</u>	<u>6,074,179</u>	<u>(1,412)</u>	<u>6,072,767</u>	<u>6,072,767</u>	
General fund	\$4,003,600	\$3,929,313	(\$17,819)	\$3,911,494	\$3,851,239	\$60,255
FTE	41.00	41.00	0.00	41.00	41.00	0.00

#### Dept. 408 - Public Service Commission - Detail of Conference Committee Changes

	DECREASES FUNDING FOR INFORMATION TECHNOLOGY TRAINING TRAVEL <sup>1</sup>	DECREASES FUNDING FOR COPIER-RELATED PRINTING COSTS <sup>2</sup>	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE <sup>3</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages			(\$4,231)	(\$4,231)
Operating expenses	(\$6,000)	(\$9,000)		(15,000)
Capital assets				
Grants				
Abandoned mined lands contractual services				
Rail rate complaint case				
Total all funds	(\$6,000)	(\$9,000)	(\$4,231)	(\$19,231)
Less estimated income			<u>(1,412)</u>	<u>(1,412)</u>
General fund	(\$6,000)	(\$9,000)	(\$2,819)	(\$17,819)
FTE	0.00	0.00	0.00	0.00

<sup>1</sup> This amendment decreases the funding for information technology training and related travel, the same as the House version.

<sup>2</sup> This amendment decreases the funding for copier-related printing costs, the same as the House version.

<sup>3</sup> This amendment reduces funding for state employee health insurance premiums from \$493 to \$488.70 per month.



The Conference Committee amendment provides for a Legislative Council study to examine the possibility of consolidating various inspection duties within one agency, the Public Service Commission. The Conference Committee created a separate section for the study of the feasibility and desirability of making the Public Service Commission a special funded agency. The House amendment included both studies within the same section.

The Conference Committee amendment provides for \$250,000 for the initial stage of a rail rate complaint case, \$225,000 of which is from the state rail fund and \$25,000 from other interested parties and other sources. The Public Service Commission may not spend any of the \$225,000 from the state rail fund until it has received commitment for the \$25,000 of other funds. The House amendment provided for \$200,000 from the state rail fund and \$50,000 from other funds.

The Conference Committee made no further information technology reductions to the Public Service Commission. The Conference Committee maintained existing information technology reductions of \$23,000 made by the Senate and \$15,000 of reductions made by the House, which amounted to an overall greater reduction than the proposed 5 percent reduction of \$22,014.

Engrossed SB 2008 was placed on the Seventh order of business on the calendar.

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

**SEN. SCHOBINGER MOVED** that the conference committee report on Engrossed SB 2008 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2008, as amended, was placed on the Eleventh order.

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

**SB 2008:** A BILL for an Act to provide an appropriation for defraying the expenses of the public service commission; to provide for repayment of funding; to provide for legislative council studies; 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 47 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bercier; Bowman; Brown; Christenson; Christmann; Cook; Dever; Erbele; Espgaard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; Nichols; O'Connell; Polovitz; Robinson; Schobinger; Seymour; Stenehjem; Syverson; Tallackson; Taylor; Thane; Tollefson; Traynor; Trenbeath; Urlacher; Wardner

Reengrossed SB 2008 passed, the title was agreed to, and the emergency clause was declared carried.

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

**SB 2013, as engrossed:** Your conference committee (Sens. Holmberg, Grindberg, Robinson and Reps. Monson, Martinson, Aarsvold) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1228-1235, adopt amendments as follows, and place SB 2013 on the Seventh order:

That the House recede from its amendments as printed on pages 1228-1235 of the Senate Journal and pages 1362-1369 of the House Journal and that Engrossed Senate Bill No. 2013 be amended as follows:

Page 1, line 3, after the semicolon insert "to provide an appropriation; to provide for an exemption;" and replace the second "and" with a semicolon

Page 1, line 4, remove "contingent payments; and", remove "a", replace "statement" with "statements", and after "intent" insert "; to create and enact a new section to chapter 54-52 of the North Dakota Century Code, relating to participation by nonteaching employees of the superintendent of public instruction in the public employees retirement system; to amend and reenact subsection 3 of section 15-39.1-09, subsection 3 of section 54-52-01, subsection 5 of section 54-52-17.4, and subsection 1 of section 54-52.1-03.2 of the North Dakota Century Code, relating to participation by nonteaching employees of the superintendent of public instruction in the public employees retirement system; and to declare an emergency"

Page 1, line 15, replace "9,287,593" with "9,277,686"

Page 1, line 16, replace "13,102,674" with "13,057,823"

Page 1, line 18, replace "479,379,990" with "489,379,990"

Page 1, line 22, replace "182,075,244" with "182,255,244"

Page 1, line 23, replace "855,108,567" with "865,233,809"

Page 2, line 1, replace "265,915,532" with "266,058,803"

Page 2, line 2, replace "589,193,035" with "599,175,006"

Page 2, line 5, replace "2,081,564" with "2,078,571"

Page 2, line 6, replace "1,188,360" with "1,181,647"

Page 2, line 8, replace "4,666,731" with "4,657,025"

Page 2, line 9, replace "1,630,082" with "1,629,979"

Page 2, line 10, replace "3,036,649" with "3,027,046"

Page 2, line 13, replace "4,807,382" with "4,809,808"

Page 2, line 14, replace "1,105,746" with "1,102,160"

Page 2, line 16, replace "5,945,851" with "5,944,691"

Page 2, line 18, replace "5,074,402" with "5,073,242"

Page 2, line 21, replace "2,543,182" with "2,540,292"

Page 2, line 22, replace "702,603" with "698,683"

Page 2, line 24, replace "3,264,018" with "3,257,208"

Page 2, line 25, replace "1,170,572" with "1,167,383"

Page 2, line 26, replace "2,093,446" with "2,089,825"

Page 2, line 27, after "appropriation" insert "Section 1 of" and replace "599,397,532" with "609,365,119"

Page 2, line 28, after "appropriation" insert "Section 1 of" and replace "269,587,635" with "269,727,614"

Page 2, line 29, after "appropriation" insert "Section 1 of" and replace "868,985,167" with "879,092,733"

Page 2, after line 29, insert:

**"SECTION 2. APPROPRIATION.** There is appropriated from special funds derived from federal funds and other income the sum of \$10,000,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of providing grants for the period beginning with the effective date of this Act and ending June 30, 2003."

Page 3, after line 4, insert:

**"SECTION 4. EXEMPTION.** The appropriation contained in subdivision 1 of section 1 of chapter 13 of the 2001 Session Laws is not subject to the provisions of section 54-44.1-11 for an amount of up to \$105,000, and this amount may be used by the department of public instruction in conjunction with special funds received by the department for the purpose of providing a grant to fund the north central council of school television's licensing of educational television programs for classroom use by North Dakota elementary and secondary schools."

**SECTION 5. LEGISLATIVE INTENT - ADULT EDUCATION PROGRAM.** It is the intent of the legislative assembly that the additional \$20,000 of funding from the general fund provided for the department of public instruction's adult education program is to be distributed by the department to address salary concerns for those teachers who have not received the teacher compensation payments."

Page 4, remove lines 23 through 31

Page 5, remove lines 1 through 30

Page 6, after line 6, insert:

**"SECTION 14. AMENDMENT.** Subsection 3 of section 15-39.1-09 of the North Dakota Century Code is amended and reenacted as follows:

3. A person, except the superintendent of public instruction, who is certified to teach in this state by the education standards and practices board and who is first employed and entered upon the payroll of the superintendent of public instruction after January 6, 2001, may elect to become a participating member of the public employees retirement system. An election made by a person to participate in the public employees retirement system under this subsection is irrevocable. Nonteaching employees of the superintendent of public instruction, including the superintendent of public instruction, may elect to transfer to the public employees retirement system pursuant to section 16 of this Act.

**SECTION 15. AMENDMENT.** Subsection 3 of section 54-52-01 of the North Dakota Century Code is amended and reenacted as follows:

3. "Eligible employee" means all permanent employees who meet all of the eligibility requirements set by this chapter and who are eighteen years or more of age, and includes appointive and elective officials who elect to remain members of the retirement system; provided, that judges of the supreme and district courts eligible under section 54-52-02.3 ~~and~~, appointed officials who elect to participate under section 54-52-02.5, and nonteaching employees of the superintendent of public instruction, including the superintendent of public instruction, who elect to transfer from the teachers' fund for retirement to the public employees retirement system under section 16 of this Act are eligible employees and shall participate in the public employees retirement system. Eligible employee does not include nonclassified state employees who elect to become members of the retirement plan established under chapter 54-52.6 but does include employees of the judicial branch and employees of the board of higher education and state institutions under the jurisdiction of the board.

**SECTION 16.** A new section to chapter 54-52 of the North Dakota Century Code is created and enacted as follows:

Participation by nonteaching employees of the office of the superintendent of public instruction. Notwithstanding any other provision of law, between the effective date of this Act and five p.m. on August 29, 2003, a nonteaching employee of the superintendent of public instruction, including the superintendent of public instruction, who is otherwise eligible to participate in the public employees retirement system may file an election with the staff of the retirement and investment office to transfer from the teachers' fund for retirement to the public employees retirement system. The teachers' fund for retirement shall certify the employees who are eligible to transfer. An election to transfer is irrevocable for as long as the employee remains employed with the superintendent of public instruction. The teachers' fund for retirement shall certify a transferring employee's salary, service credit, contribution history, account balance, and any other necessary information to the public employees retirement system. The amount to be transferred is the greater of the actuarial present value of the employee's accrued benefit as of July 1, 2003, plus interest at the rate of seven and one-half percent from July 1, 2003, until the date the amount is transferred to the public employees retirement system or the employee's account balance as of the date of transfer. The public employees retirement system shall credit the transferring employee with the service credit specified by the teachers' fund for retirement and shall convert the annual salary history from the teachers' fund for retirement to a monthly salary for the period. An employee becomes a member of the public employees retirement system as of the date the funds are transferred. To be eligible to transfer, an employee must be employed by the office of the superintendent of public instruction at the date of

the transfer. The superintendent of public instruction shall begin making retirement contributions, and the public employees retirement system shall begin receiving those retirement contributions, on behalf of employees who have elected to transfer to the public employees retirement system to that system the first of the month following the date of transfer.

**SECTION 17. AMENDMENT.** Subsection 5 of section 54-52-17.4 of the North Dakota Century Code is amended and reenacted as follows:

5. A participating member, or a member not presently under covered employment, may request credit for qualified military service pursuant to the Uniformed Services Employment and Reemployment Rights Act of 1994 [Pub. L. 103-353; 108 Stat. 3150; 38 U.S.C. 4301-4307]. The member shall submit a qualified application with proof of eligible military service to the board in order to receive credit for military service. For credit on and after July 1, 1966, the member must pay four percent times the member's most recent monthly salary, times the number of months of credit being purchased, plus interest at a rate determined by the board. In addition, the governmental unit, or in the case of a member not under covered employment the last employing governmental unit, shall pay to the retiree health benefits fund established under section 54-52.1-03.2 ~~one percent~~ the percentage required by section 54-52.1-03.2 times the member's present monthly salary times the member's months of credit being purchased. For credit before July 1, 1966, no contribution is required.

**SECTION 18. AMENDMENT.** Subsection 1 of section 54-52.1-03.2 of the North Dakota Century Code is amended and reenacted as follows:

1. The board shall establish a retiree health benefits fund account with the Bank of North Dakota for the purpose of prefunding and providing hospital benefits coverage and medical benefits coverage under the uniform group insurance program for retired eligible employees or surviving spouses of retired eligible employees and their dependents as provided in this chapter. The state shall contribute monthly to the retiree health benefits fund an amount equal to one percent of the monthly salaries and wages of all participating members of the highway patrolmen's retirement system under chapter 39-03.1, and one percent of the monthly salaries of all supreme or district court judges who are participating members of the public employees retirement system under chapter 54-52. Each governmental unit that contributes to the public employees retirement system fund under section 54-52-06 or the retirement plan under chapter 54-52.6 shall contribute monthly to the retiree health benefits fund an amount equal to one percent of the monthly salaries or wages of all participating members of the public employees retirement system under chapter 54-52 or chapter 54-52.6, except for nonteaching employees of the superintendent of public instruction who elect to participate in the public employees retirement system pursuant to section 16 of this Act. For nonteaching employees of the superintendent of public instruction who elect to participate in the public employees retirement system pursuant to section 16 of this Act, the superintendent of public instruction shall contribute monthly to the retiree health benefits fund an amount equal to three and one-tenth percent of the monthly salary or wages of those nonteaching employee members, beginning on the first of the month following the transfer under section 16 of this Act and continuing thereafter for a period of eight years, after which time the superintendent of public instruction shall contribute one percent of the monthly salary or wages of those nonteaching employee members. The employer of a national guard security officer or firefighter shall contribute monthly to the retiree health benefits fund an amount equal to one percent of the monthly salaries or wages of all national guard security officers or firefighters participating in the public employees retirement system under chapter 54-52. Job service North Dakota shall reimburse monthly the retiree health benefits fund for credit received under section 54-52.1-03.3 by members of the retirement program established by job service North Dakota under section 52-11-01. The board, as trustee of the fund and in exclusive control of its administration, shall:
  - a. Provide for the investment and disbursement of moneys of the retiree health benefits fund and administrative expenditures in the same

manner as moneys of the public employees retirement system are invested, disbursed, or expended.

- b. Adopt rules necessary for the proper administration of the retiree health benefits fund, including enrollment procedures.

**SECTION 19. APPROPRIATION.** There is appropriated out of any moneys in the public employees retirement fund, not otherwise appropriated, the sum of \$3,000, or so much of the sum as may be necessary, to the public employees retirement system for the purpose of implementing sections 15 through 18 of this Act, for the biennium beginning July 1, 2003, and ending June 30, 2005.

**SECTION 20. EMERGENCY.** Sections 2 and 4 of this Act are declared to be an emergency measure."

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### Senate Bill No. 2013 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Public Employees Retirement System						
Total all funds	\$0	\$0	\$3,000	\$3,000	\$3,000	\$0
Less estimated income			3,000	3,000	3,000	
General fund	\$0	\$0	\$0	\$0	\$0	\$0
Department of Public Instruction						
Total all funds	\$874,145,677	\$855,108,567	\$10,125,242	\$865,233,809	\$865,099,256	\$134,553
Less estimated income	265,980,642	265,915,532	143,271	266,058,803	266,058,803	
General fund	\$608,165,035	\$589,193,035	\$9,981,971	\$599,175,006	\$599,040,453	\$134,553
State Library						
Total all funds	\$4,687,581	\$4,666,731	(\$9,706)	\$4,657,025	\$4,636,885	\$20,140
Less estimated income	1,630,863	1,630,082	(103)	1,629,979	1,629,979	
General fund	\$3,056,718	\$3,036,649	(\$9,603)	\$3,027,046	\$3,006,906	\$20,140
School for the Deaf						
Total all funds	\$5,994,124	\$5,945,851	(\$1,160)	\$5,944,691	\$5,933,934	\$10,757
Less estimated income	871,449	871,449		871,449	871,449	
General fund	\$5,122,675	\$5,074,402	(\$1,160)	\$5,073,242	\$5,062,485	\$10,757
North Dakota Vision Services - School for the Blind						
Total all funds	\$3,290,629	\$3,264,018	(\$6,810)	\$3,257,208	\$3,256,346	\$862
Less estimated income	1,198,474	1,170,572	(3,189)	1,167,383	1,170,108	(2,725)
General fund	\$2,092,155	\$2,093,446	(\$3,621)	\$2,089,825	\$2,086,238	\$3,587
Bill Total						
Total all funds	\$888,118,011	\$868,985,167	\$10,110,566	\$879,095,733	\$878,929,421	\$166,312
Less estimated income	269,681,428	269,587,635	142,979	269,730,614	269,733,339	(2,725)
General fund	\$618,436,583	\$599,397,532	\$9,967,587	\$609,365,119	\$609,196,082	\$169,037

#### Senate Bill No. 2013 - Public Employees Retirement System - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Operating expenses			\$3,000	\$3,000	\$3,000	
Total all funds	\$0	\$0	\$3,000	\$3,000	\$3,000	\$0
Less estimated income			3,000	3,000	3,000	
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

#### Dept. 192 - Public Employees Retirement System - Detail of Conference Committee Changes

	PROVIDES FUNDING FOR ADMINISTRATION <sup>1</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Operating expenses	\$3,000	\$3,000
Total all funds	\$3,000	\$3,000
Less estimated income	3,000	3,000
General fund	\$0	\$0

FTE 0.00 0.00

<sup>1</sup> This amendment provides the Public Employees Retirement System a special funds appropriation of \$3,000 for implementing the changes necessary to allow for nonteaching employees of the Department of Public Instruction to transfer from the Teachers' Fund for Retirement to the Public Employees Retirement System.

**Senate Bill No. 2013 - Department of Public Instruction - Conference Committee Action**

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	\$9,572,703	\$9,287,593	(\$9,907)	\$9,277,686	\$9,277,686	
Operating expenses	13,527,674	13,102,674	(44,851)	13,057,823	12,923,270	\$134,553
Capital assets	15,000	15,000		15,000	15,000	
Hold harmless payments	1,200,000					
Reorganization bonuses and joint powers	1,000,000					
Grants - State school aid	478,056,990	479,379,990	10,000,000	489,379,990	489,379,990	
Grants - Teacher compensation payments	66,277,000	51,854,000		51,854,000	51,854,000	
Grants - Revenue supplement payments	3,200,000					
Grants - Tuition apportionment	69,495,371	69,495,371		69,495,371	69,495,371	
Grants - Special education	49,898,695	49,898,695		49,898,695	49,898,695	
Grants - Other grants	<u>181,902,244</u>	<u>182,075,244</u>	<u>180,000</u>	<u>182,255,244</u>	<u>182,255,244</u>	
Total all funds	\$874,145,677	\$855,108,567	\$10,125,242	\$865,233,809	\$865,099,256	\$134,553
Less estimated income	<u>265,980,642</u>	<u>265,915,532</u>	<u>143,271</u>	<u>266,058,803</u>	<u>266,058,803</u>	
General fund	\$608,165,035	\$589,193,035	\$9,981,971	\$599,175,006	\$599,040,453	\$134,553
FTE	93.25	93.25	0.00	93.25	93.25	0.00

**Dept. 201 - Department of Public Instruction - Detail of Conference Committee Changes**

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE <sup>1</sup>	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS <sup>2</sup>	INCREASES FUNDING FOR STATE SCHOOL AID <sup>3</sup>	INCREASES FUNDING FOR TEACHER CENTERS <sup>4</sup>	INCREASES FUNDING FOR ADULT EDUCATION <sup>5</sup>	PROVIDES SPECIAL FUNDS AUTHORITY FOR OTHER GRANTS <sup>6</sup>
Salaries and wages	(\$9,907)					
Operating expenses		(\$44,851)				
Capital assets						
Hold harmless payments						
Reorganization bonuses and joint powers						
Grants - State school aid			\$10,000,000			
Grants - Teacher compensation payments						
Grants - Revenue supplement payments						
Grants - Tuition apportionment						
Grants - Special education						
Grants - Other grants				<u>\$10,000</u>	<u>\$20,000</u>	<u>\$150,000</u>
Total all funds	(\$9,907)	(\$44,851)	\$10,000,000	\$10,000	\$20,000	\$150,000
Less estimated income	<u>(6,729)</u>					<u>150,000</u>
General fund	(\$3,178)	(\$44,851)	\$10,000,000	\$10,000	\$20,000	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00
	TOTAL CONFERENCE COMMITTEE CHANGES					
Salaries and wages	(\$9,907)					
Operating expenses	(44,851)					
Capital assets						
Hold harmless payments						
Reorganization bonuses and joint powers						
Grants - State school aid	10,000,000					
Grants - Teacher compensation payments						
Grants - Revenue supplement payments						
Grants - Tuition apportionment						
Grants - Special education						
Grants - Other grants				<u>180,000</u>		
Total all funds	\$10,125,242					
Less estimated income	<u>143,271</u>					

General fund \$9,981,971  
 FTE 0.00

- 1 This amendment reduces funding for state employee health insurance premiums from \$493 to \$488.70 per month.
- 2 This amendment reduces funding for information technology by \$44,851 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 5 percent. The House had reduced information technology funding from the general fund by approximately 20 percent.
- 3 Senate Bill No. 2154 increases the state school aid per student payment for the first year of the biennium from \$2,497 as recommended by the Senate to \$2,509 and the payment for the second year of the biennium from \$2,619 as recommended by the Senate to \$2,623. The executive budget recommended per student payments of \$2,430 for the first year and \$2,528 for the second year. To properly account for the increase in state school aid per student payments, funding of \$10 million is added to the state school aid funding, increasing funding from \$479,379,990 as recommended by the Senate to \$489,379,990.
- 4 This amendment increases funding from the general fund for support of teacher centers from \$220,000 to \$230,000.
- 5 This amendment increases funding from the general fund for adult education by \$20,000, from \$900,000 to \$920,000. The funding is to be allocated as determined by the department to address salary concerns for the teachers in the adult education program who have not received teacher compensation payments.
- 6 This amendment provides the department with additional special funds spending authority of \$150,000. The funding is to be used by the department in conjunction with \$105,000 of general fund carryover from the 2001-03 biennium for providing a grant for the purpose of funding the North Central Council of School Television's licensing of educational television programs for classroom use by North Dakota elementary and secondary schools and general operations of the North Central Council of School Television. The funding of \$105,000 may be used as a match for grants in the amount of up to \$150,000.

This amendment also:

- Adds a section to the bill appropriating \$10 million of special funds derived from federal funds to the department for the purpose of providing grants to school districts for the period beginning with the effective date of this Act and ending June 30, 2003.
- Amends the North Dakota Century Code to provide that nonteaching employees of the Department of Public Instruction may transfer from the Teachers' Fund for Retirement to the Public Employees Retirement System.

**Senate Bill No. 2013 - State Library - Conference Committee Action**

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	\$2,102,414	\$2,081,564	(\$2,993)	\$2,078,571	\$2,078,571	
Operating expenses	1,188,360	1,188,360	(6,713)	1,181,647	1,161,507	\$20,140
Grants	<u>1,396,807</u>	<u>1,396,807</u>		<u>1,396,807</u>	<u>1,396,807</u>	
Total all funds	\$4,687,581	\$4,666,731	(\$9,706)	\$4,657,025	\$4,636,885	\$20,140
Less estimated income	<u>1,630,863</u>	<u>1,630,082</u>	(103)	<u>1,629,979</u>	<u>1,629,979</u>	
General fund	\$3,056,718	\$3,036,649	(\$9,603)	\$3,027,046	\$3,006,906	\$20,140
FTE	28.75	28.75	0.00	28.75	28.75	0.00

**Dept. 250 - State Library - Detail of Conference Committee Changes**

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE 1	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS 2	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	(\$2,993)		(\$2,993)
Operating expenses		(\$6,713)	(6,713)
Grants			
Total all funds	(\$2,993)	(\$6,713)	(\$9,706)
Less estimated income	(103)		(103)
General fund	(\$2,890)	(\$6,713)	(\$9,603)
FTE	0.00	0.00	0.00

- 1 This amendment reduces funding for state employee health insurance premiums from \$493 to \$488.70 per month.
- 2 This amendment reduces funding for information technology by \$6,713 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 5 percent. The House had reduced information technology funding from the general fund by approximately 20 percent.

**Senate Bill No. 2013 - School for the Deaf - Conference Committee Action**

EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
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Salaries and wages	\$4,855,655	\$4,807,382	\$2,426	\$4,809,808	\$4,809,808	
Operating expenses	1,105,746	1,105,746	(3,586)	1,102,160	1,091,403	\$10,757
Capital assets	<u>32,723</u>	<u>32,723</u>		<u>32,723</u>	<u>32,723</u>	
Total all funds	\$5,994,124	\$5,945,851	(\$1,160)	\$5,944,691	\$5,933,934	\$10,757
Less estimated income	<u>871,449</u>	<u>871,449</u>		<u>871,449</u>	<u>871,449</u>	
General fund	\$5,122,675	\$5,074,402	(\$1,160)	\$5,073,242	\$5,062,485	\$10,757
FTE	51.85	51.85	0.00	51.85	51.85	0.00

**Dept. 252 - School for the Deaf - Detail of Conference Committee Changes**

	PROVIDES FUNDING FOR SALARY SCHEDULE 1	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE 2	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS 3	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	\$8,205	(\$5,779)		\$2,426
Operating expenses			(\$3,586)	(3,586)
Capital assets				
Total all funds	\$8,205	(\$5,779)	(\$3,586)	(\$1,160)
Less estimated income				
General fund	\$8,205	(\$5,779)	(\$3,586)	(\$1,160)
FTE	0.00	0.00	0.00	0.00

<sup>1</sup> This amendment provides funding of \$8,205 from the general fund to fully fund the composite schedule at the School for the Deaf.

<sup>2</sup> This amendment reduces funding for state employee health insurance premiums from \$493 to \$488.70 per month.

<sup>3</sup> This amendment reduces funding for information technology by \$3,586 from the general fund, which represents a reduction in information technology funding from the general fund of approximately 5 percent. The House reduced information technology funding from the general fund by approximately 20 percent.

**Senate Bill No. 2013 - North Dakota Vision Services - School for the Blind - Conference Committee Action**

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	\$2,569,793	\$2,543,182	(\$2,890)	\$2,540,292	\$2,540,292	
Operating expenses	702,603	702,603	(3,920)	698,683	697,821	\$862
Capital assets	<u>18,233</u>	<u>18,233</u>		<u>18,233</u>	<u>18,233</u>	
Total all funds	\$3,290,629	\$3,264,018	(\$6,810)	\$3,257,208	\$3,256,346	\$862
Less estimated income	<u>1,198,474</u>	<u>1,170,572</u>	<u>(3,189)</u>	<u>1,167,383</u>	<u>1,170,108</u>	<u>(2,725)</u>
General fund	\$2,092,155	\$2,093,446	(\$3,621)	\$2,089,825	\$2,086,238	\$3,587
FTE	27.00	27.00	0.00	27.00	27.00	0.00

**Dept. 253 - North Dakota Vision Services - School for the Blind - Detail of Conference Committee Changes**

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE 1	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS 2	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	(\$2,890)		(\$2,890)
Operating expenses		(\$3,920)	(3,920)
Capital assets			
Total all funds	(\$2,890)	(\$3,920)	(\$6,810)
Less estimated income	<u>(464)</u>	<u>(2,725)</u>	<u>(3,189)</u>
General fund	(\$2,426)	(\$1,195)	(\$3,621)
FTE	0.00	0.00	0.00

<sup>1</sup> This amendment reduces funding for state employee health insurance premiums from \$493 to \$488.70 per month.

<sup>2</sup> This amendment reduces funding for information technology by \$3,920, of which \$1,195 is from the general fund. This represents a reduction in information technology funding of approximately 5 percent. The House had reduced information technology funding from the general fund by approximately 20 percent.

Engrossed SB 2013 was placed on the Seventh order of business on the calendar.



**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. HOLMBERG MOVED** that the conference committee report on Engrossed SB 2013 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2013, as amended, was placed on the Eleventh order.

**SECOND READING OF SENATE BILL**

**SB 2013:** A BILL for an Act to provide an appropriation for defraying the expenses of the department of public instruction, the school for the deaf, North Dakota vision services - school for the blind, and the state library; to provide an appropriation; to provide for an exemption; to provide for the distribution of special education payments; to provide statements of legislative intent; to create and enact a new section to chapter 54-52 of the North Dakota Century Code, relating to participation by nonteaching employees of the superintendent of public instruction in the public employees retirement system; to amend and reenact subsection 3 of section 15-39.1-09, subsection 3 of section 54-52-01, subsection 5 of section 54-52-17.4, and subsection 1 of section 54-52.1-03.2 of the North Dakota Century Code, relating to participation by nonteaching employees of the superintendent of public instruction in the public employees retirement system; 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 47 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Bercier; Bowman; Brown; Christenson; Christmann; Cook; Dever; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; Nichols; O'Connell; Polovitz; Robinson; Schobinger; Seymour; Stenehjerm; Syverson; Tallackson; Taylor; Thane; Tollefson; Traynor; Trenbeath; Urlacher; Wardner

Reengrossed SB 2013 passed, the title was agreed to, and the emergency clause was declared carried.

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**REPORT OF CONFERENCE COMMITTEE**

**SB 2019, as engrossed:** Your conference committee (Sens. Grindberg, Christmann, Tallackson and Reps. Carlson, Carlisle, Kroeber) recommends that the **HOUSE RECEDE** from the House amendments on SJ page 1160, adopt amendments as follows, and place SB 2019 on the Seventh order:

That the House recede from its amendments as printed on page 1160 of the Senate Journal and pages 1296 and 1297 of the House Journal and that Engrossed Senate Bill No. 2019 be amended as follows:

Page 1, line 10, replace "15,300,190" with "15,373,582"

Page 1, line 11, replace "9,466,219" with "9,491,219"

Page 1, line 14, replace "6,881,931" with "6,881,415"

Page 1, line 18, replace "1,338,069" with "1,337,553"

Page 1, line 19, replace "800,000" with "550,000"

Page 1, line 20, replace "40,218,403" with "40,065,763"

Page 2, line 9, replace "\$800,000" with "\$550,000"

Re-number accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2019 - Game and Fish Department - Conference Committee Action**

Salaries and wages	\$15,282,264	\$15,300,190	\$73,392	\$15,373,582	\$15,373,582	
Operating expenses	9,416,219	9,466,219	25,000	9,491,219	9,491,219	
Capital assets	2,259,944	2,259,944		2,259,944	2,259,944	
Grants	3,602,050	3,602,050		3,602,050	3,552,050	\$50,000
Land habitat and deer depredation	6,886,245	6,881,931	(516)	6,881,415	6,881,415	
Noxious weed control	300,000	300,000		300,000	300,000	
Grants, gifts, and donations	150,000	150,000		150,000	150,000	
Nongame wildlife conservation	120,000	120,000		120,000	120,000	
Lonetree Reservoir	1,342,951	1,338,069	(516)	1,337,553	1,337,553	
Wildlife services	<u>400,000</u>	<u>800,000</u>	<u>(250,000)</u>	<u>550,000</u>	<u>400,000</u>	<u>150,000</u>
Total all funds	\$39,759,673	\$40,218,403	(\$152,640)	\$40,065,763	\$39,865,763	\$200,000
Less estimated income	<u>39,759,673</u>	<u>40,218,403</u>	<u>(152,640)</u>	<u>40,065,763</u>	<u>39,865,763</u>	<u>200,000</u>
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	139.00	141.00	1.00	142.00	142.00	0.00

### Dept. 720 - Game and Fish Department - Detail of Conference Committee Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE <sup>1</sup>	DECREASES WILDLIFE SERVICES LINE <sup>2</sup>	ADDS FUNDING AND 1 NEW FTE GAME WARDEN POSITION <sup>3</sup>	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	(\$13,313)		\$86,705	\$73,392
Operating expenses			25,000	25,000
Capital assets				
Grants				
Land habitat and deer depredation	(516)			(516)
Noxious weed control				
Grants, gifts, and donations				
Nongame wildlife conservation				
Lonetree Reservoir	(516)			(516)
Wildlife services		(\$250,000)		(250,000)
Total all funds	(\$14,345)	(\$250,000)	\$111,705	(\$152,640)
Less estimated income	<u>(14,345)</u>	<u>(250,000)</u>	<u>111,705</u>	<u>(152,640)</u>
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	1.00	1.00

<sup>1</sup> This amendment reduces the funding for state employee health insurance premiums from \$493 to \$488.70 per month.

<sup>2</sup> This amendment removes \$250,000 of the \$400,000 increase that was added by the Senate to the wildlife services line item, which is provided to the Agriculture Commissioner to pay for services provided by the United States Department of Agriculture Wildlife Services Agency to alleviate wildlife depredation and damage in North Dakota, resulting in a total of \$550,000 to wildlife services from the Game and Fish Department.

<sup>3</sup> This amendment authorizes the addition of one new FTE game warden position for the licensing and regulating of guides and outfitters.

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

### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**SEN. GRINDBERG MOVED** that the conference committee report on Engrossed SB 2019 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2019, as amended, was placed on the Eleventh order.

### SECOND READING OF SENATE BILL

**SB 2019:** A BILL for an Act to provide an appropriation for defraying the expenses of the game and fish department; 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 46 YEAS, 1 NAY, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Bercier; Bowman; Brown; Christenson; Christmann; Cook; Dever; Erbele; Espegard; Every; Fairfield; Fischer; Flakoll; Freborg; Grindberg; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; Nichols; O'Connell; Polovitz; Robinson; Schobinger; Seymour; Stenehjem; Syverson; Tallackson; Taylor; Thane; Tollefson; Traynor; Trenbeath; Urlacher; Wardner

**NAYS:** Andrist

Reengrossed SB 2019 passed, the title was agreed to, and the emergency clause was declared carried.

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**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. GRINDBERG MOVED** that the conference committee report on Engrossed SB 2016 as printed on SJ pages 1529-1530 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2016, as amended, was placed on the Eleventh order.

**SECOND READING OF SENATE BILL**

**SB 2016:** A BILL for an Act to provide an appropriation for defraying the expenses of the division of emergency management.

**ROLL CALL**

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

**YEAS:** Andrist; Bowman; Brown; Christenson; Christmann; Cook; Dever; Erbele; Espegard; Every; Fischer; Flakoll; Freborg; Grindberg; Heitkamp; Holmberg; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Lee, G.; Lee, J.; Lindaas; Lyson; Mathern; Mutch; Nelson; Nething; Nichols; O'Connell; Polovitz; Robinson; Schobinger; Seymour; Stenehjelm; Syverson; Taylor; Thane; Tollefson; Traynor; Trenbeath; Urlacher; Wardner

**NAYS:** Bercier; Fairfield; Tallackson

Reengrossed SB 2016 passed and the title was agreed to.

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**MOTION**

**SEN. CHRISTMANN MOVED** that the Senate Conference Committee on Engrossed SB 2416 be dissolved, which motion prevailed.

**MOTION**

**SEN. CHRISTMANN MOVED** that Sen. Holmberg replace Sen. Bowman on the Conference Committee on HB 1011, which motion prevailed.

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

**MR. SPEAKER:** The President has signed and your signature is respectfully requested on: SB 2005, SB 2017, SB 2020.

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

**MR. SPEAKER:** The President has signed: HB 1005, HB 1010, HB 1013, HB 1015, HB 1035, HB 1047, HB 1158, HB 1489.

**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 2016.

**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 2008, SB 2013, SB 2019.

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

**MR. SPEAKER:** The Senate has reconsidered its action whereby it did not concur with the House amendments to SB 2416 and wishes to inform you that the Senate does now concur with the House amendments to SB 2416 and subsequently passed the same and the emergency clause carried. Also, the Senate has dissolved the Senate Conference Committee on SB 2416.

**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 1023.

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

**MR. SPEAKER:** The President has appointed Sen. Holmberg to replace Sen. Bowman on the Conference Committee on HB 1011.

**MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)**

**MR. PRESIDENT:** The House does not concur in the Senate amendments to HB 1497. Speaker has appointed as a conference committee to act with a like committee from the Senate on:

**HB 1497:** Reps. Carlson; Svedjan; Aarsvold

**MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)**

**MR. PRESIDENT:** The House has amended and subsequently passed: SB 2285.

**HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2285**

Page 1, line 15, replace "five million" with "thirty-five million five hundred thousand" and replace "calendar" with "biennium"

Page 1, line 16, remove "year"

Page 1, line 17, remove "next ninety-five million dollars of" and after "in" insert "excess of thirty-five million five hundred thousand dollars in"

Page 1, line 18, replace "calendar year, two" with "biennium, one-half of one"

Page 1, line 19, remove "On the total wager handle in excess of one hundred million"

Page 1, remove lines 20 and 21

Page 2, line 4, replace "five million" with "one hundred two million four hundred thousand" and replace "calendar year" with "biennium"

Page 2, line 11, remove "next ninety-five million dollars of", after "handle" insert "in excess of one hundred two million four hundred thousand dollars", and replace "calendar" with "biennium"

Page 2, line 12, remove "year"

Page 2, line 15, after "and" insert "one-fourth of"

Page 2, remove lines 17 through 23

Re-number accordingly

**MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)**

**MR. PRESIDENT:** The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1016.

**MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)**

**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently passed: SB 2004, SB 2006, SB 2022.

**MESSAGE TO THE SENATE FROM THE HOUSE (BRADLEY C. FAY, CHIEF CLERK)**

**MR. PRESIDENT:** The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2021.

**MOTION**

**SEN. CHRISTMANN MOVED** that the absent members be excused, which motion prevailed.

**MOTION**

**SEN. CHRISTMANN MOVED** that the Senate be on the Fourth, Fifth, and Seventh orders of business and at the conclusion of those orders, the Senate stand adjourned until 8:30 a.m., Thursday, April 24, 2003, which motion prevailed.

**REPORT OF CONFERENCE COMMITTEE**

**SB 2009, as engrossed:** Your conference committee (Sens. Bowman, Thane, Krauter and Reps. Carlson, Skarphol, Kroeber) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1119-1122, adopt amendments as follows, and place SB 2009 on the Seventh order:

That the House recede from its amendments as printed on pages 1119-1122 of the Senate Journal and pages 1240-1242 of the House Journal and that Engrossed Senate Bill No. 2009 be amended as follows:

Page 1, line 2, replace the first "and" with "to provide for the continuation of an agricultural pesticide and pesticide container disposal program;", after "reenact" insert "sections 4-37-03 and 4-37-04,", and after "19-13.1-03" insert a comma

Page 1, line 3, after "to" insert "powers, duties, and funding for the agriculture in the classroom program and"

Page 1, line 4, after "fees" insert "; to provide for a transfer of funds; and to provide an expiration date"

Page 1, line 12, replace "4,495,813" with "4,494,970"

Page 1, line 13, replace "3,358,672" with "3,359,825"

Page 1, line 16, replace "876,517" with "869,464"

Page 1, line 17, replace "770,554" with "763,461"

Page 1, line 20, replace "619,525" with "308,870"

Page 1, line 21, replace "1,346,836" with "1,346,836"

Page 1, after line 21, insert:  
 "Crop protection product 25,000  
 harmonization and registration board

Page 1, line 22, replace "12,556,865" with "12,257,374"

Page 1, line 23, replace "8,607,851" with "8,068,849"

Page 1, line 24, replace "3,949,014" with "4,188,525"

Page 2, line 3, replace "\$2,499,215" with "\$2,264,453,"

Page 2, line 12, replace "\$950,000" with "\$700,000"

Page 2, line 15, after "commissioner" insert ", including the board of animal health,"

Page 2, after line 17, insert:

**"SECTION 5. PESTICIDE AND PESTICIDE CONTAINER DISPOSAL PROGRAM - PESTICIDE CONTAINER MANAGEMENT - COMPENSATION.**

1. The definitions contained in section 4-35-05 apply to this section.
2. In consultation with an advisory board consisting of the state health officer, director of the North Dakota state university extension service, two individuals representing agribusiness organizations, and two individuals representing farm organizations, all of whom must be selected by the agriculture commissioner, the commissioner shall continue to implement the project authorized by section 1 of chapter 77 of the 2001 Session Laws, which is known as project safe send. The purpose of the project is to:
  - a. Collect and either recycle or dispose of unusable pesticides and unusable pesticide containers. The commissioner shall provide for the establishment and operation of temporary collection sites for the pesticides and pesticide containers. The commissioner may limit the type and quantity of pesticides and pesticide containers acceptable for collection.
  - b. Promote proper pesticide container management. In consultation with the director of the North Dakota state university extension service, the commissioner shall evaluate and promote proper methods of pesticide container management, including information on the variety of pesticide containers available.
3. Any entity collecting pesticide containers or unusable pesticides shall manage and dispose of the containers and pesticides in compliance with applicable federal and state requirements. When called upon, any state agency shall assist the commissioner in implementing the project.

4. For services rendered in connection with the design and implementation of this project, the members selected by the commissioner are entitled to reimbursement for mileage and travel expenses in the same manner and for the same amounts provided for state employees and officials. Compensation and expense reimbursement must be paid from the environment and rangeland protection fund.

**SECTION 6. PROJECT SCOPE AND EVALUATION.** The project described in section 5 of this Act must occur in areas to be determined by the agriculture commissioner in consultation with the advisory board under subsection 2 of section 5 of this Act.

**SECTION 7. PROJECT SAFE SEND PESTICIDE AND PESTICIDE CONTAINER COLLECTION - USER FEES.** The agriculture commissioner, in consultation with the advisory board for the project safe send pesticide and pesticide container disposal program, may charge a fee for collection of rinsate. The fees must be established at a level that will generate enough revenue to cover the cost of disposal associated with the rinsate that is collected. Collections from this fee must be deposited in the environment and rangeland protection fund.

**SECTION 8. AMENDMENT.** Section 4-37-03 of the North Dakota Century Code is amended and reenacted as follows:

**4-37-03. Purpose - Powers and duties.** The agriculture in the classroom council shall provide grants and contracts to individuals and organizations that conduct an agriculture in the classroom program to develop agricultural curriculum activities and train teachers in these agricultural curriculum activities for grades kindergarten through twelve in this state's public school system. The council shall work with all educators, including the superintendent of public instruction, the state board for vocational and technical education, the United States department of agriculture, and the state agriculture commissioner in accomplishing its purpose. The council shall render services consistent with this purpose which include:

1. Consultations with the state superintendent of public instruction, the state board for vocational and technical education, the state agriculture commissioner, and the United States department of agriculture.
2. Preparation of instructional, informational, and reference publications on the North Dakota agricultural economy and rural lifestyles.
3. Provide training programs for public school teachers in developed agricultural curriculum activities.
4. Encourage research on and identification of new instructional, informational, and reference publications relating to this state's agricultural economy and rural lifestyles.
5. Monitor the quality and condition of the agriculture in the classroom program.

**SECTION 9. AMENDMENT.** Section 4-37-04 of the North Dakota Century Code is amended and reenacted as follows:

**4-37-04. Gifts and grants.** In order to carry out its duties under this chapter, the agriculture in the classroom council may contract for and accept private contributions, gifts, and grants-in-aid from the federal government, private industry, and other sources. Additional income must be spent for the purpose designated, if any, in the gift, grant, or donation. The funds must be used to contract with individuals or organizations that conduct an agriculture in the classroom program to carry out the purposes of this chapter."

Page 3, after line 5, insert:

**"SECTION 12. AGRICULTURE IN THE CLASSROOM - 2003-05 BIENNIUM CONTRACTS.** The department of agriculture shall contract for a minimum of \$100,000 of services with individuals or organizations for the agriculture in the classroom program during the 2003-05 biennium.

**SECTION 13. TRANSFER.** The state treasurer shall transfer \$200,000, or so much of the sum as may be necessary, from the environment and rangeland protection fund to the minor use pesticide fund, during the biennium beginning July 1, 2003, and ending June 30, 2005.

**SECTION 14. EXPIRATION DATE.** Sections 5, 6, and 7 of this Act are effective through July 31, 2007, and after that date are ineffective."

ReNUMBER accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2009 - Department of Agriculture - Conference Committee Action**

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	\$4,555,365	\$4,495,813	(\$843)	\$4,494,970	\$4,504,970	(\$10,000)
Operating expenses	3,358,672	3,358,672	1,153	3,359,825	3,328,600	31,225
Capital assets	8,000	8,000		8,000	8,000	
Grants	100,000	100,000		100,000	100,000	
Board of Animal Health	876,517	876,517	(7,053)	869,464	869,464	
State meat inspection	770,554	770,554	(7,093)	763,461	763,461	
Pride of Dakota	180,948	180,948		180,948	180,948	
Wildlife services	788,209	800,000		800,000	800,000	
Safe Send	619,525	619,525	(310,655)	308,870	308,870	
Noxious weeds	1,346,836	1,346,836		1,346,836	1,346,836	
Crop Protection Product Harmonization			25,000	25,000	25,000	
<b>Total all funds</b>	<b>\$12,604,626</b>	<b>\$12,556,865</b>	<b>(\$299,491)</b>	<b>\$12,257,374</b>	<b>\$12,236,149</b>	<b>\$21,225</b>
Less estimated income	<u>8,336,778</u>	<u>8,607,851</u>	<u>(539,002)</u>	<u>8,068,849</u>	<u>7,870,178</u>	<u>198,671</u>
General fund	\$4,267,848	\$3,949,014	\$239,511	\$4,188,525	\$4,365,971	(\$177,446)
FTE	57.00	57.00	0.00	57.00	57.00	0.00

**Dept. 602 - Department of Agriculture - Detail of Conference Committee Changes**

	REDUCES FUNDING FOR PROJECT SAFE SEND 1	CHANGES FUNDING SOURCE FOR WILDLIFE SERVICES 2	ADDS FUNDING FOR CROP PROTECTION PRODUCT HARMONIZATION AND REGISTRATION BOARD 3	ADJUSTS SPECIAL LINE ITEM SALARY REDUCTION 4	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS 5	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE 6
Salaries and wages				\$13,724		(\$4,567)
Operating expenses					(\$8,847)	
Capital assets						
Grants						
Board of Animal Health				(6,537)		(516)
State meat inspection				(6,371)		(722)
Pride of Dakota						
Wildlife services						
Safe Send	(\$309,762)			(816)		(77)
Noxious weeds						
Crop Protection Product Harmonization			\$25,000			
<b>Total all funds</b>	<b>(\$309,762)</b>	<b>\$0</b>	<b>\$25,000</b>	<b>\$0</b>	<b>(\$8,847)</b>	<b>(\$5,882)</b>
Less estimated income	<u>(309,762)</u>	<u>(250,000)</u>	<u>25,000</u>	<u>0</u>	<u>(1,329)</u>	<u>(2,911)</u>
General fund	\$0	\$250,000	\$0	\$0	(\$7,518)	(\$2,971)
FTE	0.00	0.00	0.00	0.00	0.00	0.00
	CHANGES FUNDING FOR AGRICULTURE IN THE CLASSROOM 7	TOTAL CONFERENCE COMMITTEE CHANGES				
Salaries and wages	(\$10,000)	(\$843)				
Operating expenses	10,000	1,153				
Capital assets						
Grants						
Board of Animal Health		(7,053)				
State meat inspection		(7,093)				
Pride of Dakota						
Wildlife services						
Safe Send		(310,655)				
Noxious weeds						
Crop Protection Product Harmonization		25,000				
<b>Total all funds</b>	<b>\$0</b>	<b>(\$299,491)</b>				
Less estimated income	<u>0</u>	<u>(539,002)</u>				
General fund	\$0	\$239,511				
FTE	0.00	0.00				

- 1 The House amendment reduces funding for Project Safe Send by \$309,762, from \$619,525 to \$309,763 and provides for the project to be conducted only in the fiscal year beginning July 1, 2003, and ending June 30, 2004, and the fiscal year beginning July 1, 2005, and ending June 30, 2006, and for the project to be effective through July 31, 2007. The Conference Committee provided that Project Safe Send can be conducted annually, however the funding for the project did not change from the House version.
- 2 The Conference Committee provided funding for wildlife services totaling \$800,000, \$550,000 from the game and fish fund and \$250,000 from the general fund. The House amendment reduced the funding for wildlife services from the game and fish fund by \$400,000 from the Senate version and provided funding of \$400,000 from the general fund.
- 3 This amendment provides \$25,000 from the environment and rangeland protection fund for expenses of the Crop Protection Product Harmonization and Registration Board.
- 4 This amendment adjusts the removal of the executive recommendation for salary increases to reflect the salaries within the Board of Animal Health, state meat inspection, and Safe Send line items. The Senate amendment removed all of the funding from the salaries and wages line item.
- 5 This amendment reduces funding for information technology by \$7,518 from the general fund and \$1,329 from special funds, which represents a reduction in information technology funding from the general fund and special funds of approximately 5 percent.
- 6 Funding for state employee health insurance premiums is reduced from \$493 to \$488.70 per month.
- 7 The Conference Committee provided that the agriculture in the classroom program should be contracted with outside organizations or individuals. This amendment moves existing authority of \$10,000 for the program from the salaries and wages line item to the operating line item. The total funding for the program is \$50,000 from the environment and rangeland protection fund, \$5,000 of carryover authority from the Attorney General refund fund, and \$116,000 of special funds spending authority from fundraising activities. The Department of Agriculture is to provide a minimum of \$100,000 in contracts for the agriculture in the classroom program, and shall use existing operating appropriation authority if unable to generate the needed funds from grants, contracts, or other fundraising activities.

The House amendment incorporates the provisions of Senate Bill No. 2398, which transfers \$200,000 from the environment and rangeland protection fund to the minor use pesticide fund, available to the Crop Protection Product Harmonization and Registration Board as a continuing appropriation pursuant to North Dakota Century Code Section 4-35-06.3. The Conference Committee did not change this amendment.

The Conference Committee provided \$150,000 for the Board of Animal Health from the game and fish fund, the same as the Senate version. The House amendment provided funding of \$100,000 from the game and fish fund and \$50,000 from the general fund for the Board of Animal Health.

The Conference Committee provided \$50,000 from the environment and rangeland protection fund for the agriculture in the classroom program, replacing \$50,000 of special funds appropriation from fundraising.

Engrossed SB 2009 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**HB 1016, as engrossed:** Your conference committee (Sens. Kringstad, Christmann, Krauter and Reps. Warnke, Delzer, Metcalf) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1493-1494, adopt amendments as follows, and place HB 1016 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1493 and 1494 of the House Journal and pages 1310-1312 of the Senate Journal and that Engrossed House Bill No. 1016 be amended as follows:

Page 1, line 2, after "rehabilitation" insert "; to create and enact a new section to chapter 12-44.1 of the North Dakota Century Code, relating to the incarceration of female inmates in grade one correctional facilities; to provide a statement of legislative intent; to provided for a legislative council study; to provide an exemption to chapters 48-01.1 and 54-44.7 of the North Dakota Century Code, relating to public improvement contract bids and architect, engineer, and land surveying services; to provide for a performance audit of the department of corrections and rehabilitation; to provide an expiration date"

Page 1, line 10, replace "20,461,983" with "20,922,058"

Page 1, line 11, replace "66,836,583" with "68,254,582"

Page 1, line 12, replace "9,651,218" with "9,629,163"

Page 1, line 13, replace "11,602,021" with "11,577,679"

Page 1, line 14, replace "108,551,805" with "110,383,482"

Page 1, line 15, replace "30,135,194" with "29,646,871"

Page 1, line 16, replace "78,416,611" with "80,736,611"



Page 1, after line 16, insert:

**"SECTION 2. APPROPRIATION - 2001-03 BIENNIUM.** There is appropriated from federal funds the sum of \$500,000, or so much of the sum as may be necessary, to the department of corrections and rehabilitation, in adult services of the field services division, for the purpose of defraying the expenses of the department's transition center, for the biennium beginning July 1, 2001, and ending June 30, 2003."

Page 2, after line 2, insert:

**"SECTION 5. LEGISLATIVE INTENT - COUNTY CONTRACT HOUSING STATE FEMALE INMATES - REPORTS TO BUDGET SECTION.** It is the intent of the legislative assembly that the state contract with county facilities to house state female inmates during the 2003-05 biennium, with the continuation of the contracting subject to the results of the study in Section 6 of this Act. The department of corrections and rehabilitation and county jails contracting to house state female inmates shall report to the fall 2003 and summer 2004 meetings of the budget section on the implementation and procedures of contracting with counties to house state female inmates.

**SECTION 6. LEGISLATIVE COUNCIL STUDY - CONTRACT HOUSING - FEMALE INMATES.** The legislative council shall consider studying, during the 2003-04 interim, the long-term needs of all state inmates and if the department of corrections and rehabilitation should continue to contract to house state female inmates with county jails or if the state should expand the prison system. If selected, the study must include a review of the east cell block of the North Dakota state penitentiary and future needs for maximum security prisoners; the female population and related treatment, programming, and training needs; and the mental health services of the state hospital, including if the department of corrections and rehabilitation should continue to expand its facilities on the state hospital grounds and if patients at the state hospital with mental health needs should be served in other locations. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-ninth legislative assembly.

**SECTION 7. TRANSFER OF LAND AND BUILDINGS - EXEMPTION FROM CHAPTERS 48-01.1 AND 54-44.7.** Ownership of the food service building, the dining facility and attached building 18A, the laundry building, and buildings eight and fifty on the grounds of the state hospital must be transferred to the department of corrections and rehabilitation. The department of corrections and rehabilitation is not subject to the provisions of chapters 48-01.1 and 54-44.7 relating to public improvement contract bids and architect, engineer, and land surveying services for construction and renovation relating to the nurses' building, food service building, the dining facility and attached building 18A, laundry building, and building eight.

**SECTION 8. DEPARTMENT OF CORRECTIONS AND REHABILITATION - PERFORMANCE AUDIT.** The state auditor shall consider conducting a performance audit of the department of corrections and rehabilitation during the period beginning July 1, 2003, and ending January 1, 2005. The results of the performance audit must be presented to the legislative audit and fiscal review committee and the appropriations committees during the department of corrections and rehabilitation's budget presentation during the fifty-ninth legislative assembly.

**SECTION 9.** A new section to chapter 12-44.1 of the North Dakota Century Code is created and enacted as follows:

**Female inmates in grade one correctional facilities.** Notwithstanding section 12-44.1-06, a grade one correctional facility that has a contract with the department of corrections and rehabilitation to confine female inmates who have been sentenced to the legal and physical custody of the department of corrections and rehabilitation may confine the female inmate for more than one year in accordance with the terms of the contract. A female inmate who has been sentenced to the legal and physical custody of the department of corrections and rehabilitation and who is confined in a grade one correctional facility under a contract with the department of corrections and rehabilitation has the same rights to sentence reduction for good and meritorious conduct and to pardon and parole as an inmate confined in a department of corrections and rehabilitation prisons division facility.

**SECTION 10. EXPIRATION DATE.** Section 9 of this Act is effective from July 1, 2003, through June 30, 2005, and after that date is ineffective."

Page 2, line 3, after "The" insert "sum of \$1,421,727 for capital construction projects included in the"

Page 2, remove line 4

Page 2, line 5, replace "construction projects, which amounts" with "and section 2 of this Act"

ReNUMBER accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### House Bill No. 1016 - Department of Corrections and Rehabilitation - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Field services	\$21,632,548	\$20,461,983	\$460,075	\$20,922,058	\$21,605,127	(\$683,069)
Prisons Division	71,185,029	66,836,583	1,417,999	68,254,582	70,338,308	(2,083,726)
Juvenile community services	9,615,306	9,651,218	(22,055)	9,629,163	9,635,918	(6,755)
Youth Correctional Center	11,476,494	11,602,021	(24,342)	11,577,679	11,583,071	(5,392)
Total all funds	\$113,909,377	\$108,551,805	\$1,831,677	\$110,383,482	\$113,162,424	(\$2,778,942)
Less estimated income	<u>30,992,766</u>	<u>30,135,194</u>	<u>(488,323)</u>	<u>29,646,871</u>	<u>30,270,459</u>	<u>(623,588)</u>
General fund	\$82,916,611	\$78,416,611	\$2,320,000	\$80,736,611	\$82,891,965	(\$2,155,354)
FTE	717.18	641.18	3.00	644.18	707.18	(63.00)

#### Dept. 530 - Department of Corrections and Rehabilitation - Detail of Conference Committee Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE <sup>1</sup>	REDUCES FUNDING FOR INFORMATION TECHNOLOGY COSTS <sup>2</sup>	INCREASES FUNDING FOR CONTRACT HOUSING FOR WOMEN INMATES <sup>3</sup>	FUNDING SOURCE CHANGE <sup>4</sup>	RESTORES 1 PAROLE AND PROBATION OFFICER POSITION <sup>5</sup>	ADDS 2 NEW FTE POSITIONS FOR TRANSPORTATION OFFICERS <sup>6</sup>
Field services	(\$8,430)	(\$26,922)			\$90,376	
Prisons Division	(51,875)	(59,245)	\$46,844			\$148,908
Juvenile community services	(3,521)	(18,534)				
Youth Correctional Center	(9,549)	(14,793)				
Total all funds	(\$73,375)	(\$119,494)	\$46,844	\$0	\$90,376	\$148,908
Less estimated income	<u>(5,987)</u>	<u>(24,567)</u>	<u>(1,243,727)</u>	<u>695,582</u>	<u>90,376</u>	
General fund	(\$67,388)	(\$94,927)	\$1,290,571	(\$695,582)	\$0	\$148,908
FTE	0.00	0.00	0.00	0.00	1.00	2.00
	RESTORES GENERAL FUND FUNDING <sup>7</sup>	TOTAL CONFERENCE COMMITTEE CHANGES				
Field services	\$405,051	\$460,075				
Prisons Division	1,333,376	1,417,999				
Juvenile community services		(22,055)				
Youth Correctional Center		(24,342)				
Total all funds	\$1,738,418	\$1,831,677				
Less estimated income		<u>(488,323)</u>				
General fund	\$1,738,418	\$2,320,000				
FTE	0.00	3.00				

<sup>1</sup> This amendment reduces the funding for state employee health insurance premiums from \$493 to \$488.70 per month.

<sup>2</sup> This amendment reduces funding for information technology by a total of \$119,494, which is \$94,927 from the general fund and \$24,567 from other funds, which represents a reduction in total information technology funding of approximately 5 percent.

<sup>3</sup> This amendment increases the total funding for contract housing of female inmates in county jails by \$46,844, which consists of \$1,290,571 from the general fund, for a total of \$6,689,164 from the general fund for female inmate contract housing, and decreases the federal funds for contract housing by \$1,243,727.

<sup>4</sup> This amendment changes the funding for the transition center for the 2003-05 biennium from the general fund to federal funds in the amount of \$695,582.

<sup>5</sup> This amendment restores one parole and probation officer II position and funding that was removed by the House.

<sup>6</sup> This amendment adds two new FTE and funding for transportation officers for transporting women prisoners.

<sup>7</sup> This amendment restores part of the general fund amount that the House had removed for the Field Services Division and the Prisons Division.

This amendment also adds seven sections to the bill:

Section 2 appropriates \$500,000 of federal funds for the 2001-03 biennium for the transition center to reduce the need for general fund support for the center. The department is expected to increase its unspent general fund appropriation authority for the 2001-03 biennium by \$500,000 as a result of this change.

Section 5 provides a statement of legislative intent for the housing of female inmates in county jails and provides for Budget Section reports.

Section 6 provides for a Legislative Council study of contract housing of female inmates.

Section 7 provides an exemption to North Dakota Century Code Chapters 48-01.1 and 54-44.7 relating to public improvement contract bids and architect, engineer, and land surveying services.

Section 8 provides for a performance audit of the Department of Corrections and Rehabilitation during the 2003-05 biennium.

Section 9 creates a new section to Chapter 12-44.1 of the North Dakota Century Code, relating to the incarceration of female inmates in grade 1 correctional facilities.

Section 10 provides an expiration date of June 30, 2005, for Section 9.

Engrossed HB 1016 was placed on the Seventh order of business on the calendar.

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

**WILLIAM R. HORTON, Secretary**

