

JOURNAL OF THE SENATE

Sixty-third Legislative Assembly

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Bismarck, April 18, 2013

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

The prayer was offered by Sister Ivo Schoch, Corpus Christi, Bismarck.

The roll was called and all members were present except Senator Poolman.

A quorum was declared by the President.

REQUEST

SEN. POOLMAN REQUESTED that the record reflect her presence, which request was granted.

APPOINTMENT OF CONFERENCE COMMITTEE

SEN. KLEIN MOVED that the President appoint a committee of three to act with a like committee from the House as a Conference Committee on Engrossed HB 1010, Engrossed HB 1016, Engrossed HB 1017, Engrossed HB 1234, and Reengrossed HB 1319, which motion prevailed.

THE PRESIDENT APPOINTED as a Conference Committee on:

Engrossed HB 1010: Sens. Wanzek, Erbele, Robinson

Engrossed HB 1016: Sens. Grindberg, Holmberg, Robinson

Engrossed HB 1017: Sens. Wanzek, Carlisle, O'Connell

Engrossed HB 1234: Sens. Cook, Miller, Triplett

Reengrossed HB 1319: Sens. Flakoll, Schaible, Heckaman

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. HOLMBERG MOVED that the Senate do not concur in the House amendments to Engrossed SB 2001 as printed on SJ page 1516 and that a conference committee be appointed to meet with a like committee from the House, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE PRESIDENT APPOINTED as a Conference Committee on Engrossed SB 2001: Sens. Carlisle, Holmberg, Mathern.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. HOLMBERG MOVED that the Senate do not concur in the House amendments to Engrossed SB 2014 as printed on SJ pages 1499-1505 and that a conference committee be appointed to meet with a like committee from the House, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE PRESIDENT APPOINTED as a Conference Committee on Engrossed SB 2014: Sens. Carlisle, Erbele, Warner.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. HOLMBERG MOVED that the Senate do not concur in the House amendments to Engrossed SB 2018 as printed on SJ pages 1505-1516 and that a conference committee be appointed to meet with a like committee from the House, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE PRESIDENT APPOINTED as a Conference Committee on Engrossed SB 2018: Sens. Grindberg, Holmberg, Robinson.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. KLEIN MOVED that the Senate do concur in the House amendments to Engrossed SB 2218 as printed on SJ page 1481, which motion prevailed on a voice vote.

Engrossed SB 2218, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

SB 2218: A BILL for an Act to provide workforce development grants to tribally controlled community colleges through the North Dakota department of commerce; and to provide an appropriation.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 43 YEAS, 4 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Andrist; Armstrong; Axness; Berry; Bowman; Burckhard; Campbell; Carlisle; Cook; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Lyson; Marcellais; Miller; Murphy; Nelson; O'Connell; Oehlke; Poolman; Robinson; Schaible; Schneider; Sitte; Sorvaag; Triplett; Unruh; Wanzek; Wardner

NAYS: Anderson; Mathern; Sinner; Warner

Reengrossed SB 2218 passed.

CONSIDERATION OF AMENDMENTS

HCR 3047: SEN. HOGUE (Judiciary Committee) MOVED that the amendments be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed on a voice vote.

SECOND READING OF HOUSE CONCURRENT RESOLUTION

HCR 3047: A concurrent resolution to create and enact a new section to article VIII of the Constitution of North Dakota, relating to the creation of a commission of higher education; to repeal section 6 of article VIII of the Constitution of North Dakota, relating to the state board of higher education; and to provide an effective date.

ROLL CALL

The question being on the final adoption of the amended resolution, which has been read, and has committee recommendation of DO PASS. The roll was called and there were 23 YEAS, 24 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Anderson; Armstrong; Bowman; Burckhard; Campbell; Carlisle; Cook; Dever; Flakoll; Grindberg; Hogue; Klein; Larsen; Lee, J.; Luick; Lyson; Miller; Schaible; Sitte; Sorvaag; Unruh; Wanzek; Wardner

NAYS: Andrist; Axness; Berry; Dotzenrod; Erbele; Grabinger; Heckaman; Holmberg; Kilzer; Krebsbach; Laffen; Lee, G.; Marcellais; Mathern; Murphy; Nelson; O'Connell; Oehlke; Poolman; Robinson; Schneider; Sinner; Triplett; Warner

HCR 3047, as amended, was declared lost on a recorded roll call vote.

MOTION

SEN. KLEIN MOVED that SB 2163 be rereferred to the **Finance and Taxation Committee**, which motion prevailed. Pursuant to Sen. Klein's motion, SB 2163 was rereferred.

MOTION

SEN. KLEIN MOVED that the Senate stand in recess until 1:00 p.m., which motion prevailed.

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

MOTION

SEN. KLEIN MOVED that for the Sixty-ninth and Seventieth legislative days Sen. Grabinger replace Sen. Nelson on the Conference Committees on HB 1128 and HB 1136, which motion prevailed on a voice vote.

MOTION

SEN. KLEIN MOVED that for the Sixty-ninth and Seventieth legislative days Sen. Poolman replace Sen. Nelson on the Conference Committee on SB 2210, which motion prevailed on a voice vote.

MOTION

SEN. KLEIN MOVED that for the Sixty-ninth and Seventieth legislative days Sen. Schaible replace Sen. Nelson on the Conference Committee on HB 1452, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

SEN. KLEIN MOVED that the President appoint a committee of three to act with a like committee from the House as a Conference Committee on Reengrossed HB 1005 and Engrossed HB 1029, which motion prevailed.

THE PRESIDENT APPOINTED as a Conference Committee on:

Reengrossed HB 1005: Sens. Carlisle, Bowman, Robinson

Engrossed HB 1029: Sens. Cook, Campbell, Dotzenrod

MOTION

SEN. KLEIN MOVED that the rules be suspended and that the Majority Leader be authorized to select a replacement for any absent member of a conference committee scheduled to meet until the end of session, which motion prevailed.

CONSIDERATION OF AMENDMENTS

HB 1038, as reengrossed and amended: SEN. J. LEE (Appropriations Committee) MOVED that the amendments be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed on a voice vote.

SECOND READING OF HOUSE BILL

HB 1038: A BILL for an Act to provide for the establishment of an autism spectrum disorder database and an autism spectrum disorder voucher program; to provide for a department of human services study and report to the legislative management; 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 47 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Anderson; Andrist; Armstrong; Axness; Berry; Bowman; Burckhard; Campbell; Carlisle; Cook; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Lyson; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oehlke; Poolman; Robinson; Schaible; Schneider; Sinner; Sitte; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

Reengrossed HB 1038, as amended, passed.

CONSIDERATION OF AMENDMENTS

HB 1422, as engrossed and amended: SEN. AXNESS (Appropriations Committee) MOVED that the amendments be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed on a voice vote.

SECOND READING OF HOUSE BILL

HB 1422: A BILL for an Act 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 38 YEAS, 9 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Anderson; Andrist; Armstrong; Axness; Berry; Burckhard; Campbell; Dever; Dotzenrod; Flakoll; Grabinger; Grindberg; Heckaman; Hogue; Holmberg; Klein; Krebsbach; Laffen; Larsen; Lee, J.; Lyson; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oehlke; Poolman; Robinson; Schneider; Sinner; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

NAYS: Bowman; Carlisle; Cook; Erbele; Kilzer; Lee, G.; Luick; Schaible; Sitte

Engrossed HB 1422, as amended, passed.

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 NOT PASS, the roll was called and there were 3 YEAS, 44 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Carlisle; Grindberg; Lee, G.

NAYS: Anderson; Andrist; Armstrong; Axness; Berry; Bowman; Burckhard; Campbell; Cook; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, J.; Luick; Lyson; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oehlke; Poolman; Robinson; Schaible; Schneider; Sinner; Sitte; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

Engrossed HB 1312, as amended, failed.

SECOND READING OF HOUSE BILL

HB 1281: A BILL for an Act to create and enact a new section to chapter 15-10 of the North Dakota Century Code, relating to the assessment of institutions of higher education; and to provide an expiration date.

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 44 YEAS, 3 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Anderson; Andrist; Armstrong; Axness; Berry; Bowman; Campbell; Carlisle; Cook; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Lyson; Marcellais; Miller; Murphy; Nelson; Oehlke; Poolman; Robinson; Schaible; Schneider; Sinner; Sitte; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

NAYS: Burckhard; Mathern; O'Connell

Reengrossed HB 1281 passed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. BERRY MOVED that the conference committee report on Engrossed SB 2115 as printed on SJ pages 1426-1427 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2115, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

SB 2115: A BILL for an Act to amend and reenact section 44-04-18.4 of the North Dakota Century Code, relating to exemption of technical, financial, or marketing records.

ROLL CALL

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

YEAS: Anderson; Andrist; Armstrong; Axness; Berry; Bowman; Burckhard; Campbell; Carlisle; Cook; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Lyson; Marcellais; Mathern; Miller; Murphy; O'Connell; Oehlke; Poolman; Robinson; Schaible; Schneider; Sinner; Sitte; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

ABSENT AND NOT VOTING: Nelson

Reengrossed SB 2115 passed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. MILLER MOVED that the conference committee report on SB 2330 as printed on SJ page 1407 be adopted, which motion prevailed on a voice vote.

SB 2330, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

SB 2330: A BILL for an Act to amend and reenact section 57-38-62 of the North Dakota Century Code, relating to underpayment of estimated taxes; and to provide an effective date.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 45 YEAS, 1 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Anderson; Andrist; Armstrong; Axness; Berry; Bowman; Burckhard; Campbell; Carlisle; Cook; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Lyson; Marcellais; Mathern; Miller; Murphy; Oehlke; Poolman; Robinson; Schaible; Schneider; Sinner; Sitte; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

NAYS: O'Connell

ABSENT AND NOT VOTING: Nelson

Engrossed SB 2330 passed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. MARCELLAIS MOVED that the conference committee report on SB 2361 as printed on SJ pages 1429-1430 be adopted, which motion prevailed on a voice vote.

SB 2361, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

SB 2361: A BILL for an Act to create and enact a new section to chapter 15-62.1 of the North Dakota Century Code, relating to a student loan consolidation program at the Bank of North Dakota; and to provide for a report.

ROLL CALL

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

YEAS: Anderson; Andrist; Armstrong; Axness; Berry; Bowman; Burckhard; Campbell; Carlisle; Cook; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Lyson; Marcellais; Mathern; Miller; Murphy; O'Connell; Oehlke; Poolman; Robinson; Schaible; Schneider; Sinner; Sitte; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

ABSENT AND NOT VOTING: Nelson

Engrossed SB 2361 passed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. SORVAAG MOVED that the conference committee report on Engrossed SB 2175 as printed on SJ pages 1474-1475 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2175, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

SB 2175: A BILL for an Act to amend and reenact section 14-07-08 of the North Dakota Century Code, relating to the liabilities of husband and wife.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 35 YEAS, 11 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Andrist; Axness; Berry; Bowman; Burckhard; Campbell; Carlisle; Cook; Dotzenrod; Erbele; Flakoll; Grabinger; Grindberg; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Marcellais; Murphy; O'Connell; Oehlke; Robinson; Schaible; Schneider; Sinner; Sorvaag; Unruh; Wanzek; Wardner

NAYS: Anderson; Armstrong; Dever; Heckaman; Lyson; Mathern; Miller; Poolman; Sitte; Triplett; Warner

ABSENT AND NOT VOTING: Nelson

Reengrossed SB 2175 passed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. ARMSTRONG MOVED that the conference committee report on Engrossed SB 2225 as printed on SJ pages 1524-1525 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2225, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

SB 2225: A BILL for an Act to amend and reenact section 14-03-09 of the North Dakota Century Code, relating to the authority to solemnize marriages.

ROLL CALL

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

YEAS: Anderson; Andrist; Armstrong; Axness; Berry; Bowman; Burckhard; Campbell; Carlisle; Cook; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Lyson; Marcellais; Mathern; Miller; Murphy; O'Connell; Oehlke; Poolman; Robinson; Schaible; Schneider; Sinner; Sitte; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

ABSENT AND NOT VOTING: Nelson

Reengrossed SB 2225 passed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. BERRY MOVED that the conference committee report on Engrossed SB 2227 as printed on SJ pages 1473-1474 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2227, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

SB 2227: A BILL for an Act to amend and reenact sections 29-32.1-01 and 29-32.1-09 of the North Dakota Century Code, relating to limitations and summary disposition for postconviction relief proceedings.

ROLL CALL

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

YEAS: Anderson; Andrist; Armstrong; Axness; Berry; Bowman; Burckhard; Campbell; Carlisle; Cook; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Lyson; Marcellais; Mathern; Miller; Murphy; O'Connell; Oehlke; Poolman; Robinson; Schaible; Schneider; Sinner; Sitte; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

ABSENT AND NOT VOTING: Nelson

Reengrossed SB 2227 passed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. UNRUH MOVED that the conference committee report on SB 2152 as printed on SJ page 1529 be adopted, which motion prevailed on a voice vote.

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

SECOND READING OF SENATE BILL

SB 2152: A BILL for an Act to create and enact a new subsection to section 10-31-13 of the North Dakota Century Code, relating to regulation of professional organizations; and to amend and reenact section 10-31-06 of the North Dakota Century Code, relating to ownership of professional organizations.

ROLL CALL

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

YEAS: Anderson; Andrist; Armstrong; Axness; Berry; Bowman; Burckhard; Campbell; Carlisle; Cook; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Lyson; Marcellais; Mathern; Miller; Murphy; O'Connell; Oehlke; Poolman; Robinson; Schaible; Schneider; Sinner; Sitte; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

ABSENT AND NOT VOTING: Nelson

Engrossed SB 2152 passed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. ARMSTRONG MOVED that the conference committee report on Engrossed SB 2299 as printed on SJ pages 1477-1478 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2299, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

SB 2299: A BILL for an Act to create and enact section 16.1-08.1-03.13 of the North Dakota Century Code, relating to campaign contribution statements required of initiated petition sponsoring committees; to amend and reenact section 16.1-08.1-01, subsection 3 of section 16.1-08.1-02, subsection 2 of section 16.1-08.1-03, sections 16.1-08.1-03.1, 16.1-08.1-03.2, 16.1-08.1-03.3, 16.1-08.1-03.5, and 16.1-08.1-03.7, subsection 3 of section 16.1-08.1-03.8, subsection 2 of section 16.1-08.1-03.9, subsection 2 of section 16.1-08.1-03.10, subsection 2 of section 16.1-08.1-03.11, and sections 16.1-08.1-03.12, 16.1-08.1-04, 16.1-08.1-05, 16.1-08.1-06, 16.1-08.1-06.1, and 16.1-08.1-07 of the North Dakota Century Code, relating to campaign finance; to provide a penalty; and to provide an effective date.

ROLL CALL

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

YEAS: Anderson; Andrist; Armstrong; Axness; Berry; Bowman; Burckhard; Campbell; Carlisle; Cook; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Lyson; Marcellais; Mathern; Miller; Murphy; O'Connell; Oehlke; Poolman; Robinson; Schaible; Schneider; Sinner; Sitte; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

ABSENT AND NOT VOTING: Nelson

Reengrossed SB 2299 passed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. LAFFEN MOVED that the conference committee report on SB 2144 as printed on SJ pages 1528-1529 be adopted, which motion prevailed on a voice vote.

SB 2144, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

SB 2144: A BILL for an Act to create and enact a new section to chapter 10-31 of the North Dakota Century Code, relating to ownership of professional organizations; and to amend and reenact sections 10-31-01, 10-31-02, 10-31-02.1, 10-31-04, and 10-31-13 of the North Dakota Century Code, relating to nonprofessional ownership of professional organizations.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 45 YEAS, 1 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Anderson; Andrist; Armstrong; Axness; Berry; Bowman; Burckhard; Campbell; Carlisle; Cook; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Lyson; Marcellais; Mathern; Miller; Murphy; Oehlke; Poolman; Robinson; Schaible; Schneider; Sinner; Sitte; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

NAYS: O'Connell

ABSENT AND NOT VOTING: Nelson

Engrossed SB 2144 passed.

MOTION

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

THE SENATE RECONVENED pursuant to recess taken, with President Pro Tempore Flakoll presiding.

MOTION

SEN. KLEIN MOVED that for the Sixty-ninth and Seventieth legislative days Sen. Berry replace Sen. Nelson on the Conference Committee on HB 1099, which motion prevailed on a voice vote.

MOTION

SEN. KLEIN MOVED that for the Sixty-ninth and Seventieth legislative days Sen. Poolman replace Sen. Nelson on the Conference Committee on SB 2369, which motion prevailed on a voice vote.

MOTION

SEN. ERBELE MOVED that the Senate reconsider its action whereby HCR 3047, as amended, failed to pass, which motion failed on a verification vote.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. DEVER MOVED that the conference committee report on Engrossed SB 2131 as printed on SJ page 1528 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2131, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

SB 2131: A BILL for an Act to create and enact a new chapter to title 43 of the North Dakota Century Code, relating to genetic counseling; and to provide a penalty.

ROLL CALL

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

YEAS: Anderson; Andrist; Armstrong; Axness; Berry; Bowman; Burckhard; Campbell; Carlisle; Cook; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Lyson; Marcellais; Mathern; Miller; Murphy; O'Connell; Oehlke; Poolman; Robinson; Schaible; Schneider; Sinner; Sitte; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

ABSENT AND NOT VOTING: Nelson

Reengrossed SB 2131 passed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. SORVAAG MOVED that the conference committee report on Reengrossed SB 2353 be adopted, which motion prevailed on a voice vote.

Reengrossed SB 2353, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

SB 2353: A BILL for an Act to create and enact two new sections to chapter 37-17.3 of the North Dakota Century Code, relating to statewide integrated radio communication; to provide for a legislative management study; and to provide an appropriation.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll

was called and there were 46 YEAS, 0 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Anderson; Andrist; Armstrong; Axness; Berry; Bowman; Burckhard; Campbell; Carlisle; Cook; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Lyson; Marcellais; Mathern; Miller; Murphy; O'Connell; Oehlke; Poolman; Robinson; Schaible; Schneider; Sinner; Sitte; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

ABSENT AND NOT VOTING: Nelson

Reengrossed SB 2353 passed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. MILLER MOVED that the conference committee report on Reengrossed HB 1227 be adopted, which motion prevailed on a voice vote.

Reengrossed HB 1227, as amended, was placed on the Fourteenth order of business.

SECOND READING OF HOUSE BILL

HB 1227: A BILL for an Act to create and enact section 19-20.1-17.1 of the North Dakota Century Code, relating to the imposition of civil penalties; to amend and reenact sections 19-20.1-02, 19-20.1-03, 19-20.1-03.1, 19-20.1-03.4, 19-20.1-04, 19-20.1-06, 19-20.1-08, 19-20.1-10, 19-20.1-11, 19-20.1-12, 19-20.1-13, 19-20.1-14, 19-20.1-15, 19-20.1-16, 19-20.1-17, and 19-20.1-18 of the North Dakota Century Code, relating to fertilizers, fertilizer materials, micronutrients, specialty fertilizers, soil amendments, and plant amendments; to repeal sections 19-20.1-01, 19-20.1-03.3, 19-20.1-05.1, 19-20.1-07, and 19-20.2-11 of the North Dakota Century Code, relating to the agriculture commissioner, protected information, rulemaking, and storage and fees; and to provide a penalty.

ROLL CALL

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

YEAS: Anderson; Andrist; Armstrong; Axness; Berry; Bowman; Burckhard; Campbell; Carlisle; Cook; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Lyson; Marcellais; Mathern; Miller; Murphy; O'Connell; Oehlke; Poolman; Robinson; Schaible; Schneider; Sinner; Sitte; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

ABSENT AND NOT VOTING: Nelson

Reengrossed HB 1227, as amended, passed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. ARMSTRONG MOVED that the conference committee report on Reengrossed HB 1133 be adopted, which motion prevailed on a voice vote.

Reengrossed HB 1133, as amended, was placed on the Fourteenth order of business.

SECOND READING OF HOUSE BILL

HB 1133: A BILL to create and enact a new section to chapter 19-03.1 of the North Dakota Century Code, relating to controlled substance analogs; to amend and reenact subsection 7 of section 12-44.1-21, subsection 5 of section 12-46-24, subsection 7 of section 12-47-21, section 19-03.1-01, subdivision b of subsection 1 of section 19-03.1-23, and subsection 7 of section 19-03.1-23 of the North Dakota Century Code, relating to controlled substance analogs; to provide a penalty; and to declare an emergency.

ROLL CALL

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

YEAS: Anderson; Andrist; Armstrong; Axness; Berry; Bowman; Burckhard; Campbell; Carlisle; Cook; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Lyson; Marcellais; Mathern; Miller; Murphy; O'Connell; Oehlke; Poolman; Robinson; Schaible; Schneider; Sinner; Sitte; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

ABSENT AND NOT VOTING: Nelson

Reengrossed HB 1133, as amended, passed and the emergency clause was declared carried.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. CAMPBELL MOVED that the conference committee report on Engrossed HB 1139 as printed on SJ page 1260 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1139, as amended, was placed on the Fourteenth order of business.

MOTION

SEN. KLEIN MOVED that HB 1139 be moved to the bottom of the calendar, which motion prevailed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. ARMSTRONG MOVED that the conference committee report on Reengrossed HB 1126 be adopted, which motion prevailed on a voice vote.

Reengrossed HB 1126, as amended, was placed on the Fourteenth order of business.

SECOND READING OF HOUSE BILL

HB 1126: A BILL for an Act to amend and reenact section 39-05-20.2 of the North Dakota Century Code, relating to salvage certificates of title.

ROLL CALL

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

YEAS: Anderson; Andrist; Armstrong; Axness; Berry; Bowman; Burckhard; Campbell; Carlisle; Cook; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Lyson; Marcellais; Mathern; Miller; Murphy; O'Connell; Oehlke; Poolman; Robinson; Schaible; Schneider; Sinner; Sitte; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

ABSENT AND NOT VOTING: Nelson

Reengrossed HB 1126, as amended, passed.

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

MR. SPEAKER: The Senate has passed, unchanged: HB 1281.

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

MR. SPEAKER: The Senate has amended and subsequently passed: HB 1038.

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

MR. SPEAKER: The Senate has amended and subsequently passed: HB 1422.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)
MR. SPEAKER: The Senate has amended and subsequently failed to pass: HB 1312.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)
MR. SPEAKER: The Senate has concurred in the House amendments and subsequently passed: SB 2218.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)
MR. SPEAKER: The Senate does not concur in the House amendments to SB 2001, SB 2014, and SB 2018, and the President has appointed as a conference committee to act with a like committee from the House on:

SB 2001: Sens. Carlisle; Holmberg; Mathern
SB 2014: Sens. Carlisle; Erbele; Warner
SB 2018: Sens. Grindberg; Holmberg; Robinson

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The House has appointed as a conference committee to act with a like committee from the Senate on:

SB 2002: Reps. Sanford; Brandenburg; Guggisberg
SB 2004: Reps. Bellew; Kreidt; Holman
SB 2013: Reps. Kempenich; Thoreson; Guggisberg
SB 2020: Reps. Monson; Skarphol; Boe
SB 2267: Reps. Dosch; Monson; Boe

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The House has appointed as a conference committee to act with a like committee from the Senate on:

SB 2012: Reps. Brandenburg; Thoreson; Guggisberg
SB 2242: Reps. Silbernagel; Damschen; S. Kelsh

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The House has appointed as a conference committee to act with a like committee from the Senate on:

SB 2015: Reps. Wieland; Pollert; Holman
SCR 4010: Reps. Boehning; Steiner; Hanson

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The House has concurred in the Senate amendments and subsequently passed: HCR 3017.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The House has concurred in the Senate amendments and subsequently failed to pass: HB 1356.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The House does not concur in the Senate amendments to HB 1005, and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

HB 1005: Reps. Sanford; Brandenburg; Guggisberg

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The House does not concur in the Senate amendments to HB 1029, and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

HB 1029: Reps. Owens; Headland; Haak

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

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

HB 1005: Sens. Carlisle; Bowman; Robinson

HB 1029: Sens. Cook; Campbell; Dotzenrod

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

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

HB 1010: Sens. Wanzek; Erbele; Robinson

HB 1016: Sens. Grindberg; Holmberg; Robinson

HB 1017: Sens. Wanzek; Carlisle; O'Connell

HB 1234: Sens. Cook; Miller; Triplett

HB 1319: Sens. Flakoll; Schaible; Heckaman

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

MR. SPEAKER: The President has appointed Sen. Poolman to replace Sen. Nelson for the Sixty-ninth and Seventieth legislative days on the Conference Committee on SB 2210.

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

MR. SPEAKER: The President has appointed Sen. Poolman to replace Sen. Nelson for the Sixty-ninth and Seventieth legislative days on the Conference Committee on SB 2369.

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

MR. PRESIDENT: The Speaker has appointed Rep. Streytle to replace Rep. Sanford on the Conference Committee on SB 2021.

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

MR. PRESIDENT: The Speaker has appointed Rep. Owens to replace Rep. Trottier on the Conference Committee on SCR 4030.

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

MR. PRESIDENT: The Speaker has appointed Rep. Dockter to replace Rep. Boehning on the Conference Committee on HB 1306.

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

MR. PRESIDENT: The Speaker has appointed Rep. Zaiser to replace Rep. Amerman on the Conference Committee on HB 1306.

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

MR. SPEAKER: The President has appointed Sen. Berry to replace Sen. Nelson for the Sixty-ninth and Seventieth legislative days on the Conference Committee on HB 1099.

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

MR. SPEAKER: The President has appointed Sen. Grabinger to replace Sen. Nelson for the Sixty-ninth and Seventieth legislative days on the Conference Committee on HB 1128.

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

MR. SPEAKER: The President has appointed Sen. Grabinger to replace Sen. Nelson for the Sixty-ninth and Seventieth legislative days on the Conference Committee on HB 1136.

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

MR. SPEAKER: The President has appointed Sen. Schaible to replace Sen. Nelson for the Sixty-ninth and Seventieth legislative days on the Conference Committee on HB 1452.

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: SB 2115, SB 2144, SB 2152, SB 2175, SB 2225, SB 2227, SB 2299,

SB 2330, SB 2361.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)
MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: SB 2131, SB 2353.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)
MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: HB 1126, HB 1133, HB 1227.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The House has adopted the conference committee report on: HB 1139.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The House has adopted the conference committee report on: HB 1205.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The House has adopted the conference committee report on: SB 2047, SB 2095.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The House has adopted the conference committee report and subsequently passed: HB 1063, HB 1126, HB 1440.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The House has adopted the conference committee report and subsequently passed: HB 1166.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The House has adopted the conference committee report and subsequently passed: SB 2310, SB 2339.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1061, HB 1133.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)
MR. SPEAKER: Your signature is respectfully requested on: SB 2047, SB 2095, SB 2218, SB 2310, SB 2339.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)
MR. SPEAKER: Your signature is respectfully requested on: SB 2344.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The Speaker has signed: SB 2047, SB 2095, SB 2218, SB 2310, SB 2339, SB 2344.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The Speaker has signed: HB 1023, HB 1167, HB 1202, HB 1219, HB 1368, HB 1410.

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following bills were delivered to the Governor for approval on April 18, 2013: SB 2087, SB 2113, SB 2114, SB 2207, SB 2255, SB 2352.

MOTION

SEN. KLEIN MOVED that the absent member be excused, which motion prevailed.

MOTION

SEN. KLEIN MOVED that the Senate be on the Fourth, Fifth, and Thirteenth orders of business and at the conclusion of those orders, the Senate stand adjourned until 8:00 a.m., Friday, April 19, 2013, which motion prevailed.

REPORT OF STANDING COMMITTEE

HB 1102: Education Committee (Sen. Flakoll, Chairman) recommends DO PASS

(6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1102 was placed on the Fourteenth order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1250, as amended: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1250, as amended, was placed on the Sixth order on the calendar.

In lieu of the amendments adopted by the Senate as printed on pages 1102-1113 of the Senate Journal, House Bill No. 1250 is amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact three new sections to chapter 57-38, a new subdivision to subsection 7 of section 57-38-30.3, subsections 7 and 8 to section 57-38-34, subsection 11 to section 57-38-38, and subsection 16 to section 57-38-40 of the North Dakota Century Code, relating to corporate and individual income tax credits and transition of financial institutions to corporate income tax treatment; to amend and reenact subsection 5 of section 11-37-08, subsection 8 of section 40-63-01, subsection 5 of section 40-63-04, section 40-63-06, subsections 3 and 4 of section 40-63-07, subsection 3 of section 57-38-01.3, subsection 3 of section 57-38-01.26, subsections 5 and 7 of section 57-38-01.32, section 57-38-30, subsection 1 and subdivisions c, d, and f of subsection 2 of section 57-38-30.3, and section 57-39.2-26.1 of the North Dakota Century Code, relating to authorized investments of an angel fund for income tax credit purposes, reduction in income tax rates for corporations, individuals, estates, and trusts, transition of financial institutions to corporate income tax treatment, income tax credits and exclusions, and allocation to political subdivisions from the state aid distribution fund; to repeal chapter 57-35.3 of the North Dakota Century Code, relating to elimination of the financial institutions tax; to provide for a report; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

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

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

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

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

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

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

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

A credit against state tax liability as determined under sections ~~57-35.3-03~~, 57-38-30, and 57-38-30.3 is allowed for investments in the historic preservation or renovation of property within the renaissance zone. The amount of the credit is twenty-five percent of the amount invested, up to a maximum of two hundred fifty

thousand dollars. The credit may be claimed in the year in which the preservation or renovation is completed. Any excess credit may be carried forward for a period of up to five taxable years.

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

3. A renaissance fund organization is exempt from any tax imposed by chapter ~~57-35.3 or~~ 57-38. An exemption under this section may be passed through to any shareholder, partner, and owner if the renaissance fund organization is a passthrough entity for tax purposes. A corporation ~~or financial institution~~ entitled to the exemption provided by this subsection shall file required returns and report income to the tax commissioner as required by the provisions of ~~those chapters~~ chapter 57-38 as if the exemption did not exist. If an employer, this subsection does not exempt a renaissance fund organization from complying with the income tax withholding laws.

SECTION 6. AMENDMENT. Subsection 4 of section 40-63-07 of the North Dakota Century Code is amended and reenacted as follows:

4. A credit against state tax liability as determined under section ~~57-35.3-03, 57-38-30, or 57-38-30.3~~ is allowed for investments in a renaissance fund organization. The amount of the credit is fifty percent of the amount invested in the renaissance fund organization during the taxable year. Any amount of credit which exceeds a taxpayer's tax liability for the taxable year may be carried forward for up to five taxable years after the taxable year in which the investment was made.

SECTION 7. AMENDMENT. Subsection 3 of section 57-38-01.3 of the North Dakota Century Code is amended and reenacted as follows:

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

SECTION 8. AMENDMENT. Subsection 3 of section 57-38-01.26 of the North Dakota Century Code is amended and reenacted as follows:

3. An angel fund must:
 - a. Be a partnership, limited partnership, corporation, limited liability company, limited liability partnership, trust, or estate organized on a for-profit basis which is headquartered in this state.
 - b. Be organized for the purpose of investing in a portfolio of at least three primary sector companies that are early-stage and mid-stage private, nonpublicly traded enterprises with strong growth potential. For purposes of this section, an early-stage entity means an entity with annual revenues of up to two million dollars and a mid-stage entity means an entity with annual revenues over two million dollars not to exceed ten million dollars. ~~Early-stage and mid-stage entities do not include those that have more than twenty-five percent of their revenue from income-producing real estate.~~ Investments in real estate or real estate holding companies are not eligible investments.

by certified angel funds. Any angel fund certificate before January 1, 2013, which has invested in real estate or a real estate holding company is not eligible for recertification.

- c. Consist of at least six accredited investors as defined by securities and exchange commission regulation D, rule 501.
- d. Not have more than twenty-five percent of its capitalized investment assets owned by an individual investor.
- e. Have at least five hundred thousand dollars in commitments from accredited investors and that capital must be subject to call to be invested over an unspecified number of years to build a portfolio of investments in enterprises.
- f. Be member-managed or a manager-managed limited liability company and the investor members or a designated board that includes investor members must make decisions as a group on which enterprises are worthy of investments.
- g. Be certified as an angel fund that meets the requirements of this section by the department of commerce.
- h. Be in compliance with the securities laws of this state.
- i. Within thirty days after the date on which an investment in an angel fund is made, the angel fund shall file with the tax commissioner and provide to the investor completed forms prescribed by the tax commissioner which show as to each investment in the angel fund the following:
 - (1) The name, address, and social security number or federal employer identification number of the taxpayer or passthrough entity that made the investment;
 - (2) The dollar amount remitted by the taxpayer or passthrough entity; and
 - (3) The date the payment was received by the angel fund for the investment.
- j. Within thirty days after the end of a calendar year, the angel fund shall file with the tax commissioner a report showing the name and principal place of business of each enterprise in which the angel fund has an investment.

SECTION 9. AMENDMENT. Subsections 5 and 7 of section 57-38-01.32 of the North Dakota Century Code are amended and reenacted as follows:

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

SECTION 10. A new section to chapter 57-38 of the North Dakota Century Code is created and enacted as follows:

Employer-provided child care credit.

1. An employer is allowed a credit against the tax imposed under section 57-38-30 or 57-38-30.3 for providing a qualified child care facility. The amount of the credit under this section is fifty percent of the qualified child care expenditures incurred by the employer. Qualified child care expenditures under this section may not be used in the calculation of any other income tax deduction or credit allowed under state law.
2. For purposes of this section:
 - a. "Employer" means a taxpayer who employs one or more full-time equivalent employees and whose primary source of income is from a business other than the business of providing child care services.
 - b. "Qualified child care expenditure" means any amount paid or incurred:
 - (1) To acquire, construct, rehabilitate, or expand property:
 - (a) That is to be used as part of a qualified child care facility;
 - (b) For which a deduction under federal law for depreciation, or amortization in lieu of depreciation, is allowable; and
 - (c) That does not constitute part of the principal residence of the taxpayer or any employee of the taxpayer;
 - (2) For the direct costs necessary for the operation of the child care facility;
 - (3) For the indirect or overhead costs properly attributable to the child care facility, including insurance, utilities, front office salaries, property taxes, legal fees, and advertising; or
 - (4) Under a contract with a qualified child care facility to provide child care services to employees of the taxpayer, including any amount paid to the child care facility for additional direct or indirect costs of the facility.
- The term "qualified child care expenditure" does not include expenses in excess of the fair market value of such care.

 - c. "Qualified child care facility" means a facility the principal use of which is to provide child care assistance to the taxpayer's employees and that meets the requirements of all applicable laws and regulations of the state and local government in which it is located.
 - (1) The term "qualified child care facility" does not apply to a facility which is the principal residence of the operator of the facility.
 - (2) A facility may not be treated as a qualified child care facility with respect to a taxpayer unless:
 - (a) Enrollment in the facility is open to employees of the taxpayer during the taxable year; and
 - (b) Eligibility for enrollment must be offered to all employees on an equal opportunity basis.
3. The taxpayer shall claim the total credit amount for the taxable year in which the qualified child care expenditures are made, except depreciated property expenditures shall be claimed in the taxable year in which the property is placed in service. The credit under this section may not

- exceed the taxpayer's liability as determined under this chapter for any taxable year.
4. If two or more taxpayers share in the qualified child care expenditures, each taxpayer must be allowed the credit in relation to the respective share paid or incurred by each taxpayer of the total expenditures for the facility in each taxable year.
 5. If the amount of the credit determined under this section exceeds the liability for tax under this chapter, the excess may be carried forward to each of the next five succeeding taxable years.
 6. A partnership, subchapter S corporation, limited partnership, limited liability company, or any other passthrough entity entitled to the credit under this section must be considered to be the taxpayer for purposes of calculating the credit. The amount of the allowable credit must be determined at the passthrough entity level. The total credit determined at the entity level must be passed through to the partners, shareholders, or members in proportion to their respective interests in the passthrough entity. An individual taxpayer may take the credit passed through under this subsection against the individual's state income tax liability under section 57-38-30.3.
 7. To receive the tax credit provided under this section, a taxpayer shall claim the credit in the form and manner as may be prescribed by the tax commissioner.
 8. It is the intent of the legislative assembly that the credit provided in this section must be liberally construed and interpreted to effectuate the expansion of child care availability in the state.

SECTION 11. A new subdivision to subsection 7 of section 57-38-30.3 of the North Dakota Century Code is created and enacted as follows:

Employer-provided child care credit under section 10 of this Act.

SECTION 12. A new section to chapter 57-38 of the North Dakota Century Code is created and enacted as follows:

Financial institutions - Net operating losses - Credit carryovers.

1. A subchapter S corporation that was a financial institution under chapter 57-35.3 may elect to be treated as a taxable corporation under chapter 57-38. If an election is made under this section, the election:
 - a. Must be made in the form and manner prescribed by the tax commissioner on the return filed for the tax year beginning on January 1, 2013, or the return filed for the short period required under subsection 8 of section 57-38-34; and
 - b. Is binding until the earlier of:
 - (1) The end of the tax year for which the taxpayer reports a tax liability after tax credits; or
 - (2) The beginning of the tax year for which the taxpayer elects to be recognized as a subchapter S corporation under section 57-38-01.4.
2. If an election is made under this section, the following apply:
 - a. A subchapter S corporation may not file a consolidated return.
 - b. Any unused credit carryovers earned by a financial institution under chapter 57-35.3 for tax years beginning before January 1, 2013, may

be carried forward in the same number of years the financial institution would have been entitled under chapter 57-35.3.

- c. Any unused net operating losses incurred by a financial institution under chapter 57-35.3 for tax years beginning before January 1, 2013, may be carried forward for the same number of years the financial institution would have been entitled under chapter 57-35.3.

SECTION 13. A new section to chapter 57-38 of the North Dakota Century Code is created and enacted as follows:

Corporate credit for contributions to rural leadership North Dakota.

There is allowed a credit against the tax imposed by section 57-38-30 in an amount equal to fifty percent of the aggregate amount of contributions made by the taxpayer during the taxable year for tuition scholarships for participation in rural leadership North Dakota conducted through the North Dakota state university extension service. Contributions by a taxpayer may be earmarked for use by a designated recipient.

SECTION 14. AMENDMENT. Section 57-38-30 of the North Dakota Century Code is amended and reenacted as follows:

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

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

1. For the first twenty-five thousand dollars of taxable income, at the rate of one and ~~sixty-eight~~fifty-eight hundredths percent.
2. On all taxable income exceeding twenty-five thousand dollars and not exceeding fifty thousand dollars, at the rate of ~~four~~three and ~~twenty-three~~ninety-eight hundredths percent.
3. On all taxable income exceeding fifty thousand dollars, at the rate of ~~five~~four and ~~fifteen~~eighty-four hundredths percent.

SECTION 15. AMENDMENT. Subsection 1 of section 57-38-30.3 of the North Dakota Century Code is amended and reenacted as follows:

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

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

If North Dakota taxable income is: The tax is equal to:

Not over ~~\$34,500~~\$36,250 ~~1.51%~~1.36%

Over ~~\$34,500~~\$36,250 ~~\$520.95~~\$494.28 plus ~~2.82%~~2.55%

but not over ~~\$83,600~~\$87,850 of amount over ~~\$34,500~~\$36,250

Over ~~\$83,600~~\$87,850 ~~\$1,905.57~~\$1,808.25 plus ~~3.13%~~2.83%

but not over ~~\$174,400~~\$183,250 of amount over ~~\$83,600~~\$87,850

Over ~~\$174,400~~\$183,250 ~~\$4,747.61~~\$4,504.63 plus ~~3.63%~~3.28%

but not over ~~\$379,150~~\$398,350 of amount over ~~\$174,400~~\$183,250

Over ~~\$379,150~~\$398,350 ~~\$12,180.04~~\$11,555.37 plus ~~3.99%~~3.60%

of amount over ~~\$379,150~~\$398,350

b. Married filing jointly and surviving spouse.

If North Dakota taxable income is: The tax is equal to:

Not over ~~\$57,700~~\$60,650 ~~1.51%~~1.36%

Over ~~\$57,700~~\$60,650 ~~\$871.27~~\$826.98 plus ~~2.82%~~2.55%

but not over ~~\$139,350~~\$146,400 of amount over ~~\$57,700~~\$60,650

Over ~~\$139,350~~\$146,400 ~~\$3,173.80~~\$3,010.57 plus ~~3.13%~~2.83%

but not over ~~\$212,300~~\$223,050 of amount over ~~\$139,350~~\$146,400

Over ~~\$212,300~~\$223,050 ~~\$5,457.14~~\$5,177.00 plus ~~3.63%~~3.28%

but not over ~~\$379,150~~\$398,350 of amount over ~~\$212,300~~\$223,050

Over ~~\$379,150~~\$398,350 ~~\$11,513.79~~\$10,923.14 plus ~~3.99%~~3.60%

of amount over ~~\$379,150~~\$398,350

c. Married filing separately.

If North Dakota taxable income is: The tax is equal to:

Not over ~~\$28,850~~\$30,325 ~~1.51%~~1.36%

Over ~~\$28,850~~\$30,325 ~~\$435.64~~\$413.49 plus ~~2.82%~~2.55%

but not over ~~\$69,675~~\$73,200 of amount over ~~\$28,850~~\$30,325

Over ~~\$69,675~~\$73,200 ~~\$1,586.90~~\$1,505.28 plus ~~3.13%~~2.83%

but not over ~~\$106,150~~\$111,525 of amount over ~~\$69,675~~\$73,200

Over ~~\$106,150~~\$111,525 ~~\$2,728.57~~\$2,588.49 plus ~~3.63%~~3.28%

but not over ~~\$189,575~~\$199,175 of amount over ~~\$106,150~~\$111,525

Over ~~\$189,575~~\$199,175 ~~\$5,756.90~~\$5,461.56 plus ~~3.99%~~3.60%

of amount over ~~\$189,575~~\$199,175

d. Head of household.

If North Dakota taxable income is: The tax is equal to:

Not over ~~\$46,250~~\$48,600 ~~1.51%~~1.36%

Over ~~\$46,250~~\$48,600 ~~\$698.38~~\$662.68 plus ~~2.82%~~2.55%

but not over ~~\$119,400~~\$125,450 of amount over ~~\$46,250~~\$48,600

Over ~~\$119,400~~\$125,450 ~~\$2,761.24~~\$2,619.63 plus ~~3.13%~~2.83%

but not over ~~\$193,350~~\$203,150 of amount over ~~\$119,400~~\$125,450

Over ~~\$193,350~~\$203,150 ~~\$5,075.84~~\$4,815.74 plus ~~3.63%~~3.28%

but not over ~~\$379,150~~\$398,350 of amount over ~~\$193,350~~\$203,150

Over ~~\$379,150~~\$398,350 ~~\$11,820.38~~\$11,214.18 plus ~~3.99%~~3.60%

of amount over ~~\$379,150~~\$398,350

e. Estates and trusts.

If North Dakota taxable income is: The tax is equal to:

Not over ~~\$2,300~~\$2,450 ~~1.51%~~1.36%

Over ~~\$2,300~~\$2,450 ~~\$34.73~~\$33.41 plus ~~2.82%~~2.55%

but not over ~~\$5,450~~\$5,700 of amount over ~~\$2,300~~\$2,450

Over ~~\$5,450~~\$5,700 ~~\$123.56~~\$116.17 plus ~~3.13%~~2.83%

but not over ~~\$8,300~~\$8,750 of amount over ~~\$5,450~~\$5,700

Over ~~\$8,300~~\$8,750 ~~\$212.77~~\$202.37 plus ~~3.63%~~3.28%

but not over ~~\$11,350~~\$11,950 of amount over ~~\$8,300~~\$8,750

Over ~~\$11,350~~\$11,950 ~~\$323.48~~\$307.26 plus ~~3.99%~~3.60%

of amount over ~~\$11,350~~\$11,950

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

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

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

- g. The tax commissioner shall prescribe new rate schedules that apply in lieu of the schedules set forth in subdivisions a through e. The new schedules must be determined by increasing the minimum and maximum dollar amounts for each income bracket for which a tax is imposed by the cost-of-living adjustment for the taxable year as determined by the secretary of the United States treasury for purposes of section 1(f) of the United States Internal Revenue Code of 1954, as amended. For this purpose, the rate applicable to each income bracket may not be changed, and the manner of applying the cost-of-living adjustment must be the same as that used for adjusting the income brackets for federal income tax purposes.

- h. The tax commissioner shall prescribe an optional simplified method of computing tax under this section that may be used by an individual taxpayer who is not entitled to claim an adjustment under subsection 2 or credit against income tax liability under subsection 7.

SECTION 16. AMENDMENT. Subdivisions c, d, and f of subsection 2 of section 57-38-30.3 of the North Dakota Century Code are amended and reenacted as follows:

- c. Reduced by the amount equal to the earnings that are passed through to a taxpayer in connection with an allocation and apportionment to North Dakota under ~~chapter 57-35.3~~section 12 of this Act.
- d. Reduced by ~~thirty~~forty percent of:
 - (1) The excess of the taxpayer's net long-term capital gain for the taxable year over the net short-term capital loss for that year, as computed for purposes of the Internal Revenue Code of 1986, as amended. The adjustment provided by this subdivision is allowed only to the extent the net long-term capital gain is allocated to this state.
 - (2) ~~The qualified dividend income that is taxed at the same rate as long-term capital gain for federal income tax purposes under Internal Revenue Code provisions in effect on December 31, 2008. Qualified dividends as defined under Internal Revenue Code section 1(h)(11), added by section 302(a) of the Jobs and Growth Tax Relief Reconciliation Act of 2003 [Pub. L. 108-27; 117 Stat. 752; 2 U.S.C. 963 et seq.], but only if taxed at a federal income tax rate that is lower than the regular federal income tax rates applicable to ordinary income. If, for any taxable year, qualified dividends are taxed at the regular federal income tax rates applicable to ordinary income, the reduction allowed under this subdivision is equal to twenty percent of all dividends included in federal taxable income.~~ The adjustment provided by this subdivision is allowed only to the extent the qualified dividend income is allocated to this state.
- f. Increased by an amount equal to the losses that are passed through to a taxpayer in connection with an allocation and apportionment to North Dakota under ~~chapter 57-35.3~~section 12 of this Act.

SECTION 17. Subsections 7 and 8 to section 57-38-34 of the North Dakota Century Code are created and enacted as follows:

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

SECTION 18. Subsection 11 to section 57-38-38 of the North Dakota Century Code is created and enacted as follows:

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

SECTION 19. Subsection 16 to section 57-38-40 of the North Dakota Century Code is created and enacted as follows:

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

SECTION 20. AMENDMENT. Section 57-39.2-26.1 of the North Dakota Century Code is amended and reenacted as follows:

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

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

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

A county shall deposit all revenues received under this subsection in the county general fund. Each county shall reserve a portion of its allocation under this subsection for further distribution to, or expenditure on behalf of, townships, rural fire protection districts, rural ambulance districts, soil conservation districts, county recreation service districts, county hospital districts, the Garrison Diversion Conservancy District, the southwest water authority, and other taxing districts within the county, excluding school districts, cities, and taxing districts within cities. The share of the county allocation under this subsection to be distributed to a township must be equal to the percentage of the county share of state aid distribution fund allocations that township received during calendar year 1996. The governing boards of the county and township may agree to a different distribution.

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

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

SECTION 21. REPEAL. Chapter 57-35.3 of the North Dakota Century Code is repealed.

SECTION 22. LEGISLATIVE MANAGEMENT REPORT. By December 31, 2014, the department of human services, with the assistance of the tax commissioner, shall prepare and file a report with the legislative council on the impact of the employer-provided child care credit on the availability of child care and on existing child care providers' ability to continue to provide affordable quality child care and the effects on the ability of the state's workforce to find affordable quality child care.

SECTION 23. EFFECTIVE DATE. Section 20 of this Act is effective for taxable events occurring after June 30, 2014, and the remainder of this Act is effective for taxable years beginning after December 31, 2012."

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1281, as reengrossed: Education Committee (Sen. Flakoll, Chairman) recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Reengrossed HB 1281 was placed on the Fourteenth order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1358, as reengrossed and amended: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Reengrossed HB 1358, as amended, was placed on the Sixth order on the calendar.

In lieu of the amendments adopted by the Senate as printed on pages 1131-1136 of the Senate Journal, Reengrossed House Bill No. 1358 is amended as follows:

Page 1, line 1, remove "a new section to chapter 23-01 and"

Page 1, line 3, after "reenact" insert "paragraph 1 of subdivision f of subsection 1 of section 15.1-27-04.1 of the North Dakota Century Code, as created by House Bill No. 1319, as approved by the sixty-third legislative assembly, and"

Page 1, line 5, remove "; to provide a continuing appropriation"

Page 1, line 5, remove the third "to provide a"

Page 1, line 6, replace "statement of legislative intent;" with "to provide a transfer; and"

Page 1, line 6, remove "; and to declare an emergency"

Page 1, remove lines 8 through 24

Page 2, replace lines 1 through 22 with:

"SECTION 1. AMENDMENT. Paragraph 1 of subdivision f of subsection 1 of section 15.1-27-04.1 of the North Dakota Century Code, as created by House Bill

No. 1319, as approved by the sixty-third legislative assembly, is amended and reenacted as follows:

- (1) Seventy-five percent of all revenue received by the school district and reported under code 2000 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08 and mineral revenue received by the school district by direct allocation from the state treasurer and not reported under code 2000 of the North Dakota school district financial accounting and reporting manual;"

Page 3, line 9, replace "seven" with "three"

Page 3, line 9, replace "fifty" with "seventy-five"

Page 3, line 18, replace "two" with "one"

Page 3, line 18, replace "fifty" with "twenty-five"

Page 3, remove lines 21 through 31

Page 4, remove lines 1 through 24

Page 4, line 25, replace "e." with "c."

Page 4, line 26, overstrike "one" and insert immediately thereafter "two"

Page 4, line 26, after the semicolon insert "and"

Page 4, remove lines 27 through 30

Page 4, overstrike line 31

Page 5, line 1, replace "g." with "d."

Page 5, line 1, remove "If there are no remaining"

Page 5, remove lines 2 through 6

Page 5, line 11, overstrike "the next"

Page 5, line 11, replace "four" with "all annual revenue exceeding five"

Page 5, line 11, overstrike "seventy-five" and insert immediately thereafter "twenty-five"

Page 5, line 12, overstrike "c. Of the next"

Page 5, line 12, remove "three"

Page 5, line 12, overstrike "million dollars, fifty percent is allocated to the county."

Page 5, line 13, overstrike "d. Of"

Page 5, line 13, remove "all remaining annual revenue"

Page 5, line 13, overstrike ", twenty-five"

Page 5, overstrike line 14

Page 6, line 3, replace "credited" with "distributed"

Page 6, line 3, replace "county" with "state"

Page 6, line 4, replace "Sixty" with "Sixty-five"

Page 7, line 25, overstrike "Twenty" and insert immediately thereafter "Fifteen"

Page 8, line 7, replace "Five" with "Two and one-half"

Page 8, line 9, replace the first "county" with "state"

Page 8, line 11, replace the second "county" with "state"

Page 8, line 14, after "to" insert "the county treasurer for subsequent allocation to"

Page 8, line 19, remove "if"

Page 8, remove line 20

Page 8, line 21, remove "funds on hand or"

Page 8, remove lines 23 through 30

Page 9, replace lines 1 through 16 with:

"e. Ten percent must be deposited in the oil-producing counties infrastructure enhancement fund in the state treasury."

Page 9, line 19, replace "credited" with "distributed"

Page 9, line 19, replace the second "county" with "state"

Page 9, line 25, replace "county" with "state"

Page 9, line 28, replace the second "county" with "state"

Page 9, line 30, replace "to" with "among"

Page 9, line 30, after "districts" insert "in the county"

Page 12, line 31, replace "\$150,000" with "\$120,000"

Page 13, line 5, remove "**STATE TREASURER - STRATEGIC INVESTMENT AND**"

Page 13, line 6, replace "**IMPROVEMENTS**" with "**DEPARTMENT OF TRANSPORTATION - OIL-PRODUCING COUNTIES INFRASTRUCTURE ENHANCEMENT**"

Page 13, line 6, remove "strategic investment"

Page 13, line 7, replace "and improvements" with "oil-producing counties infrastructure enhancement"

Page 13, line 8, replace "\$190,000,000" with "\$60,000,000"

Page 13, line 8, replace "state treasurer" with "department of transportation"

Page 13, line 9, after "allocation" insert "as provided in this section"

Page 13, line 9, after "counties" insert "that received \$5,000,000 or more of allocations under subsection 2 of section 57-51-15 in the state fiscal year ending June 30, 2012"

Page 13, line 9, replace "period" with "biennium"

Page 13, line 9, replace "May" with "July"

Page 13, line 10, remove "The amounts available for allocation under this section must be allocated"

Page 13, replace lines 11 through 20 with:

- "1. The sum appropriated in this section must be used to rehabilitate or reconstruct county paved and unpaved roads needed to support oil and gas production and distribution in North Dakota.
 - a. Funding allocations to counties are to be made by the department of transportation based on data supplied by the upper great plains transportation institute.
 - b. Counties identified in the data supplied by the upper great plains transportation institute which received \$5,000,000 or more of allocations under subsection 2 of section 57-51-15 for the state fiscal year ending June 30, 2012, are eligible for this funding.
2. Each county requesting funding under this section for county roads shall submit the request in accordance with criteria developed by the department of transportation.
 - a. The request must include a proposed plan for funding projects that rehabilitate or reconstruct paved and unpaved roads within the county.
 - b. The plan must be based on data supplied by the upper great plains transportation institute, actual road conditions, and integration with state highway and other county road projects.
 - c. Projects funded under this section must comply with the American association of state highway transportation officials (AASHTO) pavement design procedures and the department of transportation local government requirements. Upon completion of major reconstruction projects, the roadway segment must be posted at a legal load limit of 105,500 pounds [47853.993 kilograms].
 - d. Funds may not be used for routine maintenance.
3. The department of transportation, in consultation with the county, may approve the plan or approve the plan with amendments.
4. The funding appropriated in this section may be used for:
 - a. Ninety percent of the cost of the approved roadway projects not to exceed the funding available for that county.
 - b. Funding may be used for construction, engineering, and plan development costs.
5. Upon approval of the plan, the department of transportation shall transfer to the county the approved funding for engineering and plan development costs.
6. Upon execution of a construction contract by the county, the department of transportation shall transfer to the county the approved funding to be distributed for county and township road rehabilitation and reconstruction projects.
7. The recipient counties shall report to the department of transportation upon awarding of each contract and upon completion of each project in a manner prescribed by the department.
8. The funding under this section may be applied to engineering, design, and construction costs incurred on related projects as of January 1, 2013.

9. Section 54-44.1-11 does not apply to funding under this section. Any funds not spent by June 30, 2015, must be continued into the biennium beginning July 1, 2015, and ending June 30, 2017, and may be expended only for purposes authorized by this section."

Page 13, remove lines 21 through 31

Page 14, remove lines 1 and 2

Page 14, line 6, replace "period" with "biennium"

Page 14, line 7, replace "May" with "July"

Page 14, line 8, replace "on or before May 1," with "in July"

Page 14, line 8, remove the second comma

Page 14, line 8, remove "1,"

Page 14, line 18, remove "if that township has"

Page 14, line 19, remove "uncommitted reserve funds on hand exceeding \$100,000 or"

Page 14, line 26, replace "for" with "during"

Page 14, remove lines 27 through 31

Page 15, remove lines 1 through 5

Page 15, remove lines 22 through 31

Page 16, replace lines 1 through 27 with:

"SECTION 9. APPROPRIATION - TRANSFER - GENERAL FUND TO OIL AND GAS IMPACT GRANT FUND. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$65,000,000, which the office of management and budget shall transfer to the oil and gas impact grant fund, for the biennium beginning July 1, 2013, and ending June 30, 2015. The funding provided in this section is considered one-time funding."

Page 16, remove lines 30 and 31

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1358 - Summary of Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
State Treasurer				
Total all funds	\$0	\$198,760,000	(\$190,000,000)	\$8,760,000
Less estimated income	0	190,000,000	(190,000,000)	0
General fund	\$0	\$8,760,000	\$0	\$8,760,000
Department of Trust Lands				
Total all funds	\$0	\$5,000,000	\$65,000,000	\$70,000,000
Less estimated income	0	5,000,000	0	5,000,000
General fund	\$0	\$0	\$65,000,000	\$65,000,000
State Department of Health				
Total all funds	\$0	\$6,250,000	(\$6,250,000)	\$0
Less estimated income	0	0	0	0
General fund	\$0	\$6,250,000	(\$6,250,000)	\$0
Department of Human Services				
Total all funds	\$0	\$10,000,000	(\$10,000,000)	\$0
Less estimated income	0	10,000,000	(10,000,000)	0
General fund	\$0	\$0	\$0	\$0

Job Service North Dakota				
Total all funds	\$0	\$150,000	(\$30,000)	\$120,000
Less estimated income	0	0	0	0
General fund	\$0	\$150,000	(\$30,000)	\$120,000
Department of Commerce				
Total all funds	\$0	\$6,000,000	(\$6,000,000)	\$0
Less estimated income	0	6,000,000	(6,000,000)	0
General fund	\$0	\$0	\$0	\$0
Department of Transportation				
Total all funds	\$0	\$150,000,000	(\$90,000,000)	\$60,000,000
Less estimated income	0	0	60,000,000	60,000,000
General fund	\$0	\$150,000,000	(\$150,000,000)	\$0
Bill total				
Total all funds	\$0	\$376,160,000	(\$237,280,000)	\$138,880,000
Less estimated income	0	211,000,000	(146,000,000)	65,000,000
General fund	\$0	\$165,160,000	(\$91,280,000)	\$73,880,000

House Bill No. 1358 - State Treasurer - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Oil-producing county allocations		\$190,000,000	(\$190,000,000)	
Township transportation grants		8,760,000		8,760,000
Total all funds	\$0	\$198,760,000	(\$190,000,000)	\$8,760,000
Less estimated income	0	190,000,000	(190,000,000)	0
General fund	\$0	\$8,760,000	\$0	\$8,760,000
FTE	0.00	0.00	0.00	0.00

Department No. 120 - State Treasurer - Detail of Senate Changes

	Removes Funding for Oil-Producing Counties ¹	Total Senate Changes
Oil-producing county allocations	(\$190,000,000)	(\$190,000,000)
Township transportation grants		
Total all funds	(\$190,000,000)	(\$190,000,000)
Less estimated income	(190,000,000)	(190,000,000)
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding of \$190 million from the strategic investment and improvements fund for allocation among oil-producing counties is removed. The House version provided \$190 million.

House Bill No. 1358 - Department of Trust Lands - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
New oil-producing county grants		\$5,000,000		\$5,000,000
Additional oil impact grants			65,000,000	65,000,000
Total all funds	\$0	\$5,000,000	\$65,000,000	\$70,000,000
Less estimated income	0	5,000,000	0	5,000,000
General fund	\$0	\$0	\$65,000,000	\$65,000,000
FTE	0.00	0.00	0.00	0.00

Department No. 226 - Department of Trust Lands - Detail of Senate Changes

Adds a Transfer for Oil Impact Grants ¹	Total Senate Changes

New oil-producing county grants		
Additional oil impact grants	65,000,000	65,000,000
Total all funds	\$65,000,000	\$65,000,000
Less estimated income	0	0
General fund	\$65,000,000	\$65,000,000
FTE	0.00	0.00

¹ This amendment adds a transfer of \$65 million from the general fund to the oil and gas impact grant fund to provide additional funding for oil impact grants.

House Bill No. 1358 - State Department of Health - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Emergency medical services allocations		\$6,250,000	(\$6,250,000)	
Total all funds	\$0	\$6,250,000	(\$6,250,000)	\$0
Less estimated income	0	0	0	0
General fund	\$0	\$6,250,000	(\$6,250,000)	\$0
FTE	0.00	0.00	0.00	0.00

Department No. 301 - State Department of Health - Detail of Senate Changes

	Removes Funding for Emergency Medical Services ¹	Total Senate Changes
Emergency medical services allocations	(\$6,250,000)	(\$6,250,000)
Total all funds	(\$6,250,000)	(\$6,250,000)
Less estimated income	0	0
General fund	(\$6,250,000)	(\$6,250,000)
FTE	0.00	0.00

¹ This amendment removes funding of \$6.25 million from the general fund for allocations to emergency medical services providers in counties that received less than \$5 million in annual oil tax allocations. The House version provided \$6.25 million.

House Bill No. 1358 - Department of Human Services - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Critical access hospital grants		\$10,000,000	(\$10,000,000)	
Total all funds	\$0	\$10,000,000	(\$10,000,000)	\$0
Less estimated income	0	10,000,000	(10,000,000)	0
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

Department No. 325 - Department of Human Services - Detail of Senate Changes

Removes Funding for Grants to Critical Access Hospitals ¹	Total Senate Changes

Critical access hospital grants	(\$10,000,000)	(\$10,000,000)
Total all funds	(\$10,000,000)	(\$10,000,000)
Less estimated income	(10,000,000)	(10,000,000)
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding of \$10 million from the strategic investment and improvements fund for grants to critical access hospitals in oil-producing counties is removed. The House version provided \$10 million.

House Bill No. 1358 - Job Service North Dakota - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Employment data updates		\$150,000	(\$30,000)	\$120,000
Total all funds	\$0	\$150,000	(\$30,000)	\$120,000
Less estimated income	0	0	0	0
General fund	\$0	\$150,000	(\$30,000)	\$120,000
FTE	0.00	0.00	0.00	0.00

Department No. 380 - Job Service North Dakota - Detail of Senate Changes

	Reduces Funding for Data Collection ¹	Total Senate Changes
Employment data updates	(\$30,000)	(\$30,000)
Total all funds	(\$30,000)	(\$30,000)
Less estimated income	0	0
General fund	(\$30,000)	(\$30,000)
FTE	0.00	0.00

¹ Funding to Job Service North Dakota for data collection is reduced by \$30,000, from \$150,000 to \$120,000. The House version provided \$150,000.

House Bill No. 1358 - Department of Commerce - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Nursing home grants		\$6,000,000	(\$6,000,000)	
Total all funds	\$0	\$6,000,000	(\$6,000,000)	\$0
Less estimated income	0	6,000,000	(6,000,000)	0
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

Department No. 601 - Department of Commerce - Detail of Senate Changes

	Removes Funding for Nursing Home Grants ¹	Total Senate Changes
Nursing home grants	(\$6,000,000)	(\$6,000,000)
Total all funds	(\$6,000,000)	(\$6,000,000)
Less estimated income	(6,000,000)	(6,000,000)
General fund	\$0	\$0
FTE	0.00	0.00

FTE

¹ This amendment removes funding of \$6 million from the strategic investment and improvements fund for grants to nursing homes, basic care facilities, and providers serving individuals with developmental disabilities in oil-producing counties. The House version provided \$6 million.

House Bill No. 1358 - Department of Transportation - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
County transportation allocations		\$150,000,000	(\$150,000,000)	
Oil-producing county infrastructure			60,000,000	60,000,000
Total all funds	\$0	\$150,000,000	(\$90,000,000)	\$60,000,000
Less estimated income	0	0	60,000,000	60,000,000
General fund	\$0	\$150,000,000	(\$150,000,000)	\$0
FTE	0.00	0.00	0.00	0.00

Department No. 801 - Department of Transportation - Detail of Senate Changes

	Removes Funding in Non-Oil-Producing Counties ¹	Adds Funding for Oil-Producing County Infrastructure ²	Total Senate Changes
County transportation allocations	(\$150,000,000)		(\$150,000,000)
Oil-producing county infrastructure		60,000,000	60,000,000
Total all funds	(\$150,000,000)	\$60,000,000	(\$90,000,000)
Less estimated income	0	60,000,000	60,000,000
General fund	(\$150,000,000)	\$0	(\$150,000,000)
FTE	0.00	0.00	0.00

¹ This amendment removes \$150 million of funding from the general fund for allocation among counties that received less than \$5 million in annual oil tax allocations. The House version provided \$150 million.

² This amendment adds \$60 million of funding from the oil-producing counties infrastructure enhancement fund to the Department of Transportation for allocation among counties that received \$5 million or more in oil tax allocations during fiscal year 2012.

This amendment also:

- Removes a section to create an emergency medical service and fire protection district funding committee.
- Adds a section to include mineral revenue in the baseline funding for the calculation of state aid paid to schools.
- Changes the amounts allocated from the 1 percent of the 5 percent oil tax collections:
 - Reduces the allocation to hub cities based on each full or partial percentage

point of employment in mining by \$375,000, from \$750,000 to \$375,000.

- Reduces the allocation to hub city school districts based on each full or partial percentage point of employment in mining by \$125, 000, from \$250,000 to \$125,000.
- Increases the allocation to the oil and gas impact grant fund by \$100 million, from \$150 million to \$250 million.
- Changes the amounts allocated to counties from the 4 percent of the 5 percent oil tax collections to provide 25 percent of all revenue above \$5 million to the counties. The House version provided multiple thresholds with varying percentages.
- Changes the percentage allocations for counties that receive more than \$5 million in annual oil tax allocations:
 - Increases from 60 percent to 65 percent for the county general fund.
 - Decreases from 20 percent to 15 percent for cities.
 - Decreases from 5 percent to 2.5 percent for school districts.
 - Retains the 7.5 percent to organized and unorganized townships.
 - Removes three separate 2.5 percent allocations to sheriff's departments, emergency medical service providers, and fire protection districts.
 - Adds a 10 percent allocation to a newly created oil-producing counties infrastructure enhancement fund for distribution among oil-producing counties for infrastructure projects.
- Adds new requirements to the appropriation for road projects to provide Department of Transportation oversight and to ensure the construction of high quality roads.
- Changes the dates for the appropriations and removes a section providing an emergency clause.
- Provides a technical correction to the effective date section.
- Removes a section providing legislative intent.

REPORT OF CONFERENCE COMMITTEE

SB 2353, as reengrossed: Your conference committee (Sens. Sorvaag, Anderson, Grabinger and Reps. Hatlestad, Toman, J. Kelsh) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1156-1157, adopt amendments as follows, and place SB 2353 on the Seventh order:

That the House recede from its amendments as printed on pages 1066 and 1067 of the Senate Journal and pages 1156 and 1157 of the House Journal and that Reengrossed Senate Bill No. 2353 be amended as follows:

Page 1, line 17, replace "**Statewide**" with "**North Dakota statewide**"

Page 1, line 17, replace "**board**" with "**executive committee**"

Page 1, line 18, replace "**board**" with "**executive committee**"

Page 2, line 5, after "k." insert "A representative of the North Dakota peace officers association:

l."

Page 2, line 6, replace "l." with "m."

Page 2, line 7, replace "board" with "committee"

Page 2, line 9, remove "The board shall provide for key components and provide for support of key"

Page 2, remove lines 10 through 12

Page 2, line 13, remove "4."

Page 2, line 13, replace "board" with "committee"

Page 2, line 13, replace "manage" with "prepare recommendations regarding"

Page 2, line 15, replace "2013-15 biennium" with "2013-14 interim"

Page 2, line 17, replace "study" with "consider studying"

Page 2, line 20, replace "board" with "statewide interoperability executive committee. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly"

Page 2, replace lines 21 through 31 with:

"SECTION 4. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$25,000, or so much of the sum as may be necessary, to the department of emergency services for the purpose of paying the costs of the members of the statewide interoperability executive committee expenses, including travel expenses, in providing an inventory of technologies used for radio communications, and with the remainder to the department of homeland security to analyze information, for the biennium beginning July 1, 2013, and ending June 30, 2015."

ReNUMBER accordingly

Reengrossed SB 2353 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

HB 1126, as engrossed: Your conference committee (Sens. Armstrong, Campbell, Sinner and Reps. Owens, Sukut, Gruchalla) recommends that the **HOUSE ACCEDE** to the Senate amendments as printed on HJ page 1169, adopt further amendments as follows, and place HB 1126 on the Seventh order:

That the Senate recede from its amendments as printed on page 1169 of the House Journal and page 946 of the Senate Journal and that Engrossed House Bill No. 1126 be amended as follows:

Page 2, line 2, replace "mechanic certified by an industry-recognized certificate who" with "business that is registered with the secretary of state, is in good standing, and offers motor vehicle repair to the public. The business completing the certificate of inspection may not be the business that reconstructed the vehicle and"

ReNUMBER accordingly

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

REPORT OF CONFERENCE COMMITTEE

HB 1133, as engrossed: Your conference committee (Sens. Armstrong, Sitte, Nelson and

Reps. Kretschmar, Larson, Delmore) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1152-1153, adopt amendments as follows, and place HB 1133 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1152 and 1153 of the House Journal and page 901 and 902 of the Senate Journal and that Engrossed House Bill No. 1133 be amended as follows:

Page 3, line 19, after "substance" insert "the chemical structure of which is substantially similar to the chemical structure of a controlled substance in a schedule I or II and"

Page 3, line 20, remove "With a chemical structure substantially similar to the chemical structure of a"

Page 3, line 21, replace "schedule I or II controlled substance" with "Which has a stimulant, depressant, or hallucinogenic effect on the central nervous system which is substantially similar to or greater than the stimulant, depressant, or hallucinogenic effect on the central nervous system of a controlled substance in schedule I or II"

Page 3, line 22, remove "That is used:"

Page 3, replace lines 23 through 28 with "With respect to a particular individual, which the individual represents or intends to have a stimulant, depressant, or hallucinogenic effect on the central nervous system substantially similar to or greater than the stimulant, depressant, or hallucinogenic effect on the central nervous system of a controlled substance in schedule I or II."

Page 3, line 29, replace "an alcoholic beverage." with ":

- (1) A controlled substance;
- (2) Any substance for which there is an approved new drug application; or
- (3) With respect to a particular individual, any substance, if an exemption is in effect for investigational use, for that individual, under section 505 of the federal Food, Drug, and Cosmetic Act [21 U.S.C. 355] to the extent conduct with respect to the substance is pursuant to the exemption."

Renumber accordingly

Engrossed HB 1133 was placed on the Seventh order of business on the calendar.

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

William R. Horton, Secretary