REPORT

of the

North Dakota Legislative Research Committee

Pursuant to Chapter 54-35 of the 1947 Supplement
to the North Dakota Revised Code of 1943

Thirty-first Legislative Assembly
1949

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Carroll Day,
State Sen., Grand Forks County
Grand Forks, North Dakota

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State Senator, Benson County
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R. H. Lynch,
State Senator, Divide County
Fortuna, North Dakota

Joseph A. Donahue,
Research Director,
Bismarck, North Dakota

*resigned April 2, 1948
**appointed April 2, 1948

LETTER OF TRANSMITTAL

Honorable Fred G. Aandahl
Governor of North Dakota

In compliance with the provisions of chapter 54-35 of the 1947 Supplement to the North Dakota Revised Code of 1943, we have the honor to submit to you and to the members of the Thirty-First Legislative Assembly the report and recommendations of the Legislative Research Committee.

Respectfully submitted,

North Dakota Legislative Research Committee

FOREWORD

This, the second biennial report of the North Dakota Legislative Research Committee, covers the activities of the committee during the interim between the thirtieth and thirty-first legislative assemblies and includes the recommendations of the committee to the thirty-first legislative assembly and brief discussions of bills processed by the committee for introduction.

Essentially a legislative service agency, the committee performs the function of a legislative council, serves as the committee on interstate cooperation or North Dakota representative to the Council of State Governments, provides research and reference facilities and a bill drafting and checking service prior to and during sessions, and, as a general legislative office, provides continuity between sessions and a means of coordination between the legislature and the other branches of state government and the public.

Originating in Kansas in 1933, legislative councils or similar committees are now functioning in approximately half of the states, giving advance consideration to problems expected to confront the next legislature, acting as a clearing house for ideas on current legislative problems by receiving proposals from legislators, state departments, and interested persons, providing, through sub-committees and staff, study and research facilities, making recommendations in the form of bills or otherwise and summarizing the material prepared for the use of the legislature.

Your committee has deemed it advisable to concentrate on concrete proposals and to avoid lengthy research reports. It therefore presents, in bill form, a total of one hundred proposals, prepared or sponsored by the committee or accepted by the committee for introduction at the request of sponsoring departments. The latter, not necessarily indorsed by the committee and containing several alternative or conflicting proposals, are thought to contain sufficient merit to warrant the attention of the legislative assembly. They have been subjected to advance consideration both as to form and merit, in many cases have undergone extensive revision since first proposed and are generally considered as being reasonable means of accomplishing the stated purposes. The decision on the basic question of whether such purpose is necessary or desirable must rest with the entire assembly.

SUMMARY OF MEETINGS HELD

March 8, 1947

At a brief special organizational meeting of the new committee, temporary officers were elected, a date was determined for the next regular meeting, and plans were laid for the compilation and publication of the 1947 Supplement to the North Dakota Revised Code of 1943, covering the laws of the 1944 Special and the 1945 and 1947 Regular Sessions. A sub-committee consisting of Senator Day, Representative Ohnstad and Representative Johnson was appointed to supervise the task.

May 3, 1947

Permanent officers were elected and possible fields of study for the biennium were generally discussed. Governor Fred Aandahl met with the committee and recommended that attention be devoted to soil conservation problems at state level, possible consolidation of state governmental functions and better equalization of general property taxation.

Myron Atkinson, City Auditor, reported concerning assessment and equalization methods in the city of Bismarck.

June 28, 1947

The meeting was devoted to the study and discussion of taxation and assessment problems. Research reports were presented by Director Paul Agneberg on assessment and equalization methods in other states. A sub-committee consisting of Senator Lynch, Chairman, Senators Day, Conrad and Brant and Representative Haugen was appointed to study taxation problems. An invitation to hold the next meeting of the committee in the city of Devils Lake was accepted and delegates to the Midwestern Regional Conference of the Council of State Governments were chosen.

September 8, 1947—Devils Lake

Representative Walster of the 5th District, O'Connor of the 32nd District and Leet and Skaar of the 21st District were present. Representative Skaar proposed that the committee consider county road problems and determine if some definite and uniform plan for county road systems of construction and maintenance could be evolved. It was agreed that county road questions would be placed on the agenda of future meetings in other cities of the state, that county officials and other interested persons would be invited to attend all such meetings and to join in discussion, and that a letter would be dispatched to all counties inquiring as to methods in operation.

Representative Leet proposed that consideration be given to changing the procedure in offering amendments to bills and suggested that all amendments be submitted in writing.

Classification of farm lands in North Dakota was generally considered and Senator Conrad was authorized to contact the experiment station at the Agricultural College and request that tests be made of the soil in Cass, Ward and Stark counties as a start in this work.

October 24, 1947—Grand Forks

Representatives Saumur of Grand Forks, Halcrow of Pembina and Lillehaugen of Walsh were present.

Representatives of the League of North Dakota Municipalities presented proposals advanced to alleviate municipal financial problems.

N. J. Leonard of the Grand Forks Chamber of Commerce proposed the establishment of an advertising fund to promote the agricultural and industrial development of the state.

County Commissioners Nels Lindaas and Andrew McSparron and County Engineer Roy Tyson of Traill County met with the committee upon request and explained the county road system in effect in Traill County and traced its development.

Plans were advanced for a joint meeting with the Minnesota Legislative Research Committee.

Director Paul Agneberg resigned to enter private law practice and was succeeded by Joseph A. Donahue.

January 9, 1948

Activities of the committee to date and future plans were briefly reviewed. A sub-committee consisting of Senators Nordhougen and Brant and Representatives Smart and Stair met with the Board of Administration in regard to committee room improvements in accordance with the provisions of House Concurrent Resolution "CC".

A resolution was adopted requesting the Agricultural College and Experiment Station to make available their facilities for the purpose of land classification in Cass, Ward and Stark counties.

The compilation of the 1947 Supplement to the North Dakota Revised Code of 1943 was examined and it was determined that all matter other than laws of a permanent nature that could be placed under the Code system should be eliminated from the Supplement.

It was agreed that a study of county assessing systems in other states would be made and also a study would be made of systems of motor vehicle licensing with consideration given to the possibility of handling licensing in the counties.

Appearing before the committee were T. S. Grimsrud, Executive Director of the School District Reoragnization Committee, Myron Atkinson, Secretary of the League of North Dakota Municipalities and Archie McGray of the North Dakota Taxpayers Association.

February 13, 1948—Fargo

State Budget Director, Targie Trydahl, discussed with the committee possible consolidation of state agencies particularly in the field of agriculture.

Mayor Dawson of Fargo and Myron Atkinson, Secretary of the League of North Dakota Municipalities, reviewed proposals previously advanced regarding municipal finances and proposed an additional one cent tax on motor fuel, not subject to refunds, and the allocation of the proceeds of such tax to local sub-divisions.

John E. Beach, member of the Cass County School District Reorganization Committee spoke regarding township roads, advocating allocation to townships of an equitable share of the motor vehicle fuel tax to be expended under the supervision of the county highway departments along with such funds as the township may raise by local levy and recommended that township units be enlarged and reformed or abolished. Former Senator Watt also emphasized the necessity of good roads to school reorganization and stressed the need for local responsibility.

County Commissioner, Nels Lindaas of Traill County was called upon for an explanation of the Traill county highway system.

George Dixon, Secretary of the North Dakota Good Roads Association, advocated continued adequate funds at state and county levels and assistant Fargo postmaster, R. T. Reis, suggested that all RFD routes should be designated as farm-to-market roads since they necessarily lead to and from towns.

March 10, 1948—St. Paul

Following a tri-state conference with the Minnesota and Wisconsin committees, a meeting of the North Dakota Legislative Research Committee was held at which time representatives of the Federal Land Bank of St. Paul reviewed the situation leading to the suspension of lending by the Federal Land Bank in North Dakota and proposed substitution of statutes similar to the Minnesota and Wisconsin acts providing procedural safeguards for the anti-deficiency judgment act. The results of the tri-state conference were reviewed and following consideration of the Wisconsin system of motor vehicle licensing as presented by the Wisconsin registrar during the conference, it was agreed that representatives of the North Dakota department would be requested to meet with the committee at the next meeting.

Personal property tax problems with particular reference to collection methods were discussed and the director was instructed to secure full information on the Montana and Florida systems and to request from each county auditor of the state a list of the taxes cancelled at the January meeting of the Board of County Commissioners.

April 1, 2, and 3, 1948.

Representative Haugen tendered his resignation as a member of the committee and by unanimous vote of the House members present, Representative Walter Bubel was chosen to fill the vacancy.

Pursuant to the provisions of House Concurrent Resolution "CC" the committee conferred with representatives of the Board of Administration and committee room improvements and the purchase of committee room furniture was agreed upon.

Representatives of the Highway Department and Motor Vehicle Registrar Office reported to the committee concerning the operation of the motor vehicle department and after extensive discussion during which attention was devoted to the use of IBM machinery, possible local handling of licensing, the practicability of staggered licensing dates and the use of permanent plates with yearly inserts, the committee inspected the department and observed operations in progress.

Reports were submitted regarding personal property tax collections and tax and assessment methods and problems were discussed.

County highway systems were reviewed and the research director was instructed to prepare preliminary drafts of bills on these subjects and also a bill to extend existing legislation regarding reconstruction work on secondary roads.

A sub-committee consisting of Senator Nordhougen, Chairman, Senator Conrad and Representative Johnson was appointed to consider budget or finance department questions in cooperation with the budget director and to investigate the possibility of obtaining the services of a recognized authority in this field to review the North Dakota situation, assist in the establishment of budgetary practices, and recommend future steps.

April 30 and May 1, 1948

The committee conferred with State Examiner, John Graham with regard to varying laws relating to expense accounts of state officials and it was agreed that in cooperation with Mr. Graham, bills would be prepared on these subjects. Problems relating to charges for institutional care were considered with reference to right of collection from estates or from legally responsible relatives in view of present full coverage of all charges through the allocation of revenue derived from taxes on liquor and attention was also devoted to questions as to the necessity of county levies for institutional care and the right to transfer surpluses arising from such levies. It was agreed that under existing law, county levies were permissive but not mandatory and Mr. Graham reported that by attorney general's opinion counties had been authorized to transfer surpluses created.

Representatives of the Highway Department were called upon for explanation of use tax administration and for discussion of problems relating to juvenile licenses. Further consideration was also devoted to methods of motor vehicle licensing.

Planning relative to budget and finance department study was discussed with Budget Director, Targie Trydahl, and approved by Mr. Trydahl.

The first draft of a bill relating to county highway engineers was studied.

May 25, 1948

Representatives of the North Dakota Society of Professional Engineers met with the committee and county road systems and the proposed bill on the subject was reviewed.

R. H. Sherman, Chairman of the Board of Administration, and Adolph Schlenker, Burleigh County Auditor, conferred with the committee on problems relating to institutional care.

Representing the North Dakota School Officers Association, the Parent Teachers Association, the Department of Public Instruction and the North Dakota Educational Association, a committee consisting of Paul Dalager, A. C. Van Wyk, M. F. Peterson and W. L. Jacobson presented preliminary drafts of seven proposed bills relating to education and the equalization fund laws. After discussion, it was agreed that the proposals would be resubmitted in revised form at a future meeting.

R. A. Truby, President; Howard L. Henry and A. S. Marshall, members; and A. F. Arnason, Commissioner of the Board of Higher Education and Targie Trydahl, Budget Director met with the committee for discussion of salary scales, management and control of the institutions of higher education. The committee went on record as favoring the employment of additional technical or managerial assistance to aid in the supervision of physical plants, construction and purchasing. Methods of introduction of bills and pre-session filing and printing of bills were discussed.

Senator Brant presented tabulations relating to the operation of the law providing for discounts for early payments of real estate taxes.

July 9 and 10, 1948

Laws relating to per diem and expense payments to state officials and possible methods of achieving uniformity were studied.

The financial needs of the state, in view of the soldiers bonus bond issue and the funds required for matching federal allocations for roads, were considered. The director was instructed to secure information as to possible surpluses and unexpended balances available in any funds and the committee placed itself on record as favoring payment as far as possible from surpluses and current revenue.

Senators Brant and Lynch were appointed as a sub-committee to confer with the State Board of Equalization and convey to the Board a recommendation from the committee that the state levy be made to the four mill limit. Senators Brant and Lynch were also delegated as representatives of the committee to the County Auditors Association in response to an invitation for committee representation.

Resolutions submitted by the County Commissioners Association for study and consideration were read and individually discussed at length.

Senator Lynch reported assessment methods in Montana, and a tentative draft of a bill providing for county assessors was read and discussed section by section.

A bill advancing for an additional four years the present law providing for reconstruction of secondary roads was accepted for introduction.

A bill relating to county engineers was discussed with consideration given to replies received following distribution of preliminary drafts and was accepted for introduction.

Governor Fred Aandahl met with the committee and discussed problems relative to matching federal allocations for roads and state financial requirements in general.

July 30 and 31, 1948

Secretary of State Tom Hall and State Printer L. C. Miller appeared before the committee upon request and reported concerning the letting of state printing contracts.

Myron Atkinson, representing the League of North Dakota Municipalities, discussed with the committee proposals under consideration by that organization.

Further consideration was devoted to proposed legislation relating to county road systems and assessing methods.

Representatives of the North Dakota Educational Association, the Parent Teachers Association and the Department of Public Instruction appeared in support of bills sponsored jointly by such organizations.

The effect of the existing laws providing for municipal boards of budget review, under school district reorganization, was considered by the committee with recognition of the fact that municipalities, school districts and park districts are not now coextensive and greater divergence may be expected in the future.

Consideration was given to possible methods of control of state examining boards for trade or professional licensing.

Proposals from the Livestock Sanitary Board were reviewed and after discussion were withdrawn for revision.

Dr. Saxvik, State Health Officer and ex-officio secretary of the Embalming Board, appeared in support of two measures which were accepted for introduction at the request of the department. After further discussion of bonus problems it was agreed that representatives of the veterans organizations would be requested to confer with the committee at the next meeting.

August 26 and 27, 1948

Reports covering attendance at the French Lick Conference of Commissioners on Interstate Cooperation were submitted by Representatives Smart and Ohnstad and contacts with the Indiana Budget Department were also reported.

An offer from the State Bar Association to provide financial assistance to the committee in its work was considered and accepted.

Senator Day and Representatives Ohnstad and Johnson were constituted a sub-committee to study the uniform state laws recommended by the Commissioners on Uniform State Laws.

A report was submitted concerning the State Board of Equalization meeting and the County Auditors Meeting. Assessing methods, institutional collections, discount on real estate taxes and other subjects considered at the county auditors meeting were discussed and the Research Director was instructed to cooperate with the legislative committee of the County Auditors Association in the development of proposals on these subjects.

The following representatives of veterans organizations met with the committee for a discussion of the payment of adjusted compensation to North Dakota veterans of World War II:

Floyd E. Henderson, Department of Veteran Affairs, Fargo, North Dakota
Phil Hoghaug, Veterans of Foreign Wars, Devils Lake, N. Dak.
Jack Williams, American Legion, Fargo, North Dakota
Pat Milloy, American Legion, Wahpeton, North Dakota
E. G. Pierson, Veterans Service Officer, Minot, North Dakota
Wm. N. Thompson, Veterans of Foreign Wars, Bismarck, North Dakota
C. G. Schultz, Veterans Service Officer, Harvey, North Dakota
Aloys Wartner, Jr., Veterans of Foreign Wars, Harvey, North Dakota
C. C. Foster, Disabled American Veterans, Minot, North Dakota
H. A. Brocopp and Joseph Thomas, Adjutant General's Office, Bismarck, North Dakota
Spencer Boise, Advisory Committee of Veterans Affairs, Bismarck, North Dakota
Robert Brouse, Department of Veterans Affairs

Preliminary reports were submitted by the Adjutant General's Office and it was agreed that further joint meetings would be held to develop a satisfactory plan.

Duplication and conflict in fields of inspection and regulation were considered and reports of a conference called by the Governor and Commissioner of Agriculture and Labor on this subject and attended by representatives of the dairy, health, poultry and laboratory departments,

the Budget Director and the Research Director were received. At the request of the committee, Walter Zellmer, Deputy Insurance Commissioner, appeared before the committee to discuss state bonds held by state departments.

Howard Hammond, of the State Laboratories Department, appeared before the committee in support of bills proposed by that department.

John Lyngstad, Commissioner of the Board of University and School Lands, C. E. Brace, Assistant Attorney General, C. N. Nelson, State Forester, John Molberg, Assistant State Forester and Floyd T. Ryan, Farm Forester, met with the committee in connection with proposals to authorize the state forester to install proper forestry practices and management on school lands in the Turtle Mountain area. After discussion, it was agreed that alternative bills providing for transfer of the land to the School of Forestry or the authorization to install forestry practices would be prepared in cooperation with the departments concerned. Mr. Nelson also presented proposals for the reactivation of the U. S. Forestry project at Towner, for a farm forestry program and for a fire control program.

County Commissioners Nels Lindaas and Andrew McSparron of Traill County met with the committee and the recommendations of the County Commissioners Association were reviewed and county drainage and road problems were discussed.

October 1, and 2, 1948

Drainage questions were considered based upon an invitation received from the Pembina County Drainage Board and County Commissioners, for a joint meeting on such questions. Agreeing that it would be impractical to schedule a meeting of the committee in the northeastern part of the state at this time, it was suggested that if meetings of interested persons and organizations in the eastern part of the state could be scheduled on this subject to develop proposals advanced, the committee would provide all possible assistance upon the receipt of the results of such meetings.

Ronald Davies, Executive Director of the State Bar Association and Dean Thormodsgard of the North Dakota Law School, met with the committee in regard to the Bar Association's offer of cooperation.

Fritz Nelson of Grand Forks, presented to the committee proposals relative to income tax exemptions and chain store taxes.

A letter from the National Capitol Sesquicentennial Commission, inviting state participation in the national celebration of the one hundred fiftieth anniversary of the establishment of the National Capitol in Washington, D. C., was read and discussed.

Budgeting requests from state departments and institutions, as compared with 1947 appropriations, were briefly considered.

Proposed bills from the Board of Administration relating to fee limitations at the Jamestown institution, the Board of Administration Pos-

tage Revolving Fund and the admission of mutes in the School for the Deaf, were accepted for introduction. Also considered were proposals in regard to micro-filming of state records and the operation of the license plate plant at the state penitentiary.

Chairman Langley and Senator Conrad reported concerning a meeting on insurance problems called by the Council of State Governments in Lincoln, Nebraska and attended by Chairman Langley and Senator Conrad as representatives of this committee. Chairman Langley also reported a contact with Hubert T. Gallagher, Associate Director of the Council of State Governments and it was agreed to extend an invitation to Mr. Gallagher to attend any future meeting of the committee.

H. R. Martinson, Labor Commissioner, presented a proposed bill for the establishment of a mediation division in the Department of Agriculture and Labor and the bill was accepted for introduction.

A suggestion from Secretary of State, Tom Hall, that the filing required by labor unions under the 1947 legislation be transferred to the office of the Labor Commissioner was briefly discussed.

Consideration was given to the possible reenactment of the Torrens Title System or the adoption of a Marketable Title Act similar to acts adopted in recent years in Michigan and other states and the Kansas Legislative Council study on this subject was briefly reviewed.

Manager H. C. Bowers and T. W. Sette of the Bank of North Dakota, met with the committee upon request for a discussion of state financial problems including the possible calling of bonds held by state institutions and methods of financing and marketing the soldiers bonus bond issue. After extensive discussion on both subjects, the committee requested the Bank of North Dakota to conduct an investigation relative to the floating of a bond issue and to authorize Mr. Sette to contact bond houses and other agencies for this purpose.

Representing the School District Reorganization Committee, Saul Halpern, A. C. Van Wyk, Mrs. Nelson and T. S. Grimsrud met with the committee and discussed legislation proposed on school matters. It was reported that the School District Reorganization Committee was cooperating with the other educational organizations in the preparation of bills on the subjects previously considered by the committee. A revised version of the bill relating to county assessing was considered and accepted for introduction by the committee.

Charles Crawford reported to the committee concerning the Motor Vehicle Registration Department.

October 29 and 30, 1948

A resolution of ratification of the proposed amendment to the federal constitution limiting the terms of office of the President of the United States was accepted for introduction.

After individual consideration of the bills, a total of twenty-nine bills was accepted for introduction at the request of the League of North Dakota Municipalities.

Six bills sponsored by the State Examiner or by the State Auditing Board were presented by John Graham and accepted for introduction at the request of the departments.

Hubert R. Gallagher, Associate Director of the Council of State Governments, discussed with the committee the work of the Council of State Governments and their program for 1949 on state and federal relationship and cooperation.

H. C. Bowers and T. W. Sette of the Bank of North Dakota reported to the committee the results of their efforts in regard to the floating of the soldiers bonus bond issue and various means of financing the issue were studied. Bills proposed by the Bank of North Dakota were briefly considered and discussed and were accepted for introduction.

Representative Ohnstad reported on Indiana budgetary practice. An invitation was received from the NDAC Chapter of the American Association of University Professors to meet with the NDAC and University Chapters of the Association in Grand Forks or Fargo. It was determined that the committee would be unable to schedule such a meeting due to the lateness of the season.

Educational bills were studied in a meeting with the following representatives of educational organizations:

Paul A. Dalager, North Dakota Educational Association

Mrs. Oliver Nelson, State Committee on School District Reorganization

G. B. Nordrum, State Superintendent of Public Instruction

A. C. Van Wyk, State Committee on School District Reorganization and North Dakota Educational Association

Saul E. Halpern, State Committee on School District Reorganization

Walter M. Loomer, Legislative Chairman, State Parents and Teachers Association

A. H. White, State Committee on School District Reorganization

C. C. Swain, State Committee on School District Reorganization

T. S. Grimsrud, Executive Director of the State Committee on School District Reorganization

H. R. Swanson, State Committee on School District Reorganization.

November 12 and 13, 1948

Three bills sponsored by the state laboratories department were presented by Howard Hammond of the department and were accepted for introduction.

A bill for an Act to transfer from the inactive Public Utilities Evaluation Fund to the general fund the sum of forty-two thousand, two-hundred eighty five dollars and eighty-four cents was accepted for introduction as a committee bill.

Proposals presented by Martin Gronvold, Acting Director of the Unemployment Compensation Division, were accepted for introduction at the request of the department.

Representing the State Health Department, Dr. Saxvik and Jerry Svore, presented proposed bills sponsored by the Health Department relating respectively to blood tests and milk inspection and these bills were accepted for introduction.

Mr. Lawrence Watson of Rugby, North Dakota, presented to the committee a proposal in relation to abstractor fees and the subject was generally discussed.

Representatives of Veterans Organizations met with the committee and a preliminary draft of a bill roughly patterned on the Michigan Act was read and the results of a questionnaire submitted to a representative number of North Dakota veterans, on specific bonus questions, were briefly reviewed. After full discussion it was agreed that the results of the study on the bonus question would be reduced to bill form and considered by the committee and the veterans organizations at the next meeting.

Commissioner H. R. Morgan of the Game and Fish Department presented a total of eight bills sponsored by that department, which were accepted for introduction after full and individual discussion.

Bills providing for state and county equalization funds were discussed by the committee with representatives of the School District Reorganization Committee, the North Dakota Educational Association and the office of the Superintendent of Public Instruction in attendance. Math Dahl, Commissioner of Agriculture and Labor, also participated in the discussion. Additional bills relating to school boards in certain common school districts and to the attendance of pupils in other districts, were accepted for introduction at the request of the Superintendent of Public Instruction.

Bills relating to the publishing of brand books by the Department of Agriculture and Labor and to control of animal diseases by the Livestock Sanitary Board were accepted for introduction at the request of the departments concerned.

Governor Fred G. Aandahl met with the committee and commented on the proposed methods of financing the soldiers bonus bond issue, ad-

vocating that no special dedication of revenue now going to the general fund be made in view of the economic changes that might occur in future years.

Also considered was the question of whether special dedication might be needed if the contemplated reserve fund were sufficiently large. Governor Aandahl advocated that a study be made in the next biennium of tax laws in general and their relationship to budgetary requirements.

November 26 and 27, 1948

M. J. Connolly, representing the Greater North Dakota Association, appeared before the committee and spoke in favor of establishing a state advertising agency. American Red Cross representative, Ed Showers, discussed with the committee defense and disaster planning and the proposed act for the establishment of state defense and disaster programs as advocated by the Council of State Governments.

Bills presented by the office of the Secretary of State and by the Dairy Department of the Department of Agriculture and Labor were accepted for introduction at the request of the departments concerned.

Bills correcting ambiguous or conflicting language in certain existing laws were considered and accepted for introduction by the committee.

Jack Williams, Department Adjutant of the American Legion, Spencer Boise, Chairman of the Advisory Committee on Veterans Affairs, Oscar Troyer, Departmental Commander of the Veterans of Foreign Wars and Captain Thomas of the Adjutant General's Office, met with the committee in regard to pending bonus legislation. Also present were Representative Haugen, former member of the committee, Representative Murray, also representing the Veterans of Foreign Wars, Representative Sellens and Walter Moen, Secretary to the Governor. A revised version of the previously considered bill providing for the payment of adjusted compensation was accepted for introduction as a committee bill after extensive consideration.

Representative Sellens discussed with the committee dates of township meetings, pointing out inconsistencies in the present laws and the number of meetings scheduled for March, at which time attendance is limited due to road conditions. The Research Director was instructed to cooperate with Representative Sellens in the drafting of a bill incorporating the suggestions advanced.

The Uniform State Law providing for expert testimony was accepted for introduction by the committee at the request of the Commissioners on Uniform State Laws.

Bills sponsored by the Commissioner of Insurance and by the Aeronautics Commission were accepted for introduction at the request of the departments concerned and also accepted was a bill changing the place of the legislative candidates on the primary election ballot.

In an evening session, Governor Aandahl, Representative Haugen and Mr. Bowers and Mr. Sette of the Bank of North Dakota, met with the committee for a discussion on the financing of the bonus bond issue. A preliminary draft of a proposed bill was read and considered section by section. The discussion was continued on Saturday, November 27th, with Governor Aandahl, Tax Commissioner John Gray and T. W. Sette and Robert Birdzell of the Bank of North Dakota present. Mr. Gray reported concerning existing revenues obtained from liquor, beer and cigarette taxes and the present sums in the general fund. After consideration of various methods of retiring the issue, including ad valorem property taxes, special dedication of existing special taxes, and allocation of specific sums per month from the general fund, the committee agreed upon recommendation of partial financing by increased cigarette, beer and liquor taxes, the balance to be met by general property taxation. Following agreement upon recommendations on questions of reserves to be established, accelerated or level debt retirement plans, and maturity dates, the committee agreed to introduce and sponsor the proposed bond bill and also the bill providing for bonus payments.

Jesse Melton, holder of the contract for legislative printing, appeared before the committee and reported concerning the progress of the printing of the pre-session bills and general problems of legislative printing were discussed.

Revised versions of bills providing for state and county equalization funds were considered in conference with T. S. Grimsrud, Executive Director of the School District Reorganization Committee, A. C. Van Wyk, and Howard Snortland of the Department of Public Instruction. The bills in amended form were accepted for introduction and sponsored by the committee.

Mrs. Margaret Watts of the Vital Statistics Division of the State Health Department presented to the committee statistics in regard to fees paid local registrars of vital statistics and reported concerning the working of the present systems of registration .

Erling Nasset, Executive Secretary of the Beverage Dealers Association, appeared before the committee and discussed the possible effects of the increased taxes proposed for the retirement of the bond issue.

December 10 and 11, 1948

Revised version of the bills providing for state and county equalization funds were approved. The legislative program of the American Federation of Labor was discussed with the committee by William Murray.

Mr. Mulready and Mr. Longstreet of the Bureau of Reclamation presented proposals for the release of oil, gas and mineral reservations held by the state or counties upon sales to the United States of the land subject to such reservations.

Revised proposals submitted by Game and Fish Commissioner, H. R. Morgan, were considered and accepted for introduction.

Mr. Harold Hagen, representing the Public Welfare Board, presented proposals relating to child placing agencies and transferring the supervision of such agencies from the Board of Administration to the Public Welfare Board. The proposals were accepted for introduction at the request of the Public Welfare Board.

Paul Drew, Safety Director of the State Highway Department, presented proposals sponsored by the Highway Department and the Public Service Commission, relating to the transporting of explosives and inflammable liquids, the use of flares and safety lights. These proposals were accepted for introduction at the request of the departments concerned.

Reports of the General Assembly of the States held in Detroit, Michigan on December 3rd and 4th, were submitted by Senator Nordhougen and Representatives Bubel and Ohnstad.

Doctors Wendell, Johnson and Hunter of the North Dakota Agricultural College discussed salary scales at state institutions with the committee.

Proposals presented by Paul Dalager, representing the North Dakota Educational Association, and McLean County Superintendent of Schools, Dan C. LeRoy, were accepted for introduction at the request of the superintendent of public instruction.

Representative Sellens of Burleigh County met with the committee and a draft of a proposed bill changing the dates of township meetings was reviewed. Representative Sellens also raised for discussion the possible extension of the unsatisfied judgment fund to cover cases where the driver responsible for an accident was killed.

A resolution from the Walsh County Board of Commissioners recommending an increased gas tax to be allocated for county roads was read and considered.

Possible changes in legislative rules and journals were studied.

A bill relating to municipal boards of budget review was studied and accepted for introduction by the committee.

Alvin Strutz appeared before the committee and discussed the necessity for providing means of retirement for incapacitated state officials.

Chief Justice A. M. Christianson met with the committee in regard to proposed changes in the adoption laws now under consideration by the Judicial Council.

Alex C. Burr, M. F. Peterson and M. O. Jeglum, representing the North Dakota Chapter of the National Society of Crippled Children and

Adults, presented a proposed bill providing for a census of handicapped persons to be taken under the joint supervision of the Public Welfare Board, State Department of Health, the Superintendent of Public Instruction and the Vocational Rehabilitation Division. After discussion, the proposed bill was accepted for introduction at the request of the departments concerned.

T. W. Sette, credit manager of the Bank of North Dakota, read to the committee a letter received from the bond attorneys who had been requested to check a preliminary draft of the bond issue bill. The suggestions advanced included insertion of specific reference to the amount of issue, clarification of the number of the constitutional amendment and other minor technical changes. The bill was again studied, section by section, and changes agreed to.

A proposed bill to eliminate the tax on cigarette papers was accepted for introduction at the request of the State Tax Commissioner.

Possible methods of control of state licensing boards in trade and professional fields were considered.

R. H. Sherman, Chairman of the Board of Administration, met with the committee in regard to the possible transfer of the State School for the Blind. After general discussion, a proposed constitutional amendment providing for such transfer was accepted for introduction by the committee.

INTERSTATE COOPERATION

The committee acts as the North Dakota committee on interstate cooperation or representative to the Council of State Governments which was established by the states for service to the states and fulfills this function:

1. As an information clearing house for the forty-eight states.
2. As a research center for all the states.
3. By promoting interstate cooperation, through conferences and exchange of information, in legislation and administration.
4. By assisting in the development and improvement of intrastate policies, procedures, and practices.
5. As a central liaison agency for the states in their relationships with the federal government.
6. By providing facilities and staff for the servicing of several national associations of state officials, including the Governor's Conference, the National Association of Attorneys General, and the state budget directors.

7. By publishing material to serve state officials and state government including the monthly journal, **State Government**; the biennial reference manual, **The Book of the States**; **The Washington Legislative Bulletin**; and reports embodying the results of studies concerning special subjects.

The committee feels that the necessity for cooperative activities among all levels of government has become increasingly apparent during the past few years. It is also apparent that if the states are to maintain their rightful place in our form of government, they should be adequately equipped, particularly from the standpoint of research and information as to what other states and the Federal Government are doing. For these reasons, it is felt that the continuation of work with and through the Council of State Governments deserves wholehearted support.

1947 Midwestern Regional Conference

July 28, 29, and 30, 1947—Mackinac Island, Michigan

Delegates from twelve midwestern states attending this meeting which was devoted to round-table discussions on tax and fiscal policies, state-local relations, federal grants-in-aid, aid to education, and water resources. Senator Nordhougen, Representatives Langley, Smart and Johnson and Research Director Agneberg participated.

The Conference recommended:

1. That the states survey their educational needs;
2. That the Missouri River states develop a formal, cooperative, and continuing agency for the purpose of studying and developing cooperative plans for the control and regulation of their common water resources; and
3. That the states require a unified annual or biennial budget encompassing all revenues and expenditures of government in order that the legislatures may have adequate information upon which to decide matters of policy with reference to the services rendered and supported by the states and reconsider legislative processes, procedures and needs.

National Conference of State Legislative Agencies

November 20, and 21, 1947—Chicago, Illinois

Twenty-eight states, the Territory of Hawaii, and the Library of Congress were represented at this conference. For the first time, legislative members and staffs of most of the state legislative service agencies gathered together to discuss recent developments and to consider improvements in legislative processes. During the first day of the session, the discussion centered largely on measures to improve the

legislative process—measures that would enable the legislative branch of the government to keep pace with the complexities of present economic and social problems. On the second day, legislative councils and standing interim committees received particular attention. The final discussions centered on problems relating to interstate exchange of reference and research findings. The results of the conference are embodied in the recommendations of the committee on Legislative Processes and Procedures. North Dakota representatives at the conference were Senator Lynch, Representatives Langley and Smart and the Research Director.

Tri-State Conference

March 8 and 9, 1948—St. Paul, Minnesota

In a joint meeting of similar legislative committees from North Dakota, Minnesota and Wisconsin, round-table discussions were held on common problems in taxation, education, agriculture, welfare, roads and conservation. The varying approaches to similar problems were compared and consideration was also given to interstate relationships and coordination and reciprocity, particularly in the game and fish and motor vehicle fields.

Administrative officers of the states also participated and explained operations in their departments. School reorganization plans had been established in all three states and were compared. Other topics of particular interest to North Dakota were the Minnesota assessing system, county road systems and manner of sharing revenue with localities. At the request of the North Dakota committee, the Minnesota Commissioner of Administration explained the Minnesota Reorganization Act creating a Department of Administration and explained budgeting, purchasing and supervision and control practices. Adminstrative officials participating from North Dakota included T. S. Grimsrud, Executive Director of the School District Reorganization Committee, Targie Trydahl, State Budget Director, and Walter J. Moore, Chief Game Warden. The meeting, the first of its kind held in any region, attracted much national interest and favorable comment as an experiment in interstate sharing of experience and method of solving regional problems.

1948 Midwestern Regional Conference

August 6 and 7, 1948—French Lick, Indiana

Legislators and administrative officials from twelve midwestern states attended the Midwestern Regional Conference at French Lick, Indiana, on August 6 and 7, 1948. Senator R. H. Lynch, Representatives M. R. Ohnstad and W. M. Smart and the Research Director participated.

In a session on tax and fiscal policy, it was pointed out that we have developed a standard of living which will be difficult to maintain;

that the tendency of the cost of government is continually upward, with the result that all levels of government are searching for new sources of revenue and increasing tax rates on existing sources in order to meet the new and expanding needs.

The conference agreed that it would be difficult to curtail the services we now have, but that there should be a general education program to inform the people continually about the cost of government and the relation between taxes and services. It was emphasized that states and localities should increasingly assume their own responsibilities. The conference strongly supported the following statement of the joint federal-state committee:

> "To achieve a higher degree of efficiency, reduce duplication and to achieve economy and stability in our coordinated system of federal, state, and local governments, our states must cease relying on the federal government to do things for them and their citizens which they can do for themselves as well as, or better than, the federal government.
>
> In order that the state and local governments may be enabled to assume those functions, the federal government should reduce those taxes which can be administered best by state and local governments."

In a round-table on "The states and their localities" it was recommended that local governments and their representatives be urged to join with the states in a constructive program designed primarily to maintain local participation, local responsibility and local control.

The second session of the conference was devoted to a study of proposals eventually incorporated in the acts recommended by the Legislative Drafting Committee.

The conference at its final session discussed at length the program and operation of the legislatures themselves. It was pointed out that great progress has been made over the years in organizing and reorganizing the executive, administrative, and judicial branches of government to conform to changing conditions and changing governmental problems; but that in the main the legislatures, which in fact compose the boards of directors of our state governments—the largest business in the states—have not been equipped to handle present day problems. The legislatures need adequate tools, research and technical assistance. Committee systems in the legislatures need general revision. The compensation of individual legislators in most states is still geared to the economic system of a generation ago and the constitutional limitations relative to length of sessions and method of operation tend to hamper the legislatures in performing the duties and responsibilities incident to present day government, and tend also to reduce materially the prestige of state legislatures in public estimation. The states were urged to reappraise their legislative processes and procedures as a special and continuing order of

business and the revised report of the Council's Committee on Legislative Processes and Procedures was called to the attention of the Conference. The recommendations of the committee appear in another section of this report.

Regional Insurance Conference

September 23, 1948—Lincoln, Nebraska

The midwest regional insurance conference of Insurance Commissioners and Commissioners on Interstate Cooperation reviewed proposals for strengthening state control of insurance regulation including possible interstate compacts to establish an agency to furnish expert advice and staff assistance to the states. Model legislation previously recommended by the Council of State Governments and the National Association of State Insurance Commissioners was adopted by all the states in 1947 and 1948.

Iowa, Kansas, Minnesota, Nebraska, and South Dakota were represented at this regional conference, in which Representative Langley and Senator Conrad participated from North Dakota.

The Conference recommended that the staff of the Council of State Governments study methods to assist the states in insurance regulation, including the development and use of interstate compacts to provide joint technical services and personnel for administering highly technical regulatory functions and that a continuation of the close relationship between the Commissions on Interstate Cooperation, the Council of State Governments, and the State Insurance Commissioners be maintained.

National Conference of State Legislative Service Agencies

October 21 and 22, 1948—Chicago, Illinois

Legislators and members of legislative service bureaus discussed in panel conferences, statutory revision, legislative reference and research services, constitutional revision, and interstate exchange of reference and research studies. The purposes, mechanics, and relationship of legislative aid functions were considered and the experiences of the states in code and constitutional revision were shared. A common problem was found to be the question of keeping the laws current after bulk code revision. Statutes enacted by those states first acting on common problems such as local sharing of revenue were studied and the legislative program of the Legislative Drafting Committee of the Council of State Governments was reviewed.

Ninth General Assembly of the States

December 2, 3 and 4, 1948—Detroit, Michigan

Meeting in Detroit, Michigan, on December 2, 3 and 4, 1948, governors, legislators and state officials joined in the Ninth General Assembly

of the States to consider problems and policies of common interest. Panel discussions were held on federal-state fiscal programs including grants-in-aid, the 1949 state legislative recommendations, state-local relations, and the future of our federal systems. All states were represented at this national meeting of legislators and state officials at which the North Dakota delegation consisted of Senator Nordhougen and Representatives Bubel, Smart and Ohnstad.

RECOMMENDATIONS OF NATIONAL COMMITTEES OF THE COUNCIL OF STATE GOVERNMENTS

Recommendations of the Committee on Legislative Processes and Procedures:

1. Remove restrictions on length of regular state legislative sessions;
2. Increase salaries of legislators to permit competent persons to serve in the legislature without financial sacrifice;
3. Improve working conditions and raise level of competence of legislative employees;
4. Reduce the jumble of legislative committees through consolidation and reorganization on the basis of subject matter and cooperation between houses;
5. Provide for public hearings on all major bills;
6. Lengthen and stagger legislator's terms to strengthen legislatures by increasing continuity of membership;
7. Provide for legislative councils or interim committees with adequate clerical and research facilities;
8. Review and strengthen legislative reference, research, bill drafting, and statutory revision services;
9. Limit the period during a legislative session during which bills may be introduced, and provide for filing and printing of bills before sessions open;
10. Review and revise legislative rules wherever necessary to expedite legislative procedure, with due regard for adequate deliberation and fairness;
11. Provide for a budget adequate to meet all probable expenditures during a fiscal period and centralize responsibility for the management of fiscal affairs; and
12. Provide for local home rule.

Recommendations of Committee on State-Local Relations:

A comprehensive report accompanied by detailed suggestions for state action has been reported to the Council of State Governments by its Committee on State-Local Relations.

Summarizing its recommendations, the committee declared that the two principal objectives for any program of state-local relations are:

1. Local units of government should be strengthened so that they may meet their day-to-day problems promptly and efficiently. Local freedom, though limited, is important for administrative effectiveness and as a means of attaining meaningful local democracy; and

2. State supervision of local affairs should be improved so that state-wide activities will be carried out in all jurisdictions at a high level of performance.

Recommendations of the Legislative Drafting Committee:

1. **State channeling of federal airport funds Act.** This measure, endorsed by the Governor's Conference and the National Association of State Aviation Officials, requires that federal grants-in-aid to municipalities for airport construction shall be expended in the state only upon receiving the approval of the state aviation agency. The enactment of this measure will help to preserve the long-established principle and policy of federal grants-in-aid being administered through the states to political subdivisions on specific projects. Over half of the states have enacted this measure;

2. **Out-of-state airports Act.** This is a reciprocal act authorizing a state and its political subdivisions to construct, operate and maintain airports and aviation facilities in adjoining states. It was developed by aviation officials and Commissions on Interstate Cooperation as an answer to questions involving interstate airports. It should be helpful in furthering the development of interstate airports in such metropolitan areas as Council Bluffs, Davenport, Dubuque, Kansas City, St. Louis, and St. Paul;

3. **Model state civil defense Act.** This model act would provide for the establishment of the necessary state and local defense organizations in a state for possible use in case of atomic attack, widespread sabotage, explosions or earthquakes. The State Civil Defense Agency would be responsible to the governor and would be administered by a director. An Advisory Council of representatives with special qualifications would advise the Governor and the Director. This Act is based in part on the State Council of Defense and the Emergency War Powers Acts developed by the Committee during the War;

4. **Fire assistance enabling Act.** This proposal was originally developed by the Commissions on Interstate Cooperation of the New England States. It would foster the interchange of fire-fighting equipment among governmental units in time of emergency. It would answer many of the legal questions which have arisen involving liability, damage, salaries and expense;

5. **Municipal tax levying enabling Act.** This proposal would give local governments wide discretion in the field of taxation. The bill permits cities to tax anything **not** taxed by the state. It will help to relieve the excessive burden on real estate and, in addition, it should result in fewer demands being made on federal and state governments for funds to help pay for local needs and public improvements. This measure like the "State channeling of Federal airports fund Act" grew out of recommendations made by the Governor's Conference;

6. **Act to establish a small business commission.** The proposed bill is designed to create a commission to study the problems of small business throughout the country. This would encourage cooperation between small business commissions of the states and the departments of commerce and the RFC. Illinois, Ohio, Minnesota and New York have taken the lead in establishing agencies to further small business. This measure is based in part on their acts and the experience which they have had;

7. **Water pollution legislation.** This legislation consists of two proposals designed to enable states and municipalities to take full advantage of the Federal Water Pollution Control Act. The first measure designates a state Water Pollution Agency and vests it with authority to carry out all the functions necessary for a state to benefit from the Federal Act. Under the Federal Act only one state water control agency can be recognized for any state;
   The second proposal would permit municipalities to take full advantage of the loan program contemplated by the Federal Act. Bills have been drafted to fit the needs of the particular state for which it is proposed;

8. **Building codes adoption by reference.** This is a proposed model statute to permit the adoption of model and scientific building codes by reference. Since some of the modern codes contain more than three hundred pages, this would save cities the heavy cost of publishing such codes in the local newspapers. The Code would, of course, be available for ready reference;

9. **Amendment to state securities law.** This is a technical amendment to ease certain restrictions in state "blue sky" laws which prohibit the circulation of a prospectus or any information regarding a security before it is registered. The public would be

fully protected by the SEC Act. The amendment would end a conflict which has long existed between the statutes of some of the states and the Federal Act regarding the early dissemination of information on securities. It would effectuate the policies of the Federal Securities Act; and

10. **Amendment to state safety responsibility law.** This amendment, which is desired by many Federal Agencies, particularly the Post Office, would exempt Government Vehicles from the operation of state safety responsibility laws. The Federal Tort Claims Act affords injured parties opportunity for relief where the fault lies with the driver of the Government vehicle. There is no necessity for imposing penalties against or requiring compliance by operators of Government vehicles under state motor vehicle safety responsibility laws.

Acts previously recommended by the Legislative Drafting Committee include:

Agricultural Legislation—

1. An Act for the control of pullorum disease of domestic poultry;
2. Amendment to the uniform state seed law;
3. State insecticide, fungicide and rodenticide Act;
4. Agricultural products inspection certificates Act;
5. State marketing bureaus Act;
6. Farm products market facilities Act;
7. Enrichment of white flour and white bread Act;

Interstate Crime Control Legislation—

1. The fresh-pursuit Act;
2. The extradition Act;
3. The removal of out-of-state witnesses Act; and
4. The interstate parole and probation supervision Act.

Senate Bill No. 1—Introduced by the Legislative Research Committee.

Provides for the issue, sale, and retirement of bonds for the payment of the state soldiers bonus. The committee requested the Bank of North Dakota to undertake a study of the bond issue and as a result, Mr. T. W. Sette contacted leading bond attorneys and potential bidders and reported as follows:

1. DEFINITION OF OBLIGATION: In the authorizing legislation and proceedings and in all publicity, stress should be laid upon the fact that the bonds are to be general obligations of the state secured by its full faith and credit, for whose payment the state has power to levy unlimited ad valorem taxes as well as to appropriate other specific revenue. It is important to use the designation "General Obligation Bonds" rather than "Certificates" or "Notes."

2. LEGISLATIVE AUTHORIZATION: Authority for the issuance, sale and delivery of bonds might best be handled by placing same in the hands of a Commission, Board, or Bureau, who should be authorized to handle same in accordance with the limitations and powers given to them by the legislature.

3. APPROPRIATION OF REVENUES FOR DEBT SERVICE: The various conferences disclosed that the issue will command a lower interest rate at the time of sale if there is a specific dedication of state revenues for not less than fifty percent of the average annual interest and principal requirements, with the provision that sufficient ad valorem property taxes will be spread and collected to pay such amounts as are additionally required over and above the specific dedication. The reason for the specific dedication is that in checking over the tax paying record of the state of North Dakota for the past ten-year period, it is disclosed that in some years ad valorem taxes were as little as sixty-two percent collected in the year in which they were due, and with this fact known, specific dedication of revenue will offset such slow tax collections.

4. SINKING FUND RESERVE: In view of the wide fluctuations in ad valorem property tax collections and other revenues, it was suggested that a reserve of ten percent of the amount of bonds outstanding or a figure equal to the maximum debt service payable in the succeeding year should be set up and maintained at all times. Any legislation authorizing such sinking fund reserve should of course also provide that if at any time this reserve fell below the established requirements it would be replaced within some brief period of time. The savings in interest cost, should a dedication of special reserves and a reserve fund be made, was by most underwriters said to be considerable, with a number of them indicating a reduction in the coupon rate of as much as one-fourth percent, which would amount to sixty-seven thousand five hundred dollars per year on a twenty-seven million dollar issue. On the basis of the average term of maturities being six and one-half years it would approximate a saving of $438,750.

Should a special dedication be made, it should be from a source which can be conservatively estimated from past experience or from data available to be reasonably expected, under normal conditions to produce in cash annually fifty percent of the average yearly interest and principal requirements. Should such specific dedication be made, the levying of the ad valorem tax for such an amount as might be needed could be handled in much the same manner as the ad valorem taxes were authorized for the real estate series bonds. This could be substantially as follows: The state treasurer, or other commission or board authorized to do so, could report to the board of equalization annually, at some specific date to be fixed, as to the condition of the sinking fund for the bond issue together with his statement as to the requirements for the ensuing twelve or eighteen month period and with a recommendation as to the amount of the ad valorem tax levy required to produce sufficient cash to take care of the requirements as set out in the statement submitted.

5. INVESTMENT OF RESERVES AND SINKING FUND: Specific authorization should be given for the investments of cash in the reserve and sinking funds. Such authorization should be limited to some of the highest types of obligations and with a limitation as to the maturity so that the investments of the reserve fund could be liquidated if and when needed and that the investments of the sinking fund would mature at the time the money was needed to pay interest and principal as it became due or as bonds were called for prior redemption.

6. MATURITIES OF BONDS: It was the unanimous opinion that the bonds should be set up to mature serially, and in reviewing the income of the state it was the general opinion that a total debt service requirement of an average of between $2,000,000 and $2,500,000 per year should not prove too burdensome for the state to handle. However, in view of present and immediate past economic conditions that are and have been prevailing in the state, a debt service requirement of $3,000,000 to $3,500,000 per annum for the next three or four years and a lightening of the requirements in later years would be acceptable. On the basis of having the bonds mature serially in from one to fifteen years, based on an interest cost of two percent per annum, a level debt payment plan would make it necessary to raise approximately $2,101,000 per year to retire the bond issue and pay the interest. The actual determination of maturities, might be left up to the Board, Bureau, or Commission authorized to handle the sale and delivery of the issue. Should less than $27,000,000 of bonds be authorized and issued, such reduction might be taken off the longer maturing bonds thereby shortening up the life of the issue which would have a tendency to reduce the interest costs by getting a lower bid on the issue, as well as shortening the time the bonds would be outstanding.

7. OFFERING OF ISSUE: It seems to be the unanimous opinion that it would be best to offer the entire amount of bonds intended to be

issued at one sale rather than have several offerings as the state might feel they would have immediate need for the funds. It seems to be quite generally conceded that the tendency is for higher interest rates and that any saving of interest costs that might be made by a split offering of the issue would be offset by possible higher interest charges on later offerings. The funds could be invested in short-term securities which would be readily marketable as adjusted compensation payments were made. In the event that bonds were sold in excess of the amount needed to pay all claims, provision should be made that any moneys remaining should be transferred to the sinking fund and the money used to retire outstanding bonds.

8. PARTICIPATION OF STATE TRUST FUNDS AND BANK OF NORTH DAKOTA IN THE ISSUE: On the basis of present markets, if the bonds are properly set up they should sell at an interest cost which would be lower than the yield obtainable on fully taxable United States Government Securities, and due to the tax exemption status of the State Trust Funds and the Bank of North Dakota, it would not be to their advantage to participate in the financing. From the standpoint of the size of the issue, it was not thought that a $27,000,000 bond issue was excessive at this time and willingness to undertake to bid on the entire issue without any participation by the state through its trust funds or the Bank was evident.

9. PER CAPITA DEBT: On a per capita basis, considering this financing to be the total debt of the state, and after allowing for a ten percent reserve fund, this would make the per capita debt, based on the 1940 census figures, $37.85 as against the median for all the states of $10.91 per capita. This median no doubt will raise since this figure was established, in that there is a good deal of state financing that is taking place and has been authorized.

10. CALL FEATURE: Any call feature incorporated in the issue will have the effect of raising the interest cost unless the first call is not made until after five years from date of issue and then at a premium of not to exceed one year's interest with such premium or prior call reducing from year to year thereafter. The prior redemption should be restricted to not exceed the last four maturities of the issue and be on an inverse basis, longest outstanding maturing bonds first. It can be appreciated that it is more difficult to sell those bonds that are callable in that the investor could not be certain as to the length of time he would be holding the securities other than up to the first call date. It is essential, if any call feature is incorporated in the issue, that any bonds callable be so stated therein and those bonds not callable be so stated on their face, and that the legislation be very specific with regard to any call feature because of the dispute that arose in 1937 when the state called the real estate series "A", "B", and "C" bonds prior to their maturity dates, with no call feature being incorporated in the bonds at the time they were issued.

11. COUPON RATES: The call for tenders should name a maximum interest rate which the state will consider and then permit the bidders to name as many different rates as they would desire for the several maturities within such maximum, but with the requirement that all bonds of a given maturity bear the same rate of interest.

12. AWARD OF BONDS: Comparison of bids should be made on the basis of the net interest cost; that is, total interest to be paid over the life of the issue as determined by the maturities and coupon rates named by each bidder, less the amount of any cash premium bid. No bid for less than par and accrued interest should be considered and the right reserved to reject any and all bids tendered.

13. AUCTION SALE OR SEALED BIDS: There was no general agreement on which method might be best, however, the consensus of opinion was that in most instances state bond issues were conducted on a sealed bid basis. It was mentioned that on a sealed bid basis there could be no last minute combinations of bidding groups or consolidation of bidding groups after the sale reached the point where there were only two bidders left.

14. BOND SALE TIMING: In view of the success with which bonus bond issues of other states have sold, it was felt that the sooner the state could offer their bonds for sale the better bid they might receive, and if at all possible they should try to get them offered ahead of any offerings now contemplated or authorized by other states. The most appropriate day for bond sales is a Tuesday or Wednesday, in that this time gives the underwriters an opportunity to offer and dispose of most of the bonds before the following weekend, since there always seems to be some hesitancy about carrying a bond issue over a weekend. It is, of course, important that the timing be such that it will not conflict with other bond issues which attract nation-wide attention so that the state will not have competition from other sources.

15. APPROVING ATTORNEYS: The legal approving opinion of a nationally recognized firm of attorneys should be furnished by the state free of charge to the successful bidder, and the firms recommended were Wood, King and Dawson of New York City, which firm's opinion will be acceptable to all the underwriters contacted, or Chapman and Cutler of Chicago. The attorneys chosen should be asked to cooperate with the state officials in preparing legislation and sales procedures.

16. DENOMINATIONS AND REGISTRATION FEATURES: While there may be some demand for large denomination bonds, the state can adhere to its past practice and issue all of the bonds in $1,000 denomination in bearer form, with appropriate coupons attached, and the provision that the bonds may be presented to the state treasurer to be fully registered in the owner's name, both as to principal and interest.

17. PAYING AGENCY: It is essential that provision be made to have the bonds payable in some central reserve city in addition to being payable at the state treasurer's office, and a provision that they be

payable at a bank or trust company to be designated by the state in both New York City and Chicago, or New York City alone, would be acceptable to any of the purchasers of bonds.

18. PRINTED OR ENGRAVED BONDS: In the past the practice is about evenly divided on state issues on furnishing printed bonds or engraved bonds. Engraved bonds would entail a greater time to have made up, and it was the general opinion that a well made up printed bond would be more acceptable in that it would be possible to speed up delivery after sale. If engraved bonds were used, authorization would no doubt have to be given to permit the issuance of temporary bonds which would involve additional costs and the expense of making the exchange from temporary to definitive bonds when the engraved bonds would be ready for delivery.

19. DELIVERY OF BONDS: Delivery of bonds should be made as soon as possible after the award or sale. It should be possible on an issue of this size to obtain printed definitive bonds within four to six weeks following the sale, and it is not thought that there would be any objection to the issue if delivery would be promised in that length of time. It can be readily understood, of course, that the successful bidders would like to have the bonds available as soon as possible after the date of sale. Delivery should be made by the state free of cost to the successful bidder in either Minneapolis, Chicago, or New York City. Likewise, the state should pay for the cost of making up the necessary bonds and coupons so that the cost to the purchaser would be clean-cut and determined only on the basis outlined in paragraph No. 12.

20. THE SIGNING OF BONDS: Custom is swaying toward fewer manual executions, depending upon the number of signatures required, for example, the two senior officials might be represented on the bonds by facsimile signatures, while the others would sign manually. If delivery by the state was to be made in either Chicago or New York City, considerable shipping charges would be saved by arranging to have the manual signatures affixed at the point of delivery. The Signature Companies are in business in these two cities and their charges are one cent per signature for the use of their multiple signing machines and about $5.00 per $1,000,000 of bonds for applying the "State's Seal", plus a twenty-five percent overcharge on these rates if the bonds are in "book" form.

As an incidental result of Mr. Sette's efforts, Dun and Bradstreet and Moody's Investors Service were contacted and the rating of the presently outstanding Real Estate Series Bonds was raised to "AA". While not directly applicable to the bonus issue, this will have the effect of making the new issue more attractive to investors. Senate Bill No. 1, in its present form, has been approved by leading bond attorneys without any objections.

The committee desires to express their appreciation to the Bank of North Dakota and to Mr. Sette for their constructive efforts.

Senator John Conrad was not present when the committee considered this bill.

Senate Bill No. 2. Introduced by the Legislative Research Committee.

Provides for payments of adjusted compensation to North Dakota veterans of World War II. The committee, in a series of meetings with representatives of veterans organizations, requested the veterans groups to determine mutually satisfactory solutions to problems of distribution. Every effort has been made to provide opportunity for all interested persons or groups to participate. The resulting bill, evolved in joint sessions, is based upon the study performed by the Adjutant General's Office:

Selective service records in the Office of Selective Service Records at Fraine Barracks, Bismarck, North Dakota reflect the following facts. These figures were compiled by taking approximately 3,000 service records from the counties of Adams and Barnes.

Total of 58,509 male veterans were enlisted or inducted between September 16, 1940 and September 2, 1945—no figures available as to subsequent enlistments or induction.

Total of 1570 female veterans.

Total of 1,938 deaths incurred in service.

80% of all male veterans have time overseas; 40% of all time spent in the service by male veterans was overseas.

Length of time spent overseas for veterans of the Naval Service is not available. Approximately 15,000 veterans of North Dakota are veterans of the Naval Branch of Service.

Approximately 1,785 veterans served in the Marine Corps and 300 in the Coast Guard.

MALE

Actual service from date of entry on active duty to date of discharge	35.08 mo.	Group 1
September 16, 1940—September 2, 1945	31.72 mo.	Group 2
September 16, 1940—June 30, 1946	34.37 mo.	Group 3
December 7, 1941—September 2, 1945	29.61 mo.	Group 4
December 7, 1941—June 30, 1946	32.03 mo.	Group 5

FEMALE

Actual service from date of entry on active duty to date of discharge	24.10 mo.
September 16, 1940—September 2, 1945	18.61 mo.
September 16, 1940—June 30, 1946	23.15 mo.
December 7, 1941—September 2, 1945	18.61 mo.
December 7, 1941—June 30, 1946	21.02 mo.

GROUP I

Service from date of entry active duty to date of discharge.
Based at $15.00 per month:

Average male service of 35.08 mos.	$526.20 x 58,509 vets	$30,787,435
Average female service of 24.10 mos.	361.50 x 1,570 vets	567,555
		$31,354,990

Based at $10.00 per stateside month and $15.00 per overseas month:

Average male service of 35.08 mos.	$420.95 x 58,509 vets	$24,629,363
Average female service of 24.10 mos.	262.65 x 1,570 vets	412,360
		$25,041,723

Based at $12.50 per stateside month and $17.50 per overseas month:

Average male service of 35.08 mos.	$508.64 x 58,509 vets	$29,760,017
Average female service of 24.10 mos.	322.89 x 1,570 vets	506,937
		$30,266,954

GROUP II

Service from September 16, 1940 to September 2, 1945:
Based at $15.00 per month:

Average male service of 31.72 mos.	$475.80 x 58,509 vets	$27,838,582
Average female service of 18.61 mos.	279.15 x 1,570 vets	438,265
		$28,276,847

Based at $10.00 per stateside month and $15.00 per overseas month:

Average male service of 31.72 mos.	$380.60 x 58,509 vets	$22,268,525
Average female service of 18.61 mos.	202.80 x 1,570 vets	318,396
		$22,586,921

Based at $12.50 per stateside month and $17.50 per overseas month:

Average male service of 31.72 mos.	$459.90 x 58,509 vets	$26,908,289
Average female service of 18.61 mos.	249.32 x 1,570 vets	391,432
		$27,299,721

GROUP III

Service from September 16, 1940 to June 30, 1946:
Based at $15.00 per month:

Average male service of 34.37 mos.	$515.55 x 58,509 vets	$30,164,314
Average female service of 23.15 mos.	347.25 x 1,570 vets	545,182
		$30,709,496

Based at $10.00 per stateside month and $15.00 per overseas month:

Average male service of 34.37 mos.	$412.40 x 58,509 vets	$24,129,111
Average female service of 23.15 mos.	277.80 x 1,570 vets	436,423
		$24,565,534

Based at $12.50 per stateside month and $17.50 per overseas month:

Average male service of 34.37 mos.....	$498.32 x 58,509 vets	$29,156,204
Average female service of 23.15 mos.....	310.17 x 1,570 vets	486,966
		$29,643,170

GROUP IV

Service from December 7, 1941 to September 2, 1945:
Based at $15.00 per month:

Average male service of 29.61 mos.....	$442.65 x 58,509 vets	$25,899,008
Average female service of 18.61 mos.....	279.15 x 1,570 vets	438,265
		$26,337,273

Based at $10.00 per stateside month and $15.00 per overseas month:

Average male service of 29.61 mos.....	$354.10 x 58,509 vets	$20,718,036
Average female service of 18.61 mos.....	202.80 x 1,570 vets	318,396
		$21,036,432

Based at $12.50 per stateside month and $17.50 per overseas month:

Average male service of 29.61 mos.....	$427.87 x 58,509 vets	$25,034,245
Average female service of 18.61 mos.....	249.32 x 1,570 vets	391,432
		$25,425,677

GROUP V

Service from December 7, 1941 to June 30, 1946:
Based at $15.00 per month:

Average male service of 32.03 mos.....	$480.45 x 58,509 vets	$28,110,649
Average female service of 21.02 mos.....	315.30 x 1,570 vets	495,021
		$28,605,670

Based at $10.00 per stateside month and $15.00 per overseas month:

Average male service of 32.03 mos.....	$385.35 x 58,509 vets	$22,487,934
Average female service of 21.02 mos.....	229.10 x 1,570 vets	359,687
		$22,847,621

Based at $12.50 per stateside month and $17.50 per overseas month:

Average male service of 32.03 mos.....	$464.72 x 58,509 vets	$27,190,302
Average female service of 21.02 mos.....	281.65 x 1,570 vets	442,190
		$27,632,492

The committee desires to express their appreciation to all participating in the preparation of this bill.

Senate Bill No. 3—Introduced by the Legislative Research Committee.

A corrective bill eliminating the ambiguous language in section 61-0503 and reproducing section 61-0514 in the form in which this section appeared in chapter 372 of the 1947 Session Laws. Reference to the amendment of section 61-0514 was omitted from the title of chapter 372, thus giving rise to a certain question as to the legality of the amendment and causing the omission of this section from the gummed annotations inserted in the Code.

Senate Bill No. 4—Introduced by the Legislative Research Committee.

A corrective bill designed to clarify the meaning of section 32-1723. In the original version of this section the word "only" appeared after the verb "shall be" thus apparently constituting a limitation as to the person in whose favor the remedy may be given. In the present version the word apparently limits the type of remedy that may be given and would therefore eliminate the remedies of injunction or damages. Obviously the limitation is intended to apply to the conditions that must exist to justify forfeiture and eviction and since it is impossible to insert the word "only" in this section without ambiguity, the section is revised to state the intended meaning clearly by the use of the inserted words "not" and "unless."

Senate Bill No. 5—Introduced by the Legislative Research Committee.

A bill correcting a printing error in the North Dakota Revised Code of 1943. The words "five hundred dollars" appear in this section in the mimeographed version of the Code enacted as chapter 201 of the 1943 Session Laws and no reference to any change is made in the revisor's notes.

Senate Bill No. 6—Introduced by the Legislative Research Committee.

A transfer from an inactive fund known as the Utilities Valuation Fund to the General Fund. This fund, based upon laws dating from 1933 through 1943, has been superseded by chapter 276 of the 1945 Session Laws and the appropriations made thereunder and two duplicate funds now exist. This transfer is recommended by the State Examiner and the Public Service Commission and has been approved by the Office of the State Auditor.

Senate Bills No. 7, 8, and 9—Introduced at the request of the Board of Administration.

Senate Bill No. 7 clarifies the status of the Board of Administration Postage Revolving Fund. This fund was established in 1941 and biennial appropriations of $10,000 were made in 1941, 1943 and 1945 to the fund. No further appropriations were made thereunder in 1947. On the Auditor's books the sum has been increased to $30,000 which is now necessary for continued operations but a question has been raised as to whether the fund legally consists of $30,000, $10,000 or possibly nothing.

Senate Bill No. 8. Provides for the attendance of mute children at the School for the Deaf and removes the objectionable title of the School for the Deaf.

Senate Bill No. 9. Raises the maximum amount that may be charged for patients at the State Hospital. Since the primary limitation is the amount of actual cost, the monetary limitation is normally ineffective but under the inflationary conditions now existing imposes an unrealistic restriction.

Senate Bills 10 to 24, inclusive—Introduced at the request of the League of North Dakota Municipalities.

Senate Bill No. 10. Amending sections 40-0112 and 40-1606—Claims against municipalities. Amends existing statutes so as to require that all claims against cities and villages must be both itemized and certified, eliminates the keeping of a special record by the auditor and clerk and the listing of claims in the minutes of the proceedings of the governing body, if the governing body makes reference there to properly audited accounts on file with the auditor. Also eliminates the provision that claims against cities must be sworn to and requires only that they be certified to as are claims against the state and counties. The bill meets with the approval of the State Examiner.

Senate Bill No. 11. Amending section 40-1706. Disbursement of city funds and issuance of payroll checks by city treasurer. Makes it possible for a city to issue one warrant on the treasurer for a payroll, eliminating duplicate work on the part of the auditor and mayor. The bill has been approved by the State Examiner.

Senate Bill No. 12. Amending section 40-2002. Assistant city attorneys salaries. Permits the payment of salaries to an assistant city attorney which, under the present law, cannot be done.

Senate Bill No. 13. Amending section 40-2103. Election hours in council cities. Makes election hours uniform in all cities and conforms to the election hours for state-wide elections.

Senate Bill No. 14. Amending section 40-2105. Compensation of election officials. Amends the present statute fixing compensation of election officials in municipalities at $4.00 and makes it $6.00, the same as compensation for election officials in state-wide elections.

Senate Bill No. 15. Amending sections 40-3801 and 40-3802. Public libraries and reading rooms. Clarifies the law relating to petitions required before a public library may be established, eliminates the population limitation of 400 inhabitants for public libraries and clarifies the tax levy limitation for lilbrary purposes as far as counties are concerned.

Senate Bill No. 16. Amending section 40-3904—Vacation of streets and alleys in municipalities. Clarifies the statute relating to vacation of

streets and alleys so as to make it clear that they may be vacated under certain conditions where public utilities are in the streets or alleys.

Senate Bill No. 17. Combining city employees and firemen's pension systems. Permits cities having firemen's relief association benefits and general pension systems to combine the same with the consent of the board of trustees of the Firemen's Relief Association. Would apply to Minot, Grand Forks and Bismarck only.

Senate Bill No. 18. Combining city employees and police pension systems. Similar to Bill No. 17 and would apply only to Grand Forks, Minot and Bismarck.

Senate Bill No. 19. Civil service systems in park districts. Permits park districts in cities having civil service systems to set up such a system for park employees with the consent of the governing body of the city. Would apply only to cities having a population of more than 4,000.

Senate Bill No. 20. Providing for employees pension in park districts and tax levy for same. Would permit park districts in cities which have general pension funds to cover park district employees under the city pension funds with the consent of the governing body of the city, and to levy a tax proportionate to the tax levied by the city.

Senate Bill No. 21. Providing for collection of service charges made by municipal utilities. Would permit cities to assess the cost of utility charges, such as sewer, water, garbage collection, etc., against property if bills are not paid.

Senate Bill No. 22 Would permit cities and villages to levy assessments against property where bills are not paid for work done under health, sanitation, fire protection and other ordinances necessary for the general welfare, etc.

Senate Bill No. 23. Amending subsection 8 of section 40-0501, Parking lots. Makes it clear that municipalities have the right to maintain and operate off-street parking lots.

Senate Bill No. 24. An alternative bill to House Bills 17 and 18.

Senate Bill No. 25, 26 and 27—Introduced at the request of the Bank of North Dakota.

Senate Bill No. 25. Amendment to section 38-0901. Some years ago the attorney general ruled that the above statute was fully applicable to transfers of lands owned by the state of North Dakota, doing business as the Bank of North Dakota. This reservation might present a difficult obstacle if the bank were to apply for FHA debentures in exchange for title to property acquired on foreclosure of a federal housing loan. Because the Bank of North Dakota has been making a number of such loans in recent months, it is advisable to amend the statute so that

this element of risk will be eliminated entirely. The amendment is phrased so as to exclude from the mineral reservation requirement any lands within city or village limits acquired in the name of the Bank of North Dakota.

Senate Bill No. 26. Amendment to section 15-4801, relating to the power conferred on school boards to call elections to increase school district debt limits. It has been held that the present statute requires that a petition signed by at least one-third of the electors of the school district must be prepared before the school board has jurisdiction to proceed to call an election on the question of increasing the debt limit. This requirement was imposed recently in connection with the school building programs at Dickinson and at Fargo, causing the boards of those districts considerable trouble and expense. The disagreement and confusion which exists among lawyers on this point should be eliminated for the good of the school districts which need to issue bonds and for the protection of the public funds which frequently are invested in school district bonds. School boards should have the power to proceed without a preliminary petition of electors if they desire so to do. The proposal is intended to obviate certain differences of legal opinion which now exist and is further intended to enable the school districts to avoid some red tape and expense preliminary to balloting on the question of increasing debt limits.

Senate Bill No. 27. Amendment to section 40-2410, relating to payment of part of cost of improvement by municipalities through general taxation. There is a difference of opinion among attorneys as to the base to be used for computation of the limit to which municipalities may go in levying general taxes for special improvements. The law ought to state clearly that the base figure for improvements should be the same as the base figure for bond issues. Because the portion of cost of special improvements paid by general taxation is a general obligation of the municipalities, the amounts assumed should be approved by the boards of budget review, the same as bond issues are required to be approved. There is serious doubt as the law now stands whether cities making special improvements can obligate themselves and levy general taxes up to the maximum of twelve percent of the fifty percent assessment valuation as they may do for bond issues for certain purposes. Although the Governmental Financial title of the code provides for a vote to increase the debt limit of a city three percent, no similar provision is made in the special improvement chapters of the title Municipal Government. It seems appropriate to give cities the same privileges whether they finance by issuing general obligation bonds, or by issuing special assessment warrants. The proposed bill, therefore, includes provisions to enable the cities to vote the three percent and four percent increases in the debt limits contemplated by the constitution. The total effect of the proposed amendment is to clarify and simplify the financing of municipal improvements. It is unnecessarily complicated and expensive to finance an improvement such as a water supply system

by issuing both general obligation bonds and special assessment warrants when warrants alone would do the job if the statute were amended as proposed.

Senate Bill No. 28. Introduced at the request of the State Health Department.

Provides for blood tests of pregnant women, limited by provision that women may refuse such test.

Senate Bills No. 29 and 30 are alternative bills relating to milk inspection sponsored respectively by the State Health Department and the Dairy Department of the Department of Agriculture and Labor.

Senate Bill No. 29—Introduced at the request of the State Health Department.

This bill, would place the authority of grading milk from a sanitation standpoint with the state and local health officers. An attempt was made to avoid any conflict with present laws which delegate the authority of controlling the economic and promotional aspects of milk production by the Dairy Department. It should also bring about a clear and understandable picture as to the duties of the Dairy Department and health officials as they pertain to the over-all milk program. The state and local health officers are charged with the duty of protecting the public health. The Dairy Department, on the other hand, protects and promote the dairy industry. The two departments should work hand in hand with no duplication of effort, and it is felt that this legislation will not only avoid duplication but bring about a definite program of cooperation. The request for this type of legislation has originated in the local health departments, cities, and districts, as a means of more clearly outlining their authority and duties. There have been in the past conflicting legal opinions as to what action a local board of health, or health officer, must take in order to control milk sanitation. Although present laws state that a local board of health may adopt rules and regulations which have the force and effect of a city ordinance, it is still their feeling that the proposed legislation is necessary. Although this will in no way affect the prerogative of municipalities to adopt city ordinances controlling milk, it will bring about a uniform, statewide basis for grading milk, taking into consideration specifically its public health aspect.

Senate Bill No. 30—Introduced at the request of the Department of Agriculture and Labor.

Ten years ago, the Dairy Division of the Department of Agriculture and Labor mapped out a long term program which would eventually assure the people of North Dakota an adequate supply of pure wholesome milk for their tables. At that time there was very few milk pasteurizing plants in the state. It was felt that it would be in the public interest to try to induce as many of our one hundred and nine

creameries as possible to install equipment to pasteurize and bottle milk so that pure wholesome pasteurized milk would be made available in all areas of our state.

The increase in the number of plants that are pasteurizing milk from less than a dozen ten years ago to eighty attests to the soundness of this program. When a creamery was induced to install milk equipment the next step was to get a list of farmers in that community who were willing to go to the expense of equipping their farms and were willing to adopt production methods that would assure high quality milk to the plant for pasteurizing and bottling. The department worked with these farmers giving them all the assistance possible so they could establish and maintain the high standards necessary for bottled milk. Through regular inspections and complete analysis of milk from each farm as to fat content, total solids, acidity content, bacteria count and sediment content, the farmers, plant managers and city officials are kept informed as to how the high standards insisted on are maintained. Farms producing milk are inspected regularly and the milk plant and equipment are carefully checked at the time of each inspection and a phosphatase test is made of the pasteurized milk to determine if a complete job of pasteurizing has been done. When microscopic readings indicate mastitis infection in a farmer's herd, samples of milk from each quarter of the udder of each cow are analyzed and by this method the farmer is assisted in detecting where infections are so he may be able to correct it before it spreads to other cows in the herd. Because of their broad understanding of milk production problems they have been able to gain and hold the confidence and respect of the milk producers. After working on this program for about four years, regulations governing the production, processing and sale of fluid milk were issued. These regulations are published in the front of the compiled dairy laws. It is believed that sufficient progress has now been made to justify the passage of the bill. Seventy-eight of the eighty plants now pasteurizing milk for bottling are operated as a units within creameries. There are only two plants that handle only milk. As the state Dairy Department licenses all plants and must under present laws inspect all plant equipment and products handled, it is felt that a duplication by any other agency would be an unnecessary expenditure of tax funds.

Senate Bill No. 31—Introduced at the request of the Secretary of State.

Proposed changes in election statutes amended by this bill are deemed necessary for making election returns more readily available to the public in keeping with present day greatly improved communication facilities.

Senate Bills 32, 33 and 34—Introduced at the request of the Commissioner of Insurance.

Senate Bill No. 32. Provides means by which an unlicensed insurance company could be compelled to acquire license in this state before soliciting business. Since this is a reciprocal arrangement it would secure

results as to such companies whose home office was in a state having similar reciprocal legislation. At present about twenty states have such legislation and the number enacting such legislation is steadily increasing. The state of California was first to adopt such legislation, and our neighboring states of Montana and South Dakota already have adopted similar laws. The goal of this legislation is to eventually have all states adopt this type of legislation, which would then bring under control some companies who solicit business by mail and have no licensed agents or have secured a license in perhaps but one state and conduct their affairs in such state to conform to requirements of that state. There have been known instances of concerns which solicited absolutely no business in the state in which they were domiciled, and as a result the commissioner of insurance of such state, naturally, would have little interest in a company in which none of his constituents were affected.

Senate Bill No. 33. Provides that the Fire and Tornado Fund carry contributing insurance on industrial risks, rather than carry the entire risk on the first $100,000.00 as the present law requires. It was expected that bids of much more favorable rates would be received on such industrial risks, if the Fire and Tornado Fund assumed the first $100,000.00. The amendment is being asked to relieve the Fire and Tornado Fund of this liability, since no benefits in lower rates are being realized.

Senate Bill No. 34. Permits raising salaries of deputy fire marshals in line with raises granted to state employees under chapter 264, Session Laws of 1945. All other employees of the state received salary increases under 1947 laws (chapter 185, chapter 233 and chapter 255) while the deputy fire marshals were not granted any increase. This proposed bill would leave the amount of increases to the discretion of the commissioner of insurance, but would be limited by legislative appropriation.

Senate Bills No. 35 and 36—Introduced at the request of the State Aeronautics Commission.

Senate Bill No. 35. Provides for liens for aircraft repairs equivalent to garagemen's and other repairmen's liens.

Senate Bill No. 36. Amends section 2-0507 of the 1947 Supplement relating to the state airways system.

Senate Bills No. 37 and 38—Introduced at the request of the Livestock Sanitary Board.

Senate Bill No. 37. Amends section 36-1501 and removes the provisions relating to payments for animals condemned because of Bang's disease. These provisions have been ineffective, constitute only a nuisance and are not in line with modern procedure relative to Bang's disease control.

Senate Bill No. 38. Amends section 36-0119 and establishes an emergency livestock epidemic fund. This section, in its present form, authorizes the emergency commission to draw upon the state treasury in the event of emergency livestock epidemics. This provision has been thought to be unconstitutional and might prove dangerous both by giving a false sense of security or by possibly authorizing unlimited expenditures. In the event that an outbreak of hoof and mouth disease occurs in the state, emergency action may be required.

Senate Bills No. 39 to 48, inclusive—Introduced at the request of the Game and Fish Department.

Senate Bill No. 39. During the last three years styles in furs have changed. Today only those fur bearing animals which are known as the short furred animals are in demand. This has resulted in a definite drop in prices paid for the pelts of raccoons. It has further resulted in a natural increase in raccoon populations as trappers have not felt that the prices being paid warranted the trapping, skinning, and care of raccoon pelts. Raccoons have become so numerous that farmers in areas adjacent to streams and wooded territories are the recipients of greatly increased raccoon depredations on poultry farms. The hunting of raccoon with the use of dogs at night is considered by many a good sport. It is thought that authorization of the use of a flashlight of not over two cells for the running and taking of raccoon after dark would materially decrease raccoon populations and afford sport for many who under existing laws could not participate in this sport. Limiting the type of light to be used to a flashlight of not more than two cells would not open up the territory for the man who makes a practice of shining deer. The bill also limits the type of gun that may be used for the taking of racoon to a 22 rifle or a 410 gauge shotgun,

Senate Bill No. 40. The season for the legal taking of pike opens on the sixteenth day of May of each year. Many people in attempting to take these fish catch and injure fish of other species to a point where even when returned to the water they die. This bill would allow them to keep as a part of their creel limit these injured fish, and act as a consequent saving. It has been found that waters that are adapted to the natural propagation of such fish as sunfish and crappies, perch and certain type of bass, produce these fish in great quantities. The passage of this legislation would act as a conservation measure.

Senate Bill No. 41. Commercial fishing in waters which are now open for commercial fishing offers a very remunerative occupation. Under existing statutes one dollar is the cost of a license to use hooks on a line or one hundred feet of gill net. The commercial fisherman using the gill net should pay proportionately more for the privilege than the man fishing with a throw line. This legislation is planned with the idea that each type of commercial fisherman will pay a proportionate license fee.

Senate Bill No. 42. Under existing statutes the game and fish commissioner may remove surplus game only through gun pressure or fishing pressure, as the case may be, during the legal open seasons on the various species. Populations do at times become so dense on refuges and in communities to be detrimental to agriculture. It seems advisable to give the commissioner the power to remove surpluses in cases where this occurs.

Senate Bill No. 43. From time to time concentrations of big game animals build up in certain restricted areas of the state. These concentrations may be composed of either deer or antelope. Such a concentration of antelope exists in the southwestern corner of the state at the present time. Under the present law the only way that these concentrations can be harvested is by opening the season, and no way has been provided whereby the kill can be restricted to a certain percentage of the population. This legislation will allow the governor through his proclamation to manage these concentrations in such a way that they will not hamper agriculture in the vicinity where they exist, and at the same time will make possible regulating the kill to the point where the animals will not be annihilated. The amendments also clarify other sections relating to open seasons and the governor's power to vary such seasons by proclamation.

Senate Bill No. 44. Existing statutes present a problem which is unenforcible in that a fishing license is required only for those who take protected fish. A warden, in checking fishing licenses, must today apprehend a man with protected game fish in possession before he can demand that he be in possession of a fishing license. This legislation is planned with the idea of making it mandatory upon all anglers to be in possession of a fishing license.

Senate Bill No. 45. This law is not only a safety measure which will make hunting a safer sport in North Dakota, which it has not been up to this time, but will discourage shooting from cars on the highway or in the field.

Senate Bill No. 46. Provides for matching federal funds now available to the Game and Fish Department.

Senate Bill No. 47. Amends section 20-0217 relating to police powers of the Game and Fish Commissioner and wardens. Apparently it has always been assumed that such powers were inherent and there is no specific designation of wardens as peace officers for the purpose of enforcing the Game and Fish laws.

Senate Bills No. 48 and 49—Introduced at the request of the Superintendent of Public Instruction.

Senate Bill No. 48. Provides for sick leave for teachers in the public schools and state institutions.

Senate Bill No. 49. Establishes salary scales for county superintendents of schools.

Senate Bill No. 50—Introduced at the request of the School District Reorganization Committee and the Superintendent of Public Instruction.

An opinion has been expressed many times that a large school district should have more than three members on its board of directors. The reorganization act provides that the reorganized districts shall be common or special school districts. Special school districts have a board of education consisting of five members, but special school districts can only be organized where the district includes an incorporated village or city. There may be large reorganized districts which may not care to become special districts, or may not be able to do so because of the fact that an incorporated village or city is not included within their boundaries. Making it possible for common school districts to have a board of education of five members would eliminate this obstacle to reorganization.

Senate Concurrent Resolution A—Introduced by the Legislative Research Committee.

A resolution of ratification of the proposed amendment to the constitution of the United States limiting the terms of office of the president.

Senate Concurrent Resolution B—Introduced by the Legislative Research Committee.

A proposed amendment of subdivision 2 of section 216 of the state constitution relating to the location of the School for the Blind. The necessity for relocating the school is generally recognized. Determination as to the proper location has not been made at this time and should be based upon further study of available facilities, the special needs of the students at the institution and opportunities presented for trade or professional education and employment.

House Bill No. 1—Introduced by the Legislative Research Committee.

Amends section 24-02192 of the 1947 Supplement to extend the time during which reconstruction work on secondary highways may be done under this section.

House Bill No. 2—Introduced by the Legislative Research Committee.

Amends chapter 11-31 of the 1947 Supplement relating to county highway engineers, clarifies the provisions relating to duties of county engineers and provides for the creation of the office of county engineer by the vote of the electors of the county.

House Bill No. 3—Introduced by the Legislative Research Committee,

Provides for the creation of the office of County Assessor. Reform in local assessing methods has been advocated by tax commissioners reports

and studies by governmental commissions for years. The state of North Dakota has nearly two thousand local assessors compared with fifty-six in Montana. The county assessor plan has been found very successful and satisfactory wherever it has been adopted and is now in effect in approximately two-thirds of the states including all of the states west of North Dakota. A few years ago one-half of the assessors in the United States could be found in a block of six states located in the North Central region. Iowa, formerly having two thousand five hundred assessors, turned to a county assessor system in 1947 and one by one the other states have dropped, or are dropping, out of the local assessing group. Minnesota in 1947 adopted an optional program whereby each county must provide for a county assessor or a county supervisor of assessors. In addition to the lack of uniformity and the escape of property from taxation under local assessment, the present method makes it almost essential for each locality to attempt to outdo others in under assessing. This will become of increasing importance if state and county taxes increase to provide for the soldiers bonus or educational needs. A striking example occurred at the last meeting of the State Board of Equalization where cities that had attempted to provide for their own needs by relatively accurate assessments found their valuation twice reduced by the county and state boards of equalization although admittedly, the original assessment was well below true valuation.

House Bills No. 4 and 5—Introduced by the Legislative Research Committee.

Provides for state and county equalization funds for schools. These bills are endorsed by the School District Reorganization Committee, the State School Officers Association, the Parent Teachers Association, the North Dakota Educational Association and the Superintendent of Public Instruction. The bills were evolved in a series of meetings with educational organizations and other interested persons. Reports have been prepared by the endorsing organizations, presenting tabulations for all counties and setting forth the purpose and effect of the bills. Senator John Conrad was not present when the committee voted to sponsor these two bills.

House Bill No. 6—Introduced by the Legislative Research Committee.

Relates to municipal boards of budget review. The basic purpose of the board of budget review law is to insure that the governmental bodies of municipalities, school districts and park boards take into consideration the activities of the other units prior to planning and establishing annual budgets. The value of such coordination is beyond dispute but in practice the law has been largely ineffective. Originally limited to cities having populations in excess of one thousand, the law now applies to all municipalities regardless of size. The municipalities, school districts and park districts are not coextensive in area and several cases now exist of school districts including more than one municipality.

This may be expected to become more common under school district reorganization. A board of budget review exists for each municipality rather than for the largest of the overlapping taxing districts and by law each board of budget review's action is final. This produces an impractical situation in districts where two boards exist and is, in any event, inconsistent with the preceding chapter of the Code, the municipal budget law, which provides for final approval of the budget at open meetings of the municipal governing body. It is recommended that the power of the board of budget review be reduced to the making of recommendations, thus retaining the value of coordinated planning and exchange of information in the overlapping taxing districts but providing a practical and workable system.

House Bill No. 7—Introduced by the Legislative Research Committee. Changes the position of legislative candidates on the ballot.

House Bills No. 8 and 9—Introduced at the request of the State Department of Health.

House Bill No. 8. Amends section 23-0604 relating to time of burial. Subsection 4 of this section is intended to cover emergencies when burial cannot be made within the normal period due to weather conditions or other reasons. However, the local board of health would be required to attend a special meeting to grant the required permit and the very emergency making the obtaining of a permit necessary frequently prevents the meeting of the board. It is, therefore, recommended that the permits be issued by the local health officer or, in case of necessity, by the state Department of Health and that the normal period within which burial must be made be extended to eight days, which is a reasonable period under normal conditions.

House Bill No. 9. Amends section 43-1012 relating to examinations for embalmers licenses. The subjects listed in the present law include many duplications, matter which is not essential under modern conditions, ambiguous phrases, such as subsection 12 which would apparently require examination on all laws, rules and regulations pertaining to the state department of health, rather than the laws and regulations on embalming, and does not include subjects that should now be required. It is, therefore, recommended that the examining board prescribe the topics of examination as is the practice with almost all other state licensing boards.

House Bills No. 10 to 23, inclusive—Introduced at the request of the North Dakota League of Municipalities.

House Bill No. 10. Amending sections 40-2212, 40-2215, 40-2219, 40-2225 and 40-2226. Special improvements in municipalities. Amends certain statutes relating to special improvements so as to provide that the governing body of a municipality need not call for bids on more than one kind of pavement, and need not require a lapse of five days

between the opening of bids and the awarding of a contract unless bids have been called for on more than one kind of pavement (this was the original law, but the Code Commission changed it).

House Bill No. 11. Amending sections 40-2201, 40-2208 and 40-2209. Special assessment improvement expenses, powers of municipalities as to work which may be financed by the special assessment method so as to include flood protection and off-street parking lots. Permits improvement districts to be created either by ordinance or resolution (the original law permitted this but the Code Commission changed it) and clarifies the language relating to the creation of paving districts. This bill is also indorsed by the Bank of North Dakota. At the present time the municipalities of the state are engaged in extensive public improvement projects. It is anticipated that there will be more activity of this kind in the future. In the present form of this statute, cities and villages are required to create improvement districts made up of geographically contiguous areas. Thus, if a county seat town desires to extend water mains to the west end and to the east end of the city, it is necessary to go to the trouble and expense of creating two improvement districts and run two sets of proceedings for two issues of warrants. The proposed amendment would give the governing bodies of the municipalities discretionary authority to handle extensions geographically remote from one another as single improvement districts. This would cut costs, simplify book work, and would be consistent with the way the actual work is handled by the contractors under the system of trying bids.

House Bill No. 12. Construction of paving in residential districts. Permits cities to assume as a general obligation, subject of course to constitutional debt limitations, more than twenty percent of the cost of paving in a residential district under certain conditions.

House Bill No. 13. Amending section 21-0306. Purposes and limitations of bond issues. Enlarges the purposes for which general obligation bonds may be issued by cities or villages upon a 66 2/3 vote so as to include off-street parking lots, bridges and flood control works.

House Bill No. 14. Amending section 40-3502. Revenue bonds for parking lots. Enlarges the purposes for which revenue bonds may be issued by cities and villages so as to provide that off-street parking lots may be financed by revenue bonds to be paid for by charges for the use of the lots.

House Bill No. 15. Authorizing cities and villages to levy certain taxes and to impose certain licenses in addition to those now permitted by law. It would permit municipalities to levy various types of taxes and licenses, such as business licenses, payroll taxes, etc., unless specifically prohibited by the constitution or the legislature. If passed, would eliminate the necessity of municipalities continually going before the legislature asking for authority to provide for additional types of licenses or special taxes.

House Bill No. 16. Tax levy for airport purposes. Fixes the levy for airport purposes for cities at four mills. Section 57-1536 of the 1947 Supplement to the North Dakota Revised Code of 1943, limits the tax levy for airport purposes by cities to three mills for each of the years 1947 and 1948. Section 47-1537 of the 1947 Supplement to the North Dakota Revised Code of 1943, limits the tax levy for airport purposes by villages and park districts to four mills without any limitation as to the years for which taxes may be levied. Would permit cities to levy the same amount for airports as do park districts and villages.

House Bills No. 17 and 18 and Senate Bill No. 24 would carry out the tax principle of state-collected locally shared taxes and are presented as alternative bills.

House Bill No. 17. Distribution of cigarette and snuff taxes and taxes upon beer to counties, cities, villages and organized townships. Would allocate these state-collected taxes to the counties, cities, villages and organized townships upon a per capita basis. The state treasurer's report for the fiscal year ending June 30, 1948 gives the following collections from these sources:

Cigarette and snuff taxes	$1,479,500
Beer taxes	686,700
Total	$2,166,200

Based upon the 1940 census of 641,935, this would mean a per capita payment of approximately $3.35, less administrative expenses, to counties, cities, villages and organized townships.

House Bill No. 18. Amending chapter 308, session laws of North Dakota for 1941. Allocation of sales tax. Would amend the initiated law passed at the June 25, 1940 primary election and which the Attorney General has held is still in effect so as to provide that the proceeds of any sales tax should be allocated 5/12 to the state equalization fund, 4/12 to the public welfare board and 3/12 to organized cities and villages for general purposes and to the counties for farm-to-market roads on a per capita basis. The state treasurer's report for the fiscal year ending June 30, 1948 shows retail sales collections of $9,906,600, 3/12 of which would amount to $2,476,500 for distribution to the counties, cities and villages.

The Act would require a two-thirds vote of the legislative assembly to become law, and if the 1949 legislative assembly reenacts the sales tax, the language in this Act would have to be contained in the new sales tax act.

House Bill No. 19. Levying one cent tax on motor vehicle fuels. Providing for an additional one cent gas tax to be returned to the organized townships, counties for use in unorganized townships and to cities and

villages for the construction, reconstruction, improvement and repair of highways, roads, city and village streets and alleys, funds to be returned on a per capita basis after deducting refunds, administrative and collection costs. The motor vehicle tax division of the State Auditor's office advises that gross collections from the four cent tax for the twelve months ending September 30, 1948 were $9,608,000, that refunds amounted to $4,425,000, or net collections were $5,183,000. One cent gas tax raised approximately $1,295,760. Based upon the 1940 census of 641,935 this would mean a per capita payment of approximately $2.01 less administrative costs.

House Bill No. 20. Amending section 5, chapter 382, 1947, Refund of motor vehicle fuel taxes. Provides for refund of motor vehicle fuel taxes on motor fuel used in such municipal equipment as police patrol cars, fire trucks, garbage collection trucks, etc. The present law permits refunds only on motor fuels used in motor vehicles used for road, street and airport purposes.

House Bill No. 21. Amending section 57-3204. Allocation of taxes imposed on car line, express and air transportation companies. Provides that the tax on airlines be returned to the cities where the airlines make their landings instead of to the real estate bond interest payment fund and that the taxes on car lines and express companies shall go to the general fund of the state instead of to the real estate bond interest payment fund. The League of North Dakota Municipalities is advised that no further taxes are required for the real estate bond interest payment fund. Cities where the airlines presently make landing are Fargo, Jamestown, Bismarck, Minot and Grand Forks. If the airlines make landings in other cities they would, of course, participate in the taxes.

House Bill No. 22. Amending sections 40-4003, 40-4005, 40-4021, 40-1604 and 57-1527 changing fiscal year from July 1st-June 30th to January 1st-December 31st. Would change fiscal year of cities and villages from July 1st-June 30th to January 1st-December 31st in order to make the fiscal year correspond with the tax year, and would permit for the year 1949 a tax levy of not to exceed one hundred fifty percent of the tax levies now permitted by law for general purposes.

House Bill No. 23. Providing for replacement reserves for municipally owned equipment, amending sections 40-4005, 40-4008 and 40-4021. Provides for setting up properly earmarked and safeguarded reserves for replacement of equipment, such as, trucks, road machinery, etc.

House Bills No. 24, 25 and 26—Introduced at the request of the State Examiner.

House Bill No. 24. Amends section 6-0111 to remove the limitations "for all services rendered in any capacity whatever," so that part of the salary of the state examiner may be allocated to the several activities he is charged with administering, and to remove the overall limitation

and simply put the limitation at "the amount appropriated therefor by the legislative assembly." The intended effect is to allow the state examiner to receive his salary from the different divisions of activity centered in his office and to remove the statutory limit from the salary leaving it to the legislative assembly to appropriate as they see fit.

House Bill No. 25. Amend section 6-0116. To remove restrictions as to the amount of salary of deputy examiners except the overall restriction "within the limitation of the amount appropriated by the legislative assembly." To make it possible to pay salaries partly from other subdivisions handled in the state examiners office and to pay traveling expense of assistants and clerks when away from Bismarck on official duty.

House Bill No. 26. Amends chapter 6-03. Under the present law, state banks are discriminated against when it becomes necessary for them to borrow. The law relating to borrowing by state banking associations, as it now exists, was written in 1931. Since that time, no state banking association has borrowed to any extent so the law has never had any application. A state bank is severely handicapped in membership in the federal reserve system as compared to a national bank when it comes to using the privilege of membership by borrowing or rediscounting its paper. The law as it now stands was evidently written without any consideration of whether the lender would loan on the terms prescribed. Borrowing and rediscounting by banks for legitimate purposes is a perfectly normal banking function, but as the law stands North Dakota state banking associations do not get fair consideration when compared to banks in Minnesota, South Dakota, Montana, Michigan and Wisconsin, the other states in the ninth federal reserve district. The purpose of this legislation is to make possible fair consideration to the borrowing needs of North Dakota state banking association by lenders.

House Bills No. 27, 28 and 29—Introduced at the request of the State Auditing Board.

House Bill No. 27. Places a limitation of five dollars per day for "personal sustenance" within the state and seven dollars per day for "personal sustenance" without the state. This has in actual practice by the state auditing board been held to five dollars within the state for board and room and seven dollars without the state for board and room. By an opinion of the Attorney General, the words "personal sustenance" is interpreted to mean only "food and meals" and does not include lodging or room rent. Therefore, it seems indicated that there is need to clarify the law. This matter was before the 1947 legislature and was killed, giving rise to the inference that the legislature desired only to limit the amount that could be spent for meals but were indifferent to putting a limitation on lodging. Accordingly the bill has been so drawn, and as cost of meals has materially advanced, the limit has been raised from five dollars to six dollars in the state and from seven to eight dollars

outside the state, section 44-0804. Section 44-0805 makes it a felony to present a claim in violation of any of the provisions of sections 44-0803 and 44-0804. A rather drastic penalty and therefore it is proposed to amend 44-0805 making the penalty a misdemeanor.

House Bill No. 28. Amends section 54-0609 making four proposed changes:

1. In section 1, rate per mile for travel is raised from five to seven and one-half cents per mile;
2. The rate per mile is made to apply to travel by private airplane;
3. In section 2, regularly scheduled flights by airlines as a means of travel is included as a means of travel by common carrier; and
4. Section 2 is also amended to provide that the amount actually expended may be collected and eliminates the overall limitation of five cents per mile on travel by common carrier.

The cost of operating automobiles has risen more than fifty percent since 1940. Gasoline is fifty percent higher, auto mechanic labor is up seventy-five percent, tires have increased in price approximately sixty percent and depreciation is greater by reason of the greatly increased investment necessary, due to approximately one hundred percent increase in the price of present day autos over prices prevailing in 1940. The use of personally owned airplanes has increased and there is no standard for the State Auditing Board to apply to claims when travel is made by that means of transportation. Regularly scheduled flights by airlines are a means of transportation by common carrier. If travel is permitted by regular scheduled flights by airlines, and when time and the meals furnished are considered it is usually about the cheapest mode of travel, then the overall limitation of five cents per mile on travel by common carrier should be removed.

House Bill No. 29. Amends section 54-1404. Anyone that travels outside of the state of North Dakota at state expense must first secure the permission of the governor. The authority to travel is usually asked for and received by heads of departments or other responsible state employees and the expense when audited and allowed is charged to and paid out of money appropriated by the legislature for the use of the state department, institution, board or commission and the heads of these departments must conserve their appropriated travel fund and make it last through the biennium. The securing of receipts for amounts of one dollar or more, expended outside of the state is particularly embarrassing and a restriction that does not seem to be imposed by any other state. Most state laws merely state in simple language that state officers and employees are entitled their actual and necessary expenses when engaged in the performance of an official duty.

House Bill No. 30—Introduced by Representative E. J. Langley.

Amends section 40-0507. While cities may enforce their ordinances by fines of one hundred dollars and by imprisonment of three months, villages, under present laws, may not impose a penalty in excess of ten dollars. The suggested amendment would permit fines of not to exceed one hundred dollars, and imprisonment of not to exceed five days for violation of village ordinances.

House Bills No. 31 and 32—Introduced at the request of the Unemployment Compensation Division.

House Bill No. 31. The purpose of the proposed changes in legislation for the North Dakota Unemployment Compensation law is to reduce the tax imposed by the law upon the employer. Contributions to the Unemployment Fund have been considerably more than benefit payments. The trust fund balance as of December 31, 1947, amounted to $7,009,914.61, which appears to be an adequate reserve.

House Bill No. 32. The purpose for the proposed changes in the North Dakota Old Age Survivors Insurance law is to clarify the meaning of section 52-0909, 52-0910 and 52-0921 of the 1947 Supplement. Sections 52-0909 and 52-0910 of this law authorizes refunds to employers or employees. In order to clarify these sections, it is recommended that section 52-0909 be changed to deal only with authorizing the tax and section 52-0910 to authorize refunds. Section 52-0921 which authorized refunds to employees who have terminated employment is ambiguous and inadequate. This section authorized refunds to currently insured individuals, however, section 52-0920 defines a currently insured individual as deceased. This section does not authorize refunds to individuals who are not currently insured nor fully insured or to survivors of individuals who are not currently insured nor fully insured.

House Bills No. 33 and 34—Alternate bills introduced at the request of the State Forester.

These proposals, developed in cooperation with the State Forester and the Commissioner of University and School Lands, would provide for the transfer of certain school lands in the Turtle Mountains area to the state forester or would permit the state forester to apply accepted good forestry practices in the care, reforestation and management of the land. Approximately twelve thousand acres of school land in the Turtle Mountains area is of value for forestry practices only and is now producing no revenue to the Board of University and School Lands. It should be possible, under proper forestry practices to cut a certain amount of timber which under present law goes to waste and at the same time improve to a very considerable extent the remaining stands.

House Bills No. 35 to 38, inclusive—Introduced at the request of the State Laboratories Department.

House Bill No. 35. Provides for licensing, inspection and supervision of locker plants. This bill is approved by the North Dakota Locker Association.

House Bill No. 36. An amendment to section 19-1305 of the commercial feeding stuffs law, providing for registration of commercial feeding stuffs in cans or small packages upon the payment of a flat registration fee in lieu of the tonnage tax. This provision was inadvertently omitted from the 1945 revision of the feeding stuffs law. This amendment is very desirable since in practice dog food manufacturers do not know just where their product is sold and can not submit accurate tonnage reports. Their product is generally sold to the wholesale grocery establishments and thus they lose track of the final sales. The registration fee is equivalent to a seventy-five ton sale in terms of the twenty cent per ton tax and is adequate to cover the special attention dog food is given.

House Bill No. 37. Amending sections 19-1603 and 19-1604. Amends section 19-1603 to require anti-freeze labels to bear instructions regarding the amount of each substance to be mixed when two or more substances are to be used together. For example, this will require showing on the label of an alcohol anti-freeze the relative amounts of water and the alcohol to be added to the cooling system to obtain the required protection from freezing. The general practice in the industry at present complies with this proposed amendment. However, the importance to the consumer of having such instructions is sufficient to warrant requiring every producer to show this on the labels for anti-freeze. In the laboratory cases have been in which a mixing chart was shown on the label but on making freezing tests the charts were found to provide inadequate protection for the specified temperature. In such cases licenses have been refused on the basis of paragraph No. 1 of section 19-1603. If the manufacturer had not elected to show a chart there would have been no basis for refusing a license. On the other hand, the omission of a chart would be undesirable.

An amendment to section 19-1604 is also proposed to change the period of registration. Under the present law the registration period ends in the midst of the anti-freeze season. Having the registration period begin and end in the summer so as to have the period cover the entire anti-freeze season will make it possible to have better control on anti-freeze as well as facilitates recording and reporting systems.

House Bill No. 38. A bill based on the proposed model state fertilizer bill prepared by the Association of American Fertilizers Control officials and recommended by the State Laboratories Department, to replace chapter 19-15 of the Code.

House Bill No. 39—Introduced at the request of the Department of Agriculture and Labor.

Amends section 36-0914 to provide that the brand book should be published once every six years and that supplements shall not be issued in the year the brand book is published and the preceding year.

House Bill No. 40.—Introduced by Representative Langley.

Amends section 39-1105 and provides for the use of lights, reflectors or reflecting material on all vehicles. This proposed amendment is based on the Uniform Act sponsored by the National Conference on Street and Highway Safety which has been enacted in many states. The uniform act, however, required definite use of lights on all vehicles and this has been modified to require only reflectors or reflecting materials on vehicles other than motor vehicles.

House Bill No. 41—Introduced at the request of the Commissioners on Uniform State Laws.

This act is recommended by the North Dakota Medical Association, the North Dakota Society of Professional Engineers and the Committee on Uniform State Laws of the State Bar Association. It is a uniform act authorizing the court to appoint expert witnesses in civil and criminal proceedings, providing for conference and joint reports of expert witnesses and the compensation of expert witnesses. The purpose of the Act is to eliminate as far as possible, the evils of bias and partisanship of expert witnesses, when solely called by the litigants and also to eliminate certain objectionable features in the use of hypothetical questions. The Act is in effect in the state of South Dakota.

House Bills No. 42 and 43—Introduced at the request of the State Seed Department.

House Bill No. 42. Amends section 4-1104 by adding words which would permit issuing of licenses to resident wholesale potato dealers without requiring them to provide a bond. At the present time all applicants are required to submit a bond. One of the chief reasons for the suggested change is that it is somewhat of a financial as well as a troublesome burden to renew bonds each year and since the advent of a federal licensing act, the actual need for such bond is questionable.

House Bill No. 43. Amends section 4-1013, relating to fees for grade inspection of potatoes and other produce. The reason for the changes is to make it more nearly possible for the grade inspection work to be self-supporting. Recently the cost of this work has ranged from five to fifteen thousand dollars more per season than grade inspection fee income. This deficit has been made up largely through potato seed certification fees paid by certified seed potato growers. It does not seem fair for the grade inspection of table potatoes to be continuously supported by such amounts from certification fees. The federal fees for such work as well as the fees in most of the states are now at least six dollars. It will be noted that at least twenty-five cents out of each fee for advertising, fifty cents in the case of certified seed, is spent for advertising.

This seasons probable outcome is given as an example:

COSTS		
An average of 30 inspectors @ $245.—8½ mo.		$62,450
2 supervisors @ $325—8 mo.		5,200
Part time Fed. Supervisor (5/12 May)		2,251
To Fed. Govt. @ 20c per each inspection		3,400
Mileage and other Exp. of Insp. & Sup. (Approx.)		10,000
Office rents & overhead; 4 stenos—9 mo.		9,250
		$92,551
Possible maximum income under present law		
17,000 inspection @ $4.75	$80,750	
To be paid for advertising @ 25c	4,250	76,500
Net loss in car inspection work		16,051

The phrase which is added "not containing more than two lots" is to permit a larger fee when a shipment contains more than two lots. On occasions car lots have contained ten or fifteen different lots of potatoes. This has absorbed two or three times the amount of time by the inspector and it seems should command at least some increased fee.

House Bills No. 44 and 45—Introduced at the request of the Public Welfare Board.

House Bill No. 44. Amends chapter 10-09 of the Code relating to the licensing of children's homes and child-placing agencies. Originally these functions rested with the Board of Administration, and the statute on incorporation of these agencies refers to the Board of Administration in that connection. However, in the 1943 Code the licensing of child-caring agencies is assigned to the Public Welfare Board, and it is now proposed in another bill that the licensing of child-placing agencies be similarly transferred. In order to maintain consistent terminology throughout the chapters on licensing and incorporation, it will thus be necessary to amend the law on incorporation so as to substitute the term "Public Welfare Board" wherever the term "Board of Administration" now appears. The existent statute on the incorporation of orphan's home provides that the agency obtain a license as prerequisite to its incorporation. This requirement is impossible to carry out inasmuch as any agency cannot be licensed prior to its existence. The intent, however, appears to be that the incorporating agency should have advance clearance with the licensing authority. This is considered to be sound practice since it would avoid such complications as would result if any agency were to incorporate and perhaps invest funds, only to encounter difficulty in obtaining a license. It is therefore proposed in the amendment that as an alternative to obtaining a license as a condition to incorporation, the applicant for incorporation may obtain a certificate from the

Public Welfare Board showing eligibility for license. This would provide a means whereby the sponsors of the agency and the licensing authority could arrive at an understanding in time to avoid complcations.

House Bill No. 45. Amends chapter 50-12. At the time the Child Welfare Division of the Public Welfare Board was established, the responsibility for functions included in the term "Child Welfare" was assigned by law to the Children's Bureau of the Board of Administration. By administrative agreement between the Board of Administration and the Public Welfare Board, these responsibilities were carried out by the Division of Child Welfare. That agreement has remained in effect, but in the meantime the majority of these responsibilities have been transferred by law to the Public Welfare Board. Among the functions now assigned by law to the Division of Child Welfare are the making of social studies and recommendations to the courts in adoption; reporting of births out of wedlock; and the licensing of foster homes, child-caring agencies and homes for unmarried mothers. The only significant child welfare function legally remaining with the Board of Administration is the licensing of child-placing agencies, but this has, in practice also been carried out by the Division of Child Welfare for a number of years. For the sake of integrating the legal framework for child welfare services, the responsibility for licensing child-placing agencies should be transferred to the Public Welfare Board. This is a recommendation upon which there is no controversy, and which has the support and approval of the Board of Administration. Provision is made for the Board to operate through the county welfare boards and the section relating to licenses to bring children into the state is revised to provide for consent in individual cases as is now the practice. The present law was enacted at a time when eastern agencies were engaged in wholesale placement of orphaned children in the state, a condition that no longer exists.

House Bill No. 46—Introduced at the request of the Department of Agriculture and Labor.

The labor management relations act of 1947 (Taft-Hartley Act) gives new emphasis to the role of state mediation and conciliation agencies established to aid in the settlement of labor disputes. The federal act provides that state agencies must be notified simultaneously with the federal mediation and conciliation service of the existence of certain kinds of labor disputes. The act also provides that the director of the federal mediation service "may establish suitable procedure for cooperation with state and local mediation agencies." Thirty-seven states and three territories have authorities which promote the voluntary mediation and conciliation of labor disputes. In cooperation with the federal agency, the department of Agriculture and Labor designated as the state agency to which are transmitted reports of certain kinds of labor disputes, is handicapped because there is no mediation and conciliation law in this state. It has been found that a state agency can very materially assist in keeping labor relations on a peaceful basis and also assist in the mediation of labor disputes if given the authority to do so. The economy of our

state is expanding along industrial lines. Reports submitted by minimum wage and child labor investigators indicate that many new businesses are being established and that there is a larger turnover of employees in the state. This means possibilities of more labor disputes and more need for conciliation and mediation. There have been few disputes in the past ten years but it is not known what will be the situation in this respect in the future. The river development projects are bringing and will continue to bring thousands of wage workers from other states. These wage workers may have other ideologies than North Dakota Wage workers and the state should be prepared to assist in the mediation of differences of opinions between employees and management.

House Bill No. 47—Introduced at the request of the State Tax Commissioner.

Amends chapter 57-36 by removing the tax on cigarette papers. The proceeds of this tax do not cover the administrative expense and it amounts only to a nuisance. Other provisions, such as the restriction of sales of cigarette papers to licensed tobacco dealers only, the requiring of records and the prohibition against supplying cigarette papers to minors, are unchanged.

House Bill No. 48 and 49—Introduced at the request of the Superintendent of Public Instruction.

House Bill No. 48. Amends sections 15-2509 and 15-2511 relating to attendance of school pupils in other districts. This amendment would permit crossing of school district lines when attendance in another district is required by reason of shorter distance or other reasons of convenience and is approved by the County Superintendent of Schools.

House Bill No. 49. The proposed bill, recommended by the Counselor's Committee to the North Dakota chapter of the National Society for Crippled Children and Adults, would provide for a census of physically and mentally handicapped persons to be conducted under the joint supervision of the Superintendent of Public Instruction, the State Department of Health, the Public Welfare Board and the Vocational Rehabilitation Division.

House Bill No. 50, 51 and 52—Introduced at the request of the State Highway Commissioner and the Public Service Commission.

Based on the uniform motor vehicle acts sponsored by the Conference on Street and Highway Safety.

House Bill No. 50. Amends section 39-1106 to provide for the display of an amber light, rather than a white light as now required by North Dakota law, upon vehicles of unusual width. The change is made to conform with federal regulations and the regulations in effect in most states.

House Bill No. 51. Provides for the use of flares or other signal devices by trucks and buses when disabled upon the highways.

House Bill No. 52. Provides for the regulation of vehicles transporting explosives.

LEGISLATIVE RULES

This committee recognizes the good work done in revising the legislative rules for the last session. The new rules apparently worked very well in most respects and very few additional amendments are suggested.

TRANSCRIPT OF PROCEEDINGS

In line with the procedure had in Congress, and in some other states, your committee recommends that the Journal of each house contain a complete transcript of all proceedings on the floor. This will give the public an accurate representation of what transpires on the floor of each legislative body. The Journal, as it has been published and distributed in the past, has been unintelligible, even to one who has been a member of the legislature. Very little interest in the Journal has ever been in evidence. The people are entitled to have full and complete information on legislative activities. The legislature belongs to the people and not to the legislators. The people are entitled to complete information concerning the activities of the legislators, without relying upon reporting services. The people can, by having all proceedings reported, definitely fix responsibility for any given action where the responsibility properly lies. There has been for many years a definite demand on the part of the public for more accurate and more complete information on legislative activities. Complete reporting of proceedings in the legislature would also greatly assist the courts, and others, in interpreting the laws. The Journals of proceedings in Congress, for example, have been very useful in interpreting all federal laws. Therefore, your committee recommends that the Senate adopt a new rule, which should appear in the rules between the present rule No. 4 and rule No. 5, in the following language:

> "All statements made on the floor of the Senate while the Senate is in session, all proceedings had and all action taken by the Senate shall be recorded, transcribed and printed in full in the Senate Journal. No exception shall be made without unanimous consent."

It is the committee's recommendation that a similar rule be adopted by the House.

REFERENCE TO BILLS IN JOURNAL

It is your committee's recommendation that a rule be adopted to provide that after the first reading, all reference to bills in the Journal be by number only, instead of by full title. This will save a great deal of unnecessary repetition of matter which is often unintelligible separated from the bill itself.

INTRODUCTION OF BILLS

During the last legislative session, the rules of the House permitted the Legislative Research Committee to introduce bills. That procedure worked satisfactorily. Your committee now recommends that the Senate

amend its Rule No. 28, by amending the same, commencing at line 4 of the rule, as follows: Insert a comma after the word "member"; strike out the word "or"; and after the word "committee" insert the following language: "or the Legislative Research Committee."

This will facilitate procedure so that the Legislative Research Committee can do as much clerical work as possible in having bills prepared that are requested by state departments or by individual legislators, so that they may be ready at the opening of the session and thus may receive more careful consideration.

TIME FOR INTRODUCTION OF BILLS

The time for introduction of bills was somewhat shortened last session and assisted greatly in relieving the congestion toward the end of the session. It is the recommendation of your committee that the time be still further shortened five days, and that Senate Rule No. 29 and House Rule No. 30 be amended by striking out "twenty-fifth" and inserting, in lieu thereof, "twentieth."

It should be the duty of the Legislative Research Committee to have all routine bills prepared, ready for immediate attention of the legislature when it convenes. It should be its responsibility to save the time of the legislature insofar as possible, in a clerical and research way. It is the belief of the committee that citizens should be encouraged to submit their legislation for investigation to the Legislative Research Committee, in most cases. It is also the belief of the committee that legislation submitted toward the end of the session, or in the "last-minute rush" does not always receive proper consideration. Mistakes are often made. Sometimes, in the rush, legislators vote differently from the way their best judgment dictates after reflection.

ELECTRICAL VOTING SYSTEM

Since the Senate will this session have an electrical voting system, it is your committee's recommendation that the Senate adopt a new rule, similar to House Rule No. 80, in the following language:

> "Unless otherwise ordered, any vote, except upon elections, may be taken by means of the electrical voting system, which shall be under the control of the President of the Senate."

DUPLICATE BILLS

Since some controversy developed on the subject in the House last session, and because of the apparent conflict with Senate Rule No. 35 and House Rule No. 36, it is your committee's recommendation that Joint Rule No. 7 be eliminated.

SIMPLIFICATION OF ENROLLING AND ENGROSSING

It is the belief of the committee that the Legislative Research Committee, following the 1949 session, should continue the study made by this committee of the procedure of enrolling and engrossing, with the idea of discovering a system that will be more modern, more simple and less subject to error.

The present system of enrolling and engrossing is expensive and has been the cause of a great many errors. It seems that some system should be developed whereby an original printed copy of the bill could be used as the engrossed copy and that a certificate on a printed form could be attached officially to it and certified by the proper officers and filed with the secretary of state. There it would be bound in a permanent volume provided for that purpose.

Your committee began studying this subject too late to submit a recommendation in final, considered form. Furthermore, the contract for enrolling and engrossing had already been let for the current session. Also, some changes in the procedure of printing would be required.

Chapter 54-35

LEGISLATIVE RESEARCH COMMITTEE

54-3501, Committee Created; Members; Vacancy; Terms.) There is hereby created a legislative committee which is hereinafter referred to as the "legislative research committee" or the "committee." The legislative committee shall consist of five senators and six representatives to be chosen biennially before the close of each regular legislative session. In the house of representatives such committee members shall be chosen in the same manner as the members of other committes from the list of nine members recommended by each political faction and shall be divided equally between such factions. In the senate such committee members shall be chosen by the lieutenant governor three from the majority faction and two from the minority faction, such committee members to be chosen from a list of seven members recommended to him by each such faction. Any vacancy occurring when the legislature is not in session shall be filled by the selection of another member of the legislature, said selection to be made by the remaining senate or house members of the committee, depending upon which body has the vacancy. Each senator and each representative chosen to serve on the committee shall serve until a new committee has been selected at the next regular legislative session; provided, however, that no senator, not a hold-over, who is not reelected to the senate, and no representative, who is not reelected to the house of representatives, shall serve as a member of the committee beyond the closing day of the term to which he was elected. Any vacancy occurring

because any member of the committee is not reelected, shall be filled for the period from the beginning of the session until a new committee is selected, in the same manner as the original committee is selected.

54-3502. Powers and Duties.) In addition to the other applicable provisions of this Act the committee shall have the power and right to study, consider, accumulate, compile and assemble information on any subject upon which the legislature may legislate, and upon such subjects as the legislature may by concurrent or joint resolution authorize or direct, or any subject requested by a member of the legislature; to collect information concerning the government and general welfare of the state and of its political subdivisions; to study and consider important issues of public policy and questions of general interest; to study and promote uniformity of legislation in the United States upon subjects upon which uniformity is desirable and to confer with the commissioners or similar groups appointed for the same purpose by any other state in drafting uniform laws to be submitted for the approval and adoption by the several states and through such member or members as the committee may appoint to meet annually with the conference of commissioners on uniform state laws for the promotion of uniformity of legislation in the United States and join with it in such measures as may be deemed most expedient to advance the objects of such conference. It shall take over and perform the powers and duties of the Post War Planning Board. It shall prepare proposed bills and resolutions for consideration of the succeeding legislature. The committee may as it deems advisable call to its assistance other members of the legislature and it may create committees consisting of its own members, or one or more of its own members and one or more other members of the legislature and delegate by written resolution to such committees such of its powers and rights as it may deem advisable. Any member of the legislature shall have the right to attend any meeting of the committee, and may present his views on any subject which the committee may at any particular time be considering.

54-3503. State Departments, Officers, and Employees to Cooperate.) Each department, board, commission, agency, officer or employee in the state government shall furnish information and render such assistance to the committee as the committee may from time to time request.

54-3504. Meetings; When Held; How Called; Quorum.) The committee, or any sub-committee appointed by it, may sit at such time and place as it may deem advisable, but the committee shall meet at least once in each quarter year and shall meet at any time upon the call of the chairman or a call signed by seven members of the committee. At any meeting of the committee five members shall constitute a quorum and a majority of such quorum shall have authority to act in any matter falling within the jurisdiction of the committee.

54-3505. Governor Sending Messages to Meetings.) The governor may send messages to such meetings of the committee as he may deem advisable.

54-3506. Officers; Accept Funds; Expenditures.) The committee shall select a chairman and a vice chairman from its own members and may prescribe its own rules of procedure. It may appoint a secretary who need not be a member, and shall appoint a research director who shall be paid such salary as the committee may determine. The committee may employ such other persons and obtain the assistance of such research agencies as it may deem necessary. The committee is authorized to accept and use any funds made available to it through the terms of any agreement that it may make with any agency whatsoever for the accomplishment of the purpose of this Act. Expenditures of funds made available to the committee by legislative appropriation shall be made only upon the authority of resolutions duly passed by the committee.

54-3507. Records; Reports.) The committee shall keep minutes of its meetings and a record of all of its transactions and shall at the beginning of each biennial legislative session, and may at any other time, make a report of its activities and recommendations to the members of the legislature and to the governor.

54-3508. Recommended Legislation May Be Required in Advance.) The committee may require that any recommendation for legislation that is to be presented by any department, board, commission, agency, officer, official or employee of the state desiring the consideration of the committee, be presented to it at least sixty days in advance of any regular session.

54-3509. Recommendations; When Made Public; Distribution.) The recommendations of the committee shall be completed and made public at least fifteen days prior to any session of the legislature at which such recommendations are to be submitted; and a copy of said recommendations shall be mailed to each member elect of the legislature, to each elective state officer, and to the state law library.

54-3510. Compensation of Members.) The members of the committee and the members of any sub-committee of the committee, shall be compensated for the time spent in attendance at sessions of the committee and of its sub-committees at the rate of five dollars per day and shall also be paid their actual expenses incurred in attending said meetings and in the performance of their official duties.