

NORTH DAKOTA LEGISLATIVE COUNCIL

Minutes of the

LEGISLATIVE COUNCIL

Tuesday and Wednesday, November 9-10, 2004
House Chamber, State Capitol
Bismarck, North Dakota

Senator Bob Stenehjem, Chairman, called the meeting to order at 9:00 a.m.

Members present: Senators Bob Stenehjem, Dwight Cook, Ray Holmberg, Aaron Krauter, Karen K. Krebsbach, Judy Lee, David P. O'Connell, Larry Robinson; Representatives Rick Berg, Merle Boucher, Al Carlson, Lois Delmore, Scot Kelsh, Clara Sue Price, Ken Svedjan, John Warner

Others present: See attached appendix

OPENING REMARKS

Chairman Stenehjem welcomed legislators and other persons to the meeting. Newly elected members of the Legislative Assembly were congratulated, and members of the Legislative Assembly who will not be returning to serve as members of the 59th Legislative Assembly were thanked for their past services to the citizens of North Dakota.

Chairman Stenehjem thanked the members of the Legislative Council for their service as committee chairmen during the 2003-04 interim. He said committee chairmen will present reports of their committees and Legislative Council staff members will assist the chairmen in answering questions. He said members of the Legislative Council are the only legislators allowed to make motions or vote on the reports; however, any legislator or legislator-elect in attendance may ask questions concerning the reports. He said the purpose of the Legislative Council meeting is to receive reports of the interim committees and not to receive additional testimony.

Chairman Stenehjem announced that copies of the report of the State Employees Compensation Commission have been mailed to all legislators. He said North Dakota Century Code Section 54-06-25 requires that the report be made at this meeting and the mailing of the report to all legislators is being accepted in lieu of a formal report at this meeting.

Chairman Stenehjem called on Mr. John D. Olsrud, Director, Legislative Council, who welcomed all returning and newly elected legislators. He said there are 11 new legislators, one member of the House who moved to the Senate, and three appointed legislators who were elected to continue their service. He said 24 reports will be presented, including reports from 23 interim Legislative Council committees and the Advisory Commission on Intergovernmental

Relations. He said the committees are recommending a total of 47 measures (44 bills and 3 resolutions), compared to 66 measures recommended to the 58th Legislative Assembly. He said the number of measures recommended has trended downward.

The director announced the bill room will be open after the organizational session. He reminded committee chairmen and members of the interim committees to appear before the standing committee hearing Legislative Council bills and to follow up as these bills make their way through the 59th Legislative Assembly.

The director referred to a memorandum entitled *Statutory Interim Committees*. Although the number of statutory interim committees has grown dramatically in recent years, he reported that two committees were eliminated in 2003--the Garrison Diversion Overview Committee was replaced by a statutory requirement making the Legislative Council responsible for legislative overview of the Garrison Diversion Project and related matters and the Regulatory Reform Review Commission expired as of its report to the 59th Legislative Assembly. He said 38 percent of the 2003-04 interim committees are statutory committees, which reduces the flexibility of the Legislative Council.

INTERIM COMMITTEE REPORTS

Budget Section

Representative Ken Svedjan, Chairman, Budget Section, presented the Budget Section report. Representative Svedjan said the Budget Section received reports from the Office of Management and Budget on the status of the state general fund, fiscal irregularities, tobacco settlement proceeds, information technology funding reductions, budget form changes, and the status of state employee position reductions; judicial branch regarding employee positions eliminated and the resulting savings used to provide employee salary increases; North Dakota University System regarding the status of the student internship program; State Board of Higher Education regarding the allocation of funds from appropriations for undesignated centers of excellence relating to economic development; Information Technology Department regarding information technology organizational and management studies, information technology functional consolidation, server and operating

system infrastructure, and the status of ConnectND; Department of Human Services regarding the status of the medical assistance program, changes made by the department to the Medicaid program, status of the child care assistance program, transfers made between line items and between subdivisions in excess of \$50,000, and the status of the sexual offender program; Department of Commerce regarding the annual audits of renaissance fund organizations and the web site that provides career guidance and job opportunity services; and Workforce Safety and Insurance regarding the status of the risk management workers' compensation program and the building maintenance account.

Representative Svedjan said the Budget Section approved five requests relating to University System capital projects, approved three requests from the Game and Fish Department for land acquisitions, and approved the distribution of funds from the preliminary planning revolving fund for two capital improvement projects recommended by the Office of Management and Budget. He said the Budget Section considered 70 requests for increased spending authority, transfers of spending authority, or increased full-time equivalent positions which were approved by the Emergency Commission. He said all the requests were approved by the Budget Section except for a Veterans Home request to add 8.28 full-time equivalent positions. He said five requests were authorized by the Emergency Commission to obtain funds from the state contingency fund.

It was moved by Representative Svedjan, seconded by Senator Robinson, and carried on a roll call vote to accept the report of the Budget Section. Senators Stenehjem, Cook, Holmberg, Krauter, Krebsbach, Lee, O'Connell, and Robinson and Representatives Berg, Boucher, Carlson, Delmore, Kelsh, Price, and Svedjan voted "aye." No negative votes were cast.

Budget Committee on Government Services

Representative Ron Carlisle, Chairman, Budget Committee on Government Services, presented the committee report. Representative Carlisle said the committee studied the long-term prison needs of state inmates and the needs of individuals with mental illness, drug and alcohol addictions, and physical or developmental disabilities. He said the committee received reports from the Department of Corrections and Rehabilitation and the Dakota Women's Correctional Rehabilitation Center on the status of housing the state's female inmates and the committee toured the women's prison facility in New England. He said the committee received information from the Governor's Task Force on Violent and Sexual Offenders and on the effectiveness of alternatives to incarceration. He said the committee received information from the Mental Health Association in North Dakota and the Department of Human Services regarding the needs of individuals with mental illness, drug and

alcohol addictions, and physical or developmental disabilities.

Representative Carlisle said the committee toured the site of approximately 9,000 feet of riverbank along the Missouri River owned by the Department of Corrections and Rehabilitation at the Missouri River Correctional Center that is a proposed site for a riverbank stabilization project. He said the committee observed the erosion and related loss of acreage the state has experienced since 1976. He said the committee recommends the Department of Corrections and Rehabilitation obtain two land appraisals for the land it owns at the Missouri River Correctional Center and the recommendation is that the appraisals are to include the valuation of the land with and without the riverbank stabilization project.

It was moved by Representative Carlson, seconded by Representative Svedjan, and carried on a roll call vote to accept the report of the Budget Committee on Government Services. Senators Stenehjem, Cook, Holmberg, Krauter, Krebsbach, Lee, O'Connell, and Robinson and Representatives Carlson, Delmore, Kelsh, Price, Svedjan, and Warner voted "aye." No negative votes were cast.

Government Performance and Accountability Committee

Representative Al Carlson, Chairman, Government Performance and Accountability Committee, presented the committee report. Representative Carlson said the committee studied state government and performance and accountability practices, monitored state agency compliance with legislative intent included in 2003-05 biennium appropriation bills, reviewed the status of major state agency and institution appropriations, and received reports on oil tax revenues.

It was moved by Representative Svedjan, seconded by Senator Krauter, and carried on a roll call vote to accept the report of the Government Performance and Accountability Committee. Senators Stenehjem, Cook, Holmberg, Krauter, Krebsbach, Lee, O'Connell, and Robinson and Representatives Berg, Boucher, Carlson, Delmore, Kelsh, Price, Svedjan, and Warner voted "aye." No negative votes were cast.

Budget Committee on Human Services

Representative Clara Sue Price, Chairman, Budget Committee on Human Services, presented the committee report. Representative Price said the committee studied human service center services and administrative costs of human services programs. She said the committee received reports from the Department of Human Services regarding the development of a fee-for-service payment system for developmental disabilities services providers and from the Children's Services Coordinating Committee regarding the amount of "refinancing" funds

generated and the uses of funds for the 2003-05 biennium.

It was moved by Representative Price, seconded by Representative Svedjan, and carried on a roll call vote to accept the report of the Budget Committee on Human Services. Senators Stenehjem, Cook, Holmberg, Krauter, Krebsbach, Lee, O'Connell, and Robinson and Representatives Berg, Boucher, Carlson, Delmore, Kelsh, Price, Svedjan, and Warner voted "aye." No negative votes were cast.

Budget Committee on Health Care

Senator Judy Lee, Chairman, Budget Committee on Health Care, presented the committee report. Senator Lee said the committee studied the nursing home survey process, the medical assistance program use of pharmacy benefit management concepts, and the North Dakota Medical Care Advisory Committee and Medicaid program.

Senator Lee said the committee received reports from the State Department of Health regarding the implementation of the community health grant program, Board of Nursing regarding its study of the nursing educational requirements and the nursing shortage in this state, Department of Human Services regarding enrollment statistics and costs associated with the children's health insurance program state plan, and the Insurance Commissioner regarding cost-benefit analyses conducted for legislative measures or amendments mandating health insurance coverage during the 58th Legislative Assembly and a recommendation of an entity to conduct a cost-benefit analysis during the 59th Legislative Assembly.

It was moved by Senator Lee, seconded by Representative Svedjan, and carried on a roll call vote to accept the report of the Budget Committee on Health Care. Senators Stenehjem, Cook, Holmberg, Krauter, Krebsbach, Lee, O'Connell, and Robinson and Representatives Berg, Boucher, Carlson, Delmore, Kelsh, Price, Svedjan, and Warner voted "aye." No negative votes were cast.

Legislative Audit and Fiscal Review Committee

Representative Francis J. Wald, Chairman, Legislative Audit and Fiscal Review Committee, presented the committee report. Representative Wald said the committee studied and reviewed the state's financial transactions to ensure the collection of state revenues and expenditure of state money were in compliance with law, legislative intent, and sound financial practices. He said the committee reviewed 152 audit reports during the 2003-04 interim, including five performance audit and evaluation reports, 101 financial or information technology application audit reports, and 46 audit reports that were filed with and accepted by the committee but were not formally presented. He said the committee is anticipating to meet during the 59th Legislative Assembly to receive

an Attorney General's opinion regarding the legality of legal fees incurred in excess of available resources by the Wheat Commission and a report on how other Midwestern states control appropriations and rates charged by agriculture commodity groups.

Representative Carlson said it is important that significant findings and recommendations included in audit reports of state agencies and institutions be summarized for Appropriations Committee members during the 59th Legislative Assembly. Representative Wald said the committee discussed methods for the Legislative Assembly to receive followup reports regarding the implementation of audit recommendations. Representative Svedjan said he will request the State Auditor's office to present a report to the Appropriations Committees of the House and Senate during the 59th Legislative Assembly regarding significant audit findings and recommendations.

It was moved by Senator Krauter, seconded by Representative Carlson, and carried on a roll call vote to accept the report of the Legislative Audit and Fiscal Review Committee. Senators Stenehjem, Cook, Holmberg, Krauter, Krebsbach, Lee, O'Connell, and Robinson and Representatives Boucher, Carlson, Delmore, Kelsh, Price, Svedjan, and Warner voted "aye." No negative votes were cast.

Higher Education Committee

Senator Ray Holmberg, Chairman, Higher Education Committee, presented the committee report. Senator Holmberg said the committee studied higher education, including the expectations of the North Dakota University System in meeting the state's needs in the 21st century, the funding methodology needed to meet those expectations and needs, and the accountability system and reporting methodology for the University System.

It was moved by Senator Holmberg, seconded by Senator Robinson, and carried on a roll call vote to accept the report of the Higher Education Committee. Senators Stenehjem, Cook, Holmberg, Krauter, Krebsbach, Lee, O'Connell, and Robinson and Representatives Berg, Boucher, Carlson, Delmore, Kelsh, Price, Svedjan, and Warner voted "aye." No negative votes were cast.

Chairman Stenehjem announced the Legislative Council would be in recess for a luncheon break from 12:05 until 1:00 p.m.

Chairman Stenehjem reconvened the meeting at 1:00 p.m.

Information Technology Committee

Senator Larry Robinson, Chairman, Information Technology Committee, presented the committee report. Senator Robinson said the committee studied the state's information technology organization and information technology management. He said the committee also received reports from the Chief Information Officer, reviewed the business plan and the

annual report of the Information Technology Department, received reports regarding the delivery of consolidated information technology services and the status of related accumulated savings, received recommendations of the State Information Technology Advisory Committee regarding proposed major computer software projects for the 2005-07 biennium, and received quarterly reports regarding the progress of major information technology projects.

It was moved by Senator Robinson, seconded by Representative Svedjan, and carried on a roll call vote to accept the report of the Information Technology Committee. Senators Stenehjem, Cook, Krauter, Krebsbach, Lee, O'Connell, and Robinson and Representatives Berg, Boucher, Carlson, Delmore, Kelsh, Price, Svedjan, and Warner voted "aye." No negative votes were cast.

Natural Resources Committee

Representative John Warner, Chairman, Natural Resources Committee, presented the committee report. Representative Warner said the committee studied statutory and regulatory policies that discourage or prevent final bond release applications from being filed, Public Service Commission regulatory policies that could be implemented to encourage flexibility in proving reclamation success and reducing administrative and regulatory burdens necessary for bond release applications, and actions being undertaken by the mining companies to achieve final bond release. He said the committee studied proposed legislation permitting the Game and Fish Department to coordinate with game and fish programs conducted by tribal governments. He said the committee also received updates concerning the Garrison Diversion Unit Project, Devils Lake, and the Northwest Area Water Supply Project.

It was moved by Representative Warner, seconded by Representative Svedjan, and carried on a roll call vote to accept the report of the Natural Resources Committee. Senators Stenehjem, Cook, Krauter, Krebsbach, Lee, O'Connell, and Robinson and Representatives Berg, Boucher, Carlson, Delmore, Kelsh, Price, Svedjan, and Warner voted "aye." No negative votes were cast.

Employee Benefits Programs Committee

Senator Karen K. Krebsbach, Chairman, Employee Benefits Programs Committee, presented the committee report. Senator Krebsbach said the committee has jurisdiction over legislative measures affecting retirement, health insurance, and retiree health insurance programs of public employees. She said the committee solicited and reviewed various proposals affecting these programs and obtained actuarial and fiscal information on each of these proposals and reported this information to each proponent. She said the committee studied public employee health insurance benefits, including options

for providing health insurance for state employees, availability of other health insurance plans, single versus family coverage, employee contributions, and unitization of premium rates for budgeting purposes.

It was moved by Senator Krebsbach, seconded by Representative Carlson, and carried on a roll call vote to accept the report of the Employee Benefits Programs Committee. Senators Stenehjem, Cook, Krauter, Krebsbach, Lee, O'Connell, and Robinson and Representatives Berg, Boucher, Carlson, Delmore, Kelsh, Price, Svedjan, and Warner voted "aye." No negative votes were cast.

Electric Industry Competition Committee

Representative Matthew M. Klein, Chairman, Electric Industry Competition Committee, presented the committee report. Representative Klein said the committee studied the impact of competition on the generation, transmission, and distribution of electric energy within this state. He said the committee also studied the feasibility and desirability of enacting legislation to tax electric utility providers with a fair and uniform tax system and issues related to wind energy development in this state.

It was moved by Representative Svedjan, seconded by Senator Krebsbach, and carried on a roll call vote to accept the report of the Electric Industry Competition Committee. Senators Stenehjem, Cook, Krauter, Krebsbach, Lee, O'Connell, and Robinson and Representatives Berg, Boucher, Carlson, Delmore, Kelsh, and Svedjan voted "aye." No negative votes were cast.

No Child Left Behind Committee

Representative RaeAnn G. Kelsch, Chairman, No Child Left Behind Committee, presented the committee report. Representative Kelsch said the committee studied the impact of the No Child Left Behind Act on the school districts of the state and the financial impact of the Act on the budget of the state and on the taxpayers of the state. She said the committee also received reports regarding the estimated costs that are likely to be incurred by the state in meeting the requirements of the Act.

It was moved by Representative Svedjan, seconded by Senator Holmberg, and carried on a roll call vote to accept the report of the No Child Left Behind Committee. Senators Stenehjem, Cook, Holmberg, Krauter, Krebsbach, and Robinson and Representatives Boucher, Delmore, Kelsh, Svedjan, and Warner voted "aye." No negative votes were cast.

Education Committee

Representative David Monson, Vice Chairman, Education Committee, presented the committee report. Representative Monson said the committee studied the manner in which elementary and secondary education is funded, school district data

collection and reporting requirements, data envelopment analysis, and student residency determinations. He said the committee also received reports regarding school district employee compensation, requests for and waivers of accreditation rules, requests for waivers of instructional time requirements, and the failure of any school board to meet a statutory threshold for increasing teacher compensation.

It was moved by Senator Holmberg, seconded by Representative Svedjan, and carried on a roll call vote to accept the report of the Education Committee. Senators Stenehjem, Cook, Holmberg, Krauter, Krebsbach, and Robinson and Representatives Berg, Boucher, Delmore, Kelsh, Svedjan, and Warner voted "aye." No negative votes were cast.

Criminal Justice Committee

Representative Lois Delmore, Chairman, Criminal Justice Committee, presented the committee report. Representative Delmore said the committee studied the state's method of providing legal representation for indigent criminal defendants and the feasibility and desirability of establishing a public defender system. She said the committee studied the need for guardianship services, standards and practices for guardians, and funding for programs for individuals with mental illness, vulnerable elderly adults, and individuals with traumatic brain injuries. She said the committee studied vulnerable adult abuse and neglect with an emphasis on whether certain individuals should be required to report suspected incidents of vulnerable adult abuse and neglect. She said the committee studied the methods for funding and providing law enforcement training in this state. She said the committee studied the employment conditions issues contained in North Dakota Century Code Section 34-06-05, including those surroundings or conditions that may be detrimental to an employee's health or morals, particularly issues related to the effects on employees of smoking in the workplace. She said the committee received a report from the Attorney General on the current status and trends of unlawful drug use and abuse and drug control and enforcement efforts in this state.

It was moved by Representative Delmore, seconded by Senator Krauter, and carried on a roll call vote to accept the report of the Criminal Justice Committee. Senators Stenehjem, Cook, Holmberg, Krauter, Krebsbach, Lee, O'Connell, and Robinson and Representatives Boucher, Delmore, Kelsh, Price, Svedjan, and Warner voted "aye." No negative votes were cast.

Judicial Process Committee

Representative Merle Boucher, Chairman, Judicial Process Committee, presented the committee report. Representative Boucher said the committee studied the state's open records statutes and the appropriateness of the penalties for an unauthorized disclosure of

certain records. He said the committee studied the doctrine of assumption of risk and the impact reenactment of the doctrine would have on other state laws. He said the committee studied the leasing or renting of county court facilities by the state or by political subdivisions. He said the committee reviewed the uniform Acts recommended by the North Dakota Commission on Uniform State Laws and undertook statutory revision responsibilities.

It was moved by Representative Boucher, seconded by Senator Holmberg, and carried on a roll call vote to accept the report of the Judicial Process Committee. Senators Stenehjem, Cook, Holmberg, Krauter, Krebsbach, Lee, O'Connell, and Robinson and Representatives Berg, Boucher, Delmore, Kelsh, Price, Svedjan, and Warner voted "aye." No negative votes were cast.

Public Services Committee

Senator Aaron Krauter, Chairman, Public Services Committee, presented the committee report. Senator Krauter said the committee studied laws requiring bonds of public officials and others and appropriateness of the state bonding fund providing those bonds. He said the committee studied the feasibility and desirability of transferring agriculturally related inspection and standards functions performed by various state agencies to the Public Service Commission. He said the committee studied anhydrous ammonia tank inspections and wholesale potato dealer licensing. He said the committee studied state laws relating to the powers and duties of the Seed Commissioner and the State Seed Department.

It was moved by Senator Krauter, seconded by Senator Robinson, and carried on a roll call vote to accept the report of the Public Services Committee. Senators Stenehjem, Cook, Holmberg, Krauter, Krebsbach, Lee, O'Connell, and Robinson and Representatives Delmore, Kelsh, Price, Svedjan, and Warner voted "aye." No negative votes were cast.

Transportation Committee

Senator David P. O'Connell, Chairman, Transportation Committee, presented the committee report. Senator O'Connell said the committee studied motor vehicle no-fault, underinsured motorist, and uninsured motorist insurance systems. He said the committee studied the alternative methods for recording and discharging a lien on a motor vehicle. He said the committee studied the registration and licensing of snowmobile, all-terrain, motorcycle, and low-speed vehicle dealers.

Senator O'Connell said the committee studied the sale and lease of railroad right of way. He said it was too soon to evaluate the changes made last session that relate to indemnity provisions for lessees of railroad right of way. He said the Canadian Pacific Railroad has started to charge grain elevators the cost of

the switches going to and from the elevators. He said the switches cost approximately \$100,000 each.

It was moved by Senator O'Connell, seconded by Senator Cook, and carried on a roll call vote to accept the report of the Transportation Committee. Senators Stenehjem, Cook, Holmberg, Krauter, Krebsbach, Lee, O'Connell, and Robinson and Representatives Delmore, Kelsh, Price, Svedjan, and Warner voted "aye." No negative votes were cast.

Chairman Stenehjem announced the Legislative Council would be in recess until 9:00 a.m. on Wednesday, November 10, 2004.

Chairman Stenehjem reconvened the meeting of the Legislative Council at 9:00 a.m. on Wednesday, November 10, 2004.

Economic Development Committee

Representative Rick Berg, Chairman, Economic Development Committee, presented the committee report. Representative Berg said the committee studied possible methods of growing North Dakota's population; economic development efforts; and the state's business climate, including the creation of an index of key objective measurements that address the state's competitiveness with other states, the consideration of methods of creating business partnerships with North Dakota Indian tribes in order to increase primary sector business growth in the state, and active participation in the activities of the Primary Sector Business Congress. Additionally, he said, the committee received annual reports from the Division of Community Services on renaissance zone progress, received annual reports from the Commissioner of Commerce regarding specified economic goals and associated benchmarks, and received a presentation from the State Board of Higher Education on definitions and eligibility criteria regarding its centers of excellence program relating to economic development.

It was moved by Representative Berg, seconded by Representative Carlson, and carried on a roll call vote to accept the report of the Economic Development Committee. Senators Stenehjem, Cook, Holmberg, Krauter, Krebsbach, Lee, O'Connell, and Robinson and Representatives Berg, Carlson, Delmore, Kelsh, Price, Svedjan, and Warner voted "aye." No negative votes were cast.

Advisory Commission on Intergovernmental Relations

Representative Scot Kelsh, Chairman, Advisory Commission on Intergovernmental Relations, presented the commission report. Representative Kelsh said the commission's statutory authority provides for the study of local government structure, fiscal and other powers and functions of local governments, relationships between and among local governments and the state or any other government, allocation of state and local resources, and interstate

issues involving local governments. He said the commission studied and received reports with respect to mill levy consolidation, delinquent property taxes, the document preservation fund, motor vehicle branch offices, sheriff service of process, emergency preparedness, and wind turbine siting.

It was moved by Representative Kelsh, seconded by Senator Robinson, and carried on a roll call vote to accept the report of the Advisory Commission on Intergovernmental Relations. Senators Stenehjem, Cook, Holmberg, Krauter, Krebsbach, Lee, O'Connell, and Robinson and Representatives Berg, Carlson, Delmore, Kelsh, Price, Svedjan, and Warner voted "aye." No negative votes were cast.

Legislative Management Committee

Senator Bob Stenehjem, Chairman, Legislative Management Committee, presented the committee report. Senator Stenehjem said the committee exercised many responsibilities in making arrangements for the 59th Legislative Assembly. He said the committee recommends rule changes to provide for the results of the vote to elect certain legislative officers to be printed in the journal and to allow bills and resolutions that receive unanimous do not pass recommendations to be placed on the consent calendar; a bill to provide for the organizational session to convene on the first Monday in December rather than on the first Tuesday after the first Monday; the employment of 75 employees during the 2005 legislative session; and acceptance of a single contract for providing the secretarial, telephone message, and bill and journal room services.

It was moved by Senator Stenehjem, seconded by Senator Holmberg, and carried on a roll call vote to accept the report of the Legislative Management Committee. Senators Stenehjem, Cook, Holmberg, Krauter, Krebsbach, Lee, and Robinson and Representatives Berg, Carlson, Delmore, Kelsh, Price, Svedjan, and Warner voted "aye." No negative votes were cast.

Taxation Committee

Senator Dwight Cook, Chairman, Taxation Committee, presented the committee report. Senator Cook said the committee studied corporate and personal income taxes, implementation and effect of the streamlined sales tax, and tax preferences under all tax types.

It was moved by Senator Cook, seconded by Representative Carlson, and carried on a roll call vote to accept the report of the Taxation Committee. Senators Stenehjem, Cook, Holmberg, Krauter, Krebsbach, Lee, O'Connell, and Robinson and Representatives Berg, Carlson, Delmore, Kelsh, Price, Svedjan, and Warner voted "aye." No negative votes were cast.

Administrative Rules Committee

Representative William R. Devlin, Chairman, Administrative Rules Committee, presented the committee report. Representative Devlin said the committee reviewed 2,306 rules sections covering 4,085 pages of rules that were changed from December 2002 through November 2004. He said the committee monitored compliance with a 2003 law requiring agency analysis of rules affecting a small business, small nonprofit organization, or small political subdivision. He said agencies have complied with the spirit of the law and have not encountered significant problems in compliance.

It was moved by Senator Robinson, seconded by Senator Krebsbach, and carried on a roll call vote to accept the report of the Administrative Rules Committee. Senators Cook, Holmberg, Krauter, Krebsbach, Lee, O'Connell, and Robinson and Representatives Berg, Carlson, Delmore, Kelsh, Svedjan, and Warner voted "aye." No negative votes were cast.

Commerce Committee

Representative George Keiser, Chairman, Commerce Committee, presented the committee report. Representative Keiser said the committee studied the state's unemployment compensation system, including reserved guidelines for the unemployment trust fund, the system for ratesetting, treatment of positive balance and negative balance employers, and the feasibility and desirability of creating an unemployment compensation board. He said the committee studied the impact of pending federal legislation that would significantly change the respective federal-state responsibilities and funding for workforce development, workforce training, public labor exchange, and unemployment insurance programs. He said the committee expressed its support for a request by Job Service North Dakota to the 59th Legislative Assembly for an appropriation of federal Reed Act funds adequate to fund procurement planning studies and for an appropriation of Reed Act funds to fund a pilot project on intensive reemployment actions designed to demonstrate whether those actions can have a significant effect on reducing expenditures from the unemployment insurance trust fund.

Representative Keiser said the committee studied consumer protection in regard to contractor competency and out-of-state contractors licensed in the state.

Representative Keiser said the committee received reports from Workforce Safety and Insurance regarding the safety and performance audit of Roughrider Industries work programs and the 2004 rate increase proposed by the agency. He said the committee also received a report from the State Board

of Agricultural Research and Education regarding its annual evaluation of research activities and expenditures.

It was moved by Senator Cook, seconded by Senator Holmberg, and carried on a roll call vote to accept the report of the Commerce Committee. Senators Stenehjem, Cook, Holmberg, Krauter, Krebsbach, O'Connell, and Robinson and Representatives Carlson, Delmore, Kelsh, Price, and Svedjan voted "aye." No negative votes were cast.

Emergency Services Committee

Representative Todd Porter, Chairman, Emergency Services Committee, presented the committee report. Representative Porter said the committee studied the state's emergency management system, impact of federal emergency reorganization on the state's emergency operations plan, and emergency management preparedness of state agencies and local government. He said the committee also studied the state's public health unit infrastructure and the ability of the public health units to respond to public health issues, including disease and other physical health, environmental, and disaster-related issues. He said the committee received reports from State Radio regarding the operation of State Radio and the emergency 911 telephone system standards and guidelines and regarding city and county fees on telephone exchange access service and wireless service.

It was moved by Representative Carlson, seconded by Representative Svedjan, and carried on a roll call vote to accept the report of the Emergency Services Committee. Senators Stenehjem, Cook, Holmberg, Krauter, Krebsbach, Lee, and O'Connell and Representatives Carlson, Delmore, Kelsh, Price, and Svedjan voted "aye." No negative votes were cast.

CONCLUDING REMARKS

Chairman Stenehjem reminded members of the Legislative Assembly to complete their committee preference forms. He expressed his wishes for a happy Thanksgiving to those in attendance and reminded the members that the organizational session will convene on December 6, 2004.

No further business appearing, Chairman Stenehjem adjourned the meeting at 10:45 a.m. on Wednesday, November 10, 2004.

John D. Olsrud
Director

ATTACH:1