

## JOURNAL OF THE HOUSE

### Sixty-third Legislative Assembly

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**Bismarck, February 27, 2013**

The House convened at 8:30 a.m., with Speaker Devlin presiding.

The prayer was offered by Pastor Paul Gibson, First Baptist Church, Bismarck.

The roll was called and all members were present.

A quorum was declared by the Speaker.

#### SECOND READING OF HOUSE BILL

**HB 1012:** A BILL for an Act providing an appropriation for defraying the expenses of the department of human services; to provide for intermediate care facility construction review and personal needs allowances; to amend and reenact subsection 6 of section 50-24.7-01 of the North Dakota Century Code, relating to definitions for expanded service payments for elderly and disabled; to provide an exemption; and to provide a statement of legislative intent.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 86 YEAS, 8 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

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

**NAYS:** Becker; Brabandt; Koppelman, B.; Koppelman, K.; Mock; Paur; Ruby; Schatz

Engrossed HB 1012 passed.

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#### SECOND READING OF HOUSE BILL

**HB 1016:** A BILL for an Act to provide an appropriation for defraying the expenses of the office of adjutant general; to provide for transfers; to provide exemptions; and to declare an emergency.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 94 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Anderson; Beadle; Becker; Bellew; Belter; Boe; Boehning; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Delzer; Dockter; Dosch; Drovdal; Fehr; Frantsovog; Froseth; Glassheim; Grande; Gruchalla; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Headland; Heilman; Heller; Hofstad; Hogan; Holman; Hunskor; Johnson, D.; Johnson, N.; Karls; Kasper; Keiser; Kelsh, J.; Kelsh, S.; Kempenich; Kiefert; Klein; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Kreun; Laning; Larson; Looyesen; Louser; Maragos; Martinson; Meier; Mock; Monson; Mooney; Muscha; Nathe; Nelson, J.; Nelson, M.; Onstad; Oversen;

Owens; Paur; Pollert; Porter; Rohr; Ruby; Rust; Sanford; Schatz; Schmidt; Silbernagel; Skarphol; Steiner; Streyle; Strinden; Sukut; Thoreson; Toman; Trottier; Vigesaa; Wall; Weisz; Wieland; Williams; Zaiser; Speaker Devlin

Engrossed HB 1016 passed and the emergency clause was declared carried.

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### SECOND READING OF HOUSE BILL

**HB 1020:** A BILL for an Act to provide an appropriation for defraying the expenses of the state water commission; to provide exemptions; to provide legislative intent; to create and enact a new section to chapter 61-02 of the North Dakota Century Code, relating to the development of policies and procedures of the state water commission; to amend and reenact sections 6-09.5-03 and 54-35-02.37 of the North Dakota Century Code and sections 6 and 7 of chapter 46 of the 2011 Session Laws, relating to the community water facility loan fund, the water-related topics overview committee, and Fargo flood control project funding; to provide for legislative management reports; and to declare an emergency.

### ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 90 YEAS, 4 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

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

**NAYS:** Damschen; Hanson; Kiefert; Schmidt

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

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### SECOND READING OF HOUSE BILL

**HB 1021:** A BILL for an Act to provide an appropriation for defraying the expenses of workforce safety and insurance.

### ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 91 YEAS, 3 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

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

**NAYS:** Boschee; Nelson, M.; Zaiser

Engrossed HB 1021 passed.

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#### MOTION

**REP. VIGESAA MOVED** that the House stand in recess until 11:00 a.m., which motion prevailed.

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

#### MOTION

**REP. VIGESAA MOVED** that HB 1466 be moved to the top of the Eleventh order, which motion prevailed.

#### SECOND READING OF HOUSE BILL

**HB 1466:** A BILL for an Act to create and enact a new section to chapter 15.1-27 of the North Dakota Century Code, relating to contracts for the provision of educational services by nonpublic schools.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO NOT PASS, the roll was called and there were 31 YEAS, 63 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Becker; Belter; Boehning; Brabandt; Brandenburg; Carlson; Damschen; Dockter; Dosch; Frantsvog; Grande; Karls; Kasper; Kiefert; Klein; Klemin; Larson; Looyen; Louser; Meier; Nathe; Porter; Rohr; Ruby; Schatz; Silbernagel; Steiner; Streyle; Thoreson; Toman; Trottier

**NAYS:** Amerman; Anderson; Beadle; Bellew; Boe; Boschee; Delmore; Delzer; Drovdal; Fehr; Froseth; Glassheim; Gruchalla; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Headland; Heilman; Heller; Hofstad; Hogan; Holman; Hunskor; Johnson, D.; Johnson, N.; Keiser; Kelsh, J.; Kelsh, S.; Kempenich; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Kreun; Laning; Maragos; Martinson; Mock; Monson; Mooney; Muscha; Nelson, J.; Nelson, M.; Onstad; Oversen; Owens; Paur; Pollert; Rust; Sanford; Schmidt; Skarphol; Strinden; Sukut; Vigasaa; Wall; Weisz; Wieland; Williams; Zaiser; Speaker Devlin

Reengrossed HB 1466 failed.

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#### SECOND READING OF HOUSE BILL

**HB 1302:** A BILL for an Act to create and enact a new subsection to section 27-20-10 and section 27-20-31 of the North Dakota Century Code, relating to juveniles driving under the influence; to amend and reenact subsection 7 of section 39-06.1-10, sections 39-06.1-11, 39-08-01, 39-08-01.2, 39-20-01, 39-20-03.1, 39-20-04, 39-20-04.1, and 39-20-05, subsection 6 of section 39-20-07, and section 39-20-14 of the North Dakota Century Code, relating to chemical tests for driving under the influence of alcohol or drugs; to provide for a legislative management study; to provide a penalty; 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, and has committee recommendation of DO PASS, the roll was called and there were 80 YEAS, 14 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Anderson; Beadle; Bellew; Belter; Boe; Boehning; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Dockter; Drovdal; Fehr; Froseth; Grande; Gruchalla; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Headland; Heilman; Hogan; Holman; Hunskor; Johnson, D.; Johnson, N.; Karls; Keiser; Kelsh, J.; Kelsh, S.; Kempenich; Kiefert; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Kreun; Larson; Looyen; Louser; Maragos; Martinson; Mock; Monson; Mooney; Muscha; Nathe; Nelson, J.; Nelson, M.; Onstad; Oversen; Owens; Paur; Pollert; Porter; Ruby; Rust; Sanford; Schmidt; Silbernagel; Skarphol; Steiner;

Strinden; Sukut; Thoreson; Toman; Trottier; Vigesaa; Wall; Weisz; Wieland; Williams; Zaiser; Speaker Devlin

**NAYS:** Becker; Delzer; Dosch; Frantsvog; Glassheim; Heller; Hofstad; Kasper; Klein; Laning; Meier; Rohr; Schatz; Streyle

Reengrossed HB 1302 passed and the emergency clause was declared carried.

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### SECOND READING OF HOUSE BILL

**HB 1422:** A BILL for an Act to create and enact a new subsection to section 50-11.1-03 and two new sections to chapter 50-11.1 of the North Dakota Century Code, relating to staffing as group sizes for licensed child care; to amend and reenact subsection 9 of section 50-11.1-02 of the North Dakota Century Code, relating to the definition of group child care; and to provide an appropriation to the department of human services for a child care stabilization initiative.

### ROLL CALL

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

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

**NAYS:** Becker; Bellew; Delzer; Dosch; Ruby; Schatz; Streyle

**ABSENT AND NOT VOTING:** Boehning; Zaiser

Engrossed HB 1422 passed.

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### MOTION

**REP. VIGESAA MOVED** that the House stand in recess until 2:00 p.m., which motion prevailed.

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

### REPORT OF STANDING COMMITTEE

**HB 1008: Appropriations Committee (Rep. Delzer, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (21 YEAS, 1 NAYS, 0 ABSENT AND NOT VOTING). HB 1008 was placed on the Sixth order on the calendar.

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

Page 1, line 3, remove "and"

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

Page 1, replace line 12 with:

"Salaries and wages	\$7,482,074	\$774,551	\$8,256,625
Accrued leave payments	0	168,278	168,278"

Page 1, replace line 14 with:

"Capital assets	53,000	(1,835)	51,165"
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Page 1, replace lines 18 through 20 with:

"Total all funds	\$18,423,646	\$949,819	\$19,373,465
Less estimated income	<u>12,403,431</u>	<u>591,828</u>	<u>12,995,259</u>
Total general fund	\$6,020,215	\$357,991	\$6,378,206"

Page 2, line 16, replace "ninety-nine" with "ninety-eight"

Page 2, line 17, replace "thirty-five" with "seventy-nine"

Page 2, line 17, replace "three" with "one"

Page 2, line 18, replace "twelve" with "thirty-three"

Page 2, after line 21, insert:

**"SECTION 4. LEGISLATIVE MANAGEMENT STUDY.** The legislative management shall consider studying, during the 2013-14 interim, civil penalties assessed and collected by state agencies, including a review of the funds into which the collections are deposited and the appropriateness of the use of funds collected. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

**SECTION 5. INFORMATION TECHNOLOGY HARDWARE - TRANSFER TO SECURE DATA CENTER.** The public service commission shall transfer all appropriate information technology hardware to the information technology department secure data center during the biennium beginning July 1, 2013, and ending June 30, 2015."

Page 2, after line 30, insert:

**"SECTION 7. LEGISLATIVE INTENT - GAS PIPELINE SAFETY INSPECTOR.** It is the intent of the legislative assembly that the public service commission proceeds in the hiring process of a gas pipeline safety inspector position that has been repurposed in the commission's 2013-15 biennium budget from the weights and measures program prior to June 30, 2013.

**SECTION 8. EMERGENCY.** This Act is declared to be an emergency measure."

Renumber accordingly

#### REPORT OF STANDING COMMITTEE

**HB 1019: Appropriations Committee (Rep. Delzer, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (15 YEAS, 6 NAYS, 1 ABSENT AND NOT VOTING). HB 1019 was placed on the Sixth order on the calendar.

Page 1, line 3, after the semicolon insert "to provide an exemption;"

Page 1, replace lines 15 through 20 with:

"Administration	\$2,484,885	\$167,115	\$2,652,000
Accrued leave payments	0	181,577	181,577
Natural resources	12,768,203	8,488,150	21,256,353
Recreation	7,489,091	(1,515,640)	5,973,451
Total all funds	\$22,742,179	\$7,321,202	\$30,063,381
Less estimated income	<u>11,641,532</u>	<u>797,980</u>	<u>12,439,512</u>
Total general fund	\$11,100,647	\$6,523,222	\$17,623,869"

Page 2, replace lines 9 through 11 with:

"Grand total general fund	\$11,874,346	\$6,723,222	\$18,597,568
Grand total special funds	<u>11,641,532</u>	<u>797,980</u>	<u>12,439,512</u>
Grand total all funds	\$23,515,878	\$7,521,202	\$31,037,080"

Page 2, replace line 17 with:

"Parks capital projects and deferred maintenance	\$5,269,210	\$6,362,800"
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Page 2, replace lines 24 through 26 with:

"Total all funds	\$5,777,210	\$7,162,800
Less estimated income	<u>1,028,000</u>	<u>1,937,800</u>
Total general fund	\$4,749,210	\$5,225,000"

Page 3, after line 14, insert:

**"SECTION 5. EXEMPTION.** Up to \$400,000 of community grants funding from the general fund included in the recreation line item contained in subdivision 1 of section 1 of this Act is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation may be expended during the biennium beginning July 1, 2015, and ending June 30, 2017, for the purposes provided in section 55-08-14.1.

**SECTION 6. OIL-RELATED REVENUE - NEW WELLS.** Fifteen percent of any revenue received by the department from oil wells completed after July 1, 2013, must be used for the community grants program for the biennium beginning July 1, 2013, and ending June 30, 2015. Any remaining revenue received from these oil wells may only be used for one-time funding items.

**SECTION 7. PROPERTY PURCHASE IN WALHALLA GORGE AND FROST FIRE AREA.** The natural resources line item in subdivision 1 of section 1 of this Act includes \$2,800,000 for the purchase of property in the Walhalla gorge and frost fire area. Of this amount, up to \$1,670,000 from the general fund and \$830,000 of other funds from local matching funds may be used for the purchase of land and buildings. For each \$2 of funding from the general fund used for the purchase, \$1 of other funds from local matching funds must be received in cash by the department before the purchase is made. The land and buildings may not be purchased for more than the appraised value. The remaining amount of \$300,000 from the general fund may be used for operations, a business plan, and other related expenses."

ReNUMBER accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### House Bill No. 1019 - Summary of House Action

	Executive Budget	House Changes	House Version
Parks and Recreation Department			
Total all funds	\$27,962,785	\$2,100,596	\$30,063,381
Less estimated income	<u>11,791,835</u>	<u>647,677</u>	<u>12,439,512</u>
General fund	\$16,170,950	\$1,452,919	\$17,623,869
International Peace Garden			
Total all funds	\$973,699	\$0	\$973,699
Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
General fund	\$973,699	\$0	\$973,699
Bill total			
Total all funds	\$28,936,484	\$2,100,596	\$31,037,080
Less estimated income	<u>11,791,835</u>	<u>647,677</u>	<u>12,439,512</u>
General fund	\$17,144,649	\$1,452,919	\$18,597,568

#### House Bill No. 1019 - Parks and Recreation Department - House Action

Executive	House	House
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	Budget	Changes	Version
Administration	\$2,719,322	(\$67,322)	\$2,652,000
Natural resources	19,234,022	2,022,331	21,256,353
Recreation	6,009,441	(35,990)	5,973,451
Accrued leave payments		181,577	181,577
Total all funds	\$27,962,785	\$2,100,596	\$30,063,381
Less estimated income	11,791,835	647,677	12,439,512
General fund	\$16,170,950	\$1,452,919	\$17,623,869
FTE	55.00	0.00	55.00

### Department No. 750 - Parks and Recreation Department - Detail of House Changes

	Corrects Executive Compensation Package <sup>1</sup>	Adjusts State Employee Compensation and Benefits Package <sup>2</sup>	Provides Separate Line Item for Accrued Leave Payments <sup>3</sup>	Adds Funding for Purchase and Operation of Walhalla Gorge Property <sup>4</sup>	Reduces Funding for Marina Purchase <sup>5</sup>	Total House Changes
Administration	\$695	(\$41,260)	(\$26,757)			(\$67,322)
Natural resources	4,887	(290,386)	(142,170)	2,800,000	(350,000)	2,022,331
Recreation	400	(23,740)	(12,650)			(35,990)
Accrued leave payments			181,577			181,577
Total all funds	\$5,982	(\$355,386)	\$0	\$2,800,000	(\$350,000)	\$2,100,596
Less estimated income	119	(7,442)	0	830,000	(175,000)	647,677
General fund	\$5,863	(\$347,944)	\$0	\$1,970,000	(\$175,000)	\$1,452,919
FTE	0.00	0.00	0.00	0.00	0.00	0.00

<sup>1</sup>Funding is added due to a calculation error in the executive compensation package.

<sup>2</sup>This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 2 to 4 percent per year.
- Reduces the market component from 2 to 4 percent per year for employees below the midpoint of their salary range to up to 2 percent for employees in the first quartile of their salary range for the first year of the biennium only.
- Removes funding for additional retirement contribution increases.

<sup>3</sup>A portion of salaries and wages funding from the general fund (\$176,130) and from other funds (\$5,447) for permanent employees' compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees.

<sup>4</sup>Adds funding for the purchase and operation of property in the Walhalla Gorge and Frost Fire area.

<sup>5</sup>Funding included in the executive budget recommendation for the purchase of a marina is reduced from \$800,000 to \$450,000. Of the \$450,000, \$225,000 is from the general fund.

This amendment also adds sections related to the following:

- An exemption from Section 54-44.1-11 of \$400,000 for community grants included in the recreation line item.
- Provisions for the revenue received from newly drilled oil wells.
- Provisions for the purchase of property in the Walhalla Gorge and Frost Fire area.

#### REPORT OF STANDING COMMITTEE

**HB 1033, as engrossed: Appropriations Committee (Rep. Delzer, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (18 YEAS, 3 NAYS, 1 ABSENT AND NOT VOTING). Engrossed HB 1033 was placed on the Sixth order on the calendar.

Page 1, line 2, after the second "airplanes" insert "; to provide legislative intent; to provide for budget section approval"

Page 2, line 4, remove "used for replacement"

Page 2, line 5, replace "airplane purchases as provided in section 6 of this Act" with "remitted to the state treasurer for deposit in the general fund"

Page 2, line 9, after "4." insert "**LEGISLATIVE INTENT -**"

Page 2, line 9, replace "The" with "It is the intent of the sixty-third legislative assembly that the"

Page 2, line 10, remove "sell or"

Page 2, line 10, after "airplane" insert "or transfer the title of the airplane to an eligible entity in accordance with the agreement entered by the office to obtain the airplane"

Page 2, line 10, remove "The"

Page 2, remove lines 11 through 14

Page 2, line 20, after "**REPLACEMENT**" insert " - **BUDGET SECTION APPROVAL - ADVISORY COMMITTEE**"

Page 2, line 24, remove "The appropriation provided in this section must be reduced by an"

Page 2, remove line 25

Page 2, line 26, replace "as provided in section 3 of this Act." with "The department of transportation must receive budget section approval prior to expending any funds appropriated under this section in excess of \$4,000,000."

Page 2, after line 27, insert:

"During the biennium beginning July 1, 2013, and ending June 30, 2015, the department of transportation shall establish an airplane replacement advisory committee to advise the department of transportation regarding the purchase of replacement airplanes authorized under this section. The members of the advisory committee include:

1. The director of the department of transportation or the director's designee who shall serve as chairman;
2. The director of the aeronautics commission or the director's designee;
3. The director of the office of management and budget or the director's designee; and
4. Two members of the legislative assembly appointed by the chairman of the legislative management.



The committee shall meet at the call of the chairman. The members of the committee who are members of the legislative assembly are entitled to receive compensation and expense reimbursement as provided under section 54-03-20 and reimbursement for mileage as provided by law for state officers. The legislative council shall pay the compensation and expense reimbursement for the legislative members."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

This amendment provides for the following:

- Adjusts Section 3 to provide that any funds received from the sale of Department of Transportation airplanes are deposited in the general fund.
- Adjusts Section 4 to provide legislative intent regarding the disposal of the Attorneys General's office airplane.
- Removes a provision in Section 5 that reduces the general fund appropriation to the Department of Transportation for new airplane purchases by an amount equal to proceeds received from the sale of department airplanes.
- Requires Budget Section approval to expend more than \$4 million for the purchase of new airplanes.
- Creates a committee to advise the Department of Transportation regarding the purchase of replacement airplanes for the department.

**REPORT OF STANDING COMMITTEE**

**HB 1148: Appropriations Committee (Rep. Delzer, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (22 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1148 was placed on the Sixth order on the calendar.

Page 1, line 2, replace "and" with "to amend and reenact section 49-01-05 of the North Dakota Century Code, relating to the salary of public service commissioners; to provide for a legislative management study;"

Page 1, line 2, after "transfer" insert "; and to declare an emergency"

Page 1, replace lines 12 through 15 with:

"Salaries and wages	\$7,482,074	\$774,551	\$8,256,625
Accrued leave payments	0	168,278	168,278
Operating expenses	1,972,572	4,825	1,977,397
Capital assets	53,000	(1,835)	51,165
Grants	16,000	4,000	20,000"

Page 1, replace lines 18 through 20 with:

"Total all funds	\$18,423,646	\$949,819	\$19,373,465
Less estimated income	<u>12,403,431</u>	<u>591,828</u>	<u>12,995,259</u>
Total general fund	\$6,020,215	\$357,991	\$6,378,206"

Page 2, replace lines 4 through 7 with:

"Federal stimulus funds	\$658,217	\$0
Hydraulic soil probe	0	<u>28,000</u>
Total all funds	\$658,217	\$28,000
Total special funds	<u>658,217</u>	<u>17,920</u>
Total general fund	\$0	\$10,080"

Page 2, after line 11, insert:

**"SECTION 3. AMENDMENT.** Section 49-01-05 of the North Dakota Century Code is amended and reenacted as follows:

**49-01-05. Salary of commissioners.**

The annual salary of a commissioner is ~~ninety-two~~~~ninety-eight~~ thousand ~~eight~~~~four~~ hundred ~~twenty-six~~~~seventy-nine~~ dollars through June 30, 2012~~2014~~, and ~~ninety-five~~~~one~~ hundred ~~one~~ thousand ~~six~~~~four~~ hundred ~~eleven~~~~thirty-three~~ dollars thereafter. All fees received or charged by any commissioner for any act or service rendered in any official capacity must be accounted for and paid over by the commissioner monthly to the state treasurer and must be credited to the general fund of the state.

**SECTION 4. LEGISLATIVE MANAGEMENT STUDY.** The legislative management shall consider studying during the 2013-14 interim civil penalties assessed and collected by state agencies, including a review of the funds into which the collections are deposited and the appropriateness of the use of funds collected. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

**SECTION 5. INFORMATION TECHNOLOGY HARDWARE - TRANSFER TO SECURE DATA CENTER.** The public service commission shall transfer all appropriate information technology hardware to the information technology department secure data center during the biennium beginning July 1, 2013, and ending June 30, 2015."

Page 2, after line 20, insert:

**"SECTION 7. LEGISLATIVE INTENT - GAS PIPELINE SAFETY INSPECTOR.** It is the intent of the legislative assembly that the public service commission proceeds in the hiring process of a gas pipeline safety inspector position that has been repurposed in the commission's 2013-15 biennium budget from the weights and measures program prior to June 30, 2013.

**SECTION 8. EMERGENCY.** This Act is declared to be an emergency measure."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1148 - Public Service Commission - House Action**

	Base Budget	House Changes	House Version
Salaries and wages	\$7,482,074	\$774,551	\$8,256,625
Operating expenses	1,972,572	4,825	1,977,397
Capital assets	53,000	(1,835)	51,165
Grants	16,000	4,000	20,000
Abandoned mined lands contractual services	8,000,000		8,000,000
Rail rate complaint case	900,000		900,000
Accrued leave payments		168,278	168,278
Total all funds	\$18,423,646	\$949,819	\$19,373,465
Less estimated income	12,403,431	591,828	12,995,259
General fund	\$6,020,215	\$357,991	\$6,378,206
FTE	43.00	0.00	43.00

**Department No. 408 - Public Service Commission - Detail of House Changes**

	Agency Budget Request Changes <sup>1</sup>	Executive Budget Changes <sup>2</sup>	State Employee Compensation Package <sup>3</sup>	Provides Separate Line Item for Accrued Leave Payments <sup>4</sup>	Adds Funding for Capital Assets <sup>5</sup>	Total House Changes
Salaries and wages	\$258,390	\$271,810	\$412,629	(\$168,278)		\$774,551
Operating expenses		4,825				4,825

Capital assets	(53,000)	28,000		\$23,165	(1,835)
Grants	4,000				4,000
Abandoned mined lands contractual services					
Rail rate complaint case					
Accrued leave payments			168,278		168,278
Total all funds	\$209,390	\$ 304,635	\$ 412,629	\$ 0	\$ 23,165
Less estimated income	178,757	260,205	152,866		591,828
General fund	\$30,633	\$44,430	\$259,763	\$0	\$23,165
FTE	0.00	0.00	0.00	0.00	0.00

<sup>1</sup> This amendment incorporates changes made in the **agency budget request**, including:

	FTE	General Fund	Special Funds	Total
Base payroll change		\$83,633	\$174,757	\$258,390
Increase funding for North Dakota geological survey passthrough funds			4,000	4,000
Remove 2011-13 funding for capital assets		(53,000)		(53,000)
Total		\$30,633	\$178,757	\$209,390

<sup>2</sup> This amendment incorporates items recommended in the **executive budget**, including:

	FTE	General Fund	Special Funds	Total
Add one-time funding for hydraulic soil probe		\$10,080	\$17,920	\$28,000
Add funding for 2 FTE positions repurposed for energy impact	2.00	95,601	167,085	262,686
Add funding for increased travel costs		54,956	11,199	66,155
Add funding for legal fees for grain elevator insolvency cases and reclamation/abandoned mined lands lawsuits		86,000	64,000	150,000
Base payroll change	(2.00)	(202,207)	1	(202,206)
Total	0.00	\$44,430	\$260,205	\$304,635

<sup>3</sup> Funding for the state employee compensation package is added providing:

- Performance-based salary increases of from 2 percent to 4 percent each year of the biennium.
- Market equity salary increases of up to 2 percent for employees in the first quartile of their salary range for the first year of the biennium.
- Health insurance premium increase of \$95 per month to provide a total of \$982 per month per employee.

<sup>4</sup> A portion of salaries and wages funding from the general fund (\$105,071) and from other funds (\$63,207) for permanent employees' compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees.

<sup>5</sup> Funding is added for information technology equipment over \$5,000 for a hearing room teleconference upgrade (\$8,500) and a standard large format plotter (\$14,665).

This amendment also adds sections to:

- Provide legislative intent and an emergency clause to allow the Public Service Commission to fill the pipeline safety inspector position that was repurposed from a weights and measures position prior to the 2013-15 biennium.
- Provide for a Legislative Management study of civil penalties.
- Require the Public Service Commission to transfer its appropriate information technology hardware to the Information Technology Department secure data center.
- Provide for salary increases for the Public Service Commissioners of 3 percent on July 1, 2013, and 3 percent on July 1, 2014.

**REPORT OF STANDING COMMITTEE**

**HB 1198, as engrossed: Appropriations Committee (Rep. Delzer, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (22 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1198 was placed on the Sixth order on the calendar.

Page 1, line 2, after "sections" insert "57-20-07.1,"

Page 1, line 2, after the comma insert "and"

Page 1, line 3, remove ", 57-51.1-07.5, 57-64-02, and 57-64-03"

Page 1, line 4, after "to" insert "property tax statement information to identify legislative property tax relief for the subject property,"

Page 1, line 4, after the first "taxes" insert a comma

Page 1, line 4, remove ", deposits of"

Page 1, remove line 5

Page 1, line 6, remove "to school districts for mill levy reduction grants"

Page 1, line 6, remove "to provide for a"

Page 1, line 7, remove "transfer;"

Page 1, after line 8, insert:

**"SECTION 1. AMENDMENT.** Section 57-20-07.1 of the North Dakota Century Code is amended and reenacted as follows:

**57-20-07.1. County treasurer to mail real estate tax statement - Contents of statement.**

On or before December twenty-sixth of each year, the county treasurer shall mail a real estate tax statement to the owner of each parcel of real property at the owner's last-known address. The statement must be provided in a manner that allows the taxpayer to retain a printed record of the obligation for payment of taxes and special assessments as provided in the statement. If a parcel of real property is owned by more than one individual, the county treasurer shall send only one statement to one of the owners of that property. Additional copies of the tax statement will be sent to the other owners upon their request and the furnishing of their names and addresses to the county treasurer. The tax statement must include:

1. Include a dollar valuation of the true and full value as defined by law of the property and the total mill levy applicable. ~~The tax statement must include~~
2. Include, or be accompanied by a separate sheet, with three columns showing, for the taxable year to which the tax statement applies and the two immediately preceding taxable years, the property tax levy in dollars against the parcel by the county and school district and any city or township that levied taxes against the parcel.
3. Include, for the taxable year to which the tax statement applies and the two immediately preceding taxable years, a line item identified as "legislative property tax relief" showing the amount in dollars paid through legislative appropriation pursuant to section 57-20-07.2 and chapter 57-64 or 15.1-27 against the property taxes levied against the property.

Failure of an owner to receive a statement will not relieve that owner of liability, nor extend the discount privilege past the February fifteenth deadline."

Page 1, line 14, replace "seventeen" with "eight and one-half"

Page 3, remove lines 24 through 31

Page 4, remove lines 1 through 31

Page 5, remove lines 1 through 31

Page 6, remove lines 1 through 31

Page 7, remove lines 1 and 2

Page 7, line 4, replace "\$327,200,000" with "\$147,600,000"

Page 7, remove lines 8 through 10

Renumber accordingly

#### REPORT OF STANDING COMMITTEE

**HB 1204, as engrossed: Appropriations Committee (Rep. Delzer, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO NOT PASS** (14 YEAS, 8 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1204 was placed on the Sixth order on the calendar.

Page 1, line 3, remove "to provide an appropriation;"

Page 4, remove lines 17 through 21

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

This amendment removes Section 7 of the bill which appropriates \$30 million from the general fund to the State Board of Higher Education to provide matching grants for the advancement of postsecondary institutions as provided in the bill.

#### REPORT OF STANDING COMMITTEE

**HB 1233, as engrossed: Appropriations Committee (Rep. Delzer, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (21 YEAS, 1 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1233 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact sections 11-23-01, 50-03-08, 50-06-20, 50-09-27, and 50-24.1-14 and subsection 34 of section 57-15-06.7 of the North Dakota Century Code, relating to the county social service board budget, programs funded at state expense, and county tax levy limitations; to repeal sections 50-06.2-05.1 and 50-09-21.1, subsection 26 of section 57-15-06.7, and section 57-15-57 of the North Dakota Century Code, relating to foster care and subsidized adoption costs and a levy for county welfare; to provide for a legislative management study; to provide an effective date; and to provide an expiration date.

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

**SECTION 1. AMENDMENT.** Section 11-23-01 of the North Dakota Century Code is amended and reenacted as follows:

#### **11-23-01. Officers required to furnish commissioners with departmental budget.**

1. Every officer in charge of any institution, office, or undertaking supported wholly or in part by the county shall file with the board of county commissioners a departmental budget that is prescribed by the state auditor. The departmental budget must include an itemized statement of the estimated amount of money that will be required for the maintenance,

operation, or improvement of the institution, office, or undertaking for the ensuing year. The board of county commissioners may require additional information to clarify the departmental budget.

2. The departmental budget submitted by the county social service board in 2013 must identify the reduction in county funding derived from transferring foster care, service payments to the elderly and disabled, and subsidized adoption costs pursuant to sections 3, 4, and 7 of this Act and the county's share of medical assistance and other family preservation services pursuant to sections 2 and 5 of this Act from the county social service board to the department of human services beginning August 1, 2013. The amount reported must equal the full amount budgeted for these costs in the budget submitted by the county social service board and approved by the board of county commissioners in 2012. The budget must include a statement identifying the total savings to the county. Each board of county commissioners shall report to the department the property tax reduction this action provided to property taxpayers in the board's county.

**SECTION 2. AMENDMENT.** Section 50-03-08 of the North Dakota Century Code is amended and reenacted as follows:

**50-03-08. Appropriation for county social service board administration and programs.**

The board of county commissioners of each county annually shall appropriate and make available to the human services fund an amount sufficient to pay:

1. ~~The~~ the local expenses of administration of locally administered economic assistance programs;
2. ~~That county's share of fifteen percent of the amount expended in this state, in excess of the amount provided by the federal government, for medical assistance in the form of payments for care furnished to recipients of therapeutic foster care services; and~~
3. ~~That county's share of the cost of other family preservation services, including intensive in-home services, provided under title VI-B, subpart 2, of the Social Security Act [Pub. L. 103-66, title XIII, 13711(a)(2); 107 Stat. 649 et seq.; 42 U.S.C. 629 et seq.], as amended, as may be agreed to by the department and the county social service board.~~

**SECTION 3. AMENDMENT.** Section 50-06-20 of the North Dakota Century Code is amended and reenacted as follows:

**50-06-20. Programs funded at state expense - Interpretation.**

1. The state shall bear the cost, in excess of the amount provided by the federal government, of:
  - a. Except as provided in section 50-24.1-14, medical assistance program services provided under chapter 50-24.1;
  - b. ~~Benefits~~Energy assistance program benefits provided under subsection 19 of section 50-06-05.1;
  - c. Supplements provided under chapter 50-24.5 as basic care services;
  - d. ~~Services provided under chapter 50-09 as child care assistance;~~
  - e. ~~Services provided under chapter 50-09 as employment and training programs~~Those services, programs, and costs listed in section 50-09-27;

- f.e. Welfare fraud detection programs;
  - g.f. Temporary assistance for needy families; and
  - h.g. Special projects approved by the department and agreed to by any affected county social service board.
2. The state shall bear the cost of amounts expended for service payments to the elderly and disabled.
  3. This section does not grant any recipient of services, benefits, or supplements identified in subsection 1, any service, benefit, or supplement that a recipient could not claim in the absence of this section.

**SECTION 4. AMENDMENT.** Section 50-09-27 of the North Dakota Century Code is amended and reenacted as follows:

**50-09-27. Programs funded at state expense - Interpretation.**

1. The state shall bear the cost, in excess of the amount provided by the federal government, of:
  - a. Services provided under ~~section 50-06-06.8~~ and this chapter as child care assistance;
  - b. Services provided under this chapter as employment and training programs; ~~and~~
  - c. Temporary assistance for needy families benefits provided under this chapter;
  - d. Foster care and subsidized adoption costs under this chapter.
2. This section does not grant any recipient of services, benefits, or supplements identified in subsection 1, any service, benefit, or supplement that a recipient could not claim in the absence of this section.

**SECTION 5. AMENDMENT.** Section 50-24.1-14 of the North Dakota Century Code is amended and reenacted as follows:

**50-24.1-14. Responsibility for expenditures - Exceptions.**

- ~~1.~~ Except as otherwise specifically provided in ~~subsection 2~~ and section 50-03-08, expenditures required under this chapter are the responsibility of the federal government or the state of North Dakota.
- ~~2.~~ Each county shall reimburse the department of human services the amount required to be appropriated under ~~subsection 3 of section 50-03-08.~~

**SECTION 6. AMENDMENT.** Subsection 34 of section 57-15-06.7 of the North Dakota Century Code is amended and reenacted as follows:

34. Counties levying an annual tax for human services purposes as provided in section 50-06.2-05 may levy a tax not exceeding twentyfifteen mills.

**SECTION 7. REPEAL.** Sections 50-06.2-05.1 and 50-09-21.1 of the North Dakota Century Code are repealed.

**SECTION 8. REPEAL.** Subsection 26 of section 57-15-06.7 of the North Dakota Century Code is repealed.

**SECTION 9. REPEAL.** Section 57-15-57 of the North Dakota Century Code is repealed.

**SECTION 10. LEGISLATIVE MANAGEMENT STUDY - ADMINISTRATION AND FUNDING OF STATE AND COUNTY SOCIAL SERVICES PROGRAMS.**

During the 2013-14 interim, the legislative management shall consider studying the restructuring of the administration and funding of all state and county social services programs. The study must address the feasibility and desirability of unifying all state and county social services programs into state-administered and state-funded social services programs. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement those recommendations, to the sixty-fourth legislative assembly.

**SECTION 11. EFFECTIVE DATE.** Sections 6, 8, and 9 of this Act are effective for taxable years beginning after December 31, 2013.

**SECTION 12. EXPIRATION DATE.** Section 1 of this Act is effective through December 31, 2013, and after that date is ineffective."

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**HB 1237: Appropriations Committee (Rep. Delzer, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO NOT PASS** (17 YEAS, 5 NAYS, 0 ABSENT AND NOT VOTING). HB 1237 was placed on the Sixth order on the calendar.

Page 1, line 8, after "increased" insert "by more than twenty-five"

Page 1, line 12, after the underscored period insert "However, a district is not entitled to a supplemental payment under this section for the first twenty-five students reflected in the increased count."

Page 1, line 14, after "15.1-27" insert ", other than student weighting factors set forth in section 15.1-27-03.1 and school district size weighting factors set forth in section 15.1-27-03.2."

Page 1, line 22, after "difference" insert "less twenty-five students."

Page 1, line 23, replace "difference" with "total"

Page 2, line 5, after "difference" insert "less twenty-five students."

Page 2, line 6, replace "difference" with "total"

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**HB 1289, as engrossed: Appropriations Committee (Rep. Delzer, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (21 YEAS, 1 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1289 was placed on the Sixth order on the calendar.

Page 1, line 1, replace "department of veterans' affairs" with "North Dakota university system"

Page 1, line 4, replace "**DEPARTMENT OF VETERANS' AFFAIRS**" with "**NORTH DAKOTA UNIVERSITY SYSTEM**"

Page 1, line 6, replace "\$548,000" with "\$274,000"

Page 1, line 7, replace "department of veterans' affairs" with "North Dakota university system"

Page 1, line 11, after the period insert "A participating institution must provide matching funds from within its existing budget equal to the funds received under this section for the programs at the institution."



Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**HB 1306, as engrossed: Appropriations Committee (Rep. Delzer, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (21 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed HB 1306 was placed on the Sixth order on the calendar.

Page 1, line 1, remove "subsection 1 of"

Page 1, line 2, after "credit" insert "and a renter credit"

Page 1, replace lines 5 through 21 with:

**"SECTION 1. AMENDMENT.** Section 57-02-08.8 of the North Dakota Century Code is amended and reenacted as follows:

**57-02-08.8. Property tax credit for disabled veterans - Certification - Distribution.**

1. A disabled veteran of the United States armed forces with an armed forces service-connected disability of fifty percent or greater or a disabled veteran who has an extra-schedular rating to include individual unemployability that brings the veteran's total disability rating to one hundred percent as determined by the department of veterans' affairs, who was discharged under honorable conditions or who has been retired from the armed forces of the United States, or the unremarried surviving spouse if the disabled veteran is deceased, is eligible for a credit applied against the first ~~five~~nine thousand ~~four hundred~~ dollars of taxable valuation of the fixtures, buildings, and improvements of the homestead owned and occupied by the disabled veteran or unremarried surviving spouse equal to the percentage of the disabled veteran's disability compensation rating for service-connected disabilities as certified by the department of veterans' affairs for the purpose of applying for a property tax exemption. An unremarried surviving spouse who is receiving department of veterans' affairs dependency and indemnity compensation receives a one hundred percent exemption as described in this subsection.
2. If two disabled veterans are married to each other and living together, their combined credits may not exceed one hundred percent of ~~five~~nine thousand ~~four hundred~~ dollars of taxable valuation of the fixtures, buildings, and improvements of the homestead. If a disabled veteran co-owns the homestead property with someone other than the disabled veteran's spouse, the credit is limited to that disabled veteran's interest in the fixtures, buildings, and improvements of the homestead, to a maximum amount calculated by multiplying ~~five~~nine thousand ~~four hundred~~ dollars of taxable valuation by the disabled veteran's percentage of interest in the homestead property and multiplying the result by the applicant's certified disability percentage.
3. A disabled veteran or unremarried surviving spouse claiming a credit under this section for the first time shall file with the county auditor an affidavit showing the facts herein required, a description of the property, and a certificate from the United States department of veterans' affairs, or its successor, certifying to the amount of the disability. The affidavit and certificate must be open for public inspection. A person shall thereafter furnish to the assessor or other assessment officials, when requested to do so, any information which is believed will support the claim for credit for any subsequent year.
4. a. A disabled veteran or unremarried surviving spouse who would qualify for a credit under this section except for the fact that the individual rents living quarters is eligible for a refund of a portion of the individual's annual rent under this subsection.

- b. For the purpose of this subsection, when any part of twenty percent of the annual rent exceeds two percent of the annual income of a qualified applicant, the applicant is entitled to receive a refund from the state general fund for that amount in excess of two percent of the applicant's annual income multiplied by the applicant's certified disability percentage, but the refund may not be in excess of four hundred dollars. If the calculation for the refund is less than five dollars, a minimum of five dollars must be sent to the qualifying applicant.
  - c. Individuals who reside together, as spouses or when one or more is a dependent of another, are entitled to only one refund between or among them under this subsection. Individuals who reside together in a rental unit, who are not spouses or dependents, are each entitled to apply for a refund based on the rent paid by that individual.
  - d. Each application for refund under this subsection must be made to the tax commissioner before the first day of June of each year by the individual claiming the refund. The tax commissioner may grant an extension of time to file an application for good cause. The tax commissioner shall issue refunds to qualified applicants.
  - e. This subsection does not apply to rents or fees paid by an individual for any living quarters, including a nursing home licensed under section 23-16-01, if those living quarters are exempt from property taxation and the owner is not making a payment in lieu of property taxes.
  - f. An individual may not receive a refund under this section for a taxable year in which that individual received an exemption under subsection 1.
5. For purposes of this section, and except as otherwise provided in this section, "homestead" has the meaning provided in section 47-18-01 except that it also applies to a person who otherwise qualifies under the provisions of this section whether the person is the head of the family and "income" has the meaning provided in section 57-02-08.1.
- ~~5-6.~~ This section does not reduce the liability of a person for special assessments levied upon property.
- ~~6-7.~~ The board of county commissioners may cancel the portion of unpaid taxes that represents the credit calculated in accordance with this section for any year in which the qualifying owner has held title to the homestead property. Cancellation of taxes for any year before enactment of this section must be based on the law that was in effect for that tax year.
- ~~7-8.~~ Before the first of March of each year, the county auditor of each county shall certify to the tax commissioner on forms prescribed by the tax commissioner the name and address of each person for whom the property tax credit for homesteads of disabled veterans was allowed for the preceding year, the amount of credit allowed, the total of the tax mill rates of all taxing districts, exclusive of any state mill rates, that was applied to other real estate in the taxing districts for the preceding year, and such other information as may be prescribed by the tax commissioner.
- ~~8-9.~~ On or before the first of June of each year, the tax commissioner shall audit the certifications, make the required corrections, and certify to the state treasurer for payment to each county the sum of the amounts computed by multiplying the credit allowed for each homestead of a disabled veteran in the county by the total of the tax mill rates, exclusive of any state mill rates that were applied to other real estate in the taxing districts for the preceding year.

- ~~9-10.~~ The county treasurer upon receipt of the payment from the state treasurer shall apportion and distribute the payment without delay to the county and to the local taxing districts of the county on the basis on which the general real estate tax for the preceding year is apportioned and distributed.
- ~~10-11.~~ On or before the first day of June of each year, the tax commissioner shall certify to the state treasurer the amount computed by multiplying the property tax credit allowed under this section for homesteads of disabled veterans in the state for the preceding year by one mill for deposit in the state medical center fund.
- ~~11-12.~~ Supplemental certifications by the county auditor and by the tax commissioner and supplemental payments by the state treasurer may be made after the dates prescribed in this section to make such corrections as may be necessary because of errors or because of approval of an application for abatement filed by a person because the credit provided for the homestead of a disabled veteran was not allowed in whole or in part."

Renumber accordingly

#### REPORT OF STANDING COMMITTEE

**HB 1312: Appropriations Committee (Rep. Delzer, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (21 YEAS, 1 NAYS, 0 ABSENT AND NOT VOTING). HB 1312 was placed on the Sixth order on the calendar.

Page 1, line 2, after the semicolon insert "to provide a transfer; to provide for a report to the legislative management;"

Page 1, line 5, after "**REHABILITATION**" insert "**- REPORT TO THE LEGISLATIVE MANAGEMENT**"

Page 1, line 6, replace "\$12,000,000" with "\$200,000"

Page 1, line 7, after the second "of" insert "developing a plan for"

Page 1, line 8, replace "state penitentiary" with "youth correctional center"

Page 1, line 9, after the period insert "The plan must include a determination of facilities, services, and activities that maybe shared by the Missouri River correctional center and the youth correctional center. The department must present the plan to the legislative management by July 1, 2014."

**SECTION 2. APPROPRIATION - TRANSFER - STATE PENITENTIARY LAND FUND - LEGISLATIVE INTENT.** There is appropriated out of any moneys in the general fund in the state treasury, the sum of \$12,000,000, which the office of management and budget shall transfer on July 1, 2013, to the state penitentiary land fund established in section 54-23.3-04. The funds transferred and interest earned on the moneys transferred must be used for costs of relocating the Missouri River correctional center. It is the intent of the legislative assembly that if the sixty-fourth legislative assembly does not approve the relocation of the Missouri River correctional center, the funds transferred be returned to the general fund.

**SECTION 3. DEPARTMENT OF CORRECTIONS AND REHABILITATION BUDGET REQUEST - 2015-17 BIENNIUM.** The department of corrections and rehabilitation must include in its budget request for the 2015-17 biennium funding provided in section 2 of this Act for the relocation of the Missouri River correctional center."

Page 1, line 10, after "4." insert "**LEGISLATIVE INTENT -**"

Page 1, line 12, remove ", except for the land actually being used for the physical plant of the"

Page 1, remove line 13

Page 1, line 14, replace "correctional center be transferred to the parks and recreation department. Once" with "once"

Page 1, line 15, replace "state penitentiary" with "youth correctional center"

Page 1, line 16, remove ". Property transferred under this section must"

Page 1, line 17, remove the first "be used"

Page 1, line 17, remove "may"

Page 1, line 17, remove the second "be used"

Page 1, line 18, after "shall" insert "have access to the Missouri River correctional center site prior to the transfer of all remaining land and shall"

Renumber accordingly

#### REPORT OF STANDING COMMITTEE

**HB 1323, as engrossed: Appropriations Committee (Rep. Delzer, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO NOT PASS** (16 YEAS, 5 NAYS, 1 ABSENT AND NOT VOTING). Engrossed HB 1323 was placed on the Sixth order on the calendar.

Page 1, line 19, after "fee" insert "and the annual surcharge"

Page 1, line 20, remove "and shall deposit five dollars of each annual surcharge in the"

Page 1, remove lines 21 and 22

Page 1, line 23, remove "defraying the expenses of programs that benefit veterans or their dependents"

Renumber accordingly

#### REPORT OF STANDING COMMITTEE

**HB 1405: Appropriations Committee (Rep. Delzer, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (19 YEAS, 2 NAYS, 1 ABSENT AND NOT VOTING). HB 1405 was placed on the Sixth order on the calendar.

Page 1, line 2, after "orange" insert "; to authorize collections for deposit into the veterans' postwar trust fund; and to provide for a report to the budget section"

Page 1, line 5, replace "\$100,000" with "\$25,000"

Page 1, line 9, after the period insert "Grants awarded under this section may be used only for travel and related operating expenses."

#### SECTION 2. AUTHORIZATION TO ACCEPT OTHER FUNDS -

**DEPARTMENT OF VETERANS' AFFAIRS.** The department of veterans' affairs may receive gifts, grants, and donations to assist in the identification of and the provision of services to North Dakota veterans who had been exposed to agent orange during the Vietnam conflict during the biennium beginning July 1, 2013, and ending June 30, 2015. The department must deposit these contributions and grants into the postwar trust fund. Contributions and grants received for the purposes of these services are not to become part of the principal of the postwar trust fund, but are available to the department of veterans' affairs only for the purpose of providing grants to assist in identifying and serving veterans exposed to agent orange.

**SECTION 3. SERVICES TO VETERANS EXPOSED TO AGENT ORANGE - BUDGET SECTION REPORT.** The department of veterans' affairs shall provide a report to the budget section during the 2013-14 interim regarding any funds received

to provide services to veterans exposed to agent orange; the status of the grant program, including information on the use of the grants awarded; and outcomes of the services provided."

Renumber accordingly

#### REPORT OF STANDING COMMITTEE

**HB 1424, as engrossed: Appropriations Committee (Rep. Delzer, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (15 YEAS, 5 NAYS, 2 ABSENT AND NOT VOTING). Engrossed HB 1424 was placed on the Sixth order on the calendar.

Page 1, line 1, remove "an appropriation to the department of veterans' affairs for veterans"

Page 1, line 2, replace "programs; and to provide for a report to the legislative management" with "for a legislative management study of the feasibility and desirability of participating in the provision of nontraditional healing therapies for posttraumatic stress, traumatic brain injury, and other neurological conditions for North Dakota veterans and their families"

Page 1, replace lines 4 through 21 with:

**"SECTION 1. LEGISLATIVE MANAGEMENT STUDY - NONTRADITIONAL THERAPIES FOR POSTTRAUMATIC STRESS, TRAUMATIC BRAIN INJURY, AND OTHER NEUROLOGICAL CONDITIONS.** During the 2013-14 interim, the legislative management shall consider studying the feasibility and desirability of participating in the provision of nontraditional healing therapies, including massage, healing touch, reflexology, stress management, yoga, and hyperbaric chamber treatments, for North Dakota veterans, military personnel, and their families. If conducted, the study must also gather information regarding the needs of women veterans. The legislative management shall report its findings and recommendations, together with any legislation to implement the recommendations, to the sixty-fourth legislative assembly."

Renumber accordingly

#### REPORT OF STANDING COMMITTEE

**HB 1439, as engrossed: Appropriations Committee (Rep. Delzer, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (21 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed HB 1439 was placed on the Sixth order on the calendar.

Page 1, line 1, remove "for appropriations to the department of veterans' affairs for"

Page 1, remove line 2

Page 1, line 3, replace "services to veterans, and to provide for a transfer" with "an appropriation for a transfer from the general fund to the veterans' postwar trust fund"

Page 1, line 7, replace "\$500,000" with "\$250,000"

Page 1, remove lines 11 through 24

Page 2, remove lines 1 through 10

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

This amendment reduces the transfer from the general fund to the veterans' postwar trust fund from \$500,000 to \$250,000 and removes Sections 2 through 5 which provide appropriations for a grant to the administrative committee on veterans' affairs, for the purchase of veterans' transport vans, for the coordination of "stand down" events, and for legal services for veterans' preference appeals.

**SIXTH ORDER OF BUSINESS**

**SPEAKER DEVLIN DEEMED** approval of the amendments to HB 1008, HB 1019, Engrossed HB 1033, HB 1148, Engrossed HB 1198, Engrossed HB 1204, Reengrossed HB 1210, Engrossed HB 1233, HB 1237, Engrossed HB 1289, Engrossed HB 1306, HB 1312, Engrossed HB 1323, HB 1362, HB 1405, Engrossed HB 1424, and Engrossed HB 1439.

HB 1008, HB 1019, Engrossed HB 1033, HB 1148, Engrossed HB 1198, Engrossed HB 1204, Reengrossed HB 1210, Engrossed HB 1233, HB 1237, Engrossed HB 1289, Engrossed HB 1306, HB 1312, Engrossed HB 1323, HB 1362, HB 1405, Engrossed HB 1424, and Engrossed HB 1439, as amended, were placed on the Eleventh order of business on the calendar for the succeeding legislative day.

**SECOND READING OF HOUSE BILL**

**HB 1210:** A BILL for an Act to create and enact a new section to chapter 61-02 of the North Dakota Century Code, relating to payments in lieu of taxes to a school district for which the property tax base was diminished by acquisition of property for a flood control project.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 70 YEAS, 24 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Anderson; Becker; Belter; Boe; Boehning; Brabandt; Brandenburg; Carlson; Damschen; Delzer; Dockter; Dosch; Drovdal; Frantsvog; Froseth; Glassheim; Grande; Haak; Hatlestad; Headland; Heller; Hofstad; Holman; Hunskor; Johnson, D.; Karls; Kasper; Keiser; Kelsh, J.; Kempenich; Kiefert; Klein; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Kreun; Laning; Larson; Looyesen; Louser; Martinson; Monson; Mooney; Muscha; Nathe; Nelson, J.; Nelson, M.; Onstad; Oversen; Owens; Paur; Pollert; Porter; Rohr; Sanford; Schmidt; Silbernagel; Skarphol; Streyle; Sukut; Toman; Trottier; Vigesaa; Wall; Weisz; Williams; Speaker Devlin

**NAYS:** Beadle; Bellew; Boschee; Delmore; Fehr; Gruchalla; Guggisberg; Hanson; Hawken; Heilman; Hogan; Johnson, N.; Kelsh, S.; Maragos; Meier; Mock; Ruby; Rust; Schatz; Steiner; Strinden; Thoreson; Wieland; Zaiser

Reengrossed HB 1210 passed.

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**SECOND READING OF HOUSE BILL**

**HB 1008:** A BILL for an Act to provide an appropriation for defraying the expenses of the public service commission; to amend and reenact section 49-01-05 of the North Dakota Century Code, relating to the salary of public service commissioners; to provide for a legislative management study; to authorize a transfer; and to declare an emergency.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 88 YEAS, 6 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

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

**NAYS:** Becker; Headland; Keiser; Kempenich; Koppelman, B.; Pollert

Engrossed HB 1008 passed and the emergency clause was declared carried.

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### SECOND READING OF HOUSE BILL

**HB 1148:** A BILL for an Act to provide an appropriation for defraying the expenses of the public service commission; to amend and reenact section 49-01-05 of the North Dakota Century Code, relating to the salary of public service commissioners; to provide for a legislative management study; to authorize a transfer; and to declare an emergency.

### ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 13 YEAS, 81 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Bellew; Delzer; Hanson; Headland; Kasper; Keiser; Kempenich; Koppelman, B.; Porter; Ruby; Steiner; Streyle; Thoreson

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

Engrossed HB 1148 failed.

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### SECOND READING OF HOUSE BILL

**HB 1033:** A BILL for an Act to require authorization of the purchase or lease of aircraft; to provide for the use of department of transportation airplanes; to provide for the sale of airplanes; to provide legislative intent; to provide for budget section approval; and to provide an appropriation.

### ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 77 YEAS, 17 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

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

**NAYS:** Amerman; Bellew; Boschee; Brabandt; Delmore; Glassheim; Gruchalla; Hanson; Hogan; Holman; Kelsh, S.; Klein; Mock; Nelson, M.; Oversen; Strinden; Zaiser

Reengrossed HB 1033 passed.

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**SECOND READING OF HOUSE BILL**

**HB 1019:** A BILL for an Act to provide an appropriation for defraying the expenses of the parks and recreation department and for providing a grant to the International Peace Garden; to provide for matching funds; and to declare an emergency.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 52 YEAS, 42 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Beadle; Boe; Boehning; Boschee; Carlson; Damschen; Delmore; Dosch; Frantsvog; Froseth; Glassheim; Grande; Gruchalla; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Heilman; Hogan; Holman; Hunskor; Johnson, N.; Karls; Kelsh, J.; Kelsh, S.; Kretschmar; Kreun; Laning; Looyesen; Maragos; Martinson; Meier; Mock; Monson; Mooney; Muscha; Nelson, J.; Nelson, M.; Oversen; Paur; Rust; Sanford; Schatz; Skarphol; Streyle; Strinden; Sukut; Trottier; Vigesaa; Wall; Williams

**NAYS:** Amerman; Anderson; Becker; Bellew; Belter; Brabandt; Brandenburg; Delzer; Dockter; Drovdal; Fehr; Headland; Heller; Hofstad; Johnson, D.; Kasper; Keiser; Kempenich; Kiefert; Klein; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Larson; Louser; Nathe; Onstad; Owens; Pollert; Porter; Rohr; Ruby; Schmidt; Silbernagel; Steiner; Thoreson; Toman; Weisz; Wieland; Zaiser; Speaker Devlin

Engrossed HB 1019 passed but the emergency clause failed.

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**REPORT OF STANDING COMMITTEE**

**HB 1170, as engrossed: Appropriations Committee (Rep. Delzer, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (15 YEAS, 7 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1170 was placed on the Sixth order on the calendar.

Page 1, line 2, after "ratesetting" insert "; and to amend and reenact section 50-24.4-06 of the North Dakota Century Code, relating to allowable costs in nursing home ratesetting"

Page 1, after line 14, insert:

**"SECTION 2. AMENDMENT.** Section 50-24.4-06 of the North Dakota Century Code is amended and reenacted as follows:

**50-24.4-06. Rate determination.**

1. The department shall determine prospective payment rates for resident care costs. The department shall develop procedures for determining operating cost payment rates that take into account the mix of resident needs and other factors as determined by the department.
2. The department shall establish, by rule, limitations on compensation recognized in the historical base for top management personnel. Compensation for top management personnel must be categorized as a general and administrative cost and is subject to any limits imposed on that cost category.
3. For purposes of determining rates, the department shall:
  - a. Include, contingent upon approval of the medicaid state plan by the centers for medicare and medicaid services, allowable bad debt expenses in an amount not to exceed one hundred eighty days of resident care per year or an aggregate of three hundred sixty days of resident care for any one individual; and



- b. Include allowable bad debt expenses in the property cost category in the report year in which the bad debt is determined to be uncollectible with no likelihood of future recovery.
- c. Notwithstanding section 50-24.4-07, include as an allowable cost, any penalty assessed under the federal Patient Protection and Affordable Care Act [Pub. L. 111-148], as amended by the Health Care and Education Reconciliation Act of 2010 [Pub. L. 111-152], to a nursing facility that does not offer health insurance policies to its employees."

Renumber accordingly

#### SIXTH ORDER OF BUSINESS

**HB 1170, as engrossed: REP. J. NELSON (Appropriations Committee) MOVED** that the amendments be adopted and then be placed on the Eleventh order with **DO PASS**.

#### REQUEST

**REP. PORTER REQUESTED** a verification vote, which request was granted.

The proposed amendments to Engrossed HB 1170 failed on a verification vote.

#### SECOND READING OF HOUSE BILL

**HB 1170:** A BILL for an Act to create and enact a new section to chapter 50-06 of the North Dakota Century Code, relating to nursing and basic care facility ratesetting; and to amend and reenact section 50-24.4-06 of the North Dakota Century Code, relating to allowable costs in nursing home ratesetting.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 62 YEAS, 32 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Anderson; Boe; Boschee; Damschen; Delmore; Fehr; Frantsvog; Glassheim; Gruchalla; Guggisberg; Haak; Hanson; Hawken; Heilman; Heller; Hofstad; Hogan; Holman; Hunsakor; Johnson, D.; Johnson, N.; Karls; Keiser; Kelsh, J.; Kelsh, S.; Kiefert; Klein; Klemin; Kreidt; Kretschmar; Kreun; Laning; Larson; Looyesen; Maragos; Martinson; Meier; Mock; Monson; Mooney; Muscha; Nathe; Nelson, J.; Nelson, M.; Onstad; Oversen; Owens; Paur; Rohr; Rust; Sanford; Schatz; Schmidt; Silbernagel; Steiner; Strinden; Wall; Weisz; Williams; Zaiser; Speaker Devlin

**NAYS:** Beadle; Becker; Bellew; Belter; Boehning; Brabandt; Brandenburg; Carlson; Delzer; Dockter; Dosch; Drovdal; Froseth; Grande; Hatlestad; Headland; Kasper; Kempenich; Koppelman, B.; Koppelman, K.; Louser; Pollert; Porter; Ruby; Skarphol; Streyle; Sukut; Thoreson; Toman; Trottier; Vigesaa; Wieland

Reengrossed HB 1170 passed.

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#### SECOND READING OF HOUSE BILL

**HB 1362:** A BILL for an Act to create and enact a new section to chapter 50-24.1 of the North Dakota Century Code, relating to medicaid expansion; to provide an appropriation to the department of human services for the expansion of the medical assistance program; to provide for a legislative management study; to provide an effective date; and to provide an expiration date.

#### REQUEST

**REP. BECKER REQUESTED** that the House divide Engrossed HB 1362, which request was granted.

**DIVISION A:** Sections 1,2,4, and 5

**DIVISION B:** Section 3

**ROLL CALL**

The question being on the final adoption of Division A of Engrossed HB 1362, the roll was called and there were 58 YEAS, 35 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Anderson; Beadle; Boe; Boschee; Delmore; Dosch; Fehr; Frantsvog; Froseth; Glassheim; Gruchalla; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Heilman; Hofstad; Hogan; Holman; Hunskor; Johnson, D.; Johnson, N.; Keiser; Kelsh, J.; Kelsh, S.; Klein; Klemin; Kretschmar; Kreun; Laning; Larson; Maragos; Martinson; Meier; Mock; Monson; Mooney; Muscha; Nelson, J.; Nelson, M.; Onstad; Oversen; Owens; Paur; Porter; Sanford; Silbernagel; Strinden; Sukut; Trottier; Vigesaa; Wall; Weisz; Williams; Zaiser; Speaker Devlin

**NAYS:** Becker; Bellew; Belter; Boehning; Brabandt; Brandenburg; Carlson; Damschen; Delzer; Dockter; Drovdal; Grande; Headland; Heller; Karls; Kasper; Kempenich; Kiefert; Koppelman, B.; Koppelman, K.; Kreidt; Looyesen; Louser; Nathe; Pollert; Rohr; Ruby; Rust; Schatz; Skarphol; Steiner; Streyle; Thoreson; Toman; Wieland

**ABSENT AND NOT VOTING:** Schmidt

Division A of Engrossed HB 1362 was adopted on a recorded roll call vote.

**ROLL CALL**

The question being on the final adoption of Division B of Engrossed HB 1362, the roll was called and there were 93 YEAS, 0 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

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

**ABSENT AND NOT VOTING:** Schmidt

Division B of Engrossed HB 1362 was adopted on a recorded roll call vote.

**ROLL CALL**

The question being on the final passage of the amended bill, which includes Division A and Division B, which have been read, the roll was called and there were 57 YEAS, 36 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Anderson; Beadle; Boe; Boehning; Boschee; Delmore; Dosch; Fehr; Frantsvog; Glassheim; Gruchalla; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Heilman; Hofstad; Hogan; Holman; Hunskor; Johnson, D.; Johnson, N.; Keiser; Kelsh, J.; Kelsh, S.; Klein; Klemin; Kretschmar; Kreun; Laning; Larson; Maragos; Martinson; Meier; Mock; Monson; Mooney; Muscha; Nelson, J.; Nelson, M.; Onstad; Oversen; Owens; Paur; Porter; Sanford; Silbernagel; Strinden; Sukut; Trottier; Wall; Weisz; Williams; Zaiser; Speaker Devlin

**NAYS:** Becker; Bellew; Belter; Brabandt; Brandenburg; Carlson; Damschen; Delzer; Dockter; Drovdal; Froseth; Grande; Headland; Heller; Karls; Kasper; Kempenich; Kiefert; Koppelman, B.; Koppelman, K.; Kreidt; Looyesen; Louser; Nathe; Pollert; Rohr; Ruby; Rust; Schatz; Skarphol; Steiner; Streyle; Thoreson; Toman; Vigesaa; Wieland

**ABSENT AND NOT VOTING:** Schmidt

Engrossed HB 1362 passed.

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**ANNOUNCEMENT**

**SPEAKER DEVLIN ANNOUNCED** that the House stand in recess for 15 minutes, which motion prevailed.

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

**SECOND READING OF HOUSE BILL**

**HB 1204:** A BILL for an Act to create and enact six new sections to chapter 15-10 of the North Dakota Century Code, relating to the provision of matching grants for the advancement of postsecondary academics; to provide for a legislative management report; and to provide an expiration date.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO NOT PASS, the roll was called and there were 46 YEAS, 47 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Beadle; Boe; Boschee; Brabandt; Delmore; Fehr; Glassheim; Gruchalla; Guggisberg; Haak; Hanson; Hawken; Heilman; Hogan; Holman; Hunskor; Johnson, N.; Karls; Kasper; Keiser; Kelsh, J.; Kelsh, S.; Klein; Klemin; Koppelman, B.; Koppelman, K.; Kretschmar; Kreun; Meier; Mock; Mooney; Muscha; Nathe; Onstad; Oversen; Porter; Sanford; Schatz; Steiner; Strinden; Thoreson; Toman; Wall; Williams; Zaiser

**NAYS:** Amerman; Becker; Bellew; Belter; Boehning; Brandenburg; Carlson; Damschen; Delzer; Dockter; Dosch; Drovdal; Frantsvog; Froseth; Grande; Hatlestad; Headland; Heller; Hofstad; Johnson, D.; Kempenich; Kiefert; Kreidt; Laning; Larson; Looyzen; Louser; Maragos; Martinson; Monson; Nelson, J.; Nelson, M.; Owens; Paur; Pollert; Rohr; Ruby; Rust; Silbernagel; Skarphol; Streyle; Sukut; Trottier; Vigasaa; Weisz; Wieland; Speaker Devlin

**ABSENT AND NOT VOTING:** Schmidt

Reengrossed HB 1204 failed.

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**SECOND READING OF HOUSE BILL**

**HB 1233:** A BILL for an Act to amend and reenact sections 11-23-01, 50-03-08, 50-06-20, 50-09-27, and 50-24.1-14 and subsection 34 of section 57-15-06.7 of the North Dakota Century Code, relating to the county social service board budget, programs funded at state expense, and county tax levy limitations; to repeal sections 50-06.2-05.1 and 50-09-21.1, subsection 26 of section 57-15-06.7, and section 57-15-57 of the North Dakota Century Code, relating to foster care and subsidized adoption costs and a levy for county welfare; to provide for a legislative management study; to provide an effective date; and to provide an expiration date.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 92 YEAS, 1 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

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

**NAYS:** Dosch

**ABSENT AND NOT VOTING:** Schmidt

Reengrossed HB 1233 passed.

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#### **REPORT OF STANDING COMMITTEE**

**HB 1261: Appropriations Committee (Rep. Delzer, Chairman)** recommends **DO PASS** (17 YEAS, 4 NAYS, 1 ABSENT AND NOT VOTING). HB 1261 was placed on the Eleventh order on the calendar.

#### **MOTION**

**REP. VIGESAA MOVED** that HB 1261 be moved to the top of the Eleventh order, which motion prevailed.

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

**HB 1261:** A BILL for an Act to provide an appropriation for school district rapid enrollment growth grants.

#### **ROLL CALL**

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 70 YEAS, 23 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Beadle; Bellew; Belter; Boehning; Brabandt; Brandenburg; Carlson; Damschen; Delzer; Dockter; Drovdal; Fehr; Frantsvog; Froseth; Glassheim; Grande; Gruchalla; Haak; Hanson; Hatlestad; Hawken; Headland; Heller; Hofstad; Holman; Hunskor; Johnson, D.; Johnson, N.; Karls; Kasper; Kelsh, J.; Kelsh, S.; Kempenich; Kiefert; Klemin; Kreidt; Kretschmar; Laning; Larson; Looyesen; Louser; Maragos; Martinson; Monson; Nathe; Nelson, M.; Onstad; Owens; Paur; Pollert; Porter; Rohr; Rust; Sanford; Schatz; Silbernagel; Skarphol; Steiner; Streyle; Strinden; Sukut; Thoreson; Toman; Trottier; Vigesaa; Weisz; Wieland; Williams; Speaker Devlin

**NAYS:** Anderson; Becker; Boe; Boschee; Delmore; Dosch; Guggisberg; Heilman; Hogan; Keiser; Klein; Koppelman, B.; Koppelman, K.; Kreun; Meier; Mock; Mooney; Muscha; Nelson, J.; Oversen; Ruby; Wall; Zaiser

**ABSENT AND NOT VOTING:** Schmidt

HB 1261 passed.

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

**HB 1237:** A BILL for an Act to create and enact a new section to chapter 15.1-27 of the North Dakota Century Code, relating to supplemental payments for increased school district enrollment.

#### **ROLL CALL**

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO NOT PASS, the roll was called and there were 40 YEAS, 53 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Beadle; Becker; Bellew; Boschee; Delmore; Fehr; Glassheim; Gruchalla; Guggisberg; Haak; Hanson; Hawken; Headland; Heilman; Heller; Hogan; Holman; Johnson, N.; Keiser; Kelsh, S.; Kiefert; Koppelman, B.; Koppelman, K.; Kretschmar; Kreun; Looyesen; Meier; Mock; Mooney; Muscha; Nelson, M.; Onstad; Oversen; Paur; Rohr; Ruby; Schatz; Thoreson; Wall; Zaiser

**NAYS:** Amerman; Anderson; Belter; Boe; Boehning; Brabandt; Brandenburg; Carlson; Damschen; Delzer; Dockter; Dosch; Drovdal; Frantsvog; Froseth; Grande; Hatlestad; Hofstad; Hunskor; Johnson, D.; Karls; Kasper; Kelsh, J.; Kempenich; Klein; Klemin; Kreidt; Laning; Larson; Louser; Maragos; Martinson; Monson; Nathe;

Nelson, J.; Owens; Pollert; Porter; Rust; Sanford; Silbernagel; Skarphol; Steiner; Streyle; Strinden; Sukut; Toman; Trottier; Vigesaa; Weisz; Wieland; Williams; Speaker Devlin

**ABSENT AND NOT VOTING:** Schmidt

Engrossed HB 1237 failed.

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### SECOND READING OF HOUSE BILL

**HB 1312:** A BILL for an Act to provide an appropriation to the department of corrections and rehabilitation to relocate the Missouri River correctional center; to provide a transfer; to provide for a report to the legislative management; and to provide legislative intent.

### ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 87 YEAS, 6 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

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

**NAYS:** Amerman; Boe; Gruchalla; Nelson, M.; Strinden; Trottier

**ABSENT AND NOT VOTING:** Schmidt

Engrossed HB 1312 passed.

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### SECOND READING OF HOUSE BILL

**HB 1405:** A BILL for an Act to provide an appropriation for the identification of and provision of services to veterans exposed to agent orange; to authorize collections for deposit into the veterans' postwar trust fund; and to provide for a report to the budget section.

### ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 93 YEAS, 0 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

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

**ABSENT AND NOT VOTING:** Schmidt

Engrossed HB 1405 passed.

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### SECOND READING OF HOUSE BILL

**HB 1424:** A BILL for an Act to provide for a legislative management study of the feasibility and desirability of participating in the provision of nontraditional healing therapies for posttraumatic stress, traumatic brain injury, and other neurological conditions for North Dakota veterans and their families.

### ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 88 YEAS, 5 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

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

**NAYS:** Becker; Bellew; Delzer; Dosch; Streyle

**ABSENT AND NOT VOTING:** Schmidt

Reengrossed HB 1424 passed.

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### SECOND READING OF HOUSE BILL

**HB 1439:** A BILL for an Act to provide an appropriation for a transfer from the general fund to the veterans' postwar trust fund.

### ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 93 YEAS, 0 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

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

**ABSENT AND NOT VOTING:** Schmidt

Reengrossed HB 1439 passed.

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### SECOND READING OF HOUSE BILL

**HB 1289:** A BILL for an Act to provide an appropriation to the North Dakota university system for veterans higher education assistance programs.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 93 YEAS, 0 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

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

**ABSENT AND NOT VOTING:** Schmidt

Reengrossed HB 1289 passed.

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**SECOND READING OF HOUSE BILL**

**HB 1306:** A BILL for an Act to amend and reenact section 57-02-08.8 of the North Dakota Century Code, relating to disabled veteran's eligibility for a homestead tax credit and a renter credit; and to provide an effective date.

**ROLL CALL**

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

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

**ABSENT AND NOT VOTING:** Schatz; Schmidt

Reengrossed HB 1306 passed.

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**REPORT OF STANDING COMMITTEE**

**HB 1463, as engrossed: Appropriations Committee (Rep. Delzer, Chairman)** recommends **DO NOT PASS** (19 YEAS, 2 NAYS, 1 ABSENT AND NOT VOTING). Engrossed HB 1463 was placed on the Eleventh order on the calendar.

**MOTION**

**REP. VIGESAA MOVED** that HB 1254 and HB 1463 be moved to the top of the Eleventh order, which motion prevailed.

**SECOND READING OF HOUSE BILL**

**HB 1463:** A BILL for an Act to amend and reenact section 57-02-08.8 of the North Dakota Century Code, relating to a renter credit for a disabled veteran who would qualify for the property tax credit for disabled veterans except for the fact that the disabled veteran rents living quarters; and to provide an effective date.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO NOT PASS, the roll was called and there were 23 YEAS, 70 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Boe; Boschee; Delmore; Fehr; Glassheim; Gruchalla; Guggisberg; Hanson; Hawken; Hogan; Holman; Hunskor; Johnson, N.; Kelsh, J.; Kelsh, S.; Mock; Mooney; Muscha; Onstad; Oversen; Strinden; Zaiser

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

**ABSENT AND NOT VOTING:** Schmidt

Engrossed HB 1463 failed.

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**SECOND READING OF HOUSE BILL**

**HB 1254:** A BILL for an Act to create and enact a new subdivision to subsection 2 of section 57-38-30.3 of the North Dakota Century Code, relating to an income tax deduction for retired military personnel pay; and to provide an effective date.

**CONFLICT OF INTEREST**

**REP. BELTER STATED** that he and other Representatives had a conflict of interest on HB 1254.

**MOTION**

**REP. CARLSON MOVED** that Rep. Belter and all other Representatives with a conflict of interest be allowed to vote on HB 1254, which motion prevailed.

**ROLL CALL**

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO NOT PASS, the roll was called and there were 43 YEAS, 50 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Beadle; Bellew; Boehning; Boschee; Brabandt; Delmore; Dockter; Fehr; Frantsvog; Glassheim; Gruchalla; Guggisberg; Haak; Hanson; Hawken; Hogan; Holman; Hunskor; Kasper; Kelsh, J.; Kelsh, S.; Koppelman, B.; Koppelman, K.; Kreun; Larson; Looyesen; Louser; Maragos; Mock; Monson; Mooney; Muscha; Onstad; Oversen; Owens; Porter; Ruby; Schatz; Strinden; Thoreson; Zaiser; Speaker Devlin

**NAYS:** Anderson; Becker; Belter; Boe; Brandenburg; Carlson; Damschen; Delzer; Dosch; Drovdal; Froseth; Grande; Hatlestad; Headland; Heilman; Heller; Hofstad; Johnson, D.; Johnson, N.; Karls; Keiser; Kempenich; Kiefert; Klein; Klemin; Kreidt; Kretschmar; Laning; Martinson; Meier; Nathe; Nelson, J.; Nelson, M.; Paur; Pollert; Rohr; Rust; Sanford; Silbernagel; Skarphol; Steiner; Streyle; Sukut; Toman; Trottier; Vigasaa; Wall; Weisz; Wieland; Williams

**ABSENT AND NOT VOTING:** Schmidt

HB 1254 failed.

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**SECOND READING OF HOUSE BILL**

**HB 1323:** A BILL for an Act to create and enact a new section to chapter 39-04 of the North Dakota Century Code, relating to patriotic plates.



**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO NOT PASS, the roll was called and there were 31 YEAS, 62 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Beadle; Boehning; Boschee; Delmore; Drovdal; Glassheim; Guggisberg; Heilman; Hogan; Hunskor; Johnson, N.; Kasper; Kelsh, J.; Kelsh, S.; Kempenich; Kreun; Meier; Mock; Mooney; Muscha; Nelson, M.; Onstad; Oversen; Ruby; Sanford; Schatz; Strinden; Sukut; Thoreson; Wieland

**NAYS:** Anderson; Becker; Bellew; Belter; Boe; Brabandt; Brandenburg; Carlson; Damschen; Delzer; Dockter; Dosch; Fehr; Frantsvog; Froseth; Grande; Gruchalla; Haak; Hanson; Hatlestad; Hawken; Headland; Heller; Hofstad; Holman; Johnson, D.; Karls; Keiser; Kiefert; Klein; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Laning; Larson; Looyesen; Louser; Maragos; Martinson; Monson; Nathe; Nelson, J.; Owens; Paur; Pollert; Porter; Rohr; Rust; Silbernagel; Skarphol; Steiner; Streyle; Toman; Trottier; Vigesaa; Wall; Weisz; Williams; Zaiser; Speaker Devlin

**ABSENT AND NOT VOTING:** Schmidt

Reengrossed HB 1323 failed.

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**REPORT OF STANDING COMMITTEE**

**HB 1433, as engrossed: Appropriations Committee (Rep. Delzer, Chairman)** recommends **DO NOT PASS** (21 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed HB 1433 was placed on the Eleventh order on the calendar.

**REPORT OF STANDING COMMITTEE**

**HB 1059, as engrossed: Appropriations Committee (Rep. Delzer, Chairman)** recommends **DO PASS** (13 YEAS, 9 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1059 was placed on the Eleventh order on the calendar.

**MOTION**

**REP. VIGESAA MOVED** that HB 1059 and HB 1433 be moved to the top of the Eleventh order, which motion prevailed.

**SECOND READING OF HOUSE BILL**

**HB 1433:** A BILL for an Act to create and enact a new section to chapter 23-01 of the North Dakota Century Code, relating to hospital bad debt relief grants; to amend and reenact sections 57-36-25 and 57-36-26, subsection 1 of section 57-36-31, and section 57-36-32 of the North Dakota Century Code, relating to allocation of tobacco products taxes and the health care delivery trust fund; to provide an appropriation; and to provide an expiration date.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO NOT PASS, the roll was called and there were 6 YEAS, 87 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Fehr; Kelsh, J.; Kelsh, S.; Mock; Oversen; Strinden

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

**ABSENT AND NOT VOTING:** Schmidt

Engrossed HB 1433 failed.

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**SECOND READING OF HOUSE BILL**

**HB 1059:** A BILL for an Act to amend and reenact sections 54-52.1-03.1, 54-52.1-03.4, and 54-52.1-18 of the North Dakota Century Code, relating to withdrawal of a political subdivision from the uniform group insurance program, the definition of an eligible employee, payment of the cost of uniform group insurance premiums for temporary employees, and the health savings account option offered to political subdivisions as part of the high-deductible health plan alternative under the uniform group insurance program.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 92 YEAS, 1 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

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

**NAYS:** Keiser

**ABSENT AND NOT VOTING:** Schmidt

Engrossed HB 1059 passed.

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**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**  
**MR. SPEAKER:** The Senate accedes to the House request for the return of: HB 1059.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The House has passed, and your favorable consideration is requested on: HB 1001, HB 1002, HB 1004, HB 1006, HB 1009, HB 1011, HB 1014, HB 1017, HB 1022, HB 1149, HB 1447, HCR 3038.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The House has passed, and your favorable consideration is requested on: HB 1007, HB 1010, HB 1012, HB 1018, HB 1021, HB 1038, HB 1041, HB 1211, HB 1327, HB 1333, HB 1368, HB 1426, HB 1446.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The House has passed, and your favorable consideration is requested on: HB 1215, HB 1216, HB 1224, HB 1228, HB 1234, HB 1250, HB 1277, HB 1278, HB 1286, HB 1332.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The House has passed, and your favorable consideration is requested on: HB 1338, HB 1346, HB 1363, HB 1366, HB 1388, HB 1389, HB 1395, HB 1428, HB 1440, HB 1467.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The House has passed, and your favorable consideration is requested

on: HCR 3029.

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

**MR. SPEAKER:** The Senate has passed, and your favorable consideration is requested on: SB 2002, SB 2004, SB 2030, SB 2129, SB 2148, SB 2156, SB 2229, SB 2317, SB 2336, SB 2356, SB 2359.

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

**MR. SPEAKER:** The Senate has passed, and your favorable consideration is requested on: SB 2097, SB 2101, SB 2226, SB 2245, SB 2279, SB 2313, SB 2354.

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

**MR. SPEAKER:** The Senate has passed, and your favorable consideration is requested on: SB 2307, SCR 4007, SCR 4011, SCR 4015, SCR 4019.

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

**MR. SPEAKER:** The Senate has passed, the emergency clause carried, and your favorable consideration is requested on: SB 2003.

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

**MR. SPEAKER:** The Senate has passed, the emergency clause carried, and your favorable consideration is requested on: SB 2018.

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

**MR. SPEAKER:** The Senate has passed, the emergency clause carried, and your favorable consideration is requested on: SB 2333.

**MOTION**

**REP. VIGESAA MOVED** that the House be on the Fourth, Fifth, Ninth, and Thirteenth orders of business and at the conclusion of those orders, the House stand adjourned until 8:30 a.m., Thursday, February 28, 2013, which motion prevailed.

**REPORT OF STANDING COMMITTEE**

**HB 1005, as engrossed: Appropriations Committee (Rep. Delzer, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (15 YEAS, 7 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1005 was placed on the Sixth order on the calendar.

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

Page 1, line 3, after "treasurer" insert "; and to provide legislative intent"

Page 1, replace lines 12 through 17 with:

"Salaries and wages	\$1,054,524	\$321,160	\$1,375,684
Accrued leave payments	0	13,038	13,038
Operating expenses	163,066	337,110	500,176
Coal severance payments	<u>252,800</u>	<u>0</u>	<u>252,800</u>
Total general fund	\$1,470,390	\$671,308	\$2,141,698
Full-time equivalent positions	7.00	1.00	8.00"

Page 2, line 19, replace "ninety-five" with "ninety"

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

Page 2, line 20, replace "sixty-three" with "twenty-seven"

Page 2, line 20, replace "ninety-eight" with "ninety-three"

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

Page 2, line 21, replace "thirty-nine" with "forty-three"

Page 2, after line 21, insert:

**"SECTION 5. LEGISLATIVE INTENT - STATE TREASURER'S SALARY.** It is the intent of the sixty-third legislative assembly that the salary of the state treasurer be increased to the salary of the next lowest-paid elected official effective July 1, 2017."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

This amendment reduces funding by \$12,882 from the general fund and changes Section 4 to reflect the State Treasurer's salary at a 3 percent annual salary increase and adds legislative intent that the State Treasurer's salary be increased to the salary of the next lowest-paid elected official effective July 1, 2017.

**REPORT OF STANDING COMMITTEE**

**HB 1013: Appropriations Committee (Rep. Delzer, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (21 YEAS, 1 NAYS, 0 ABSENT AND NOT VOTING). HB 1013 was placed on the Sixth order on the calendar.

Page 1, line 3, after the semicolon insert "to provide for a transfer to the general fund;"

Page 1, line 6, after the first semicolon insert "to provide exemptions; to provide legislative intent;"

Page 1, replace lines 19 and 20 with:

"Salaries and wages	\$14,409,300	\$1,193,105	\$15,602,405
Accrued leave payments	0	322,068	322,068
Operating expenses	29,099,187	531,615	29,630,802
Funding pool for initiatives	0	2,500,000	2,500,000"

Page 1, replace line 22 with:

"Integrated formula payments	0	1,684,550,000	1,684,550,000"
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Page 1, remove line 24

Page 2, replace line 1 with:

"Grants - transportation	48,500,000	0	48,500,000
Grants - other grants	304,609,393	(33,969,238)	270,640,155"

Page 2, replace line 3 with:

"Rapid enrollment grants	5,000,000	(5,000,000)	0"
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Page 2, replace lines 6 through 8 with:

"Total all funds	\$1,678,082,358	\$390,313,072	\$2,068,395,430
Less estimated income	<u>434,485,707</u>	<u>2,277,454</u>	<u>436,763,161</u>
Total general fund	\$1,243,596,651	\$388,035,618	\$1,631,632,269"

Page 2, replace lines 14 through 19 with:

"Salaries and wages	\$3,450,359	\$254,868	\$3,705,227
Accrued leave payments	0	75,354	75,354
Operating expenses	1,695,726	200,000	1,895,726
Grants	<u>2,252,500</u>	0	<u>2,252,500</u>
Total all funds	\$7,398,585	\$530,222	\$7,928,807
Less estimated income	<u>2,134,610</u>	<u>253,549</u>	<u>2,388,159</u>
Total general fund	\$5,263,975	\$276,673	\$5,540,648"

Page 2, remove lines 25 through 30

Page 3, replace line 1 with:

"Salaries and wages	\$5,932,638	\$742,929	\$6,675,567
Accrued leave payments	0	134,846	134,846
Operating expenses	1,633,911	258,584	1,892,495
Capital assets	41,700	1,152,321	1,194,021
Grants	<u>200,000</u>	<u>0</u>	<u>200,000</u>
Total all funds	\$7,808,249	\$2,288,680	\$10,096,929
Less estimated income	<u>1,193,277</u>	<u>1,373,306</u>	<u>2,566,583</u>
Total general fund	\$6,614,972	\$915,374	\$7,530,346"

Page 3, replace line 7 with:

"Salaries and wages	\$3,815,825	\$375,245	\$4,191,070
Accrued leave payments	0	87,463	87,463"

Page 3, replace lines 10 through 12 with:

"Total all funds	\$4,562,331	\$999,408	\$5,561,739
Less estimated income	<u>835,091</u>	<u>14,693</u>	<u>849,784</u>
Total general fund	\$3,727,240	\$984,715	\$4,711,955"

Page 3, replace lines 18 through 20 with:

"Grand total general fund	\$1,259,202,838	\$390,212,380	\$1,649,415,218
Grand total special funds	<u>438,648,685</u>	<u>4,799,955</u>	<u>443,448,640</u>
Grand total all funds	\$1,697,851,523	\$395,012,335	\$2,092,863,858"

Page 4, remove lines 2 through 6

Page 4, replace lines 22 through 24 with:

"Grand total - all funds	\$23,170,246	\$1,543,088
Grand total - estimated income	<u>22,612,446</u>	<u>1,112,588</u>
Grand total - general fund	\$557,800	\$430,500"

Page 5, after line 8, insert:

**"SECTION 5. TRANSFER - PROPERTY TAX RELIEF SUSTAINABILITY FUND TO THE GENERAL FUND.** The office of management and budget shall transfer the sum of \$341,790,000 from the property tax relief sustainability fund to the general fund, for the biennium beginning July 1, 2013, and ending June 30, 2015.

**SECTION 6. INFORMATION TECHNOLOGY FULL-TIME EQUIVALENT POSITION TRANSFER - BUDGET SECTION APPROVAL - LINE ITEM TRANSFER - EMERGENCY COMMISSION APPROVAL.** The superintendent of public instruction shall transfer six full-time equivalent information technology positions to the information technology department by September 30, 2014. If the superintendent of public instruction and the chief information officer of the information technology department choose not to transfer these positions by September 30, 2014, the superintendent of public instruction may request budget section approval for an extension of the transfer deadline. After the positions are transferred, the department of public instruction may seek emergency commission approval to transfer funding from the salaries and wages line item to the operating expenses line item to pay for information technology services provided by the information technology department.

**SECTION 7. APPROPRIATION - INFORMATION TECHNOLOGY DEPARTMENT.** There is appropriated from special funds derived from other income, the sum of \$880,953, or so much of the sum as may be necessary, to the information technology department for the purpose of defraying the expenses of six full-time equivalent information technology positions transferred from the department of public instruction, for the biennium beginning July 1, 2013, and ending June 30, 2015. The information technology department is authorized six full-time equivalent positions."

Page 5, remove lines 9 through 14

Page 6, after line 18, insert:

**"SECTION 11. TRANSPORTATION GRANTS - DISTRIBUTION.**

1. During each year of the 2013-15 biennium, the superintendent of public instruction shall calculate the payment to which each school district is entitled based on the state transportation formula as it existed on June 30, 2001, except that the superintendent shall provide reimbursement at the rate of:
  - a. One dollar and three cents per mile for schoolbuses having a capacity of ten or more passengers;
  - b. Forty-six cents per mile for vehicles having a capacity of nine or fewer passengers;
  - c. Forty-six cents per mile, provided:
    - (1) The student being transported is a student with a disability, as defined in chapter 15.1-32;
    - (2) The student's individualized education program plan requires that the student attend a public or a nonpublic school located outside the student's school district of residence;
    - (3) The student is transported by an adult member of the student's family;
    - (4) The student is transported in a vehicle furnished by the student's parents;
    - (5) The student's transportation is paid for by the student's parents; and
    - (6) The reimbursement does not exceed two round trips daily between the student's home and school;
  - d. Forty-six cents per mile, one way, provided:
    - (1) The student being transported resides more than two miles from the public school that the student attends;
    - (2) The student is transported by an adult member of the student's family;
    - (3) The student is transported in a vehicle furnished by the student's parents; and
    - (4) The student's transportation is paid for by the student's parents; and
  - e. Twenty-six cents per student for each one-way trip.
2. The superintendent of public instruction shall use the latest available student enrollment count in each school district in applying the provisions of subsection 1.
3. If any moneys provided for transportation payments in the grants - transportation line item in subdivision 1 of section 1 of this Act, remain after application of the formula provided for in this section, the superintendent of public instruction shall prorate the remaining amounts according to the percentage of the total transportation formula amount to which each school district is entitled.

4. This section does not authorize the reimbursement of any costs incurred in providing transportation for student attendance at extracurricular activities or events."

Page 7, after line 9, insert:

**"SECTION 14. EXEMPTION - FUNDING POOL FOR INITIATIVES - LINE ITEM TRANSFER.** Notwithstanding the provisions of section 54-16-04, the superintendent of public instruction shall transfer funding from the funding pool for initiatives line item in subdivision 1 of section 1 of this Act, to the extent necessary, to the appropriate line item for expending the funds for each initiative. The superintendent of public instruction shall report to the office of management and budget regarding all transfers from the funding pool for initiatives line item.

**SECTION 15. OTHER GRANTS - REPORTING.** The superintendent of public instruction shall develop a format for reporting on the cost per participant and the outcomes of other grants and report to the sixty-fourth legislative assembly regarding participation, cost, and outcomes of these grants.

**SECTION 16. DEPARTMENT OF PUBLIC INSTRUCTION STUDY - FEDERAL FUNDING.** The superintendent of public instruction shall study the costs and benefits of accepting federal funds and the consequences of declining federal funds and report its findings to the sixty-fourth legislative assembly.

**SECTION 17. LEGISLATIVE INTENT - GEARING UP FOR KINDERGARTEN.** It is the intent of the sixty-third legislative assembly that school districts may participate in the gearing up for kindergarten program if approved by the school board of the local school district."

Page 7, line 11, replace "\$1,766,500" with "\$1,500,000"

Page 7, remove lines 13 through 19

Page 8, line 19, replace "ten" with "nine"

Page 8, line 20, replace "ninety-two" with "thirty-three"

Page 8, line 21, replace "fourteen" with "twelve"

Page 8, line 21, replace "six" with "four"

Page 8, line 21, after "fifty-four" insert "seven"

Page 10, line 18, replace "16" with "22"

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### House Bill No. 1013 - Summary of House Action

	Executive Budget	House Changes	House Version
Information Technology Department			
Total all funds	\$0	\$880,953	\$880,953
Less estimated income	0	880,953	880,953
General fund	\$0	\$0	\$0
Department of Public Instruction			
Total all funds	\$2,194,721,295	(\$126,325,865)	\$2,068,395,430
Less estimated income	1,151,411,433	(714,648,272)	436,763,161
General fund	\$1,043,309,862	\$588,322,407	\$1,631,632,269
State Library			
Total all funds	\$8,622,432	(\$693,625)	\$7,928,807
Less estimated income	2,400,847	(12,688)	2,388,159
General fund	\$6,221,585	(\$680,937)	\$5,540,648

School for the Deaf			
Total all funds	\$10,347,658	(\$250,729)	\$10,096,929
Less estimated income	2,575,668	(9,085)	2,566,583
General fund	\$7,771,990	(\$241,644)	\$7,530,346
Vision Services - School for the Blind			
Total all funds	\$5,735,221	(\$173,482)	\$5,561,739
Less estimated income	859,355	(9,571)	849,784
General fund	\$4,875,866	(\$163,911)	\$4,711,955
Bill total			
Total all funds	\$2,219,426,606	(\$126,562,748)	\$2,092,863,858
Less estimated income	1,157,247,303	(713,798,663)	443,448,640
General fund	\$1,062,179,303	\$587,235,915	\$1,649,415,218

### House Bill No. 1013 - Information Technology Department - House Action

	Executive Budget	House Changes	House Version
Salaries and wages		\$880,953	\$880,953
Total all funds	\$0	\$880,953	\$880,953
Less estimated income	0	880,953	880,953
General fund	\$0	\$0	\$0
FTE	0.00	6.00	6.00

### Department No. 112 - Information Technology Department - Detail of House Changes

	Transfers FTE Position From the Department of Public Instruction <sup>1</sup>	Total House Changes
Salaries and wages	\$880,953	\$880,953
Total all funds	\$880,953	\$880,953
Less estimated income	880,953	880,953
General fund	\$0	\$0
FTE	6.00	6.00

<sup>1</sup> This amendment adds a section to the bill to authorize 6 FTE positions and appropriates \$880,953 from special funds derived from other income to the Information Technology Department for the positions to be transferred from the Department of Public Instruction.

### House Bill No. 1013 - Department of Public Instruction - House Action

	Executive Budget	House Changes	House Version
Salaries and wages	\$16,611,338	(\$1,008,933)	\$15,602,405
Operating expenses	30,149,802	(519,000)	29,630,802
Integrated formula payments	1,787,400,000	(102,850,000)	1,684,550,000
Grants - Special education contracts	16,500,000		16,500,000
Grants - Transportation	53,500,000	(5,000,000)	48,500,000
Grants - Other grants	273,410,155	(2,770,000)	270,640,155
Rapid enrollment grants	17,000,000	(17,000,000)	
Transportation efficiency	30,000		30,000
National board certification	120,000		120,000
Accrued leave payments		322,068	322,068
Funding pool for initiatives		2,500,000	2,500,000
Total all funds	\$2,194,721,295	(\$126,325,865)	\$2,068,395,430
Less estimated income	1,151,411,433	(714,648,272)	436,763,161
General fund	\$1,043,309,862	\$588,322,407	\$1,631,632,269
FTE	99.75	0.00	99.75



Department No. 201 - Department of Public Instruction - Detail of House Changes

	Corrects Executive Compensation Package <sup>1</sup>	Adjusts State Employee Compensation and Benefits Package <sup>2</sup>	Provides Separate Line Item for Accrued Leave Payments <sup>3</sup>	Adds Funding Pool for Initiatives <sup>4</sup>	Decreases Funding for Passthrough Grants <sup>5</sup>	Decreases Funding for the Teacher Mentoring Program <sup>6</sup>
Salaries and wages	\$9,498	(\$696,363)	(\$322,068)			
Operating expenses				(719,000)		
Integrated formula payments						
Grants - Special education contracts						
Grants - Transportation						
Grants - Other grants				(900,000)	(290,000)	(1,000,000)
Rapid enrollment grants						
Transportation efficiency						
National board certification						
Accrued leave payments			322,068			
Funding pool for initiatives				2,500,000		
<b>Total all funds</b>	<b>\$9,498</b>	<b>(\$696,363)</b>	<b>\$0</b>	<b>\$881,000</b>	<b>(\$290,000)</b>	<b>(\$1,000,000)</b>
Less estimated income	6,554	(480,988)	0	0	0	0
<b>General fund</b>	<b>\$2,944</b>	<b>(\$215,375)</b>	<b>\$0</b>	<b>\$881,000</b>	<b>(\$290,000)</b>	<b>(\$1,000,000)</b>
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Removes Funding for Gearing Up for Kindergarten <sup>7</sup>	Increases Funding for the Global Bridges Program <sup>8</sup>	Adjusts the Funding Source for State School Aid <sup>9</sup>	Decreases Funding for Transportation Grants <sup>10</sup>	Increases Funding Related to Special Education Factor <sup>11</sup>	Decreases Funding Related to Regional Education Association Factor <sup>12</sup>
Salaries and wages						
Operating expenses						
Integrated formula payments					5,500,000	(3,700,000)
Grants - Special education contracts						
Grants - Transportation				(5,000,000)		
Grants - Other grants	(625,000)	45,000				
Rapid enrollment grants						
Transportation efficiency						
National board certification						
Accrued leave payments						
Funding pool for initiatives						
<b>Total all funds</b>	<b>(\$625,000)</b>	<b>\$45,000</b>	<b>\$0</b>	<b>(\$5,000,000)</b>	<b>\$5,500,000</b>	<b>(\$3,700,000)</b>
Less estimated income	0	0	(714,173,838)	0	0	0
<b>General fund</b>	<b>(\$625,000)</b>	<b>\$45,000</b>	<b>\$714,173,838</b>	<b>(\$5,000,000)</b>	<b>\$5,500,000</b>	<b>(\$3,700,000)</b>
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Increases Funding Related to Isolated Schools <sup>13</sup>	Increases Funding Related to the School District Size Weighting Factor <sup>14</sup>	Decreases Funding Due to Change in Local Revenue Calculation <sup>15</sup>	Increases Funding for Baseline Adjustments <sup>16</sup>	Increases Funding Due to Budget Estimate Revisions <sup>17</sup>	Decreases Funding Related to an Increase in the Local Tax Contribution <sup>18</sup>
Salaries and wages						
Operating expenses						
Integrated formula payments	1,300,000	7,750,000	(2,900,000)	4,800,000	4,000,000	(119,600,000)
Grants - Special education contracts						
Grants - Transportation						
Grants - Other grants						
Rapid enrollment grants						
Transportation efficiency						
National board certification						
Accrued leave payments						
Funding pool for initiatives						
<b>Total all funds</b>	<b>\$1,300,000</b>	<b>\$7,750,000</b>	<b>(\$2,900,000)</b>	<b>\$4,800,000</b>	<b>\$4,000,000</b>	<b>(\$119,600,000)</b>
Less estimated income	0	0	0	0	0	0
<b>General fund</b>	<b>\$1,300,000</b>	<b>\$7,750,000</b>	<b>(\$2,900,000)</b>	<b>\$4,800,000</b>	<b>\$4,000,000</b>	<b>(\$119,600,000)</b>
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Adds Funding for Early Childhood Care and Education Study <sup>19</sup>	Removes Funding for Rapid Enrollment Grants <sup>20</sup>	<b>Total House Changes</b>
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Salaries and wages			(\$1,008,933)
Operating expenses	200,000		(519,000)
Integrated formula payments			(102,850,000)
Grants - Special education contracts			(5,000,000)
Grants - Other grants			(2,770,000)
Rapid enrollment grants		(17,000,000)	(17,000,000)
Transportation efficiency			
National board certification			322,068
Accrued leave payments			2,500,000
Funding pool for initiatives			
Total all funds	\$200,000	(\$17,000,000)	(\$126,325,865)
Less estimated income	0	0	(714,648,272)
General fund	\$200,000	(\$17,000,000)	\$588,322,407
FTE	0.00	0.00	0.00

<sup>1</sup> Funding is added due to a calculation error in the executive compensation package.

<sup>2</sup> This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 2 to 4 percent per year.
- Reduces the market component from 2 to 4 percent per year for employees below the midpoint of their salary range to up to 2 percent for employees in the first quartile of their salary range for the first year of the biennium only.
- Removes funding for additional retirement contribution increases.

<sup>3</sup> A portion of salaries and wages funding from the general fund (\$104,350) and from other funds (\$217,718) for permanent employees' compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees.

<sup>4</sup> This amendment provides a flexible funding pool of \$2.5 million for the following items that were **not** included in the executive recommendation:

- Management information systems - Website updates.
- Safe and drug-free schools salary funding.
- Statewide accreditation system.
- Business manager training program.

This amendment also provides for the following items totaling \$1,619,000 included in the executive recommendation:

- Management information systems - STARS maintenance and development (\$719,000).
- Common core state standards (\$500,000).
- Teacher and principal evaluation systems (\$400,000).

The increase in funding for the Superintendent's initiatives funding pool is offset by funding reductions in line items related to the initiatives included in the executive recommendation, for a net increase in funding of \$881,000 from the general fund.

<sup>5</sup> This amendment reduces the other grants line item to remove funding increases the following passthrough grants recommended in the executive budget for:

- North Central Council for School Television (\$50,000).
- Rural art outreach project (\$35,000).
- National writing projects (\$15,000).
- Gearing Up for Kindergarten (\$190,000).

<sup>6</sup> This amendment reduces funding for the teacher mentoring program to provide a total of \$1.3 million from the general fund.

<sup>7</sup> This amendment removes funding included in the department's base budget for the Gearing Up for Kindergarten program.

<sup>8</sup> Funding is increased for the Atlantik-Brucke (Global Bridges) program to provide a total of \$150,000 from the general fund.

<sup>9</sup> This amendment adjusts the funding source for integrated formula payments from the property tax relief sustainability fund to the general fund.

<sup>10</sup> This amendment removes the recommended increase in transportation grants included in the executive budget to provide a total of \$48.5 million from the general fund, the same as the 2011-13 biennium.

<sup>11</sup> Integrated formula payments are increased due to an increase in the special education factor from .079 to .082.

<sup>12</sup> Integrated formula payments are decreased due to a decrease in the regional education association factor from .004 to .002.

<sup>13</sup> Integrated formula payments are increased due to a change in the average daily membership eligibility criteria for isolated schools from 100 students to 125 students.

<sup>14</sup> Integrated formula payments are increased due to an extension of increasing school district size weighting factors to schools districts with 125 students. The extension results in an increase in the weighted student units for school districts with enrollment below 185 students.

<sup>15</sup> Funding for integrated payments is reduced as a result of including payments in lieu of taxes and state reimbursement of the homestead property tax credit and disabled veterans property tax credit in the local contribution requirement of the integrated formula payment.

<sup>16</sup> Funding is increased due to a change in the method of calculating baseline adjustments.

<sup>17</sup> Funding for integrated formula payments is increased due to revisions in the department's budget estimates.

<sup>18</sup> Funding for integrated formula payments is reduced due to an increase in the local contribution from 50 mills to 70 mills.

<sup>19</sup> This amendment provides funding for the Superintendent of Public Instruction to conduct the early childhood care and education study required in House Bill No. 1356.

<sup>20</sup> Funding provided in the executive recommendation for rapid enrollment grants is removed.

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This amendment also:

- Adds a section of legislative intent allowing school districts to participate in the Gearing Up for Kindergarten program if approved by the school board of the local school district.
- Adds a section to provide for the distribution of transportation grants to school districts.
- Adds a section requiring the Department of Public Instruction develop a format for reporting the cost per participant and the outcomes of other grants provided by the department.
- Adds a section to provide for a transfer of \$341,790,000 from the property tax relief sustainability fund to the general fund.
- Adds a section requiring the Department of Public Instruction to study the costs and benefits of accepting federal funds and the consequences of declining federal funds.
- Adds an exemption to Section 54-16-04, relating to line item transfers, to provide the Department of Public Instruction transfer funding, to the extent necessary, from the

funding pool for initiatives line item to the appropriate line item for expending the funds for each initiative. The Superintendent of Public Instruction shall report to the Office of Management and Budget regarding all transfers from the funding pool for initiatives.

- Requires the Superintendent of Public Instruction to transfer 6 FTE information technology positions to the Information Technology Department by September 30, 2014, or request Budget Section approval for an extension of the deadline. The section also provides the department may seek Emergency Commission approval to transfer funding from the salaries and wages line item to the operating expenses line item to pay for the services provided by the Information Technology Department.
- Removes Section 5 related to funding for integrated formula payments from the property tax relief sustainability fund.
- Changes the section of the bill related to the salary of the Superintendent of Public Instruction to make the statutory changes necessary to provide a salary increase of 3 percent effective July 1, 2013, and 3 percent effective July 1, 2014. The executive recommendation included increases of 4 percent each year of the 2013-15 biennium.

### House Bill No. 1013 - State Library - House Action

	Executive Budget	House Changes	House Version
Salaries and wages	\$3,932,706	(\$227,479)	\$3,705,227
Operating expenses	1,895,726		1,895,726
Grants	2,794,000	(541,500)	2,252,500
Accrued leave payments		75,354	75,354
Total all funds	\$8,622,432	(\$693,625)	\$7,928,807
Less estimated income	2,400,847	(12,688)	2,388,159
General fund	\$6,221,585	(\$680,937)	\$5,540,648
FTE	29.75	0.00	29.75

### Department No. 250 - State Library - Detail of House Changes

	Adjusts State Employee Compensation and Benefits Package <sup>1</sup>	Provides Separate Line Item for Accrued Leave Payments <sup>2</sup>	Removes One-Time Funding for Library Repair and Maintenance Grants <sup>3</sup>	Decreases State Aid to Libraries <sup>4</sup>	Total House Changes
Salaries and wages	(\$152,125)	(\$75,354)			(\$227,479)
Operating expenses					
Grants			(275,000)	(266,500)	(541,500)
Accrued leave payments		75,354			75,354
Total all funds	(\$152,125)	\$0	(\$275,000)	(\$266,500)	(\$693,625)
Less estimated income	(12,688)	0	0	0	(12,688)
General fund	(\$139,437)	\$0	(\$275,000)	(\$266,500)	(\$680,937)
FTE	0.00	0.00	0.00	0.00	0.00

<sup>1</sup> This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 2 to 4 percent per year.
- Reduces the market component from 2 to 4 percent per year for employees below the midpoint of their salary range to up to 2 percent for employees in the first quartile of their salary range for the first year of the biennium only.
- Removes funding for additional retirement contribution increases.

<sup>2</sup> A portion of salaries and wages funding from the general fund (\$66,251) and from other funds (\$9,103) for permanent employees' compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees.

<sup>3</sup> This amendment removes one-time funding for library repair and maintenance grants included in the executive recommendation.

<sup>4</sup> This amendment removes the increase in state aid to libraries included in the executive recommendation to provide a total of \$1.5 million from the general fund.

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In addition, this amendment removes a section of the bill related to library renovation and repair grants and amends a section related to the distribution of state aid to public libraries.

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### House Bill No. 1013 - School for the Deaf - House Action

	Executive Budget	House Changes	House Version
Salaries and wages	\$7,044,843	(\$369,276)	\$6,675,567
Operating expenses	1,908,794	(16,299)	1,892,495
Capital assets	1,194,021		1,194,021
Grants	200,000		200,000
Accrued leave payments		134,846	134,846
Total all funds	\$10,347,658	(\$250,729)	\$10,096,929
Less estimated income	2,575,668	(9,085)	2,566,583
General fund	\$7,771,990	(\$241,644)	\$7,530,346
FTE	44.61	0.00	44.61

### Department No. 252 - School for the Deaf - Detail of House Changes

	Adjusts State Employee Compensation and Benefits Package <sup>1</sup>	Provides Separate Line Item for Accrued Leave Payments <sup>2</sup>	Decreases Funding for Professional Development <sup>3</sup>	Total House Changes
Salaries and wages	(\$234,430)	(\$134,846)		(\$369,276)
Operating expenses			(16,299)	(16,299)
Capital assets				
Grants				
Accrued leave payments		134,846		134,846
Total all funds	(\$234,430)	\$0	(\$16,299)	(\$250,729)
Less estimated income	(9,085)	0	0	(9,085)
General fund	(\$225,345)	\$0	(\$16,299)	(\$241,644)
FTE	0.00	0.00	0.00	0.00

<sup>1</sup> This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 2 to 4 percent per year.
- Reduces the market component from 2 to 4 percent per year for employees below the midpoint of their salary range to up to 2 percent for employees in the first quartile of their salary range for the first year of the biennium only.
- Removes funding for additional retirement contribution increases.

<sup>2</sup> A portion of salaries and wages funding from the general fund (\$128,980) and from other funds (\$5,866) for permanent employees' compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees.

<sup>3</sup> This amendment removes an increase in funding for professional development included in the executive recommendation.

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**House Bill No. 1013 - Vision Services - School for the Blind - House Action**

	Executive Budget	House Changes	House Version
Salaries and wages	\$4,452,015	(\$260,945)	\$4,191,070
Operating expenses	720,806		720,806
Capital assets	562,400		562,400
Accrued leave payments		87,463	87,463
Total all funds	\$5,735,221	(\$173,482)	\$5,561,739
Less estimated income	859,355	(9,571)	849,784
General fund	\$4,875,866	(\$163,911)	\$4,711,955
FTE	29.50	0.00	29.50

**Department No. 253 - Vision Services - School for the Blind - Detail of House Changes**

	Adjusts State Employee Compensation and Benefits Package <sup>1</sup>	Provides Separate Line Item for Accrued Leave Payments <sup>2</sup>	Total House Changes
Salaries and wages	(\$173,482)	(\$87,463)	(\$260,945)
Operating expenses			
Capital assets			
Accrued leave payments		87,463	87,463
Total all funds	(\$173,482)	\$0	(\$173,482)
Less estimated income	(9,571)	0	(9,571)
General fund	(\$163,911)	\$0	(\$163,911)
FTE	0.00	0.00	0.00

<sup>1</sup> This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 2 to 4 percent per year.
- Reduces the market component from 2 to 4 percent per year for employees below the midpoint of their salary range to up to 2 percent for employees in the first quartile of their salary range for the first year of the biennium only.
- Removes funding for additional retirement contribution increases.

<sup>2</sup> A portion of salaries and wages funding from the general fund (\$81,113) and from other funds (\$6,350) for permanent employees' compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees.

**REPORT OF STANDING COMMITTEE (MAJORITY)**

**HB 1015: Appropriations Committee (Rep. Delzer, Chairman)** A **MAJORITY** of your committee (Reps. Delzer, Kempenich, Bellew, Brandenburg, Dosch, Grande, Hawken, Kreidt, Martinson, Monson, J. Nelson, Pollert, Sanford, Skarphol, Streyle, Thoreson, Wieland) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS**.

Page 1, line 2, after "budget" insert "; to create and enact a new subsection to section 54-44.1-18 of the North Dakota Century Code, relating to political subdivisions submitting budget information to the state budget database website"

Page 1, line 4, after "intent" insert "; to provide for legislative management studies"

Page 1, line 5, replace "declare an emergency" with "provide an effective date"

Page 1, remove lines 15 through 24

Page 2, replace lines 1 through 4 with:

"Salaries and wages	\$18,477,763	\$1,241,539	\$19,719,302
Operating expenses	13,755,254	471,534	14,226,788
Emergency commission contingency fund	700,000	300,000	1,000,000
Capital assets	5,190,143	605,922	5,796,065
Grants	430,000	0	430,000
Prairie public broadcasting	1,000,000	537,138	1,537,138
State student internship program	200,000	0	200,000
Accrued leave payments	<u>0</u>	<u>570,412</u>	<u>570,412</u>
Total all funds	\$39,753,160	\$3,726,545	\$43,479,705
Less estimated income	<u>10,514,461</u>	<u>(1,844,863)</u>	<u>8,669,598</u>
Total general fund	\$29,238,699	\$5,571,408	\$34,810,107
Full-time equivalent positions	131.50	(1.00)	130.50"

Page 2, replace lines 17 through 19 with:

"Prairie public broadcasting	0	200,000"
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Page 2, replace lines 21 through 23 with:

"Total general fund	\$478,354,000	\$4,090,000"
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Page 2, line 29, remove "- 2011-13 BIENNIUM"

Page 2, line 31, replace "\$744,767,676" with "\$373,210,000"

Page 3, line 1, remove "for the period beginning"

Page 3, line 2, replace "with the effective date of this Act" with "during the biennium beginning July 1, 2013,"

Page 3, line 2, replace "2013" with "2015"

Page 3, remove lines 18 through 25

Page 3, line 28, replace "9" with "8"

Page 3, line 29, after the period insert "However, agencies may not transfer appropriation authority from the accrued leave payments line item under authority granted in this section."

Page 4, replace lines 1 through 22 with:

**"SECTION 8. STATE EMPLOYEE COMPENSATION ADJUSTMENTS - LEGISLATIVE INTENT - GUIDELINES.** It is the intent of the sixty-third legislative assembly that 2013-15 biennium compensation adjustments for classified state employees are to be in a range of 2 to 4 percent for each year of the biennium based on documented performance. Increases for classified state employees are not to be the same percentage increase for each employee. The performance increases are to be given beginning with the month of July 2013, to be paid in August 2013, and beginning with the month of July 2014, to be paid in August 2014. An additional compensation adjustment of up to two percent for the first year of the biennium may be provided for a classified state employee whose salary is in the first quartile of the employee's assigned salary range to address market equity. The market equity increases are to be given beginning with the month of July 2013, to be paid in August 2013.

It is the intent of the sixty-third legislative assembly that the goal of the classified state employee compensation program be a compensation ratio of 95 percent of the market policy point used by the office of management and budget for establishing the grade and salary range structure for fiscal year 2013. The office of management and budget may not adjust the market policy point based on an estimated inflationary factor during the 2013-15 biennium. The office of management

and budget shall develop guidelines for use by state agencies for providing compensation adjustments for regular classified employees in accordance with provisions of this section and section 54-44.3-01.2.

Compensation adjustments for regular nonclassified state employees are to be in a range of 2 to 4 percent for each year of the biennium based on market and documented performance and are not to be the same percentage increase for each employee. The market and performance increases are to be given beginning with the month of July 2013, to be paid in August 2013, and beginning with the month of July 2014, to be paid in August 2014.

It is the intent of the legislative assembly that retirement contribution percentages provided by the state and the employee to the public employees retirement system not be changed during the 2013-15 biennium from the percentages in effect at the end of the 2011-13 biennium.

Probationary employees are not entitled to the market and performance increases. However, probationary employees may be given all or a portion of the increases upon completion of probation, at the discretion of the appointing authority. Employees whose overall documented performance level does not meet standards are not eligible for any salary increase.

**SECTION 9. ACCRUED LEAVE PAYMENTS LINE ITEM - LINE ITEM TRANSFERS - EMERGENCY COMMISSION APPROVAL.** The accrued leave payments line item included in agency appropriation bills, as approved by the sixty-third legislative assembly, includes funding for paying accrued annual leave and sick leave for eligible employees resigning, retiring, or otherwise discontinuing employment with the agency. The emergency commission may approve agency requests for line item transfers from the accrued leave payments line item to the salaries and wages line item or other line item that includes salaries and wages funding subject to the agency providing documentation justifying the need for the funding transfer for the biennium beginning July 1, 2013, and ending June 30, 2015."

Page 6, replace lines 1 and 2 with:

**"SECTION 11.** A new subsection to section 54-44.1-18 of the North Dakota Century Code is created and enacted as follows:

The governing body of each political subdivision may submit the annual budget adopted by the governing body to the director of the budget for inclusion in the state budget database website. The director of the budget shall include in the budget database website any information submitted by any participating governing body of a political subdivision. The official who submits the annual budget to the director of the budget may not submit any information that is confidential under state or federal law. In lieu of submitting the annual budget adopted by the governing body to the director, any participating governing body may provide to the director a publicly accessible internet link on which the annual budget adopted by the participating governing body is available.

**SECTION 12. LEGISLATIVE MANAGEMENT STUDY - STATE AGENCY FACILITY NEEDS.** During the 2013-14 interim, the legislative management shall study the facility needs of state agencies located in the Bismarck area, including an evaluation of current and projected facility needs of state agencies, facilities on the capitol grounds currently being used by state agencies, and facilities owned or leased by state agencies that are not located on the capitol grounds. As part of the study, the legislative management shall determine if additional facilities are needed for the operations of state agencies. If it is determined that additional space is needed, the legislative management shall review the most economical options for increasing the amount of facilities space available, including options for renovating or expanding existing buildings on the capitol grounds, options for constructing new buildings on the capitol grounds, and options for building or leasing facilities that are not located on the capitol grounds. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.



**SECTION 13. LEGISLATIVE MANAGEMENT STUDY - SALARIES AND WAGES APPROPRIATIONS - CLASSIFICATION SYSTEM.** The legislative management shall consider studying, during the 2013-14 interim, the process of appropriating funds for salaries and wages and the state's classification system. The study, if conducted, must consider the feasibility and desirability of appropriating a lump sum amount to each agency for salaries and wages, without identifying specific purposes for the funding and allowing the agency head the flexibility to use the funding as necessary to accomplish the duties and responsibilities of the agency. The study must also include the effect of this change on the state's classification and benefits system and on the process of reporting by the agency on its use of the funds to the legislative assembly. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

**SECTION 14. LEGISLATIVE MANAGEMENT STUDY - STATE EMPLOYEE HEALTH INSURANCE PREMIUMS.** The legislative management shall consider studying, during the 2013-14 interim, the feasibility and desirability of establishing a maximum state contribution to the cost of state employee health insurance premiums. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

**SECTION 15. EFFECTIVE DATE.** Section 11 of this Act becomes effective on January 1, 2014."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1015 - Office of Management and Budget - House Action**

	Executive Budget	House Changes	House Version
Salaries and wages	\$20,904,344	(\$1,185,042)	\$19,719,302
Operating expenses	14,696,788	(470,000)	14,226,788
Capital assets	9,796,065	(4,000,000)	5,796,065
Grants	430,000		430,000
Emergency Commission contingency fund	700,000	300,000	1,000,000
Prairie Public Broadcasting	2,037,138	(500,000)	1,537,138
State student internship program	200,000		200,000
Health insurance pool - temp employees	2,000,000	(2,000,000)	
Accrued leave payments		570,412	570,412
Transfer to property tax fund		373,210,000	373,210,000
Total all funds	\$50,764,335	\$365,925,370	\$416,689,705
Less estimated income	9,589,395	(919,797)	8,669,598
General fund	\$41,174,940	\$366,845,167	\$408,020,107
FTE	131.50	(1.00)	130.50

**Department No. 110 - Office of Management and Budget - Detail of House Changes**

	Corrects Executive Compensation Package <sup>1</sup>	Adjusts State Employee Compensation and Benefits Package <sup>2</sup>	Provides Separate Line Item for Accrued Leave Payments <sup>3</sup>	Removes Vacant FTE Position <sup>4</sup>	Adjusts Funding for Central Services Operations <sup>5</sup>	Adds Funding for State Database Website <sup>6</sup>
Salaries and wages	\$34,729	(\$654,359)	(\$570,412)	(\$150,000)	\$155,000	
Operating expenses					30,000	100,000
Capital assets						
Grants						
Emergency Commission contingency fund						
Prairie Public Broadcasting						
State student internship program						
Health insurance pool - temp employees						
Accrued leave payments			570,412			
Transfer to property tax fund						

Total all funds	\$34,729	(\$654,359)	\$0	(\$150,000)	\$185,000	\$100,000
Less estimated income	5,904	(110,701)	0	0	185,000	0
General fund	\$28,825	(\$543,658)	\$0	(\$150,000)	\$0	\$100,000
FTE	0.00	0.00	0.00	(1.00)	0.00	0.00

	Removes Funding for Contracting With Auditors <sup>7</sup>	Increases State Contingencies Funding <sup>8</sup>	Removes Health Insurance Pool for Temporary Employees <sup>9</sup>	Reduces One- Time Funding for Prairie Public Broadcasting <sup>10</sup>	Removes Funding for Parking Lot Project <sup>11</sup>	Adjusts General Fund Transfer to Property Tax Relief Sustainability Fund <sup>12</sup>
Salaries and wages						
Operating expenses	(600,000)					
Capital assets					(4,000,000)	
Grants						
Emergency Commission contingency fund		300,000				
Prairie Public Broadcasting				(500,000)		
State student internship program						
Health insurance pool - temp employees			(2,000,000)			
Accrued leave payments						
Transfer to property tax fund						373,210,000
Total all funds	(\$600,000)	\$300,000	(\$2,000,000)	(\$500,000)	(\$4,000,000)	\$373,210,000
Less estimated income	0	0	(1,000,000)	0	0	0
General fund	(\$600,000)	\$300,000	(\$1,000,000)	(\$500,000)	(\$4,000,000)	\$373,210,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Total House Changes
Salaries and wages	(\$1,185,042)
Operating expenses	(470,000)
Capital assets	(4,000,000)
Grants	
Emergency Commission contingency fund	300,000
Prairie Public Broadcasting	(500,000)
State student internship program	
Health insurance pool - temp employees	(2,000,000)
Accrued leave payments	570,412
Transfer to property tax fund	373,210,000
Total all funds	\$365,925,370
Less estimated income	(919,797)
General fund	\$366,845,167
FTE	(1.00)

<sup>1</sup> Funding is added due to a calculation error in the executive compensation package.

<sup>2</sup> This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 2 to 4 percent per year.
- Reduces the market component from 2 to 4 percent per year for employees below the midpoint of their salary range to up to 2 percent for employees in the first quartile of their salary range for the first year of the biennium only.
- Removes funding for additional retirement contribution increases.

<sup>3</sup> A portion of salaries and wages funding from the general fund (\$478,233) and from other funds (\$92,179) for permanent employees compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees.

<sup>4</sup> One vacant FTE position in the Facilities Management Division is removed.

<sup>5</sup> Additional special funds authority is added for salaries (\$155,000) and operating expenses (\$30,000) for the Central Services Division.

<sup>6</sup> Funding is added for costs associated with the implementation of a political subdivision-reporting component for the state budget database website.

<sup>7</sup> Funding included in the executive budget recommendation for the Office of Management and Budget to contract with an external audit firm for audits is removed.

<sup>8</sup> Funding for the Emergency Commission state contingencies fund is increased by \$300,000, from \$700,000 to \$1,000,000.

<sup>9</sup> Funding included in the executive budget for a health insurance pool for temporary employees under the federal Affordable Care Act is removed.

<sup>10</sup> One-time funding for Prairie Public Broadcasting upgrades is reduced by \$500,000, from \$700,000 to \$200,000.

<sup>11</sup> Funding included in the executive budget for Capitol grounds parking lot projects is removed.

<sup>12</sup> The transfer from the general fund to the property tax relief sustainability fund is reduced from \$744.8 million to \$373.2 million and the timing of the transfer is changed from the 2011-13 biennium to the 2013-15 biennium.

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This amendment also provides for the following:

- Creates a new subsection to Section 54-44.1-18 relating to political subdivisions submitting budget information to the state database website. The new subsection becomes effective on January 1, 2014.
- Adds a study of the facility needs of state agencies located in the Bismarck area.
- Revises the guidelines for state employee compensation increases during the 2013-15 biennium to provide for 2 to 4 percent annual performance increases and additional market increases of up to 2 percent during the first year of the biennium.
- Adds guidelines regarding the use of funding from state agency accrued leave payments line items.
- Adds a study of the process of appropriating funds for salaries and wages for the state employee classification system.
- Adds a study of state contributions for state employee health insurance premiums.

#### **REPORT OF STANDING COMMITTEE (MINORITY)**

**HB 1015: Appropriations Committee (Rep. Delzer, Chairman)** A **MINORITY** of your committee (Reps. Glassheim, Boe, Guggisberg, Holman, Williams) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS**.

Page 1, line 2, after "budget" insert "; to create and enact a new subsection to section 54-44.1-18 of the North Dakota Century Code, relating to political subdivisions submitting budget information to the state budget database website"

Page 1, line 4, after "intent" insert "; to provide for legislative management studies"

Page 1, line 5, replace "declare an emergency" with "provide an effective date"

Page 1, remove lines 15 through 24

Page 2, replace lines 1 through 4 with:

"Salaries and wages	\$18,477,763	\$1,895,898	\$20,373,661
Operating expenses	13,755,254	471,534	14,226,788
Emergency commission contingency fund	700,000	300,000	1,000,000
Capital assets	5,190,143	605,922	5,796,065
Grants	430,000	0	430,000
Prairie public broadcasting	1,000,000	537,138	1,537,138
State student internship program	200,000	0	200,000
Accrued leave payments	0	570,412	570,412
Total all funds	\$39,753,160	\$4,380,904	\$44,134,064
Less estimated income	10,514,461	(1,734,162)	8,780,299
Total general fund	\$29,238,699	\$6,115,066	\$35,353,765
Full-time equivalent positions	131.50	(1.00)	130.50"

Page 2, replace lines 17 through 19 with:

"Prairie public broadcasting	0	200,000"
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Page 2, replace lines 21 through 23 with:

"Total general fund	\$478,354,000	\$4,090,000"
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Page 2, line 29, remove "- 2011-13 BIENNIUM"

Page 2, line 31, replace "\$744,767,676" with "\$373,210,000"

Page 3, line 1, remove "for the period beginning"

Page 3, line 2, replace "with the effective date of this Act" with "during the biennium beginning July 1, 2013,"

Page 3, line 2, replace "2013" with "2015"

Page 3, remove lines 18 through 25

Page 3, line 28, replace "9" with "8"

Page 3, line 29, after the period insert "However, agencies may not transfer appropriation authority from the accrued leave payments line item under authority granted in this section."

Page 4, after line 22 insert:

**"SECTION 9. ACCRUED LEAVE PAYMENTS LINE ITEM - LINE ITEM TRANSFERS - EMERGENCY COMMISSION APPROVAL.** The accrued leave payments line item included in agency appropriation bills, as approved by the sixty-third legislative assembly, includes funding for paying accrued annual leave and sick leave for eligible employees resigning, retiring, or otherwise discontinuing employment with the agency. The emergency commission may approve agency requests for line item transfers from the accrued leave payments line item to the salaries and wages line item or other line item that includes salaries and wages funding subject to the agency providing documentation justifying the need for the funding transfer for the biennium beginning July 1, 2013, and ending June 30, 2015."

Page 6, replace lines 1 and 2 with:

**"SECTION 11.** A new subsection to section 54-44.1-18 of the North Dakota Century Code is created and enacted as follows:

The governing body of each political subdivision may submit the annual budget adopted by the governing body to the director of the budget for inclusion in the state budget database website. The director of the budget shall include in the budget database website any information submitted by any participating governing body of a political subdivision. The official who submits the annual budget to the director of the budget may not submit any information that is confidential under state or federal law. In lieu of submitting the annual budget adopted by the governing body to the director, any participating governing body may provide to the director a publicly accessible internet link on which the annual budget adopted by the participating governing body is available.

**SECTION 12. LEGISLATIVE MANAGEMENT STUDY - STATE AGENCY FACILITY NEEDS.** During the 2013-14 interim, the legislative management shall study the facility needs of state agencies located in the Bismarck area, including an evaluation of current and projected facility needs of state agencies, facilities on the capitol grounds currently being used by state agencies, and facilities owned or leased by state agencies that are not located on the capitol grounds. As part of the study, the legislative management shall determine if additional facilities are needed for the operations of state agencies. If it is determined that additional space is needed, the legislative management shall review the most economical options for increasing the amount of facilities space available, including options for renovating or expanding existing buildings on the capitol grounds, options for constructing new buildings on the capitol grounds, and options for building or leasing facilities that are not located on the capitol grounds. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

**SECTION 13. LEGISLATIVE MANAGEMENT STUDY - SALARIES AND WAGES APPROPRIATIONS - CLASSIFICATION SYSTEM.** The legislative management shall consider studying, during the 2013-14 interim, the process of appropriating funds for salaries and wages and the state's classification system. The study, if conducted, must consider the feasibility and desirability of appropriating a lump sum amount to each agency for salaries and wages, without identifying specific purposes for the funding and allowing the agency head the flexibility to use the funding as necessary to accomplish the duties and responsibilities of the agency. The study must also include the effect of this change on the state's classification and benefits system and on the process of reporting by the agency on its use of the funds to the legislative assembly. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

**SECTION 14. LEGISLATIVE MANAGEMENT STUDY - STATE EMPLOYEE HEALTH INSURANCE PREMIUMS.** The legislative management shall consider studying, during the 2013-14 interim, the feasibility and desirability of establishing a maximum state contribution to the cost of state employee health insurance premiums. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

**SECTION 15. EFFECTIVE DATE.** Section 11 of this Act becomes effective on January 1, 2014."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1015 - Office of Management and Budget - House Action**

	Executive Budget	House Changes	House Version
Salaries and wages	\$20,904,344	(\$530,683)	\$20,373,661
Operating expenses	14,696,788	(470,000)	14,226,788
Capital assets	9,796,065	(4,000,000)	5,796,065
Grants	430,000		430,000
Emergency Commission contingency fund	700,000	300,000	1,000,000

Prairie Public Broadcasting	2,037,138	(500,000)	1,537,138
State student internship program	200,000		200,000
Health insurance pool - temp employees	2,000,000	(2,000,000)	
Accrued leave payments		570,412	570,412
Transfer to property tax fund		373,210,000	373,210,000
Total all funds	\$50,764,335	\$366,579,729	\$417,344,064
Less estimated income	9,589,395	(809,096)	8,780,299
General fund	\$41,174,940	\$367,388,825	\$408,563,765
FTE	131.50	(1.00)	130.50

### Department No. 110 - Office of Management and Budget - Detail of House Changes

	Corrects Executive Compensation Package <sup>1</sup>	Provides Separate Line Item for Accrued Leave Payments <sup>2</sup>	Removes Vacant FTE Position <sup>3</sup>	Adjusts Funding for Central Services Operations <sup>4</sup>	Adds Funding for State Database Website <sup>5</sup>	Removes Funding for Contracting With Auditors <sup>6</sup>
Salaries and wages	\$34,729	(\$570,412)	(\$150,000)	\$155,000		
Operating expenses				30,000	100,000	(600,000)
Capital assets						
Grants						
Emergency Commission contingency fund						
Prairie Public Broadcasting						
State student internship program						
Health insurance pool - temp employees						
Accrued leave payments		570,412				
Transfer to property tax fund						
Total all funds	\$34,729	\$0	(\$150,000)	\$185,000	\$100,000	(\$600,000)
Less estimated income	5,904	0	0	185,000	0	0
General fund	\$28,825	\$0	(\$150,000)	\$0	\$100,000	(\$600,000)
FTE	0.00	0.00	(1.00)	0.00	0.00	0.00
	Increases State Contingencies Funding <sup>7</sup>	Removes Health Insurance Pool for Temporary Employees <sup>8</sup>	Reduces One-Time Funding for Prairie Public Broadcasting <sup>9</sup>	Removes Funding for Parking Lot Project <sup>10</sup>	Adjusts General Fund Transfer to Property Tax Relief Sustainability Fund <sup>11</sup>	Total House Changes
Salaries and wages						(\$530,683)
Operating expenses						(470,000)
Capital assets				(4,000,000)		(4,000,000)
Grants						
Emergency Commission contingency fund	300,000					300,000
Prairie Public Broadcasting			(500,000)			(500,000)
State student internship program						
Health insurance pool - temp employees		(2,000,000)				(2,000,000)
Accrued leave payments						570,412
Transfer to property tax fund					373,210,000	373,210,000
Total all funds	\$300,000	(\$2,000,000)	(\$500,000)	(\$4,000,000)	\$373,210,000	\$366,579,729
Less estimated income	0	(1,000,000)	0	0	0	(809,096)
General fund	\$300,000	(\$1,000,000)	(\$500,000)	(\$4,000,000)	\$373,210,000	\$367,388,825
FTE	0.00	0.00	0.00	0.00	0.00	(1.00)

<sup>1</sup> Funding is added due to a calculation error in the executive compensation package.

<sup>2</sup> A portion of salaries and wages funding from the general fund (\$478,233) and from other funds (\$92,179) for permanent employees compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees.

<sup>3</sup> One vacant FTE position in the Facilities Management Division is removed.

<sup>4</sup> Additional special funds authority is added for salaries (\$155,000) and operating expenses (\$30,000) for the Central Services Division.

<sup>5</sup> Funding is added for costs associated with the implementation of a political subdivision-reporting component for the state budget database website.

<sup>6</sup> Funding included in the executive budget recommendation for the Office of Management and Budget to contract with an external audit firm for audits is removed.

<sup>7</sup> Funding for the Emergency Commission state contingencies fund is increased by \$300,000, from \$700,000 to \$1,000,000.

<sup>8</sup> Funding included in the executive budget for a health insurance pool for temporary employees under the federal Affordable Care Act is removed.

<sup>9</sup> One-time funding for Prairie Public Broadcasting upgrades is reduced by \$500,000, from \$700,000 to \$200,000.

<sup>10</sup> Funding included in the executive budget for Capitol grounds parking lot projects is removed.

<sup>11</sup> The transfer from the general fund to the property tax relief sustainability fund is reduced from \$744.8 million to \$373.2 million and the timing of the transfer is changed from the 2011-13 biennium to the 2013-15 biennium.

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This amendment also provides for the following:

- Creates a new subsection to Section 54-44.1-18 relating to political subdivisions submitting budget information to the state database website. The new subsection becomes effective on January 1, 2014.
- Adds a study of the facility needs of state agencies located in the Bismarck area.
- Adds guidelines regarding the use of funding from state agency accrued leave payments line items.
- Adds a study of the process of appropriating funds for salaries and wages for the state employee classification system.
- Adds a study of state contributions for state employee health insurance premiums.

The reports of the majority and the minority were placed on the Seventh order of business on the calendar for the succeeding legislative day.

#### **REPORT OF STANDING COMMITTEE**

**HB 1290, as engrossed: Finance and Taxation Committee (Rep. Belter, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (10 YEAS, 4 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1290 was placed on the Sixth order on the calendar.

Page 2, remove lines 16 through 21

Page 2, line 28, after the underscored period insert "This section may not be superseded under city or county home rule authority."

Re-number accordingly

#### **REPORT OF STANDING COMMITTEE**

**HB 1319, as engrossed: Appropriations Committee (Rep. Delzer, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends

**DO PASS** (20 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1319 was placed on the Sixth order on the calendar.

Page 1, line 6, remove "and"

Page 1, line 7, after "57-19-09" insert ", and 57-20-07.1"

Page 1, line 8, remove "15.1-27-04,"

Page 1, line 8, remove ", 15.1-27-11, 15.1-27-22.1,"

Page 1, line 9, replace "15.1-27-42, 15.1-27-43, 15.1-27-44, 15.1-32-20, 57-15-14.4, 57-19-04," with "and"

Page 1, line 9, remove ", and chapter"

Page 1, line 10, remove "57-64"

Page 1, line 10, remove "the determination of state aid payable to"

Page 1, line 11, replace "school districts, school district levy authority, and the mill levy reduction grant program" with "kindergarten payments and special reserve funds; to provide an appropriation"

Page 1, line 11, remove the second "and"

Page 1, line 12, after "study" insert "; to provide for a suspension; to provide an effective date; and to provide an expiration date"

Page 8, line 7, remove "twenty-five"

Page 8, line 14, remove the overstrike over "~~0.079~~"

Page 8, line 14, remove "0.082"

Page 8, line 29, remove the overstrike over "~~0.006~~"

Page 8, line 29, remove "0.003"

Page 9, line 5, remove the overstrike over "~~0.004~~"

Page 9, line 5, remove "0.002"

Page 16, line 22, replace "fifty" with "seventy"

Page 17, line 4, replace "fifty" with "seventy"

Page 28, line 26, replace "thirty-five" with "fifteen"

Page 28, line 30, replace "sixty" with "forty"

Page 29, line 6, replace "sixty" with "eighty"

Page 31, line 24, replace "sixty" with "eighty"

Page 38, remove lines 21 through 31

Page 39, replace lines 1 through 3 with:

**"SECTION 32. AMENDMENT.** Section 57-20-07.1 of the North Dakota Century Code is amended and reenacted as follows:



**57-20-07.1. County treasurer to mail real estate tax statement.**

1. On or before December twenty-sixth of each year, the county treasurer shall mail a real estate tax statement to the owner of each parcel of real property at the owner's last-known address. The statement must be provided in a manner that allows the taxpayer to retain a printed record of the obligation for payment of taxes and special assessments as provided in the statement.
2. If a parcel of real property is owned by more than one individual, the county treasurer shall send only one statement to one of the owners of that property. Additional copies of the tax statement will be sent to the other owners upon their request and the furnishing of their names and addresses to the county treasurer.
3. The tax statement must include a dollar valuation of the true and full value as defined by law of the property and the total mill levy applicable.
4. The tax statement must include, or be accompanied by a separate sheet, with three columns showing, for the taxable year to which the tax statement applies and the two immediately preceding taxable years, ~~the~~:
  - a. The property tax levy in dollars against the parcel by the county and school district and any city or township that levied taxes against the parcel; and
  - b. The amount in dollars by which the owner's tax liability has been reduced as a result of mill levy reduction grants provided by the legislative assembly.
5. Failure of an owner to receive a statement will not relieve that owner of liability, nor extend the discount privilege past the February fifteenth deadline.

**SECTION 33. LEGISLATIVE MANAGEMENT STUDY - FUNDING OF EDUCATION - ACCOUNTABILITY - COMMITTEE ESTABLISHMENT.**

1. The legislative management shall appoint a committee to examine and clarify state-level and local-level responsibility for the equitable and adequate funding of elementary and secondary education in this state.
2. The committee shall:
  - a. Define what constitutes "education" for purposes of meeting the state's constitutional requirements;
  - b. Examine the distribution of financial and managerial responsibility for transportation, athletics and activities, course offerings beyond those that are statutorily required, and other nonmandatory offerings and services;
  - c. Examine the distribution of financial and managerial responsibility for school construction;
  - d. Examine the organizational structure for educational delivery in this state, in light of demographic changes, to ensure effectiveness and efficiency;
  - e. Examine the benefits and detriments of statutorily limiting school districts in their ability to generate and expend property tax dollars; and
  - f. Define what constitutes "adequacy" for purposes of funding education.

3. The committee shall:
  - a. Examine concepts of accountability in elementary and secondary education;
  - b. Examine the performance of North Dakota students in state and national assessments to determine whether recent legislative efforts have effected measurable improvements in student achievement; and
  - c. Examine high school curricular requirements, content standards, and teacher training and qualifications to determine whether North Dakota students are being adequately prepared for the various assessments and for their first year of enrollment in institutions of higher education.
4. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

**SECTION 34. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$100,000, or so much of the sum as may be necessary, to the legislative council for the purpose of contracting with consultants and other personnel necessary to complete the study of education funding and accountability, for the biennium beginning July 1, 2013, and ending June 30, 2015.

**SECTION 35. SUSPENSION.** Sections 15.1-27-04, 15.1-27-11, 15.1-27-22.1, 15.1-27-42, 15.1-27-43, 15.1-27-44, 15.1-32-20, 57-15-14.4, and 57-19-04 of the North Dakota Century Code are suspended through June 30, 2015.

**SECTION 36. SUSPENSION.** Chapter 57-64 of the North Dakota Century Code is suspended for the first two taxable years beginning after December 31, 2012."

Page 39, line 4, remove "15.1-27-04,"

Page 39, line 4, remove ", 15.1-27-11, 15.1-27-22.1,"

Page 39, line 5, remove "15.1-27-42, 15.1-27-43, 15.1-27-44, 15.1-32-20, 57-15-14.4, 57-19-04,"

Page 39, line 5, remove the second "and"

Page 39, line 6, remove "chapter 57-64"

Page 39, after line 6, insert:

**"SECTION 38. EXPIRATION DATE.** Sections 1, 5, 8, 10 through 12, 15, 19, and 31 of this Act are effective through June 30, 2013, and after that date are ineffective.

**SECTION 39. EFFECTIVE DATE - EXPIRATION DATE.** Sections 18 and 20 through 28 of this Act are effective for the first two taxable years beginning after December 31, 2012, and are thereafter ineffective."

Renumber accordingly

#### REPORT OF STANDING COMMITTEE

**HB 1358, as engrossed: Appropriations Committee (Rep. Delzer, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (19 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1358 was placed on the Sixth order on the calendar.

Page 1, line 1, remove ", a new section to chapter"

Page 1, line 2, remove "52-04,"

Page 1, line 2, replace "three" with "two"

Page 2, remove lines 24 through 29

Page 2, line 30, replace "Three" with "Two"

Page 3, line 5, replace "containing the majority of the area" with "with the highest student enrollment"

Page 3, line 6, after "within" insert "the city limits of"

Page 3, remove lines 7 through 9

Page 8, line 19, replace "membership" with "attendance"

Page 8, line 19, after "twelve" insert "students residing within the county"

Page 10, line 5, after "basis" insert "for kindergarten through grade twelve students residing within the county"

Page 13, line 5, after "**APPROPRIATION**" insert "**- JOB SERVICE NORTH DAKOTA**"

Page 13, line 12, after "**APPROPRIATION**" insert "**- STATE TREASURER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND**"

Page 13, line 14, replace "\$206,000,000" with "\$190,000,000"

Page 13, line 17, replace "\$103,000,000" with "\$95,000,000"

Page 13, line 27, after "**APPROPRIATION**" insert "**- DEPARTMENT OF TRANSPORTATION**"

Page 13, line 28, replace "\$170,000,000" with "\$150,000,000"

Page 14, line 3, replace "\$125,000,000" with "\$105,000,000"

Page 14, line 5, remove "A county is not eligible for an allocation"

Page 14, remove lines 6 and 7

Page 14, line 8, remove "and county road purposes."

Page 14, line 11, after "**APPROPRIATION**" insert "**- STATE TREASURER**"

Page 15, remove lines 4 through 8

Page 15, line 9, after "**APPROPRIATION**" insert "**- STATE DEPARTMENT OF HEALTH**"

Page 15, line 18, replace "**DEPARTMENT OF TRUST**" with "**COMMISSIONER OF UNIVERSITY AND SCHOOL**"

Page 16, after line 2, insert:

**"SECTION 11. APPROPRIATION - DEPARTMENT OF COMMERCE - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND.** There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$6,000,000, or so much of the sum as may be necessary, to the department of commerce for the purpose of administering a grant program for nursing homes, basic care facilities, and providers that serve individuals with developmental disabilities located in oil-producing counties to address the effects of oil and gas and related economic development activities, for the biennium beginning July 1, 2013, and ending June 30, 2015. The department of commerce shall allocate funding in January of each year of the

biennium, based on the number of full-time equivalent positions of each nursing home, facility, or provider as determined by the department of human services. The annual allocation for each full-time equivalent position may not exceed \$90 per month. When setting rates for the entities receiving grants under this section, the department of human services shall exclude grant income received under this section as an offset to costs. This funding is considered one-time funding for the 2013-15 biennium. The department of commerce shall report to the legislative management during the 2013-14 interim and to the appropriations committees of the sixty-fourth legislative assembly on the use of this one-time funding. For purposes of this section, an "oil-producing county" means a county that received an allocation of funding under section 57-51-15 for the preceding state fiscal year.

**SECTION 12. APPROPRIATION - DEPARTMENT OF HUMAN SERVICES - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND.** There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$10,000,000, or so much of the sum as may be necessary, to the department of human services for the purpose of administering a grant program for critical access hospitals in oil-producing counties and in counties contiguous to an oil-producing county to address the effects of oil and gas and related economic development activities, for the biennium beginning July 1, 2013, and ending June 30, 2015. The department of human services shall develop policies and procedures for the disbursement of the grant funding and may not award more than \$5,000,000 during each year of the biennium. The department of human services shall allocate funding in January of each year of the biennium. This funding is considered one-time funding for the 2013-15 biennium. The department of human services shall report to the legislative management during the 2013-14 interim and to the appropriations committees of the sixty-fourth legislative assembly on the use of this one-time funding. For the purposes of this section, an "oil-producing county" means a county that received an allocation of funding under section 57-51-15 of more than \$500,000 for the preceding state fiscal year."

Page 16, line 5, remove "Section 2 of this Act becomes effective July 1, 2015."

Page 16, line 6, replace "3" with "2"

Page 16, line 6, replace "4" with "3"

Page 16, line 7, replace "7, 8, and 9" with "6, 7, and 8"

ReNUMBER accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

This amendment:

- Removes a section requiring employer's contribution and wage reports.
- Adjusts the definition of a hub city school district and the distribution basis for determining school district funding allocations.
- Removes the definition of private covered employment engaged in the mining industry.
- Reduces funding from the strategic investment and improvements fund for road projects in oil-producing counties by \$16 million, from \$206 million to \$190 million.
- Reduces funding from the general fund for road projects in non-oil-producing counties and oil-producing counties with lower oil production by \$20 million, from \$170 million to \$150 million, and removes the requirement that counties must levy at least 10 mills for roads to be eligible for these funds.
- Removes a section appropriating \$585,000 from the general fund to the Department of Transportation for road testing and analysis.
- Adds a section appropriating \$6 million from the strategic investment and improvements fund to the Department of Commerce for grants to nursing and basic care facilities and developmental disability providers to address the effects of oil and gas and related economic development activities in oil-producing counties.
- Adds a section appropriating \$10 million from the strategic investment and improvements fund to the Department of Human Services for grants to critical access hospitals in oil-producing counties and counties contiguous to oil-producing

counties to address the effects of oil and gas and related economic development activities in certain oil-producing counties.

**SECOND READING OF HOUSE RESOLUTION ON CONSENT CALENDAR**

**HCR 3028:** A concurrent resolution urging the Sixty-third Legislative Assembly to recognize the month of November 2013 as "Chronic Obstructive Pulmonary Disease Awareness Month" throughout the state in recognition of this deadly disease and its effects on the citizens of North Dakota and encourage all residents of North Dakota to learn more about the prevention and treatment of chronic obstructive pulmonary disease.

The question being on the final adoption of the resolution, which has been read.

HCR 3028 was declared adopted on a voice vote.

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

**Buell J. Reich, Chief Clerk**

