

## JOURNAL OF THE SENATE

## Sixty-second Legislative Assembly

\* \* \* \* \*

Bismarck, April 22, 2011

The Senate convened at 8:00 a.m., with President Wrigley presiding.

The prayer was offered by Senator Joan Heckaman, District 23.

The roll was called and all members were present.

A quorum was declared by the President.

**MOTION**

**SEN. CHRISTMANN MOVED** that HB 1424 be placed at the top of the Seventh order, which motion prevailed.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. COOK MOVED** that the conference committee report on Engrossed HB 1424 as printed on SJ pages 1610-1612 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1424, as amended, was placed on the Fourteenth order of business.

**SECOND READING OF HOUSE BILL**

**HB 1424:** A BILL for an Act to amend and reenact subsection 8 of section 57-39.2-04, sections 57-39.2-12.1, 57-39.5-04, and 57-39.6-04, subsection 9 of section 57-40.2-04, and section 57-40.2-07.1 of the North Dakota Century Code, relating to compensation allowable to retailers for expenses associated with the collection, reporting, and remittance of state sales, use, and gross receipts taxes and the sales and use tax exemption for chemicals used for agricultural purposes; to provide an effective date; 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; Berry; Bowman; Burckhard; Christmann; Cook; Dever; Dotzenrod; Erbele; Fischer; Flakoll; Freborg; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Lyson; Marcellais; Mathern; Miller; Murphy; Nelson; Nething; Nodland; O'Connell; Oehlke; Olafson; Robinson; Schaible; Schneider; Sitte; Sorvaag; Stenehjem; Taylor; Triplett; Uglen; Wanzek; Wardner; Warner

Engrossed HB 1424, as amended, passed and the emergency clause was declared carried.

\*\*\*\*\*

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. FLAKOLL MOVED** that the conference committee report on Engrossed SB 2056 as printed on SJ page 1610 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2056, as amended, was placed on the Eleventh order of business.

**SECOND READING OF SENATE BILL**

**SB 2056:** A BILL for an Act to amend and reenact subsection 3 of section 52-02.1-01 and sections 52-08-10 and 54-60-17 of the North Dakota Century Code, relating to the new jobs training program, workforce training program, and operation intern program; 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; Berry; Bowman; Burckhard; Christmann; Cook; Dever; Dotzenrod; Erbele; Fischer; Flakoll; Freborg; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Lyson; Marcellais; Mathern; Miller; Murphy; Nelson; Nething; Nodland; O'Connell; Oehlke; Olafson; Robinson; Schaible; Schneider; Sitte; Sorvaag; Stenehjem; Taylor; Triplett; Uglem; Wanzek; Wardner; Warner

Reengrossed SB 2056 passed and the emergency clause was declared carried.

\*\*\*\*\*

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The Speaker has appointed Rep. Mock to replace Rep. Mueller on the Conference Committee on SB 2150.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The House has dissolved the House conference committee on: SB 2157, SB 2227.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently passed: HB 1047, HB 1194.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1014.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**  
**MR. SPEAKER:** Your signature is respectfully requested on: SB 2003, SB 2298, SB 2369.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1020.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1199, HB 1252.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1424.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The Speaker has signed: SB 2003, SB 2298, SB 2369.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The Speaker has signed: HB 1162, HB 1169, HB 1173, HB 1175, HB 1177, HB 1182, HB 1188, HB 1204, HB 1209, HB 1214, HB 1217, HB 1224, HB 1225, HB 1232, HB 1241, HB 1244, HB 1246, HB 1249, HB 1251, HB 1254, HB 1256, HB 1259, HB 1270, HB 1318, HB 1417, HB 1418, HB 1421, HB 1422, HB 1423, HB 1425, HB 1426, HB 1428, HB 1433, HB 1435, HB 1442, HB 1452, HB 1456, HB 1462, HB 1467, HB 1468.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The Speaker has signed: HB 1195.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The House respectfully requests the return of: SB 2161.

#### 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 Wrigley presiding.

#### CORRECTION AND REVISION OF THE JOURNAL

**MR. PRESIDENT:** Your Committee on Correction and Revision of the Journal

**(Sen. Andrist, Chairman)** has carefully examined the Journal of the Sixty-fourth, Seventy-second, and Seventy-third Days and recommends that it be corrected as follows and when so corrected, recommends that it be approved:

Page 1340, line 26, replace "Reps. Headland, Boe, Wrangham" with "Reps. Headland, Wrangham, Boe"

Page 1592, after line 23, insert "Conference committee version- North Central Human Service Center           117.78           \$11,878,369   \$9,023,857   \$20,902,226"

Page 1593, line 6, replace "House" with "Conference committee"

Page 1604, line 21, replace "\$54,456,39" with "\$54,456,398"

**SEN. ANDRIST MOVED** that the report be adopted, which motion prevailed.

#### MOTION

**SEN. STENEHJEM MOVED** that the Senate be on the Fifteenth order of business for the purpose of electing an Interim President Pro Tempore, which motion prevailed.

#### NOMINATIONS FOR INTERIM PRESIDENT PRO TEMPORE

**SEN. FISCHER:** Mr. President, it is an honor for me to move the nomination of Senator Ralph Kilzer for the office of President Pro Tempore. Senator Kilzer has served in the Senate since 1999. Prior to that he served in the North Dakota House of Representatives. In his life away from the legislature, he is an orthopedic surgeon. He has practiced in this area for many years and he is recognized for many accomplishments. One of those is founding the Bone and Joint Clinic here in Bismarck.

His community involvement is second to none. He gives his time to many community efforts and has received numerous awards from his profession, community, and church.

Senator Kilzer's medical expertise has led him to serve on the Human Services Committee and now on the Appropriations Committee. His preparation for floor presentations include reviewing the issues in his spare time in this building, at home, and even on the road. He takes his job seriously and we are better for it. It has been a pleasure to serve with and learn from this Senator and gentleman.

Mr. President, again it is truly an honor to nominate my friend, Senator Ralph Kilzer, for the office of President Pro Tempore.

**SEN. SCHNEIDER:** Mr. President, I am honored to have the opportunity to nominate my friend, the Senator from District 9, Richard Marcellais to be President Pro Tem of the North Dakota Senate. Senator Marcellais's life has been one of service to his community, to his tribe, to his state, and to his country. His journey on the path of public service started at age 21, when he was drafted into the U.S. Army and called to serve in Vietnam just one week after his wedding.

Like many veterans who proudly served in uniform, Senator Marcellais returned home and became a leader within his community. He has a long record of service on the Turtle Mountain Community School Board and has pursued the goal of improving education for Native Americans across the country as a member of the National Indian School Board Association. Additionally, as we all know, Senator Marcellais is a former chairman of the Turtle Mountain Band of Chippewa- a capacity in which he has fought for better access to healthcare, investments in economic development, and an increased quality of life for his people.

Mr. President, I am proud to serve with this humble and thoughtful leader. I know Senator Marcellais will continue to bring dignity to the North Dakota Senate as President Pro Tem.

#### REMARKS BY SENATOR MARCELLAIS

Mr. President, it is an honor to have been nominated by my colleagues for the position of Interim President Pro Tem. I would like to extend a special thank you to my good friend, Senator Schneider, from District 42 for his warm and generous remarks in nominating me. Thanks to those of my colleagues for voting for me. This is only my third session in the

legislature, so I am still learning the traditions of the Senate. I think the tradition that has the nominees voting for each other is a delightful tradition and one that I am happy to carry on, but I had thought that there was another tradition that more or less required the other members of each caucus to vote for their caucus nominee.

Mr. President, I move that the Senate cast a unanimous ballot in favor of electing Senator Kilzer, District 47, as Interim President Pro Tem.

#### MOTION

**SEN. MARCELLAIS MOVED** that the Senate cast a unanimous ballot in favor of electing Senator Kilzer for Interim President Pro Tempore, which motion prevailed.

#### MOTION

**SEN. STENEHJEM MOVED** that a committee of two be appointed to escort Interim President Pro Tempore Kilzer to the rostrum, which motion prevailed.

#### OATH OF OFFICE

**PRESIDENT WRIGLEY APPOINTED** Sens. Wardner and G. Lee to escort Sen. Kilzer to the rostrum for the Oath of Office, which was administered by President Wrigley.

#### REMARKS OF INTERIM PRESIDENT PRO TEMPORE KILZER

Mr. President and members of the assembly, thank you very much for putting me in the position of President Pro Tem of the Senate. I accept your offer and promise to do to the best of my ability a good job. My best wishes to my colleague and friend, Senator Marcellais, and also to Senator Fischer who did a little research about me. I especially want to thank my wife, Marsha, who is sitting in the chamber upstairs, for putting up with my dabbling in politics for the past 15 years or so and to the rest of my family who have probably made more sacrifices than I have.

As my predecessor stressed earlier in this session when he gave his acceptance speech, he focused on the integrity and the openness and the teamwork that are important to the process of good legislation. All of us have lives outside of this capitol. In my profession, teamwork is right at the top. I still recall all the effort in the hospital as we prepared as a team for the first hip replacement surgery that was done by myself here in Bismarck 40 years ago. It takes teamwork to the nth degree in order to really create the best opportunity for success. So with full devotion to the task at hand and good coordination, we can expect the best results. And that holds true in this chamber, too. The people who put us here are expecting us to do what we are supposed to do and they will certainly judge by their standards as to how they feel we have succeeded. Please continue the good work. Conference committees as we know them actually bring out the best and the worst in us, but they certainly do deserve our best efforts. May God's blessing be upon us as we celebrate the feast of Good Friday. Happy Easter to everyone and may God bless the state of North Dakota and the United States of America.

#### MOTION

**SEN. CHRISTMANN MOVED** that the remarks of Interim President Pro Tempore Kilzer, and of Sens. Fischer, Schneider, and Marcellais be printed in the Journal, which motion prevailed.

The Senate resumed its regular orders of business with President Wrigley presiding.

#### REPORT OF CONFERENCE COMMITTEE

**HB 1047, as engrossed:** Your conference committee (Sens. Cook, Miller, Triplett and Reps. Belter, Headland, Zaiser) recommends that the **HOUSE ACCEDE** to the Senate amendments as printed on HJ pages 1423-1424, adopt further amendments as follows, and place HB 1047 on the Seventh order:

That the House accede to the Senate amendments as printed on pages 1423 and 1424 of the House Journal and page 1191 of the Senate Journal and that Engrossed House Bill No. 1047 be further amended as follows:

Page 1, line 1, after the first comma insert "57-35.3-03, 57-35.3-05, 57-35.3-07, 57-35.3-08, and 57-38-30, subsection 1 of section 57-38-30.3, and sections"

Page 1, line 2, after "Code" insert "and section 13 of chapter 520 of the 2007 Session Laws"

Page 1, line 2, after the first "to" insert "reduction of the rate of the financial institutions tax and adjustment of the allocation of the tax, a reduction in income tax rates for corporations, individuals, estates, and trusts, and"

Page 1, line 5, replace "transfers" with "a transfer"

Page 1, line 5, after the third semicolon insert "to provide for legislative management studies;"

Page 4, after line 3, insert:

**"SECTION 2. AMENDMENT.** Section 57-35.3-03 of the North Dakota Century Code is amended and reenacted as follows:

**57-35.3-03. Imposition and basis of tax.**

An annual tax is imposed upon each financial institution for the grant to it of the privilege of transacting, or for the actual transacting by it, of business within this state during any part of each tax year. The tax is based upon and measured by the taxable income of the financial institution for the calendar year. The rate of tax is ~~sevensix and one-half~~ four and six-tenths percent of taxable income, but the amount of tax may not be less than fifty dollars.

**SECTION 3. AMENDMENT.** Section 57-35.3-05 of the North Dakota Century Code is amended and reenacted as follows:

**57-35.3-05. Credits.**

1. a. There is allowed a credit against the tax imposed by sections 57-35.3-01 through 57-35.3-12 in an amount equal to fifty percent of the aggregate amount of charitable contributions made by the taxpayer during the taxable year to nonprofit private institutions of higher education located within the state or to the North Dakota independent college fund. The amount allowable as a credit under this subdivision for any taxable year may not exceed ~~five and seven-tenths~~ four and six-tenths percent of the tax before credits allowed under this section, or two thousand five hundred dollars, whichever is less.
- b. There is allowed a credit against the tax imposed by sections 57-35.3-01 through 57-35.3-12 in an amount equal to fifty percent of the aggregate amount of charitable contributions made by the taxpayer during the taxable year to nonprofit private institutions of secondary education located within the state. The amount allowable as a credit under this subdivision for any taxable year may not exceed ~~five and seven-tenths~~ four and six-tenths percent of the tax before credits allowed under this section, or two thousand five hundred dollars, whichever is less.
- c. For the purposes of this subsection, the term "nonprofit private institution of higher education" means only a nonprofit private educational institution located in North Dakota which normally maintains a regular faculty and curriculum and which normally has a regularly organized body of students in attendance at the place where its educational activities are carried on, and which regularly offers education at a level above the twelfth grade. The term "nonprofit private institution of secondary education" means only a nonprofit private educational institution located in North Dakota which normally maintains a regular faculty and curriculum approved by the department of public instruction and which normally has a regularly organized body of students in attendance at the place where its educational activities are carried on, and which regularly offers education to students in the ninth through twelfth grades.

- d. For the purposes of this subsection, a taxpayer may elect to treat a contribution as made in the preceding taxable year if the contribution and election are made not later than the time prescribed for filing the return for the taxable year.
2. a. There is allowed a credit against the tax imposed by sections 57-35.3-01 through 57-35.3-12 in an amount equal to any overpayment of tax paid pursuant to chapter 57-35 or 57-35.1, for a taxable year beginning before January 1, 1997, to the extent that the overpayment would have been an allowable deduction from tax payable for the current taxable year, under section 57-35-12 or 57-35.1-07, if chapters 57-35 and 57-35.1 applied to the current taxable year. The amount allowable as a credit under this subsection for any taxable year may not exceed five-sevenths of the tax before credits allowed under this section.
- b. For purposes of determining distributions to and from the counties under section 57-35.3-09:
  - (1) The balance in the financial institution tax distribution fund and the amount of the payment received by each county from the state shall be determined as if any credit allowed under subdivision a had not been claimed and the full amount of the tax otherwise due had been timely paid;
  - (2) The credited amount must be deducted from the distributions that would otherwise be made to and from the county that received the tax overpayment until the sum of the deductions equals the credit; and
  - (3) The deductions from distributions made by a county to each distributee must be proportionate to the overpayment of tax received by each distributee.
3. There is allowed a credit against the tax imposed by sections 57-35.3-01 through 57-35.3-12 in an amount equal to fifty percent of the aggregate amount of contributions made by the taxpayer during the taxable year for tuition scholarships for participation in rural leadership North Dakota conducted through the North Dakota state university extension service. Contributions by a taxpayer may be earmarked for use by a designated recipient. The amount allowable as a credit under this subsection for any taxable year may not exceed ~~five and seven-tenths~~ four and six-tenths percent of the tax before credits allowed under this section, or two thousand five hundred dollars, whichever is less.

**SECTION 4. AMENDMENT.** Section 57-35.3-07 of the North Dakota Century Code is amended and reenacted as follows:

**57-35.3-07. Payment of tax.**

~~Two-sevenths~~ Three-thirteenths of the tax before credits allowed under section 57-35.3-05, less the credit allowed under subsection 1 of section 57-35.3-05, must be paid to the commissioner on or before April fifteenth of the year in which the return is due, regardless of any extension of the time for filing the return granted under section 57-35.3-06. ~~Five-sevenths~~ Ten-thirteenths of the tax before credits allowed under section 57-35.3-05, less the credit allowed under subsection 2 of section 57-35.3-05, must be paid to the commissioner on or before January fifteenth of the year after the return is due. Payment must be made by check, draft, or money order, payable to the commissioner, or as prescribed by the commissioner under subsection 15 of section 57-01-02.

**SECTION 5. AMENDMENT.** Section 57-35.3-08 of the North Dakota Century Code is amended and reenacted as follows:

**57-35.3-08. Disposition of tax.**

The commissioner shall deposit the portion of the tax payable in the year the return is due in the general fund of the state treasury and shall deposit the portion of the tax payable in the year after the return is due in the financial institution tax distribution fund of the state treasury, ~~which is hereby created~~. Interest, penalty, and late tax payments attributable to each portion of the tax must be deposited in the appropriate fund.

**SECTION 6. AMENDMENT.** Section 57-38-30 of the North Dakota Century Code is amended and reenacted as follows:

**57-38-30. Imposition and rate of tax on corporations.**

A tax is hereby imposed upon the taxable income of every domestic and foreign corporation which must be levied, collected, and paid annually as in this chapter provided:

1. a. For the first twenty-five thousand dollars of taxable income, at the rate of ~~twoone~~ and ~~one-tenth~~ sixty-eight hundredths percent.
- b. On all taxable income exceeding twenty-five thousand dollars and not exceeding fifty thousand dollars, at the rate of ~~fivefour~~ and ~~twenty-five~~ twenty-three hundredths percent.
- c. On all taxable income exceeding fifty thousand dollars, at the rate of ~~sixfive~~ and ~~four-tenths~~ fifteen hundredths percent.
2. A corporation that has paid North Dakota alternative minimum tax in years beginning before January 1, 1991, may carry over any alternative minimum tax credit remaining to the extent of the regular income tax liability of the corporation for a period not to exceed four taxable years.

**SECTION 7. AMENDMENT.** Subsection 1 of section 57-38-30.3 of the North Dakota Century Code is amended and reenacted as follows:

1. A tax is hereby imposed for each taxable year upon income earned or received in that taxable year by every resident and nonresident individual, estate, and trust. A taxpayer computing the tax under this section is only eligible for those adjustments or credits that are specifically provided for in this section. Provided, that for purposes of this section, any person required to file a state income tax return under this chapter, but who has not computed a federal taxable income figure, shall compute a federal taxable income figure using a pro forma return in order to determine a federal taxable income figure to be used as a starting point in computing state income tax under this section. The tax for individuals is equal to North Dakota taxable income multiplied by the rates in the applicable rate schedule in subdivisions a through d corresponding to an individual's filing status used for federal income tax purposes. For an estate or trust, the schedule in subdivision e must be used for purposes of this subsection.

- a. Single, other than head of household or surviving spouse.

If North Dakota taxable income is:	The tax is equal to:
Not over <del>\$33,950</del> <u>\$34,500</u>	<del>1.84%</del> <u>1.51%</u>
Over <del>\$33,950</del> <u>\$34,500</u>	<del>\$624.68</del> <u>\$520.95</u> plus <del>3.44%</del> <u>2.82%</u>
but not over <del>\$82,250</del> <u>\$83,600</u>	of amount over <del>\$33,950</del> <u>\$34,500</u>
Over <del>\$82,250</del> <u>\$83,600</u>	<del>\$2,286.20</del> <u>\$1,950.57</u> plus <del>3.81%</del> <u>3.13%</u>

but not over <del>\$171,550</del> <u>\$174,400</u>	of amount over <del>\$82,250</del> <u>\$83,600</u>
Over <del>\$171,550</del> <u>\$174,400</u> 4.42% <u>3.63%</u>	<del>\$5,688.53</del> <u>\$4,747.61</u> plus
but not over <del>\$372,950</del> <u>\$379,150</u> <del>\$171,550</del> <u>\$174,400</u>	of amount over
Over <del>\$372,950</del> <u>\$379,150</u> 4.86% <u>3.99%</u>	<del>\$14,590.41</del> <u>\$12,180.04</u> plus
<del>\$372,950</del> <u>\$379,150</u>	of amount over
b. Married filing jointly and surviving spouse.	
If North Dakota taxable income is:	The tax is equal to:
Not over <del>\$56,750</del> <u>\$57,700</u>	1.84% <u>1.51%</u>
Over <del>\$56,750</del> <u>\$57,700</u>	<del>\$1,044.20</del> <u>\$871.27</u> plus 3.44% <u>2.82%</u>
but not over <del>\$137,050</del> <u>\$139,350</u>	of amount over <del>\$56,750</del> <u>\$57,700</u>
Over <del>\$137,050</del> <u>\$139,350</u> 3.81% <u>3.13%</u>	<del>\$3,806.52</del> <u>\$3,173.80</u> plus
but not over <del>\$208,850</del> <u>\$212,300</u> <del>\$137,050</del> <u>\$135,350</u>	of amount over
Over <del>\$208,850</del> <u>\$212,300</u> 4.42% <u>3.63%</u>	<del>\$6,542.10</del> <u>\$5,457.14</u> plus
but not over <del>\$372,950</del> <u>\$379,150</u> <del>\$208,850</del> <u>\$212,300</u>	of amount over
Over <del>\$372,950</del> <u>\$379,150</u> 4.86% <u>3.99%</u>	<del>\$13,795.32</del> <u>\$11,513.79</u> plus
<del>\$372,950</del> <u>\$379,150</u>	of amount over
c. Married filing separately.	
If North Dakota taxable income is:	The tax is equal to:
Not over <del>\$28,375</del> <u>\$28,850</u>	1.84% <u>1.51%</u>
Over <del>\$28,375</del> <u>\$28,850</u>	<del>\$522.10</del> <u>\$424.10</u> plus 3.44% <u>2.82%</u>
but not over <del>\$68,525</del> <u>\$69,675</u>	of amount over <del>\$28,375</del> <u>\$28,850</u>
Over <del>\$68,525</del> <u>\$69,675</u> 3.81% <u>3.13%</u>	<del>\$1,903.26</del> <u>\$1,586.90</u> plus
but not over <del>\$104,425</del> <u>\$106,150</u>	of amount over <del>\$68,525</del> <u>\$69,675</u>
Over <del>\$104,425</del> <u>\$106,150</u> 4.42% <u>3.63%</u>	<del>\$3,271.05</del> <u>\$2,728.57</u> plus
but not over <del>\$186,475</del> <u>\$189,575</u> <del>\$104,425</del> <u>\$106,150</u>	of amount over
Over <del>\$186,475</del> <u>\$189,575</u> 4.86% <u>3.99%</u>	<del>\$6,897.66</del> <u>\$5,756.90</u> plus



	of amount over
<del>\$186,475</del> <u>\$189,575</u>	
d. Head of household.	
If North Dakota taxable income is:	The tax is equal to:
Not over <del>\$45,500</del> <u>\$46,250</u>	<del>1.84%</del> <u>1.51%</u>
Over <del>\$45,500</del> <u>\$46,250</u>	<del>\$837.20</del> <u>\$698.38</u> plus <del>3.44%</del> <u>2.82%</u>
but not over <del>\$117,450</del> <u>\$119,400</u>	of amount over <del>\$45,500</del> <u>\$46,250</u>
Over <del>\$117,450</del> <u>\$119,400</u>	<del>\$3,312.28</del> <u>\$2,761.21</u> plus
<del>3.81%</del> <u>3.13%</u>	
but not over <del>\$190,200</del> <u>\$193,350</u>	of amount over
<del>\$117,450</del> <u>\$119,400</u>	
Over <del>\$190,200</del> <u>\$193,350</u>	<del>\$6,084.06</del> <u>\$5,075.84</u> plus
<del>4.42%</del> <u>3.63%</u>	
but not over <del>\$372,950</del> <u>\$379,150</u>	of amount over
<del>\$190,200</del> <u>\$193,350</u>	
Over <del>\$372,950</del> <u>\$379,150</u>	<del>\$14,161.61</del> <u>\$11,820.38</u> plus
<del>4.86%</del> <u>3.99%</u>	
<del>\$372,950</del> <u>\$379,150</u>	of amount over

## e. Estates and trusts.

If North Dakota taxable income is:	The tax is equal to:
Not over \$2,300	<del>1.84%</del> <u>1.51%</u>
Over \$2,300	<del>\$42.32</del> <u>\$34.73</u> plus <del>3.44%</del> <u>2.82%</u>
but not over <del>\$5,350</del> <u>\$5,450</u>	of amount over \$2,300
Over <del>\$5,350</del> <u>\$5,450</u>	<del>\$147.24</del> <u>\$123.56</u> plus <del>3.81%</del> <u>3.13%</u>
but not over <del>\$8,200</del> <u>\$8,300</u>	of amount over <del>\$5,350</del> <u>\$5,450</u>
Over <del>\$8,200</del> <u>\$8,300</u>	<del>\$255.83</del> <u>\$212.77</u> plus <del>4.42%</del> <u>3.63%</u>
but not over <del>\$11,150</del> <u>\$11,350</u>	of amount over <del>\$8,200</del> <u>\$8,300</u>
Over <del>\$11,150</del> <u>\$11,350</u>	<del>\$386.22</del> <u>\$323.48</u> plus <del>4.86%</del> <u>3.99%</u>
	of amount over <del>\$11,150</del> <u>\$11,350</u>

f. For an individual who is not a resident of this state for the entire year, or for a nonresident estate or trust, the tax is equal to the tax otherwise computed under this subsection multiplied by a fraction in which:

- (1) The numerator is the federal adjusted gross income allocable and apportionable to this state; and
- (2) The denominator is the federal adjusted gross income from all sources reduced by the net income from the amounts specified in subdivisions a and b of subsection 2.

In the case of married individuals filing a joint return, if one spouse is a resident of this state for the entire year and the other spouse is a nonresident for part or all of the tax year, the tax on the joint return must be computed under this subdivision.

- g. ~~For taxable years beginning after December 31, 2009, the~~The tax commissioner shall prescribe new rate schedules that apply in lieu of the schedules set forth in subdivisions a through e. The new schedules must be determined by increasing the minimum and maximum dollar amounts for each income bracket for which a tax is imposed by the cost-of-living adjustment for the taxable year as determined by the secretary of the United States treasury for purposes of section 1(f) of the United States Internal Revenue Code of 1954, as amended. For this purpose, the rate applicable to each income bracket may not be changed, and the manner of applying the cost-of-living adjustment must be the same as that used for adjusting the income brackets for federal income tax purposes.
- h. The tax commissioner shall prescribe an optional simplified method of computing tax under this section that may be used by an individual taxpayer who is not entitled to claim an adjustment under subsection 2 or credit against income tax liability under subsection 7."

Page 7, replace lines 23 through 29 with:

**"SECTION 15. AMENDMENT.** Section 13 of chapter 520 of the 2007 Session Laws is amended and reenacted as follows:

**SECTION 13. LEGISLATIVE COUNCIL MANAGEMENT STUDY.**

The legislative ~~council~~management shall study in each interim through 2012 the feasibility and desirability of property tax reform and providing property tax relief to taxpayers of the state, with the goal of reduction of each taxpayer's annual property tax bill to an amount that is not more than one and one-half percent of the true and full value of property, and including examination of the proper measure of education funding from local taxation and state resources and the variability of funding resources among taxing districts and examination of improved collection and reporting of property tax information to identify residency of property owners with minimized administrative difficulty. The legislative management shall consider the sustainability of state-funded property tax relief in view of the compounding effect of ongoing property taxable valuation increases. The legislative ~~council~~management shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the legislative assembly subsequent to each interim.

**SECTION 16. LEGISLATIVE MANAGEMENT STUDY - FINANCIAL INSTITUTIONS TAXATION AND CORPORATE INCOME.** During the 2011-12 interim, the legislative management shall consider studying the feasibility and desirability of revision of the financial institutions taxes, including the feasibility of taxing financial institutions under the state corporate income tax laws. The study under this section must include consideration of corporate income taxes, including corporate income apportionment factors and potential impact of federal legislation on state corporate income taxes. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-third legislative assembly."

Page 7, line 30, replace "Section 1" with "Sections 1 through 7"

Page 7, line 30, replace "is" with "are"

Renumber accordingly

Engrossed HB 1047 was placed on the Seventh order of business on the calendar.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. COOK MOVED** that the conference committee report on Engrossed HB 1047 as printed on SJ pages 1618-1624 be adopted.

**REQUEST**

**SEN. STENEHJEM REQUESTED** a recorded roll call vote, which request was granted.

**ROLL CALL**

The question being on the motion to adopt the conference committee report on Engrossed HB 1047, the roll was called and there were 35 YEAS, 12 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Berry; Bowman; Burckhard; Christmann; Cook; Dever; Erbele; Fischer; Flakoll; Freborg; Grindberg; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Lyson; Miller; Nething; Nodland; Oehlke; Olafson; Schaible; Sitte; Sorvaag; Stenehjem; Uglem; Wanzek; Wardner

**NAYS:** Dotzenrod; Heckaman; Marcellais; Mathern; Murphy; Nelson; O'Connell; Robinson; Schneider; Taylor; Triplett; Warner

The conference committee report on Engrossed HB 1047 was adopted on a recorded roll call vote.

Engrossed HB 1047, as amended, was placed on the Fourteenth order of business.

**SECOND READING OF HOUSE BILL**

**HB 1047:** A BILL for an Act to amend and reenact sections 57-15-01.1, 57-35.3-03, 57-35.3-05, 57-35.3-07, 57-35.3-08, and 57-38-30, subsection 1 of section 57-38-30.3, and sections 57-64-01, 57-64-02, 57-64-03, and 57-64-04 of the North Dakota Century Code and section 13 of chapter 520 of the 2007 Session Laws, relating to reduction of the rate of the financial institutions tax and adjustment of the allocation of the tax, a reduction in income tax rates for corporations, individuals, estates, and trusts, and allocation of state funding to school districts for mill levy reduction grants and property tax levies of school districts; to repeal chapter 57-16 of the North Dakota Century Code, relating to certain excess levies of school districts; to provide an appropriation; to provide for a transfer; to provide for legislative management studies; and to provide an effective date.

**ROLL CALL**

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

**YEAS:** Andrist; Berry; Bowman; Burckhard; Christmann; Cook; Dever; Dotzenrod; Erbele; Fischer; Flakoll; Freborg; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Lyson; Miller; Murphy; Nelson; Nething; Nodland; O'Connell; Oehlke; Olafson; Robinson; Schaible; Schneider; Sitte; Sorvaag; Stenehjem; Taylor; Uglem; Wanzek; Wardner; Warner

**NAYS:** Marcellais; Mathern; Triplett

Engrossed HB 1047, as amended, passed.

\*\*\*\*\*

**REPORT OF CONFERENCE COMMITTEE**

**SB 2042, as engrossed:** Your conference committee (Sens. Miller, Hogue, Dotzenrod and Reps. Owens, Grande, S. Kelsh) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ page 898, adopt amendments as follows, and place SB 2042 on the Seventh order:

That the House recede from its amendments as printed on page 898 of the Senate Journal and page 1083 of the House Journal and that Engrossed Senate Bill No. 2042 be amended as follows:

Page 1, line 3, after "expenses" insert "; and to provide for a legislative management study"

Page 3, remove lines 3 through 30

Page 4, replace lines 1 through 9 with:

**"SECTION 3. AMENDMENT.** Section 53-06.1-12 of the North Dakota Century Code is amended and reenacted as follows:

**53-06.1-12. Gaming and excise taxes -- ~~Exception~~tax - Deposits and allocations.**

1. A gaming tax is imposed on the total ~~adjusted~~ gross proceeds ~~earned~~received by a licensed organization in a quarter and it must be computed and paid to the attorney general on a quarterly basis on the tax return. This tax must be paid from adjusted gross proceeds and is not part of the allowable expenses. The tax rates are:
  - ~~a. On adjusted gross proceeds not exceeding two hundred thousand dollars, a tax of five percent.~~
  - ~~b. On adjusted gross proceeds exceeding two hundred thousand dollars but not exceeding four hundred thousand dollars, a tax of ten percent.~~
  - ~~c. On adjusted gross proceeds exceeding four hundred thousand dollars but not exceeding six hundred thousand dollars, a tax of fifteen percent.~~
  - ~~d. On adjusted gross proceeds exceeding six hundred thousand dollars, a tax of twenty percent.~~
2. ~~Except as provided in subsection 3, in addition to any other tax provided by law and in place of sales or use taxes, there is imposed on a licensed organization an excise tax of three percent on the gross proceeds from the sale at retail of pull tabs and three percent on the gross proceeds from the sale at retail of bingo cards to final users. This includes pull tabs or bingo cards provided to a player in exchange for redeemed winning pull tabs or bingo cards.~~ rate for a licensed organization with gross proceeds:
  - a. Not exceeding five hundred thousand dollars is one percent of gross proceeds.
  - b. Exceeding five hundred thousand dollars but not exceeding one million dollars is one and one-half percent of gross proceeds.
  - c. Exceeding one million dollars but not exceeding one million five hundred thousand dollars is two percent of gross proceeds.
  - d. Exceeding one million five hundred thousand dollars is two and one-half percent of gross proceeds.
2. The tax must be paid to the attorney general at the time tax returns are filed.
3. ~~For organizations whose gross proceeds of pull tabs do not exceed four thousand dollars per calendar quarter, no excise tax may be imposed on the gross proceeds from the sale at retail of pull tabs to final users.~~
4. Except as provided in subsection ~~54~~, the attorney general shall deposit gaming and excise taxes, monetary fines, and interest and penalties collected in the general fund in the state treasury.
- ~~5.4.~~ The attorney general shall deposit ~~three~~six percent of the total taxes, less refunds, collected under this section into a gaming and excise tax allocation fund. Pursuant to legislative appropriation, moneys in the fund

must be distributed quarterly to cities and counties in proportion to the taxes collected under this section from licensed organizations conducting games within each city, for sites within city limits, or within each county, for sites outside city limits. If a city or county allocation under this subsection is less than two hundred dollars, that city or county is not entitled to receive a payment for the quarter and the undistributed amount must be included in the total amount to be distributed to other cities and counties for the quarter."

Page 5, after line 10, insert:

**"SECTION 5. LEGISLATIVE MANAGEMENT STUDY - CHARITABLE GAMING ORGANIZATION ELIGIBILITY.** During the 2011-12 interim, the legislative management shall consider studying the eligibility requirements for the veterans', charitable, educational, religious, fraternal, civic and service, public safety, and public-spirited organizations that conduct charitable gaming. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-third legislative assembly."

ReNUMBER accordingly

Engrossed SB 2042 was placed on the Seventh order of business on the calendar.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. MILLER MOVED** that the conference committee report on Engrossed SB 2042 as printed on SJ pages 1625-1627 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2042, as amended, was placed on the Eleventh order of business.

**SECOND READING OF SENATE BILL**

**SB 2042:** A BILL for an Act to amend and reenact subsection 1 of section 53-06.1-01 and sections 53-06.1-11, 53-06.1-12, and 53-06.1-12.3 of the North Dakota Century Code, relating to consolidation of gaming taxes and allowable expenses; and to provide for a legislative management study.

**ROLL CALL**

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

**YEAS:** Berry; Bowman; Burckhard; Christmann; Cook; Dever; Dotzenrod; Erbele; Fischer; Flakoll; Freborg; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Lyson; Mathern; Miller; Murphy; Nelson; Nething; Nodland; O'Connell; Oehlke; Olafson; Robinson; Schaible; Schneider; Sitte; Sorvaag; Stenehjem; Taylor; Triplett; Uglem; Wanzek; Wardner; Warner

**NAYS:** Andrist; Marcellais

Reengrossed SB 2042 passed.

\*\*\*\*\*

**REPORT OF CONFERENCE COMMITTEE**

**HB 1014, as engrossed:** Your conference committee (Sens. Wardner, Erbele, Taylor and Reps. Brandenburg, Thoreson, Winrich) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1491-1494, adopt amendments as follows, and place HB 1014 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1491-1494 of the House Journal and pages 1243-1246 of the Senate Journal and that Engrossed House Bill No. 1014 be amended as follows:

Page 1, replace line 16 with:

"Salaries and wages	\$9,321,995	\$2,889,625	\$12,211,620"
---------------------	-------------	-------------	---------------

Page 2, replace lines 1 through 4 with:

"Renewable energy development	0	<u>1,500,000</u>	<u>1,500,000</u>
Total all funds	\$59,430,586	\$4,411,783	\$63,842,369
Less estimated income	<u>49,308,484</u>	<u>(1,797,756)</u>	<u>47,510,728</u>
Total general fund	\$10,122,102	\$6,209,539	\$16,331,641"

Page 3, replace lines 3 and 4 with:

"Salaries and wages	\$22,599,324	\$3,418,684	\$26,018,008
Operating expenses	16,982,918	3,460,951	20,443,869"

Page 3, replace lines 7 and 8 with:

"Total from mill and elevator fund	\$40,057,242	\$7,014,635	\$47,071,877
Full-time equivalent positions	131.00	0.00	131.00"

Page 3, replace lines 23 through 25 with:

"Grand total general fund	\$19,522,102	\$6,209,539	\$25,731,641
Grand total special funds	<u>174,516,769</u>	<u>5,509,037</u>	<u>180,025,806</u>
Grand total all funds	\$194,038,871	\$11,718,576	\$205,757,447"

Page 4, replace line 5 with:

"Renewable energy development program	3,000,000	1,500,000
Temporary employees - Core library	0	90,000"

Page 4, replace lines 11 through 13 with:

"Total all funds	\$35,738,726	\$2,299,400
Total special funds	<u>30,360,574</u>	<u>0</u>
Total general fund	\$5,378,152	\$2,299,400"

Page 7, after line 4, insert:

**"SECTION 12. LEGISLATIVE INTENT - CORE LIBRARY HOUSING.** It is the intent of the sixty-second legislative assembly that the industrial commission not construct a new building for the expansion for the core library. If the existing location of the core library does not have sufficient space, the industrial commission may relocate parts or all of the library to an existing state-owned facility."

Page 7, line 15, replace "12" with "13"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1014 - Summary of Conference Committee Action**

	Executive Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Industrial Commission						
Total all funds	\$63,633,777	\$63,005,356	\$837,013	\$63,842,369	\$64,342,369	(\$500,000)
Less estimated income	<u>46,716,149</u>	<u>47,522,658</u>	<u>(11,930)</u>	<u>47,510,728</u>	<u>47,510,728</u>	<u>0</u>

General fund	\$16,917,628	\$15,482,698	\$848,943	\$16,331,641	\$16,831,641	(\$500,000)
Bank of North Dakota						
Total all funds	\$56,253,155	\$56,253,155	\$0	\$56,253,155	\$56,253,155	\$0
Less estimated income	46,853,155	46,853,155	0	46,853,155	46,853,155	0
General fund	\$9,400,000	\$9,400,000	\$0	\$9,400,000	\$9,400,000	\$0
Housing Finance Agency						
Total all funds	\$38,590,046	\$38,590,046	\$0	\$38,590,046	\$38,590,046	\$0
Less estimated income	38,590,046	38,590,046	0	38,590,046	38,590,046	0
General fund	\$0	\$0	\$0	\$0	\$0	\$0
Mill and Elevator						
Total all funds	\$46,741,421	\$46,539,135	\$532,742	\$47,071,877	\$47,365,485	(\$293,608)
Less estimated income	46,741,421	46,539,135	532,742	47,071,877	47,365,485	(293,608)
General fund	\$0	\$0	\$0	\$0	\$0	\$0
Bill total						
Total all funds	\$205,218,399	\$204,387,692	\$1,369,755	\$205,757,447	\$206,551,055	(\$793,608)
Less estimated income	178,900,771	179,504,994	520,812	180,025,806	180,319,414	(293,608)
General fund	\$26,317,628	\$24,882,698	\$848,943	\$25,731,641	\$26,231,641	(\$500,000)

### House Bill No. 1014 - Industrial Commission - Conference Committee Action

	Executive Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$11,844,607	\$11,874,607	\$337,013	\$12,211,620	\$12,211,620	
Operating expenses	3,478,744	3,493,744		3,493,744	3,493,744	
Grants - Lignite research	19,971,300	19,971,300		19,971,300	19,971,300	
Grants - Bond payments	25,339,126	25,389,733		25,389,733	25,389,733	
Renewable energy development	3,000,000	1,000,000	500,000	1,500,000	2,000,000	(500,000)
Carbon Dioxide Storage Fund		532,000		532,000	532,000	
Mineral resources contingency		743,972		743,972	743,972	
Total all funds	\$63,633,777	\$63,005,356	\$837,013	\$63,842,369	\$64,342,369	(\$500,000)
Less estimated income	46,716,149	47,522,658	(11,930)	47,510,728	47,510,728	0
General fund	\$16,917,628	\$15,482,698	\$848,943	\$16,331,641	\$16,831,641	(\$500,000)
FTE	73.06	74.06	0.00	74.06	74.06	0.00

### Department No. 405 - Industrial Commission - Detail of Conference Committee Changes

	Adds Funding for Retention of Employees <sup>1</sup>	Adds Funding for Temporary Employees <sup>2</sup>	Restores Funding for Renewable Energy <sup>3</sup>	Changes Funding Source for Bond Payments <sup>4</sup>	Total Conference Committee Changes
Salaries and wages	\$247,013	\$90,000			\$337,013
Operating expenses					
Grants - Lignite research					
Grants - Bond payments					
Renewable energy development			500,000		500,000
Carbon Dioxide Storage Fund					
Mineral resources contingency					
Total all funds	\$247,013	\$90,000	\$500,000	\$0	\$837,013
Less estimated income	0	0	0	(11,930)	(11,930)
General fund	\$247,013	\$90,000	\$500,000	\$11,930	\$848,943
FTE	0.00	0.00	0.00	0.00	0.00

<sup>1</sup> This amendment adds funding for retention of Department of Mineral Resources staff, the same as the Senate version.

<sup>2</sup> One-time funding is added for temporary employees for the Geological Survey Division, the same as the Senate version. A section is added to provide legislative intent regarding the housing of the core library.

<sup>3</sup> This amendment restores \$500,000 of the \$2 million of funding removed by the House for renewable energy development to provide a total of \$1.5 million. The Senate restored \$1 million.

<sup>4</sup> Funding for bond payments is adjusted to reflect a decrease in special funds rather than the general fund as provided in the House version, the same as the Senate version.

---

This amendment does not include a section added by the Senate relating to a transfer from the permanent oil tax trust fund to the oil and gas research fund.

---

**House Bill No. 1014 - Bank of North Dakota - Conference Committee Action**

The conference committee did not change the House version for the Bank of North Dakota. The Senate also did not make any changes to the House version.

---

**House Bill No. 1014 - Housing Finance Agency - Conference Committee Action**

The conference committee did not change the House version for the Housing Finance Agency. The Senate also did not make any changes to the House version.

---

**House Bill No. 1014 - Mill and Elevator - Conference Committee Action**

	Executive Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$26,311,616	\$26,049,330	(\$31,322)	\$26,018,008	\$26,311,616	(\$293,608)
Operating expenses	19,879,805	19,879,805	564,064	20,443,869	20,443,869	
Contingencies	400,000	400,000		400,000	400,000	
Agriculture promotion	150,000	210,000		210,000	210,000	
Total all funds	\$46,741,421	\$46,539,135	\$532,742	\$47,071,877	\$47,365,485	(\$293,608)
Less estimated income	46,741,421	46,539,135	532,742	47,071,877	47,365,485	(293,608)
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	135.00	131.00	0.00	131.00	135.00	(4.00)

**Department No. 475 - Mill and Elevator - Detail of Conference Committee Changes**

	Provides Funding for Temporary Employees <sup>1</sup>	Adds Funding for Increased Energy Costs <sup>2</sup>	Removes Funding for FTE Positions <sup>3</sup>	Total Conference Committee Changes
Salaries and wages	\$200,000		(\$231,322)	(\$31,322)
Operating expenses		564,064		564,064
Contingencies				
Agriculture promotion				
Total all funds	\$200,000	\$564,064	(\$231,322)	\$532,742
Less estimated income	200,000	564,064	(231,322)	532,742
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

---

<sup>1</sup> This amendment adds funding for temporary employees to be used as determined by the Mill and Elevator. The Senate restored funding for 4 FTE positions removed by the House--2 car checker positions, 1 sales representative position, and 1 laboratory technician position.

<sup>2</sup> This amendment increases funding for operating expenses due to increased energy costs, the same as the Senate version.



<sup>3</sup> This amendment removes funding that was inadvertently not removed from the budget when the associated FTE positions were removed. The conference committee did not restore the FTE positions.

Engrossed HB 1014 was placed on the Seventh order of business on the calendar.

#### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**SEN. WARDNER MOVED** that the conference committee report on Engrossed HB 1014 as printed on SJ pages 1627-1631 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1014, as amended, was placed on the Fourteenth order of business.

#### SECOND READING OF HOUSE BILL

**HB 1014:** A BILL for an Act to provide an appropriation for defraying the expenses of the state industrial commission and the agencies under the management of the industrial commission; to provide legislative intent; to provide for a legislative management study; to provide an appropriation; to provide a contingent appropriation; to authorize transfers; 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; Berry; Bowman; Burckhard; Christmann; Cook; Dever; Dotzenrod; Erbele; Fischer; Flakoll; Freborg; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Lyson; Marcellais; Mathern; Miller; Murphy; Nelson; Nething; Nodland; O'Connell; Oehlke; Olafson; Robinson; Schaible; Schneider; Sitte; Sorvaag; Stenehjem; Taylor; Triplett; Uglem; Wanzek; Wardner; Warner

Engrossed HB 1014, as amended, passed and the emergency clause was declared carried.

\*\*\*\*\*

#### MOTION

**SEN. CHRISTMANN MOVED** that SB 2129 be placed at the top of the Seventh order, which motion prevailed.

#### REPORT OF CONFERENCE COMMITTEE

**SB 2129, as engrossed:** Your conference committee (Sens. Burckhard, Miller, Dotzenrod and Reps. Weiler, Trottier, Winrich) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 790-792, adopt amendments as follows, and place SB 2129 on the Seventh order:

That the House recede from its amendments as printed on pages 790-792 of the Senate Journal and pages 998-1000 of the House Journal and that Engrossed Senate Bill No. 2129 be amended as follows:

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

Page 1, line 1, remove ", 57-51.1-07.2, and"

Page 1, line 2, remove "57-51.1-07.3"

Page 1, remove line 4

Page 1, line 5, remove "fund"

Page 1, line 9, overstrike "**Apportionment and use of proceeds of**" and insert immediately thereafter "**Gross production**"

Page 1, line 9, after "**tax**" insert "**allocation**"

Page 1, line 10, overstrike "provided for in this chapter"

Page 1, line 10, overstrike "apportioned" and insert immediately thereafter "allocated monthly"

Page 1, line 14, overstrike "Credit thirty-three and one-third percent of the revenues to the oil and gas impact"

Page 1, overstrike line 15

Page 1, line 16, overstrike "b."

Page 1, line 22, overstrike "and"

Page 1, after line 22, insert:

"b. Allocate thirty-three and one-third percent of the revenues to the oil and gas impact grant fund, but not in an amount exceeding eight million dollars per biennium; and"

Page 1, line 23, overstrike "Credit" and insert immediately thereafter "Allocate"

Page 1, line 23, overstrike "to the"

Page 1, line 23, remove "permanent oil tax trust"

Page 1, line 23, overstrike "fund" and insert immediately thereafter "under subsection 3"

Page 2, line 14, replace "f." with "3."

Page 2, line 14, replace "deduction of the amount allocated to counties" with "the allocations"

Page 2, line 14, replace "this subsection" with "subsections 1 and 2"

Page 2, line 18, replace "deposited in" with "allocated to"

Page 2, line 18, replace "permanent oil tax trust" with "state general"

Page 2, line 18, after the underscored period insert "If the amount available for a monthly allocation under this subsection is insufficient to deposit thirty percent of all revenue collected under this chapter in the legacy fund, the state treasurer shall transfer the amount of the shortfall from the state general fund share of oil extraction tax collections and deposit that amount in the legacy fund."

Page 2, line 19, overstrike "3." and insert immediately thereafter "4."

Page 2, line 21, overstrike "4" and insert immediately thereafter "5"

Page 2, line 23, overstrike "5" and insert immediately thereafter "6"

Page 2, line 24, overstrike "4." and insert immediately thereafter "5."

Page 2, line 27, remove the overstrike over "state-general"

Page 2, line 27, remove "permanent oil tax trust"

Page 4, line 18, overstrike "5" and insert immediately thereafter "6"

Page 4, line 30, overstrike "5." and insert immediately thereafter "6."

Page 4, line 31, overstrike "3" and insert immediately thereafter "4"

Page 4, line 31, overstrike "4" and insert immediately thereafter "5"

Page 5, line 2, remove the overstrike over "state-general"

Page 5, line 2, remove "permanent oil tax trust"

Page 5, line 6, overstrike "3" and insert immediately thereafter "4"

Page 5, line 6, overstrike "4" and insert immediately thereafter "5"

Page 5, line 23, overstrike "3" and insert immediately thereafter "4"

Page 5, line 23, overstrike "4" and insert immediately thereafter "5"

Page 5, line 27, overstrike "4" and insert immediately thereafter "5"

Page 6, line 4, overstrike "6." and insert immediately thereafter "7."

Page 6, line 4, overstrike "sixty" and insert immediately thereafter "thirty"

Page 6, line 4, overstrike "fiscal" and insert immediately thereafter "calendar"

Page 6, line 6, overstrike "fiscal" and insert immediately thereafter "calendar"

Page 6, line 6, overstrike the first "tax"

Page 6, line 6, overstrike the second "tax"

Page 6, line 7, overstrike "showing" and insert immediately thereafter "including"

Page 6, line 8, overstrike "The amount received by the county in its own behalf, the amount of those funds"

Page 6, overstrike lines 9 and 10

Page 6, line 11, overstrike "amount of those funds unexpended at the end of the fiscal year" and insert immediately thereafter "The county's statement of revenues and expenditures"

Page 6, line 20, overstrike "sixty" and insert immediately thereafter "fifteen"

Page 6, line 21, overstrike "tax"

Page 6, line 21, overstrike "a report" and insert immediately thereafter "the reports"

Page 6, overstrike lines 23 through 25

Page 7, line 26, remove the overstrike over "state's general"

Page 7, line 26, remove "permanent oil tax"

Page 7, line 27, remove "trust"

Page 7, remove lines 28 and 29

Page 8, remove lines 1 through 27

Renumber accordingly

Engrossed SB 2129 was placed on the Seventh order of business on the calendar.

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

**SEN. DOTZENROD MOVED** that the conference committee report on Engrossed SB 2129 as printed on SJ pages 1631-1633 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2129, as amended, was placed on the Eleventh order of business.

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

**SB 2129:** A BILL for an Act to amend and reenact sections 57-51-15 and 57-51.1-07 of the North Dakota Century Code, relating to legacy fund deposits of oil and gas tax collections and holding political subdivisions harmless against related allocation

reductions; and to provide an effective date.

### ROLL CALL

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

**YEAS:** Andrist; Berry; Bowman; Burckhard; Christmann; Cook; Dever; Dotzenrod; Erbele; Fischer; Flakoll; Freborg; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Lyson; Marcellais; Mathern; Miller; Murphy; Nelson; Nething; Nodland; O'Connell; Oehlke; Olafson; Robinson; Schaible; Schneider; Sitte; Sorvaag; Stenehjerm; Taylor; Triplett; Uglem; Wanzek; Wardner; Warner

Reengrossed SB 2129 passed.

\*\*\*\*\*

### MOTION

**SEN. CHRISTMANN MOVED** that SB 2161 be returned to the House, which motion prevailed.

### MOTION

**SEN. CHRISTMANN MOVED** that the Senate stand in recess until 3:00 p.m., which motion prevailed.

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

### REPORT OF CONFERENCE COMMITTEE

**HB 1194, as engrossed:** Your conference committee (Sens. Cook, Miller, Dotzenrod and Reps. Weiler, Owens, S. Kelsh) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1425-1429, adopt amendments as follows, and place HB 1194 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1425-1429 of the House Journal and pages 1191-1195 of the Senate Journal and that Engrossed House Bill No. 1194 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 57-15 of the North Dakota Century Code, relating to public hearings relating to property tax increases.

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

**SECTION 1.** A new section to chapter 57-15 of the North Dakota Century Code is created and enacted as follows:

#### **Property tax levy increase notice and public hearing.**

Notwithstanding any other provision of law, a taxing district may not impose a property tax levy in a greater number of mills than the zero increase number of mills, unless the taxing district is in substantial compliance with this section.

1. The governing body shall cause publication of notice in its official newspaper at least seven days before a public hearing on its property tax levy. A public hearing under this section may not be scheduled to begin earlier than six p.m. The notice must have at least one-half inch white space margin on all four sides and must be at least two columns wide by five inches high. The heading must be capitalized in boldface type of at least eighteen point stating "IMPORTANT NOTICE TO (name of taxing district) TAXPAYERS". The proposed percentage increase must be printed in a boldface type size no less than two points less than the heading, while the remaining portion of the advertisement must be printed in a type face size no less than four points less than the heading. The text of the notice must contain:

- a. The date, time, and place of the public hearing.
  - b. A statement that the public hearing will be held to consider increasing the property tax levy by a stated percentage, expressed as a percentage increase exceeding the zero increase number of mills.
  - c. A statement that there will be an opportunity for citizens to present oral or written comments regarding the property tax levy.
  - d. Any other information the taxing district wishes to provide to inform taxpayers.
2. If the governing body of the taxing district does not make a final decision on imposing a property tax levy exceeding the zero increase number of mills at the public hearing required by this section, the governing body shall announce at that public hearing the scheduled time and place of the next public meeting at which the governing body will consider final adoption of a property tax levy exceeding the tax district's zero increase number of mills.
3. For purposes of this section:
- a. "New growth" means the taxable valuation of any property that was not taxable in the prior year.
  - b. "Property tax levy" means the tax rate, expressed in mills, for all property taxes levied by the taxing district.
  - c. "Taxing district" means a city, county, school district, or city park district but does not include any such taxing district that levied a property tax levy of less than one hundred thousand dollars for the prior year and sets a budget for the current year calling for a property tax levy of less than one hundred thousand dollars.
  - d. "Zero increase number of mills" means the number of mills against the taxing district's current year taxable valuation, excluding consideration of new growth, which will provide the same amount of property tax revenue as the property tax levy in the prior year."

Renumber accordingly

Engrossed HB 1194 was placed on the Seventh order of business on the calendar.

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

**SEN. COOK MOVED** that the conference committee report on Engrossed HB 1194 as printed on SJ pages 1634-1635 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1194, as amended, was placed on the Fourteenth order of business.

#### **SECOND READING OF HOUSE BILL**

**HB 1194:** A BILL for an Act to create and enact a new section to chapter 57-15 of the North Dakota Century Code, relating to public hearings relating to property tax increases.

#### **ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 31 YEAS, 16 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Andrist; Berry; Bowman; Burckhard; Christmann; Cook; Dever; Dotzenrod; Erbele; Fischer; Flakoll; Freborg; Grindberg; Kilzer; Klein; Laffen; Larsen; Lee, G.; Luick; Miller; Nething; Nodland; O'Connell; Oehlke; Robinson; Schaible; Sitte; Stenehjem; Uglem; Wanzek; Wardner

**NAYS:** Heckaman; Hogue; Holmberg; Krebsbach; Lee, J.; Lyson; Marcellais; Mathern;

Murphy; Nelson; Olafson; Schneider; Sorvaag; Taylor; Triplett; Warner

Engrossed HB 1194, as amended, passed.

\*\*\*\*\*

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. SORVAAG MOVED** that the conference committee report on HB 1141 as printed on SJ page 1610 be adopted, which motion prevailed on a voice vote.

HB 1141 was placed on the Fourteenth order of business.

**SECOND READING OF HOUSE BILL**

**HB 1141:** A BILL for an Act to amend and reenact subdivision a of subsection 2 of section 54-03-20 of the North Dakota Century Code, relating to housing reimbursement for members of the legislative assembly.

**ROLL CALL**

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

**YEAS:** Dever; Kilzer; Lee, J.

**NAYS:** Andrist; Berry; Bowman; Burckhard; Christmann; Cook; Dotzenrod; Erbele; Fischer; Flakoll; Freborg; Grindberg; Heckaman; Hogue; Holmberg; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Luick; Lyson; Marcellais; Mathern; Miller; Murphy; Nelson; Nothing; Nodland; O'Connell; Oehlke; Olafson; Robinson; Schaible; Schneider; Sitte; Sorvaag; Stenehjem; Taylor; Triplett; Uglem; Wanzek; Wardner; Warner

HB 1141 lost.

\*\*\*\*\*

**REPORT OF CONFERENCE COMMITTEE**

**HB 1025, as engrossed:** Your conference committee (Sens. Kilzer, Fischer, Robinson and Reps. Pollert, Kreidt, Kaldor) recommends that the **SENATE RECEDE** from the Senate amendments, adopt amendments as follows, and place HB 1025 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1368 and 1369 of the House Journal and pages 1125 and 1126 of the Senate Journal and that Engrossed House Bill No. 1025 be amended as follows:

Page 1, replace lines 11 through 14 with:

"Comprehensive tobacco control      \$12,882,000                      \$40,614                      \$12,922,614"

Page 1, replace line 16 with:

"Full-time equivalent positions                      4.00                      1.00                      5.00"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1025 - Tobacco Prevention & Control Exec Comm - Conference Committee Action**

	Executive Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages		\$765,980	(\$765,980)			
Operating expenses		2,967,609	(2,967,609)			
Grants		9,189,025	(9,189,025)			
Tobacco Prevention and Control Exec Comm	12,922,614		12,922,614	12,922,614	12,922,614	
	<u>\$12,922,614</u>	<u>\$12,922,614</u>	<u>\$0</u>	<u>\$12,922,614</u>	<u>\$12,922,614</u>	<u>\$0</u>

Total all funds						
Less estimated income	12,922,614	12,922,614	0	12,922,614	12,922,614	0
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	4.00	4.00	1.00	5.00	6.50	(1.50)

### Department No. 305 - Tobacco Prevention & Control Exec Comm - Detail of Conference Committee Changes

	Restores Temporary Positions <sup>1</sup>	Decreases Grant Funding <sup>2</sup>	Restores Single Line Appropriation <sup>3</sup>	Adds FTE Position <sup>4</sup>	Total Conference Committee Changes
Salaries and wages	\$366,514		(\$1,132,494)		(\$765,980)
Operating expenses			(2,967,609)		(2,967,609)
Grants		(366,514)	(8,822,511)		(9,189,025)
Tobacco Prevention and Control Exec Comm			12,922,614		12,922,614
Total all funds	\$366,514	(\$366,514)	\$0	\$0	\$0
Less estimated income	366,514	(366,514)	0	0	0
General fund	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	1.00	1.00

<sup>1</sup> This amendment restores the salaries and wages and fringe benefits for the following temporary positions removed by the House:

- Half-time accountant - \$86,786.
- Community intervention coordinator - \$127,904.
- Evaluation coordinator - \$151,824.

The Senate added 2.5 permanent FTE positions--a .5 FTE accountant, 1 FTE community intervention coordinator, and 1 FTE grants manager. The House had provided funding for a temporary grants manager. The 1 FTE evaluation coordinator position removed by the House was restored as a temporary position by the Senate.

<sup>2</sup> Funding for grants is decreased, the same as the Senate version.

<sup>3</sup> This amendment restores the comprehensive tobacco control line item provided in the executive recommendation and removes the funding by object code line items provided by the House, the same as the Senate version.

<sup>4</sup> This amendment adds 1 FTE position, 1.5 FTE positions less than the Senate. The Tobacco Prevention and Control Executive Committee may determine the position to be filled. The House did not add any FTE positions.

Engrossed HB 1025 was placed on the Seventh order of business on the calendar.

#### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**SEN. KILZER MOVED** that the conference committee report on Engrossed HB 1025 as printed on SJ pages 1636-1637 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1025, as amended, was placed on the Fourteenth order of business.

#### SECOND READING OF HOUSE BILL

**HB 1025:** A BILL for an Act to provide an appropriation for defraying the expenses of the comprehensive tobacco control advisory committee; and to provide for reports.

#### 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; Berry; Bowman; Burckhard; Christmann; Cook; Dever; Dotzenrod; Erbele; Fischer; Flakoll; Freborg; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein;

Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Lyson; Marcellais; Mathern; Miller; Murphy; Nelson; Nething; Nodland; O'Connell; Oehlke; Olafson; Robinson; Schaible; Schneider; Sitte; Sorvaag; Stenehjem; Taylor; Triplett; Uglem; Wanzek; Wardner; Warner

Engrossed HB 1025, as amended, passed.

\*\*\*\*\*

#### REQUEST

**SEN. J. LEE REQUESTED** that the record show that she intended to vote "NAY" on HB 1141, which request was granted.

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

**MR. PRESIDENT:** The Speaker has appointed Rep. Dosch to replace Rep. Williams on the Conference Committee on SB 2057.

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

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

**HB 1229:** Reps. R. Kelsch; Wall; Hunskor

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

**MR. PRESIDENT:** The House has dissolved the House conference committee and subsequently failed to pass: HB 1268.

#### 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 2042, SB 2129.

#### 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 1025, HB 1047, HB 1194.

#### 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 2056.

#### 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 1014.

#### 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 1424.

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

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently failed to pass: HB 1141.

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

**MR. PRESIDENT:** The House has adopted the conference committee report on: SB 2056.

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

**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently passed: HB 1025, HB 1447.

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

**MR. PRESIDENT:** The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1126.

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

**MR. SPEAKER:** Your signature is respectfully requested on: SB 2012, SB 2157, SB 2227.



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

**MR. PRESIDENT:** The Speaker has signed: SB 2012, SB 2157, SB 2227.

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

**MR. SPEAKER:** The President has signed: SB 2024, SB 2025, SB 2026, SB 2027, SB 2032, SB 2034, SB 2035, SB 2037, SB 2039, SB 2040, SB 2041, SB 2043, SB 2044, SB 2048, SB 2049, SB 2050, SB 2053, SB 2067, SB 2070, SB 2073, SB 2074, SB 2075, SB 2077, SB 2078, SB 2079, SB 2080, SB 2081, SB 2082, SB 2083, SB 2084, SB 2085, SB 2086, SB 2087, SB 2090, SB 2095, SB 2096, SB 2097, SB 2098, SB 2101, SB 2102, SB 2103, SB 2104, SB 2107, SB 2108, SB 2109, SB 2111, SB 2113, SB 2114, SB 2123, SB 2127, SB 2128, SB 2134, SB 2138, SB 2139, SB 2141, SB 2143.

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

**MR. SPEAKER:** The President has signed: SB 2145, SB 2147, SB 2149, SB 2151, SB 2155, SB 2156, SB 2158, SB 2160, SB 2163, SB 2165, SB 2169, SB 2171, SB 2173, SB 2175, SB 2179, SB 2181, SB 2182, SB 2185, SB 2187, SB 2193, SB 2195, SB 2197, SB 2199, SB 2203, SB 2205, SB 2206, SB 2207, SB 2210, SB 2211, SB 2213, SB 2215, SB 2218, SB 2219, SB 2222, SB 2223, SB 2231, SB 2233, SB 2237, SB 2241, SB 2243, SB 2245, SB 2247.

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

**MR. SPEAKER:** The President has signed: SB 2249, SB 2251, SB 2253, SB 2255, SB 2259, SB 2263, SB 2265, SB 2268, SB 2271, SB 2275, SB 2279, SB 2283, SB 2285, SB 2287, SB 2289, SB 2293, SB 2295, SB 2302, SB 2305, SB 2308, SB 2309, SB 2311, SB 2317, SB 2323, SB 2325, SB 2327, SB 2330, SB 2336, SB 2341, SB 2346, SB 2347, SB 2351, SB 2361, SB 2367.

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

**MR. SPEAKER:** The President has signed: SCR 4002, SCR 4012, SCR 4014, SCR 4016, SCR 4017, SCR 4020, SCR 4021, SCR 4026.

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

**MR. SPEAKER:** The President has signed: HB 1020, HB 1424.

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

**MR. SPEAKER:** The President has signed: HB 1199, HB 1252.

**DELIVERY OF ENROLLED BILLS AND RESOLUTIONS**

The following bills were delivered to the Governor for approval on April 22, 2011: SB 2024, SB 2025, SB 2026, SB 2027, SB 2032, SB 2034, SB 2035, SB 2037, SB 2039, SB 2040, SB 2041, SB 2043, SB 2044, SB 2048, SB 2049, SB 2050, SB 2053, SB 2067, SB 2070, SB 2073, SB 2074, SB 2075, SB 2077, SB 2078, SB 2079, SB 2080, SB 2081, SB 2082, SB 2083, SB 2084, SB 2085, SB 2086, SB 2087, SB 2090, SB 2095, SB 2096, SB 2097, SB 2098, SB 2101, SB 2102, SB 2103, SB 2104, SB 2107, SB 2108, SB 2109, SB 2111, SB 2113, SB 2114, SB 2123, SB 2127, SB 2128, SB 2134, SB 2138, SB 2139, SB 2141, SB 2143.

**DELIVERY OF ENROLLED BILLS AND RESOLUTIONS**

The following bills were delivered to the Governor for approval on April 22, 2011: SB 2145, SB 2147, SB 2149, SB 2151, SB 2155, SB 2156, SB 2158, SB 2160, SB 2163, SB 2165, SB 2169, SB 2171, SB 2173, SB 2175, SB 2179, SB 2181, SB 2182, SB 2185, SB 2187, SB 2193, SB 2195, SB 2197, SB 2199, SB 2203, SB 2205, SB 2206, SB 2207, SB 2210, SB 2211, SB 2213, SB 2215, SB 2218, SB 2219, SB 2222, SB 2223, SB 2231, SB 2233, SB 2237, SB 2241, SB 2243, SB 2245, SB 2247.

**DELIVERY OF ENROLLED BILLS AND RESOLUTIONS**

The following bills were delivered to the Governor for approval on April 22, 2011: SB 2249, SB 2251, SB 2253, SB 2255, SB 2259, SB 2263, SB 2265, SB 2268, SB 2271, SB 2275, SB 2279, SB 2283, SB 2285, SB 2287, SB 2289, SB 2293, SB 2295, SB 2302, SB 2305, SB 2308, SB 2309, SB 2311, SB 2317, SB 2323, SB 2325, SB 2327, SB 2330, SB 2336, SB 2341, SB 2346, SB 2347, SB 2351, SB 2361, SB 2367.

**DELIVERY OF ENROLLED BILLS AND RESOLUTIONS**

The following resolutions were delivered to the Secretary of State for filing on April 22, 2011: SCR 4002, SCR 4012, SCR 4014, SCR 4016, SCR 4017, SCR 4020, SCR 4021,

SCR 4026.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**  
**MR. SPEAKER:** The Senate accedes to the House request for the return of: SB 2161.

**MOTION**

**SEN. CHRISTMANN MOVED** that the Senate be on the Fourth, Fifth, Seventh, and Thirteenth orders of business and at the conclusion of those orders, the Senate stand adjourned until 8:00 a.m., Monday, April 25, 2011, which motion prevailed.

**REPORT OF CONFERENCE COMMITTEE**

**SB 2320, as reengrossed:** Your conference committee (Sens. Oehlke, Miller, Triplett and Reps. Owens, Streyle, Zaiser) recommends that the **SENATE ACCEDE** to the House amendments as printed on SJ pages 1026-1028 and place SB 2320 on the Seventh order.

Reengrossed SB 2320 was placed on the Seventh order of business on the calendar.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1126, as engrossed:** Your conference committee (Sens. Dever, J. Lee, Mathern and Reps. Keiser, Kasper, Gruchalla) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1516-1517, adopt amendments as follows, and place HB 1126 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1516 and 1517 of the House Journal and pages 835 and 836 of the Senate Journal and that Engrossed House Bill No. 1126 be amended as follows:

Page 1, line 2, replace "a" with "an American"

Page 1, line 2, replace "insurance" with "benefit"

Page 1, line 2, after the first semicolon insert "to provide reports to the legislative management;"

Page 1, line 9, after "commissioner" insert "and the department of human services"

Page 1, line 11, replace the underscored comma with an underscored semicolon

Page 1, line 14, replace the underscored comma with "; implements eligibility determination and enrollment of individuals in the state's medical assistance program and the state's children's health insurance program; provides simplification; provides coordination among medical assistance, the children's health insurance program, and the state health insurance exchange;"

Page 1, line 17, replace "commissioner" with "legislative assembly"

Page 2, line 3, remove "and"

Page 2, line 5, replace the underscored period with "; and"

5. Collaborate with the information technology department as necessary and appropriate in completing the responsibilities set forth in this section.

Page 2, line 7, after "commissioner" insert "and the department of human services"

Page 2, line 10, after "commissioner" insert "and the department of human services"

Page 2, line 14, after "designee" insert "and the department of human services"

Page 2, line 16, after "commissioner" insert ", the department of human services."

Page 2, line 16, after "or" insert "the"

Page 2, line 26, after "commissioner" insert "and the department of human services"

Page 2, line 28, after the comma insert "collectively"

Page 2, line 28, after "commissioner" insert "and the department of human services"

Page 2, line 29, replace "commissioner" with "state"

Page 3, line 1, after the fourth comma insert "collectively"

Page 3, line 1, after "commissioner" insert "and the department of human services"

ReNUMBER accordingly

Engrossed HB 1126 was placed on the Seventh order of business on the calendar.

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

**HB 1447, as engrossed:** Your conference committee (Sens. Sorvaag, Dever, Nelson and Reps. Koppelman, Hatlestad, Zaiser) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1330-1331, adopt amendments as follows, and place HB 1447 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1330 and 1331 of the House Journal and page 1098 of the Senate Journal and that Engrossed House Bill No. 1447 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 16.1-05 of the North Dakota Century Code, relating to the appointment of poll checkers; to amend and reenact sections 16.1-02-05, 16.1-05-04, 16.1-05-07, 16.1-10-06.1, and 58-04-09 of the North Dakota Century Code, relating to verification of eligibility of voters; to repeal section 16.1-05-06 of the North Dakota Century Code, relating to challenging the right to vote; to provide for a legislative management study; and to provide a penalty.

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

**SECTION 1. AMENDMENT.** Section 16.1-02-05 of the North Dakota Century Code is amended and reenacted as follows:

##### **16.1-02-05. Entry of new voters into the central voter file - Query of the central voter file for double voting - Challenges--Postelection verification.**

1. Within forty-five days following an election, the county auditor shall enter the name and required information of each individual who voted at the last election who is not already contained in the central voter file and update any required information requested and obtained at the last election for any individual contained in the central voter file.
2. The secretary of state, with the assistance of the county auditors, within eighty-five days following an election, shall query the central voter file to determine if any individual voted more than once during the preceding election. The secretary of state shall immediately notify the county auditor and state's attorney in each affected county for further investigation.
3. Upon return of any nonforwardable mail from an election official, the county auditor shall ascertain the name and address of that individual. If the individual is no longer at the address recorded in the central voter file, the county auditor shall transfer the voter to the correct precinct in the central voter file or notify the county of the voter's new residence so the voter record can be transferred to the correct county. If a notice mailed at least sixty days after the return of the first nonforwardable mail is also returned by the postal service, the county auditor shall designate the individual as "inactive" in the central voter file.

4. ~~Within forty-five days after an election, the county auditor shall send a notice to each individual who was challenged on election day according to section 16.1-05-06. If a notice is returned as not deliverable, the county auditor shall attempt to determine the reason for the return. A county auditor who does not receive or obtain satisfactory proof of an individual's eligibility to vote shall notify immediately the state's attorney to conduct an investigation of the individual's eligibility to vote in that election.~~

**SECTION 2. AMENDMENT.** Section 16.1-05-04 of the North Dakota Century Code is amended and reenacted as follows:

**16.1-05-04. Duties of the members of the election board during polling hours.**

1. The election inspector shall supervise the conduct of the election to ensure all election officials are properly performing their duties at the polling place. The election inspector shall assign duties so as to equally and fairly include both parties represented on the election board.
2. The election inspector shall assign ministerial duties to poll clerks, who shall carry out the ministerial duties assigned by the election inspector.
3. The election inspector shall assign the poll clerks to perform the function of maintaining the pollbook. The designated poll clerks shall maintain the pollbook. The pollbook must contain the name and address of each individual voting at the precinct and must be arranged in the form and manner prescribed by the secretary of state.
4. ~~The members of the election board shall challenge the right of anyone to vote whom they know or have reason to believe is not a qualified elector by requiring the elector to complete and sign a voter's affidavit.~~
5. Each member of the election board shall remain on the premises of the polling place during the time the polls are open to prevent the occurrence of fraud, deceit, or other irregularity in the conduct of the election.
- ~~6.5.~~ All members of the election board shall distribute ballots and other election materials to electors. An election judge from each party represented on the election board shall give any assistance requested by electors in marking ballots or operating electronic voting system devices.
- ~~7.6.~~ Each member of the election board shall maintain order in the polling place.

**SECTION 3. AMENDMENT.** Section 16.1-05-07 of the North Dakota Century Code is amended and reenacted as follows:

**16.1-05-07. Poll clerks to check identification and verify eligibility - Poll clerks to request, correct, and update incorrect information contained in the pollbook - Penalty.**

1. ~~Before delivering a member of an election board delivers~~ a ballot to an individual according to section 16.1-13-22, the poll clerks shall request the individual to show identification, which includes the individual's residential address and date of birth. ~~The~~An approved form of identification ~~may include~~includes:
  - a. An official form of identification issued by the state;
  - b. An official form of identification issued by a tribal government;
  - c. A form of identification prescribed by the secretary of state; or

- d. A combination of any of the forms of identification under subdivisions a through c.
2. ~~If an individual offering to vote does not have or refuses to show an appropriate form of~~without identification or identification that does not list the current residential address of the individual, the individual may be allowed to vote ~~without being challenged according to section 16.1-05-06~~ if the individual provides to the election board the individual's date of birth and if a member of the election board or a poll clerk knows the individual and can personally vouch that the individual is a qualified elector of the precinct administered by the polling place. The individual shall provide the individual's date of birth to the poll clerk entering the voter in the pollbook.
  3.
    - a. ~~If an individual offering to vote does not meet either of the options set forth in subsection 1 or 2, the election board shall challenge the individual's right to vote and the individual may not vote unless the individual executes a voter's affidavit, as provided in section 16.1-05-06~~without identification or identification that does not list the current residential address of the individual, the individual may be allowed to vote if a qualified elector of the jurisdiction covered by the election appears with the voter and can personally vouch that the individual is a qualified elector of a precinct administered by the polling place. The vouching elector must verify the vouching elector's qualification as an elector by showing to a poll worker an approved form of identification set forth in subsection 1. The secretary of state shall prescribe the form to be used for an elector to vouch for the qualifications of an individual offering to vote. The elector verification form must include:
      - (1) For the vouching elector, the following information:
        - (a) Full name;
        - (b) Complete residential and mailing address, if different;
        - (c) Contact telephone number;
        - (d) Date of birth;
        - (e) State-issued identification, if available;
        - (f) Signature; and
        - (g) A statement indicating the penalty for falsely vouching for another individual's qualification as an elector; and
      - (2) For the individual offering to vote without identification or identification that does not list the current residential address of the individual, the following information:
        - (a) Full name;
        - (b) Complete residential and mailing address, if different;
        - (c) Contact telephone number;
        - (d) Date of birth;
        - (e) State-issued identification that does not list the current residential address of the individual, if available;
        - (f) Signature; and

- (g) A statement indicating the penalty for the individual making a false statement regarding the individual's qualification as an elector.
  - b. The elector verification form under subdivision a is not an open record, but the designation as such which is associated with the elector in the pollbook is an open record.
  - c. In any election, a qualified elector of the state may vouch, on separate elector verification forms, for the qualifications of no more than four individuals residing with the elector in the same household as defined in section 54-64-01 or one individual residing at a separate location within the boundaries of the jurisdiction covered by the election. However, a qualified elector may not vouch for an individual residing at a location within another county.
  - d. Within fourteen days after the election, the local official responsible for the overall administration of the election shall review each elector verification form executed by voters participating in the election. If there is any question about the completed form or the qualifications as an elector of that political subdivision, of the individual vouching for another, or the individual being vouched for, the election official shall forward the forms and any other available information to the state's attorney for further investigation. The state's attorney shall carefully review any information forwarded and initiate an investigation in all cases in which fraud is likely to exist. An elector knowingly vouching for an unqualified elector is guilty of a class A misdemeanor for each unqualified elector vouched for by the elector.
4. a. When verifying an individual's eligibility or when entering the name of an individual into the pollbook, poll clerks shall request, correct, and update any incorrect or incomplete information about an individual required to be included in the pollbook generated from the central voter file.
  - b. If the individual's name is contained in the pollbook generated from the central voter file, the poll clerks shall verify the individual's residential address and mailing address, if different from the individual's residential address.
  - c. If the individual's name is not contained in the pollbook generated from the central voter file but the individual is determined eligible to vote, the poll clerks shall record the individual's name in the pollbook. The poll clerks shall request and obtain any additional information for the individual required to be included in the pollbook.
  - d. An indication must be made in the pollbook for each individual allowed to vote via the execution of an elector verification form.
5. Poll clerks shall direct an individual who is attempting to vote in the incorrect precinct to the proper precinct and voting location.
  6. An individual who fails or refuses to comply with the requirements of this section may not be allowed to vote.

**SECTION 4.** A new section to chapter 16.1-05 of the North Dakota Century Code is created and enacted as follows:

**Poll checkers.**

The district chairman of each political party represented on the election board may appoint up to three poll checkers per polling place. A poll checker may not interfere with the election process or with the members of the election board in the performance of the member's duties. A poll checker may not be a member of the election board. The district chairman shall notify the county auditor of each county

contained in the legislative district one day before the day of the election of the name of any individual the district chairman has appointed to serve as a poll checker in the legislative district.

**SECTION 5. AMENDMENT.** Section 16.1-10-06.1 of the North Dakota Century Code is amended and reenacted as follows:

**16.1-10-06.1. Paying for certain election-related activities prohibited.**

No

1. A person may not pay another person any individual for:
  1. a. Any loss or damage due to attendance at the polls;
  2. b. Registering;
  3. c. The expense of transportation to or from the polls; or
  4. d. Personal services to be performed on the day of a caucus, primary election, or any election which tend in any way, directly or indirectly, to affect the result of such caucus or election.

~~The provisions of this~~

2. This section ~~does~~ not apply to the hiring of a ~~person~~ individual whose sole duty it is to act as a challenger duties are to observe the polls and to watch the count of official ballots.

**SECTION 6. AMENDMENT.** Section 58-04-09 of the North Dakota Century Code is amended and reenacted as follows:

**58-04-09. Challenge to voter -- Duty of judges.**

If any ~~person~~ individual offering to vote at any election or upon any question arising at a township meeting ~~is challenged as unqualified~~ cannot verify the individual's qualifications as an elector using the criteria provided in section ~~16.1-05-06~~ 16.1-01-04 and chapter 16.1-05, the judges shall proceed in the manner in which judges at a general election are required to proceed, adapting ~~the affidavit described in section 16.1-05-06~~ to the circumstances of the township meeting.

**SECTION 7. REPEAL.** Section 16.1-05-06 of the North Dakota Century Code is repealed.

**SECTION 8. LEGISLATIVE MANAGEMENT STUDY - VOTING RESIDENCY - CONSOLIDATION OF POLITICAL SUBDIVISION ELECTIONS.**

During the 2011-12 interim, the legislative management shall study residency as it relates to voting purposes, qualifications of electors, all forms of absentee voting including in-person absentee, traditional absentee, and voting by mail, and the further consolidation of political subdivision elections with regular statewide elections. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-third legislative assembly."

Renumber accordingly

Engrossed HB 1447 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**

