

JOURNAL OF THE HOUSE

Sixtieth Legislative Assembly

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Bismarck, April 25, 2007

The House convened at 9:00 a.m., with Speaker Delzer presiding.

The prayer was offered by RaeAnn Kelsch from District 34, Mandan.

The roll was called and all members were present.

A quorum was declared by the Speaker.

HOUSE INTERIM COMMITTEES

SPEAKER DELZER ANNOUNCED the following House Interim Committees:

Legislative Council

Rep. Delzer
Rep. Berg
Rep. Skarphol
Rep. Carlson
Rep. Pollert
Rep. Boucher
Rep. S. Meyer
Rep. Kaldor
Rep. Mueller

Capitol Grounds Planning Commission

Rep. Grande
Rep. Ekstrom

Comprehensive Health Association of North Dakota Board

Rep. Price

State Council for Interstate Adult Offender Supervision

Rep. Carlisle

Education Commission of the States

Rep. R. Kelsch

REPORT OF CONFERENCE COMMITTEE

HB 1009, as engrossed: Your conference committee (Sens. Krebsbach, Bowman, Seymour and Reps. Monson, Wald, Aarsvold) recommends that the **SENATE RECEDE** from the Senate amendments on HJ page 1391, adopt amendments as follows, and place HB 1009 on the Seventh order:

That the Senate recede from its amendments as printed on page 1391 of the House Journal and pages 948 and 949 of the Senate Journal and that Engrossed House Bill No. 1009 be amended as follows:

Page 1, line 2, after "association" insert "; and to provide for a report to the budget section"

Page 1, line 14, replace "265,000" with "515,000"

Page 1, line 16, replace "302,150" with "552,150"

Page 2, line 1, replace "475,000" with "725,000"

Page 2, line 3, replace "917,150" with "1,167,150"

Page 2, after line 3, insert:

"SECTION 4. REPORT TO THE BUDGET SECTION. The state fair association shall provide a report to the budget section prior to July 1, 2008, regarding the status of constructing a new grandstand on the state fairgrounds, including the status of developing a business plan and the progress of fundraising efforts."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1009 - State Fair Association - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Capital assets	\$10,210,000	\$475,000	\$250,000	\$725,000	\$10,475,000	(\$9,750,000)
Premiums	<u>417,150</u>	<u>442,150</u>		<u>442,150</u>	<u>442,150</u>	
Total all funds	\$10,627,150	\$917,150	\$250,000	\$1,167,150	\$10,917,150	(\$9,750,000)
Less estimated income	<u>5,000,000</u>				<u>5,000,000</u>	<u>(5,000,000)</u>
General fund	\$5,627,150	\$917,150	\$250,000	\$1,167,150	\$5,917,150	(\$4,750,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Dept. 665 - State Fair Association - Detail of Conference Committee Changes

	PROVIDES STARTUP FUNDING FOR CONSTRUCTION OF A NEW GRANDSTAND ¹	TOTAL CONFERENCE COMMITTEE CHANGES
Capital assets	\$250,000	\$250,000
Premiums		
Total all funds	\$250,000	\$250,000
Less estimated income		
General fund	\$250,000	\$250,000
FTE	0.00	0.00

¹ This amendment provides funding of \$250,000 from the general fund for startup funding for the construction of a new grandstand. The House version of the bill did not include funding for the construction of a new grandstand, and the Senate version of the bill included funding of \$10 million, of which \$5 million was from the general fund, for the construction of a new grandstand.

This amendment also adds a section providing for a report to the Budget Section regarding the status of constructing a new grandstand, including the status of developing a business plan and the progress of fundraising efforts.

Engrossed HB 1009 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. MONSON MOVED that the conference committee report on Engrossed HB 1009 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1009, as amended, was placed on the Eleventh order.

SECOND READING OF HOUSE BILL

HB 1009: A BILL for an Act to provide an appropriation for defraying the expenses of the state fair association; and to provide for a report to the budget section.

ROLL CALL

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

YEAS: Aarsvold; Amerman; Bellew; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; Damschen; DeKrey; Delmore; Dietrich; Dosch; Drovdal; Ekstrom; Froelich; Froseth; Glassheim; Grande; Griffin; Gruchalla; Gulleon; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Hunskor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Myxter; Nelson; Nottestad; Onstad; Owens; Pietsch; Pinkerton; Pollert; Porter; Potter; Price; Ruby; Schmidt; Schneider; Skarphol; Solberg; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vig; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wolf; Wrangham; Zaiser; Speaker Delzer

Reengrossed HB 1009 passed and the title was agreed to.

REPORT OF CONFERENCE COMMITTEE

HB 1015, as reengrossed: Your conference committee (Sens. Fischer, Grindberg, Krauter and Reps. Pollert, Wieland, Metcalf) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1494-1498, adopt amendments as follows, and place HB 1015 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1494-1498 in the House Journal and pages 1291-1295 and page 1343 of the Senate Journal and that Reengrossed House Bill No. 1015 be amended as follows:

Page 1, line 2, replace the third "and" with a comma

Page 1, line 3, after "12.1-32-07" insert ", and section 19-03.1-45"

Page 1, line 4, replace "and" with a comma and after "fees" insert ", and drug treatment"

Page 1, line 5, remove "and" and after "approval" insert "; to provide for a transfer; to provide an appropriation; to provide for a correctional facility review committee; to provide for a report to the budget section; to provide for a legislative council study; and to declare an emergency"

Page 1, line 22, replace "\$8,138,211" with "(\$27,075,150)"

Page 1, line 23, replace "99,780,064" with "(79,551,714)"

Page 1, line 24, replace "964,482" with "(7,930,658)"

Page 2, line 1, replace "1,712,416" with "(12,843,309)"

Page 2, after line 1, insert:

"Adult services	131,143,936
Youth services	23,450,865"

Page 2, line 3, replace "109,095,173" with "25,693,970"

Page 2, line 5, replace "112,930,827" with "29,529,624"

Page 2, line 12, replace "Field" with "Adult" and replace "35,213,361" with "131,143,936"

Page 2, line 13, replace "Prisons division" with "Youth services" and replace "179,331,778" with "23,450,865"

Page 2, remove lines 14 and 15

Page 2, line 16, replace "237,996,004" with "154,594,801"

Page 2, line 18, replace "214,066,511" with "130,665,308"

Page 3, after line 17, insert:

"SECTION 6. AMENDMENT. Section 19-03.1-45 of the North Dakota Century Code is amended and reenacted as follows:

19-03.1-45. ~~Mandatory drug~~ Drug abuse assessment and treatment - Presentence investigation - Certified drug abuse treatment programs.

1. ~~When~~ If a person located in Walsh, Pembina, or Grand Forks Counties has pled guilty or has been found guilty of a felony violation of subsection 6 of section 19-03.1-23 ~~and, if~~ that person has not previously pled guilty or been found guilty of any offense involving the use, possession, manufacture, or delivery of a controlled substance or of any other felony offense of this or another state or the federal government, ~~and if the court imposes probation,~~ the court shall impose a period of probation of not less than eighteen months in conjunction with a suspended execution of a

sentence of imprisonment, a sentence to probation, or an order deferring imposition of sentence.

2. Upon a plea or finding of guilt of a person subject to the provisions of subsection 1, the court shall order a presentence investigation to be conducted by the department. The presentence investigation shall include a drug and alcohol evaluation conducted by a licensed addiction counselor.
3. If the licensed addiction counselor recommends treatment, the court shall require the person to participate in an addiction program licensed by the department of human services as a condition of the probation. The court shall commit the person to treatment through a licensed addiction program until determined suitable for discharge by the court. The term of treatment shall not exceed eighteen months and may include an aftercare plan. During the commitment and while subject to probation, the person shall be supervised by the department.
4. If the person fails to participate in, or has a pattern of intentional conduct that demonstrates the person's refusal to comply with or participate in the treatment program, as established by judicial finding, the person shall be subject to revocation of the probation. Notwithstanding subsection 2 of section 12.1-32-02, the amount of time participating in the treatment program under this section is not "time spent in custody" and will not be a credit against any sentence to term of imprisonment.
5. ~~The cost for all drug abuse assessments and certified drug abuse treatment programs shall be initially paid by the department. The court shall order the person to reimburse the department for the assessment and treatment expenses in accordance with the procedures of section 12.1-32-08. The department shall handle the collection of costs from the offenders in the same manner as it collects court costs, fees, and supervision fees.~~
6. In this section:
 - a. "Department" means the department of corrections and rehabilitation; and
 - b. "Licensed addiction counselor" is a person licensed pursuant to section 43-45-05.1.
7. ~~The provisions of this section shall be implemented as a pilot project in Pembina, Walsh, and Grand Forks Counties effective three months from the date of receipt of a federal grant for methamphetamine treatment being applied for by the department of human services. The department shall collaborate management of the pilot project with the department of human services to ensure services under the federal grant program for one half of the offenders mandated by the court to submit to mandatory treatment, not to exceed twenty three individuals. The department shall hire a program manager to manage the pilot project, collect statistics regarding the operation of the program, track participants in the program, and provide a report to the attorney general, the legislative council for distribution during the November 2006 legislative council meeting, and the sixtieth legislative assembly detailing the number of participants in the program, the cost of the program, relapse statistics, and other data concerning the effectiveness of the program."~~

Page 3, replace lines 23 through 31 with:

"SECTION 8. TRANSFER TO THE STATE PENITENTIARY LAND FUND - CONTINGENT APPROPRIATION. The director of the office of management and budget shall transfer on July 1, 2007, \$41,000,000 from the general fund to the state penitentiary land fund established in North Dakota Century Code section 54-23.3-04 to be used for correctional facilities. The funds are appropriated to the department of corrections and rehabilitation for a project authorized and approved under section 10 of this Act and are available for construction, for the biennium beginning July 1, 2007, and ending June 30, 2009. All income earned on the fund must be deposited in the state penitentiary land fund.

SECTION 9. APPROPRIATION - LEGISLATIVE COUNCIL. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$250,000, or so much of the sum as may be necessary, to the legislative council for prison facility alternative concepts and preliminary design development, as provided for in section 10 of this Act for the period beginning with the effective date of this Act and ending June 30, 2009.

SECTION 10. CORRECTIONAL FACILITY REVIEW COMMITTEE - MEMBERSHIP - DUTIES - RECOMMENDATIONS.

1. During the 2007-08 interim, the legislative council shall appoint a correctional facility review committee to address the immediate and future needs of the state penitentiary. The membership of the committee must include six members of the legislative assembly selected by the legislative council. The membership of the committee must include:
 - a. Three members of the house of representatives, two of whom must represent the majority faction of the house of representatives and one of whom must represent the minority faction of the house of representatives; and
 - b. Three members of the senate, two of whom must represent the majority faction of the senate and one of whom must represent the minority faction of the senate.
2. The legislative council chairman shall designate the committee chairman and vice chairman.
3. The committee shall operate according to the statutes and procedures governing the operation of other legislative council interim committees.
4. The committee shall engage consultant and architectural services, subject to legislative council approval, for the development of the following three correctional facility concepts:
 - a. The construction of a new correctional facility on the existing state penitentiary site;
 - b. The construction of a new correctional facility at a site other than the state penitentiary site; and
 - c. The remodeling of the existing state penitentiary facility.
5. Each of the three correctional facility concepts developed by the consultant and architect must:
 - a. Include a master plan, staffing plan, a cost-benefit analysis, and project cost estimate;
 - b. Be based upon housing a population of approximately nine hundred to one thousand inmates;
 - c. Include options for expansion;
 - d. Take into consideration the transfer of the inmates at the Missouri River correctional center to the new or remodeled facility; and
 - e. Take into consideration the facility and staffing needs of the James River correctional center.
6. In developing the concepts, the committee shall seek the input of the department of corrections and rehabilitation.
7. Before June 1, 2008, the committee shall forward the three concepts along with a recommendation for one of the three concepts to the emergency commission for the commission's consideration and authorization.
8. If the emergency commission authorizes one of the three concepts, the emergency commission shall forward the authorized concept to the budget

section of the legislative council. The budget section may approve or reject the concept as authorized by the emergency commission."

Page 4, remove lines 1 through 16

Page 5, line 3, replace "\$88,332,091" with "\$3,559,391"

Page 5, remove line 8

Page 5, line 9, replace "70,000" with "\$70,000"

Page 5, line 10, replace "1,498,091" with "1,725,391"

Page 5, line 12, replace "88,332,091" with "3,559,391"

Page 5, after line 15, insert:

"SECTION 15. INTENT - TEMPORARY SALARIES - FIELD SERVICES. It is the intent of the sixtieth legislative assembly that the department of corrections and rehabilitation may use \$250,000 of its 2007-09 biennium appropriation for temporary salaries for the field services division for supervision of offenders.

SECTION 16. LEGISLATIVE COUNCIL STUDY - RETIREMENT CRITERIA FOR STATE CORRECTIONAL OFFICERS AND PEACE OFFICERS. The legislative council shall consider studying, during the 2007-08 interim, retirement program criteria and benefits for correctional officers and peace officers employed by state agencies, including the feasibility and desirability of allowing these employees to retire with full retirement benefits at age fifty-five or the "rule of 85". The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

SECTION 17. SPACE, OPERATIONAL, AND STAFFING PLAN - BUDGET SECTION REPORT. The department of corrections and rehabilitation shall prepare a space, operational, and staffing plan for the state penitentiary and James River correctional center. The plan must be based on the state penitentiary building project authorized by the sixtieth legislative assembly and the current facilities at the James River correctional center and the Missouri River correctional center. The plan must be presented at the first budget section meeting after March 1, 2008.

SECTION 18. LEGISLATIVE INTENT - CORRECTIONAL FACILITIES. It is the intent of the sixtieth legislative assembly that the correctional facility concepts to be developed pursuant to this Act not include any consideration of closure of the James River correctional center or the Dakota women's correctional and rehabilitation center in New England.

SECTION 19. EMERGENCY. Sections 9, 10, and 11 of this Act are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1015 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Office of Management and Budget						
Total all funds	\$0	\$0	\$41,000,000	\$41,000,000	\$42,000,000	(\$1,000,000)
Less estimated income						
General fund	\$0	\$0	\$41,000,000	\$41,000,000	\$42,000,000	(\$1,000,000)
Legislative Council						
Total all funds	\$0	\$0	\$250,000	\$250,000	\$0	\$250,000
Less estimated income						
General fund	\$0	\$0	\$250,000	\$250,000	\$0	\$250,000
Department of Corrections and Rehabilitation						
Total all funds	\$199,549,688	\$237,996,004	(\$83,401,203)	\$154,594,801	\$162,171,312	(\$7,576,511)
Less estimated income	26,853,489	23,929,493		23,929,493	23,929,493	
General fund	\$172,696,199	\$214,066,511	(\$83,401,203)	\$130,665,308	\$138,241,819	(\$7,576,511)
Bill Total						
Total all funds	\$199,549,688	\$237,996,004	(\$42,151,203)	\$195,844,801	\$204,171,312	(\$8,326,511)

Less estimated income	26,853,489	23,929,493		23,929,493	23,929,493	
General fund	\$172,696,199	\$214,066,511	(\$42,151,203)	\$171,915,308	\$180,241,819	(\$8,326,511)

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

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Transfer to State Penitentiary land fund			\$41,000,000	\$41,000,000	\$42,000,000	(\$1,000,000)
Total all funds	\$0	\$0	\$41,000,000	\$41,000,000	\$42,000,000	(\$1,000,000)
Less estimated income						
General fund	\$0	\$0	\$41,000,000	\$41,000,000	\$42,000,000	(\$1,000,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Dept. 110 - Office of Management and Budget - Detail of Conference Committee Changes

	TRANSFER TO STATE PENITENTIARY LAND FUND ¹	TOTAL CONFERENCE COMMITTEE CHANGES
Transfer to State Penitentiary land fund	\$41,000,000	\$41,000,000
Total all funds	\$41,000,000	\$41,000,000
Less estimated income		
General fund	\$41,000,000	\$41,000,000
FTE	0.00	0.00

¹ This amendment adds a section to transfer \$41 million from the general fund to the State Penitentiary land fund to be used for future correctional facilities accepted and approved under Senate Bill No. 2260.

House Bill No. 1015 - Legislative Council - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Operating expenses			\$250,000	\$250,000		\$250,000
Total all funds	\$0	\$0	\$250,000	\$250,000	\$0	\$250,000
Less estimated income						
General fund	\$0	\$0	\$250,000	\$250,000	\$0	\$250,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Dept. 160 - Legislative Council - Detail of Conference Committee Changes

	ALTERNATIVE CONCEPTS AND PRELIMINARY DESIGN DEVELOPMENT ¹	TOTAL CONFERENCE COMMITTEE CHANGES
Operating expenses	\$250,000	\$250,000
Total all funds	\$250,000	\$250,000
Less estimated income		
General fund	\$250,000	\$250,000
FTE	0.00	0.00

¹ This amendment provides an appropriation to the Legislative Council for prison facility alternative concepts and preliminary design development as provided for in Senate Bill No. 2260.

House Bill No. 1015 - Department of Corrections and Rehabilitation - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Field Services	\$35,953,086	\$35,213,361	(\$35,213,361)		\$38,657,169	(\$38,657,169)
Prisons Division	140,093,278	179,331,778	(179,331,778)		100,063,278	(100,063,278)
Juvenile Community Services	8,895,140	8,895,140	(8,895,140)		8,895,140	(8,895,140)
Youth Correctional	14,608,184	14,555,725	(14,555,725)		14,555,725	(14,555,725)

Center			131,143,936	131,143,936		131,143,936
Adult Services			<u>23,450,865</u>	<u>23,450,865</u>		<u>23,450,865</u>
Youth Services						
Total all funds	\$199,549,688	\$237,996,004	(\$83,401,203)	\$154,594,801	\$162,171,312	(\$7,576,511)
Less estimated income	<u>26,853,489</u>	<u>23,929,493</u>		<u>23,929,493</u>	<u>23,929,493</u>	
General fund	\$172,696,199	\$214,066,511	(\$83,401,203)	\$130,665,308	\$138,241,819	(\$7,576,511)
FTE	706.79	700.29	11.00	711.29	708.29	3.00

Dept. 530 - Department of Corrections and Rehabilitation - Detail of Conference Committee Changes

	REMOVES FUNDING FOR PRISON EXPANSION ¹	RESTORES FUNDING FOR CHAPLAINS ²	RESTORES PAROLE AND PROBATION OFFICERS ³	RESTORES FUNDING FOR DEFERRED MAINTENANCE ⁴	PROVIDES FUNDING FOR TEEN CHALLENGE ⁵	PROVIDES FUNDING AND FTE POSITION FOR INTERAGENCY AGREEMENT ⁶
Field Services			\$423,447		\$100,000	
Prisons Division	(\$85,000,000)	\$64,000		\$227,300		\$118,500
Juvenile Community Services						
Youth Correctional Center						
Adult Services						
Youth Services						
Total all funds	(\$85,000,000)	\$64,000	\$423,447	\$227,300	\$100,000	\$118,500
Less estimated income						
General fund	(\$85,000,000)	\$64,000	\$423,447	\$227,300	\$100,000	\$118,500
FTE	0.00	2.00	3.00	0.00	0.00	1.00
	PROVIDES FUNDING FOR COMMUNITY SERVICE SUPERVISION GRANTS ⁷	TRANSITION MEDICAL CARE ⁸	ADDS 5 FTE POSITIONS TO REDUCE CASELOAD ⁹	COMBINES PRISONS DIVISION AND FIELD SERVICES INTO ADULT SERVICES ¹⁰	COMBINES YCC AND JUVENILE COMMUNITY SERVICES INTO YOUTH SERVICES ¹¹	TOTAL CONFERENCE COMMITTEE CHANGES
Field Services	\$100,000		\$465,550			(\$35,213,361)
Prisons Division		\$100,000		(\$36,302,358)		(179,331,778)
Juvenile Community Services				(94,841,578)		(8,895,140)
Youth Correctional Center					(\$8,895,140)	(14,555,725)
Adult Services				131,143,936		131,143,936
Youth Services					<u>23,450,865</u>	<u>23,450,865</u>
Total all funds	\$100,000	\$100,000	\$465,550	\$0	\$0	(\$83,401,203)
Less estimated income						
General fund	\$100,000	\$100,000	\$465,550	\$0	\$0	(\$83,401,203)
FTE	0.00	0.00	5.00	0.00	0.00	11.00

¹ This amendment removes funding for the new building and demolition projects.

² This amendment restores funding removed by the House to convert 2 temporary chaplains to full-time equivalent positions.

³ This amendment restores funding removed by the House for 3 FTE parole and probation officers, including operating expenses.

⁴ This amendment restores \$227,300 of the \$667,500 removed by the House for deferred maintenance.

⁵ This amendment adds funding for Teen Challenge.

⁶ This amendment provides funding for 1 FTE position and related operating expenses for the interagency agreement with the Department of Human Services provided for in Senate Bill No. 2136.

⁷ This amendment provides funding for community service supervision grants as provided for in Senate Bill No. 2243.

⁸ This amendment provides funding for transition medical care for inmates.

⁹ This amendment provides funding to add 5 FTE positions to reduce the caseload for Adult Services.

¹⁰ This amendment combines the Prisons Division and Field Services line items into the Adult Services line item.

¹¹ This amendment combines the Youth Correctional Center and Juvenile Community Services line items into the Youth Services line item.

A section is added directing the Legislative Council to consider a study of the retirement criteria for state correctional officers and peace officers.

A section is added that amends North Dakota Century Code Section 19-03.1-45 relating to drug abuse assessment and treatment.

A section is added providing for a transfer from the general fund of \$41,000,000 to the State Penitentiary land fund.

A section is added providing an appropriation to the Legislative Council for prison facility alternative concepts and preliminary design.

A section is added to provide for a space, operational, and staffing plan and a report to the Budget Section regarding the plan.

A section is added authorizing Field Services to use \$250,000 of the 2007-09 biennium appropriation for temporary salaries for supervision.

A section is added providing for an emergency for Sections 9, 10, and 11.

This amendment combines the Prisons Division and Field Services line items into the Adult Services line item and combines the Youth Correctional Center and Juvenile Community Services line items into the Youth Services line item.

Reengrossed HB 1015 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. WIELAND MOVED that the conference committee report on Reengrossed HB 1015 be adopted, which motion prevailed on a verification vote.

Reengrossed HB 1015, as amended, was placed on the Eleventh order.

SECOND READING OF HOUSE BILL

HB 1015: A BILL for an Act to provide an appropriation for defraying the expenses of the department of corrections and rehabilitation; to amend and reenact subsection 1 of section 12-65-08, subsection 2 of section 12.1-32-07, and section 19-03.1-45 of the North Dakota Century Code, relating to fees for the interstate transfer or travel of probationers, supervision fees, and drug treatment; to provide an exemption; to provide legislative intent; to provide for budget section approval; to provide for a transfer; to provide an appropriation; to provide for a correctional facility review committee; to provide for a report to the budget section; to provide for a legislative council study; and to declare an emergency.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 60 YEAS, 34 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Bellew; Belter; Berg; Boehning; Brandenburg; Carlisle; Carlson; Charging; Clark; Dahl; Damschen; Dietrich; Dosch; Drovdal; Froseth; Grande; Haas; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Johnson, D.; Johnson, N.; Karls; Kasper; Keiser; Kelsch, R.; Kempenich; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Martinson; Meier, L.; Metcalf; Monson; Nelson; Nottestad; Owens; Pietsch; Pollert; Porter; Price; Ruby; Skarphol; Sukut; Svedjan; Thoreson; Uglem; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Wrangham; Speaker Delzer

NAYS: Aarsvold; Amerman; Boe; Boucher; Conrad; DeKrey; Delmore; Ekstrom; Froelich; Glassheim; Griffin; Gruchalla; Gulleson; Hanson; Hunskor; Kaldor; Kelsh, S.; Kerzman; Kretschmar; Kroeber; Meyer, S.; Mueller; Myxter; Onstad; Pinkerton; Potter; Schmidt; Schneider; Solberg; Thorpe; Vig; Williams; Wolf; Zaiser

Reengrossed HB 1015 passed, the title was agreed to, and the emergency clause was declared carried.

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

MR. PRESIDENT: Your signature is respectfully requested on: HB 1246, HB 1296, HB 1330.

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

MR. PRESIDENT: Your signature is respectfully requested on: HB 1004, HB 1018, HB 1044, HB 1049, HB 1395.

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

MR. SPEAKER: Your signature is respectfully requested on: SB 2003, SB 2020, SB 2186.

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

MR. PRESIDENT: The House has adopted the conference committee report and subsequently passed: HB 1009, HB 1015.

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

MR. PRESIDENT: The Speaker has signed: SB 2003, SB 2014, SB 2018, SB 2020, SB 2030, SB 2178, SB 2186, SB 2293, SB 2379, SB 2419.

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

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

SB 2032: Sens. Urlacher; Cook; Triplett

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: HB 1020.

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: SB 2012, SB 2013, SB 2260.

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

MR. SPEAKER: The President has signed: HB 1433.

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

MR. PRESIDENT: The Speaker has signed: HB 1433.

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following bill was delivered to the Governor for approval on April 25, 2007: HB 1433.

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

MR. PRESIDENT: Your signature is respectfully requested on: HB 1020.

ANNOUNCEMENT

SPEAKER DELZER ANNOUNCED that the House stand in recess until 1:00 p.m..

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

REPORT OF CONFERENCE COMMITTEE

SB 2260: Your conference committee (Sens. Lyson, Grindberg, Fiebiger and Reps. Klemin, Wieland, Kroeber) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1226-1228, adopt amendments as follows, and place SB 2260 on the Seventh order:

That the House recede from its amendments as printed on pages 1078-1080 of the Senate Journal and pages 1226-1228 of the House Journal and that Senate Bill No. 2260 be amended as follows:

Page 1, line 3, remove "a new subsection to section 43-28-06,"

Page 1, line 5, after the third comma insert "15.1-06-06,"

Page 1, line 8, after "checks" insert "; to provide for limitations on correctional facility construction or remodeling; to provide an expiration date"

Page 3, line 6, overstrike "The agencies", remove ",_officials_," and overstrike "and entities named in subsection 2 shall require each" and insert immediately thereafter "Each"

Page 3, line 7, remove "or name change" and overstrike the first "to" and insert immediately thereafter "or name change who is subject to a criminal history record check under subsection 2 shall"

Page 4, line 6, overstrike "each" and insert immediately thereafter "a final"

Page 4, line 18, after "The" insert "department of", overstrike "department", and overstrike "section"

Page 4, line 19, overstrike "50-11-06.8" and insert immediately thereafter "chapter 50-11" and overstrike "section 50-11.3-01" and insert immediately thereafter "chapter 50-11.3"

- Page 4, line 20, overstrike "section 50-12-03.2" and insert immediately thereafter "chapter 50-12"
- Page 4, line 22, overstrike "sections" and insert immediately thereafter "chapters" and replace "section" with "chapter"
- Page 4, line 23, replace "50-11-06.8" with "50-11", replace "50-11.3-01" with "50-11.3", and replace "50-12-03.2" with "50-12"
- Page 4, line 25, replace "sections" with "chapters"
- Page 4, line 26, after "The" insert "department of" and overstrike "department"
- Page 5, line 15, overstrike "each" and insert immediately thereafter "a final"
- Page 5, line 17, overstrike "each" and insert immediately thereafter "a final"
- Page 5, line 19, overstrike "employees assigned duties related to"
- Page 5, line 20, overstrike "bioterrorism and homeland security issues" and insert immediately thereafter "a final applicant for or an employee in a specified occupation with the department"
- Page 5, line 21, overstrike "a nurse aide seeking to have a finding of neglect removed from the"
- Page 5, line 22, overstrike "nurse aide registry; or" and overstrike "state"
- Page 5, line 23, overstrike "of health who holds a license, certificate, or registration in a"
- Page 5, line 24, overstrike "health-related field" and insert immediately thereafter "; or, when requested by the department, an applicant for registration, certification, or licensure by the department"
- Page 5, remove lines 25 through 28
- Page 5, line 29, replace "p." with "o."
- Page 6, line 1, replace "q." with "p."
- Page 6, line 5, replace "r." with "q."
- Page 6, line 8, replace "s." with "r."
- Page 6, line 11, replace "t." with "s."
- Page 6, line 12, after "or" insert "final"
- Page 6, line 15, replace "u." with "t."
- Page 6, line 17, replace "v." with "u.", replace the first underscored comma with "and", and remove the second underscored comma
- Page 6, line 18, replace "applicants" with "a final applicant"
- Page 6, line 19, after "or" insert "a final"
- Page 6, line 22, replace "w." with "v."
- Page 6, line 23, replace "all agents, employees," with "each agent and employee" and replace "applicants" with "a final applicant"
- Page 6, line 24, replace "have" with "has"
- Page 6, line 25, replace "exercise" with "exercises"
- Page 6, line 26, after "or" insert "a final"
- Page 6, line 30, replace "x." with "w." and replace "each" with "a final"

Page 7, line 3, replace "y." with "x.", after "The" insert "governing", after "a" insert "public", replace "district" with "or, for a nonpublic school, the superintendent of public instruction.", and replace "or individuals seeking" with "designated by the governing board or nonpublic school. The governing board or the nonpublic school is"

Page 7, remove lines 4 through 7

Page 7, line 8, remove "individuals must be" and remove the second "for"

Page 7, after line 9, insert:

"y. The governing board of a public school or, for a nonpublic school, the superintendent of public instruction, for a final applicant seeking employment with the school or otherwise providing services to the school, if that individual has unsupervised contact with the students. For purposes of this subdivision, "unsupervised contact" with students means being in proximity to one or more students, on school grounds or at school functions, outside the presence of an individual who has been subject to a criminal background check. The governing board or the nonpublic school is responsible for paying the costs associated with obtaining a background check."

Page 7, after line 13, insert:

"SECTION 5. AMENDMENT. Section 15.1-06-06 of the North Dakota Century Code is amended and reenacted as follows:

15.1-06-06. Approval of public and nonpublic schools. Each public and nonpublic school in this state offering elementary or secondary education to students must be approved by the superintendent of public instruction. Except as otherwise provided by law, the superintendent may not approve a school unless:

1. Each classroom teacher is licensed to teach by the education standards and practices board or approved to teach by the education standards and practices board;
2. Each classroom teacher is teaching only in those course areas or fields for which the teacher is licensed or for which the teacher has received an exception under section 15.1-09-57;
3. The students are offered all subjects required by law; ~~and~~
4. The school is in compliance with all local and state health, fire, and safety laws; and
5. The school has conducted all criminal history record checks required by section 12-60-24."

Page 11, remove lines 1 through 13

Page 19, after line 4, insert:

"SECTION 21. DEPARTMENT OF CORRECTIONS AND REHABILITATION FACILITIES. Notwithstanding North Dakota Century Code section 54-23.3-04, the director of the department of corrections and rehabilitation may not advertise for bids or issue a request for qualifications for a construction manager for construction of a new correctional facility or remodeling of the existing state penitentiary until the concept is authorized by the emergency commission and approved by the budget section.

SECTION 22. EXPIRATION DATE. Section 21 of this Act is effective through June 30, 2009, and after that date is ineffective."

Renumber accordingly

SB 2260 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. KLEMIN MOVED that the conference committee report on SB 2260 be adopted, which motion prevailed on a voice vote.

SB 2260, as amended, was placed on the Fourteenth order.

SECOND READING OF SENATE BILL

SB 2260: A BILL for an Act to create and enact a new subdivision to subsection 2 of section 12-60-24, a new section to chapter 19-03.1, a new section to chapter 43-12.1, a new subsection to section 43-15-10, a new section to chapter 43-23, and a new section to chapter 43-41 of the North Dakota Century Code, relating to criminal history record checks; to amend and reenact sections 12-60-16.5, 12-60-16.6, 12-60-24, 15.1-06-06, 15.1-13-14, 32-28-02, 50-11-01, 50-11-02.4, 50-11-06.8, 50-11-06.9, 50-11.3-01, and 50-12-03.2, subsection 4 of section 53-06.2-05, and section 54-59-20 of the North Dakota Century Code, relating to criminal history record checks; to provide for limitations on correctional facility construction or remodeling; to provide an expiration date; and to declare an emergency.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 87 YEAS, 7 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Bellew; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; Damschen; Delmore; Dietrich; Dosch; Drovdal; Ekstrom; Froelich; Froseth; Grande; Griffin; Gruchalla; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Hunskor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Myxter; Nelson; Nottestad; Onstad; Owens; Pietsch; Pinkerton; Pollert; Porter; Potter; Price; Ruby; Schmidt; Schneider; Skarphol; Solberg; Sukut; Svedjan; Thoreson; Uglem; Vig; Vigesaa; Wald; Wall; Weiler; Wieland; Williams; Wolf; Wrangham; Speaker Delzer

NAYS: Amerman; DeKrey; Glassheim; Gulleson; Thorpe; Weisz; Zaiser

SB 2260, as amended, passed, the title was agreed to, and the emergency clause was declared carried.

REPORT OF CONFERENCE COMMITTEE

SB 2013, as engrossed: Your conference committee (Sens. Holmberg, Wardner, Robinson and Reps. Monson, R. Kelsch, Aarsvold) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1143-1148, adopt amendments as follows, and place SB 2013 on the Seventh order:

That the House recede from its amendments as printed on pages 1143-1148 of the Senate Journal and pages 1291-1295 of the House Journal and that Engrossed Senate Bill No. 2013 be amended as follows:

Page 1, line 3, after "library" insert "; to provide an appropriation relating to teachers' retirement contributions"

Page 1, line 4, after "transfers" insert "; to provide for a legislative council study; to provide for legislative intent; to provide an exemption" and remove "and subsection 5 of section 15.1-27-07"

Page 1, line 5, after "Code" insert ", section 28 of chapter 167 of the 2005 Session Laws, and section 52 of Senate Bill No. 2200, as approved by the sixtieth legislative assembly"

Page 1, line 6, replace "and per student payments for kindergarten students" with ", contingent distributions of per student payments, and teacher compensation payments"

Page 3, line 10, replace "1,350,102" with "1,370,102"

Page 3, line 11, replace "6,075,986" with "4,845,986"

Page 3, line 21, replace "104,969,811" with "103,759,811"

Page 3, line 23, replace "75,193,139" with "73,983,139"

Page 4, line 3, replace "\$105,779" with "(\$272,221)"

Page 4, line 6, replace "\$113,302" with "(\$264,698)"

Page 4, line 7, replace "(363,103)" with "(288,103)"

Page 4, line 8, replace "476,405" with "23,405"

Page 4, line 17, replace "76,533,765" with "74,870,765"

Page 4, line 18, replace "29,633,567" with "29,708,567"

Page 4, line 19, replace "106,167,332" with "104,579,332"

Page 4, line 29, replace "11,407,054" with "11,427,054"

Page 4, line 30, replace "20,968,294" with "19,738,294"

Page 5, line 6, replace "1,037,313,033" with "1,036,103,033"

Page 5, line 8, replace "711,636,726" with "710,426,726"

Page 5, line 19, replace "5,141,381" with "4,763,381"

Page 5, line 22, replace "6,805,664" with "6,427,664"

Page 5, line 23, replace "964,162" with "1,039,162"

Page 5, line 24, replace "5,841,502" with "5,388,502"

Page 6, after line 1, insert:

"Total general fund appropriation - Section 3	\$722,711,140
Total estimated income appropriation - Section 3	\$329,441,186
Total all funds appropriation - Section 3	\$1,052,152,326"

Page 6, line 2, replace "724,374,140" with "722,725,758"

Page 6, line 3, replace "329,366,186" with "329,449,048"

Page 6, line 4, replace "1,053,740,326" with "1,052,174,806"

Page 6, after line 4, insert:

"SECTION 4. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from other funds derived from federal funds and other income, to the following departments for the purpose of funding the additional employer retirement contribution for teachers' fund for retirement members required by Senate Bill No. 2046, as approved by the sixtieth legislative assembly, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

DEPARTMENT	GENERAL FUND	OTHER FUNDS	TOTAL
Division of independent study		\$7,560	\$7,560
School for the deaf	\$4,760		4,760
North Dakota vision services - School for the blind	2,600		2,600
Department of Corrections and Rehabilitation	7,258	302	7,560
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Total	\$14,618	\$7,862	\$22,480"

Page 7, remove lines 3 through 8

Page 7, after line 25, insert:

"SECTION 13. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-FIRST LEGISLATIVE ASSEMBLY. The total general fund appropriation line item in section 3 of this Act includes \$100,000 for the one-time funding item identified in this section. This amount is not a part of the agency's base budget to be used in preparing the 2009-11 executive budget. The school for the deaf

shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

Deferred maintenance - School for the deaf

\$100,000

SECTION 14. LEGISLATIVE COUNCIL STUDY - SERVICES TO STUDENTS WHO ARE DEAF OR HEARING-IMPAIRED. The legislative council shall consider studying, during the 2007-08 interim, the provision of services to children and adults who are deaf or hearing-impaired, including the role of the North Dakota school for the deaf in the provision of educational and rehabilitative services, the short-term and long-term viability of existing state facilities, and alternative approaches that might enhance the scope and breadth of service availability. The study, if conducted, must include the feasibility of combining the administration and delivery of services of the school for the deaf with other area school districts, educational associations governed by joint powers agreements, special education units, and North Dakota vision services - school for the blind. The study should examine alternative uses for the buildings on the school for the deaf campus beyond the scope of the school's present mission. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

SECTION 15. LEGISLATIVE INTENT - REPORT TO THE SIXTY-FIRST LEGISLATIVE ASSEMBLY. It is the intent of the legislative assembly that the school for the deaf collaborate with Lake Region state college on the college's wind energy project and determine the feasibility of the school for the deaf accessing any available energy, including identifying any related costs. The school for the deaf should provide a report on the status of this collaboration to the appropriations committees of the sixty-first legislative assembly.

SECTION 16. ADULT EDUCATION PER STUDENT FUNDING STUDY. The commission on education improvement shall consider studying, during the 2007-08 interim, changes to the state school aid formula to provide per student payments to school districts offering an adult education program.

SECTION 17. EXEMPTION. Any amounts distributed pursuant to section 18 of this Act that will not be expended before June 30, 2007, are not subject to the provisions of section 54-44.1-11 and may be expended during the biennium beginning July 1, 2007, and ending June 30, 2009, for the purposes provided in section 18 of this Act.

SECTION 18. AMENDMENT. Section 28 of chapter 167 of the 2005 Session Laws is amended and reenacted as follows:

SECTION 28. CONTINGENCY. If any moneys appropriated for per student payments and transportation payments in the grants - state school aid line item in House Bill No. 1013, as approved by the fifty-ninth legislative assembly, remain after payment of all statutory obligations for per student and transportation payments during the biennium beginning July 1, 2005, and ending June 30, 2007, and after the superintendent of public instruction has fulfilled any directives contained in section 27 of this Act, the superintendent shall distribute the remaining moneys as follows:

1. The superintendent of public instruction shall use the first \$450,000, or so much of that amount as may be necessary, to provide additional payments to school districts serving English language learners in accordance with section 15.1-27-12.
2. The superintendent of public instruction shall use the next \$1,000,000, or so much of that amount as may be necessary, for the purpose of providing additional ~~per student~~ payments to school districts participating in eligible educational associations in accordance with section 32 of this Act.
 - a. The superintendent of public instruction shall distribute during the 2007-09 biennium \$45,000, or so much of that amount as may be necessary, as grants in the amount of \$5,000 each to any educational association that commits to the development and implementation of a teacher mentoring program for first-year, second-year, and third-year teachers employed by school districts participating in the association. If any of this amount remains after meeting the requirements of this subdivision, the superintendent shall distribute those funds as

additional per student payments on a prorated basis to school districts participating in educational associations.

- b. The superintendent of public instruction shall distribute \$955,000, or so much of that amount as may be necessary, as additional per student payments to school districts participating in eligible educational associations as provided in section 32 of chapter 167 of the 2005 Session Laws.
3. The superintendent of public instruction shall use the next \$600,000, or so much of that amount as may be necessary, to provide for increases over the established baselines in the minimum percentage of state aid payable to a district per weighted student unit during the 2007-09 biennium. If any of this amount remains after meeting the requirements of this subsection, the superintendent shall distribute that remaining amount as additional per student payments on a prorated basis according to the latest available average daily membership of each school district.
4. The superintendent of public instruction shall use the next \$2,000,000, or so much of that amount as may be necessary, for the purpose of providing additional transportation grants to school districts as provided in Senate Bill No. 2200, as approved by the sixtieth legislative assembly. If any of this amount remains after meeting the requirements of this subsection, the superintendent shall distribute that remaining amount as per student payments on a prorated basis according to the latest available average daily membership of each school district.
5. a. The superintendent of public instruction shall use the next \$1,000,000, or so much of that amount as may be necessary, for the purpose of providing payments to school districts that are members of regional education associations, for the biennium beginning July 1, 2007, and ending June 30, 2009.
 - b. Each year of the biennium, the superintendent of public instruction shall distribute fifty percent of the payments under this subsection to the school districts that are members of regional education associations on a per student basis. The superintendent shall make the distribution at the same time and in the same manner as other state aid payments under section 15.1-27-01.
6. The superintendent of public instruction shall use the next \$30,000, or so much of that amount as may be necessary, for the purpose of providing a grant to the division of independent study for enhancing civic education.
7. The superintendent of public instruction shall use the next \$15,000, or so much of that amount as may be necessary, for the purpose of providing a one-time grant to the North Dakota museum of art for enhancing the snow country prisons travel exhibit.
8. The superintendent of public instruction shall use the next \$200,000, or so much of that amount as may be necessary, to pay for the services of professionals and experts with whom the commission on education improvement contracts, during the 2007-08 interim, for assistance with its study of educational adequacy. If any of this amount remains after meeting the requirements of this subsection, the superintendent shall distribute that remaining amount as additional per student payments on a prorated basis according to the latest available average daily membership of each school district.
9. The superintendent of public instruction shall use the next \$77,000, or so much of that amount as may be necessary, for providing funding to the education standards and practices board for providing payments to recipients of national board certification and scholarships to individuals seeking national board certification in accordance with Senate Bill No. 2057, as approved by the sixtieth legislative assembly.
10. The superintendent of public instruction shall use the next \$200,000, or so much of that amount as may be necessary, for the purpose of providing additional payments to school districts offering an adult education program during the 2005-07 biennium.

11. The superintendent of public instruction shall use the next \$400,000, or so much of that amount as may be necessary, to purchase and distribute to school districts automated external defibrillators. If any of this amount remains after meeting the requirements of this subsection, the superintendent shall distribute that remaining amount as additional per student payments on a prorated basis according to the latest available average daily membership of each school district.
12. The superintendent of public instruction shall use the next \$395,000, or so much of that amount as may be necessary, for the purpose of providing a grant to the north central council of school television for licensing of education television programs for classroom use by North Dakota elementary and secondary schools, assisting with the North Dakota studies project, and other operating expenses.
13. The superintendent of public instruction shall use the next \$500,000, or so much of that amount as may be necessary, for the purpose of funding the rewrite of the state school aid computer system. If any of this amount remains after meeting the requirements of this subsection, the superintendent shall distribute that remaining amount as additional per student payments on a prorated basis according to the latest available average daily membership of each school district.
14. The superintendent of public instruction shall use the next \$650,000, or so much of that amount as may be necessary, for the purpose of funding the rewrite of the teacher licensure application used by the superintendent of public instruction and the education standards and practices board. The education standards and practices board shall pay the remaining \$80,000 of the anticipated total project cost. If any of this amount remains after meeting the requirements of this subsection, the superintendent shall distribute that remaining amount as additional per student payments on a prorated basis according to the latest available average daily membership of each school district.
15. The superintendent of public instruction shall use the next \$25,748, or so much of that amount as may be necessary, for the purpose of reimbursing eligible school districts that received reduced amounts of state aid. For the purposes of this subsection, an eligible school district is one that received a reduction in state aid during the 2005-07 biennium because the district's general fund levy fell below one hundred forty mills as the result of an accounting oversight.
16.
 - a. The superintendent of public instruction shall use the next \$90,000, or so much of that amount as may be necessary, for the purpose of providing grants in the amount of \$1,000 to North Dakota residents who:
 - (1) Are licensed to teach by the education standards and practices board;
 - (2) Have taught in this state during each of the last five school years; and
 - (3) Are enrolled in either a master of education program in educational leadership or a program leading to a specialist diploma in educational leadership.
 - b. If any of this amount remains after meeting the requirements of this subsection, the superintendent of public instruction shall distribute that amount as additional per student payments on a prorated basis, according to the latest available average daily membership of each school district.
17. The superintendent of public instruction shall use the next \$50,000, or so much of that amount as may be necessary, for the purpose of providing a grant for the Atlantik-Brucke teacher exchange program.
18. The superintendent of public instruction shall use the remainder of the moneys to provide additional per student payments on a prorated basis

according to the latest available average daily membership of each school district.

SECTION 19. AMENDMENT. Section 52 of Senate Bill No. 2200, as approved by the sixtieth legislative assembly, is amended and reenacted as follows:

SECTION 52. USE OF NEW MONEY - TEACHER COMPENSATION INCREASES - REPORTS TO LEGISLATIVE COUNCIL.

1. During the 2007-09 biennium, the board of each school district shall use an amount equal to at least seventy percent of all new money received by the district for per student payments to increase the compensation paid to teachers and to provide compensation to teachers who begin employment with the district on or after July 1, 2007.
2. For purposes of this section, the superintendent of public instruction shall calculate the amount of new money received by a district during the 2007-09 biennium by:
 - a. Determining the total amount of state dollars received by each district during the 2005-07 biennium as per student payments, tuition apportionment payments, special education per student payments, ~~and~~ English language learner payments, extended educational program payments, summer education program payments, migrant summer program payments, payments for home-based education programs monitored by the school district, and teacher compensation payments;
 - b. Determining the total amount of state dollars received by each district during the 2007-09 biennium as per student payments, provided that neither equity payments under section 15.1-27-11 nor contingency distributions are to be included in the total; and
 - c. Subtracting the amount arrived at under subdivision a from the amount arrived at under subdivision b.
3. School districts providing educational services under a cooperative agreement approved by the superintendent of public instruction must, for purposes of this section, be treated as a single district.
4.
 - a. The provisions of this section do not apply to a school district if the board of the school district, after a public hearing at which public testimony and documentary evidence are accepted, determines in its discretion and by an affirmative vote of two-thirds of the members of the board that complying with the provisions of subsection 1 would place the school district in the position of having insufficient fiscal resources to meet the school district's other obligations.
 - b. Within ten days of the vote required by subdivision a, the school board shall notify the superintendent of public instruction of its action and shall file a report detailing the grounds for its determination and action.
 - c. The superintendent of public instruction shall report all notices received under this subsection to an interim committee designated by the legislative council."

Page 8, remove lines 1 through 28

Page 8, line 29, replace "Section 4" with "Sections 5 and 18" and replace "is" with "are"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2013 - Summary of Conference Committee Action

Information Technology Department						
Total all funds	\$0	\$0	\$7,560	\$7,560	\$0	\$7,560
Less estimated income			<u>7,560</u>	<u>7,560</u>		<u>\$7,560</u>
General fund	\$0	\$0	\$0	\$0	\$0	\$0
Department of Public Instruction						
Total all funds	\$1,037,666,173	\$1,037,313,033	(\$1,210,000)	\$1,036,103,033	\$1,036,083,033	\$20,000
Less estimated income	<u>326,080,447</u>	<u>325,676,307</u>		<u>325,676,307</u>	<u>325,676,307</u>	
General fund	\$711,585,726	\$711,636,726	(\$1,210,000)	\$710,426,726	\$710,406,726	\$20,000
State Library						
Total all funds	\$5,861,312	\$5,861,312	\$0	\$5,861,312	\$5,861,312	\$0
Less estimated income	<u>1,881,600</u>	<u>1,881,600</u>		<u>1,881,600</u>	<u>1,881,600</u>	
General fund	\$3,979,712	\$3,979,712	\$0	\$3,979,712	\$3,979,712	\$0
School for the Deaf						
Total all funds	\$6,805,664	\$6,805,664	(\$373,240)	\$6,432,424	\$6,407,664	\$24,760
Less estimated income	<u>964,162</u>	<u>964,162</u>	<u>75,000</u>	<u>1,039,162</u>	<u>1,039,162</u>	
General fund	\$5,841,502	\$5,841,502	(\$448,240)	\$5,393,262	\$5,368,502	\$24,760
Vision Services - School for the Blind						
Total all funds	\$3,636,873	\$3,760,317	\$2,600	\$3,762,917	\$3,760,317	\$2,600
Less estimated income	<u>844,117</u>	<u>844,117</u>		<u>844,117</u>	<u>844,117</u>	
General fund	\$2,792,756	\$2,916,200	\$2,600	\$2,918,800	\$2,916,200	\$2,600
Department of Corrections and Rehabilitation						
Total all funds	\$0	\$0	\$7,560	\$7,560	\$0	\$7,560
Less estimated income			<u>302</u>	<u>302</u>		<u>302</u>
General fund	\$0	\$0	\$7,258	\$7,258	\$0	\$7,258
Bill Total						
Total all funds	\$1,053,970,022	\$1,053,740,326	(\$1,565,520)	\$1,052,174,806	\$1,052,112,326	\$62,480
Less estimated income	<u>329,770,326</u>	<u>329,366,186</u>	<u>82,862</u>	<u>329,449,048</u>	<u>329,441,186</u>	<u>7,862</u>
General fund	\$724,199,696	\$724,374,140	(\$1,648,382)	\$722,725,758	\$722,671,140	\$54,618

Senate Bill No. 2013 - Information Technology Department - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Division of Independent Study			<u>\$7,560</u>	<u>\$7,560</u>		<u>\$7,560</u>
Total all funds	\$0	\$0	\$7,560	\$7,560	\$0	\$7,560
Less estimated income			<u>7,560</u>	<u>7,560</u>		<u>7,560</u>
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Dept. 112 - Information Technology Department - Detail of Conference Committee Changes

	ADDS FUNDING RELATING TO TEACHERS' RETIREMENT CHANGES ¹	TOTAL CONFERENCE COMMITTEE CHANGES
Division of Independent Study	<u>\$7,560</u>	<u>\$7,560</u>
Total all funds	\$7,560	\$7,560
Less estimated income	<u>7,560</u>	<u>7,560</u>
General fund	\$0	\$0
FTE	0.00	0.00

¹ This amendment provides funding of \$7,560 from special funds for funding the additional employer retirement contribution for teachers' fund for retirement members required by Senate Bill No. 2046, as approved by the 60th Legislative Assembly.

Senate Bill No. 2013 - Department of Public Instruction - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	\$11,811,194	\$11,407,054	\$20,000	\$11,427,054	\$11,407,054	\$20,000
Operating expenses	21,088,294	20,968,294	(1,230,000)	19,738,294	19,738,294	
Grants - State school aid	724,165,879	726,165,879		726,165,879	726,165,879	
Grants - Special education contracts	17,500,000	17,500,000		17,500,000	17,500,000	
Grants - Transportation	33,500,000	33,500,000		33,500,000	33,500,000	
Grants - Other grants	227,530,806	227,701,806		227,701,806	227,701,806	
JPA incentives	2,000,000					
Transportation efficiency	30,000	30,000		30,000	30,000	
National board certification	<u>40,000</u>	<u>40,000</u>		<u>40,000</u>	<u>40,000</u>	
Total all funds	\$1,037,666,173	\$1,037,313,033	(\$1,210,000)	\$1,036,103,033	\$1,036,083,033	\$20,000
Less estimated income	<u>326,080,447</u>	<u>325,676,307</u>		<u>325,676,307</u>	<u>325,676,307</u>	
General fund	\$711,585,726	\$711,636,726	(\$1,210,000)	\$710,426,726	\$710,406,726	\$20,000
FTE	98.25	94.75	0.00	94.75	94.75	0.00

Dept. 201 - Department of Public Instruction - Detail of Conference Committee Changes

	INCREASES FUNDING FOR SALARIES AND WAGES ¹	REMOVES FUNDING FOR COMPUTER SYSTEM REWRITE PROJECTS ²	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	\$20,000		\$20,000
Operating expenses		(\$1,230,000)	(1,230,000)
Grants - State school aid			
Grants - Special education contracts			
Grants - Transportation			
Grants - Other grants			
JPA incentives			
Transportation efficiency			
National board certification			
Total all funds	\$20,000	(\$1,230,000)	(\$1,210,000)
Less estimated income			
General fund	\$20,000	(\$1,230,000)	(\$1,210,000)
FTE	0.00	0.00	0.00

¹ This amendment increases funding for salaries and wages by \$20,000 from the general fund to provide funding for administration of the state English language learner program. This increase was not included in either the Senate or House version.

² This amendment removes funding from the general fund for the state school aid rewrite project (\$500,000) and the teachers' licensure application rewrite project (\$730,000) and provides that those projects be funded from the 2005-07 per student and transportation aid contingent distributions, same as the House version.

This amendment also:

- Adds a section providing that the Commission on Education Improvement consider studying changes to the state school aid formula to provide per student payments to school districts offering an adult education program, same as the House version.
- Adds a section amending Section 28 of Chapter 167 of the 2005 Session Laws relating to contingent distributions of per student payments for the 2005-07 biennium. This section was also amended in the House version of the bill.
- Adds a section providing an exemption for contingent distributions of per student payments for the 2005-07 biennium.
- Removes Section 8 of the engrossed bill relating to English language learners, same as the House version.
- Removes Section 14 of the engrossed bill relating to full-day kindergarten, same as the House version.

Senate Bill No. 2013 - School for the Deaf - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	\$5,141,381	\$5,141,381	(\$373,240)	\$4,768,141	\$4,743,381	\$24,760
Operating expenses	1,514,283	1,514,283		1,514,283	1,514,283	
Capital assets	150,000	150,000		150,000	150,000	
Total all funds	\$6,805,664	\$6,805,664	(\$373,240)	\$6,432,424	\$6,407,664	\$24,760
Less estimated income	964,162	964,162	75,000	1,039,162	1,039,162	
General fund	\$5,841,502	\$5,841,502	(\$448,240)	\$5,393,262	\$5,368,502	\$24,760
FTE	48.44	48.44	(4.50)	43.94	43.94	0.00

Dept. 252 - School for the Deaf - Detail of Conference Committee Changes

	REMOVES VACANT FTE POSITIONS ¹	REDUCES FUNDING FOR SALARIES AND WAGES ²	FUNDING SOURCE CHANGE ³	ADDS FUNDING RELATING TO TEACHERS' RETIREMENT CHANGES ⁴	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	(\$323,000)	(\$55,000)		\$4,760	(\$373,240)
Operating expenses					
Capital assets					
Total all funds	(\$323,000)	(\$55,000)	\$0	\$4,760	(\$373,240)

Dept. 530 - Department of Corrections and Rehabilitation - Detail of Conference Committee Changes

	ADDS FUNDING RELATING TO TEACHERS' RETIREMENT CHANGES ¹	TOTAL CONFERENCE COMMITTEE CHANGES
Youth services	\$7,560	\$7,560
Total all funds	\$7,560	\$7,560
Less estimated income	302	302
General fund	\$7,258	\$7,258
FTE	0.00	0.00

¹ This amendment provides funding of \$7,560, of which \$7,258 is from the general fund, for funding the additional employer retirement contribution for teachers' fund for retirement members required by Senate Bill No. 2046, as approved by the 60th Legislative Assembly.

Engrossed SB 2013 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. MONSON MOVED that the conference committee report on Engrossed SB 2013 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2013, as amended, was placed on the Fourteenth order.

SECOND READING OF SENATE BILL

SB 2013: A BILL for an Act to provide an appropriation for defraying the expenses of the department of public instruction, the school for the deaf, North Dakota vision services - school for the blind, and the state library; to provide an appropriation relating to teachers' retirement contributions; to provide for the distribution of special education payments; to provide for transfers; to provide for a legislative council study; to provide for legislative intent; to provide an exemption; to amend and reenact section 15.1-02-02 of the North Dakota Century Code, section 28 of chapter 167 of the 2005 Session Laws, and section 52 of Senate Bill No. 2200, as approved by the sixtieth legislative assembly, relating to the salary of the superintendent of public instruction, contingent distributions of per student payments, and teacher compensation payments; and to declare an emergency.

ROLL CALL

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

YEAS: Aarsvold; Amerman; Bellew; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; Damschen; DeKrey; Delmore; Dietrich; Dosch; Drovda; Ekstrom; Froelich; Glassheim; Grande; Griffin; Gruchalla; Gulleston; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Hunsakor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Myxter; Nelson; Nottestad; Onstad; Owens; Pietsch; Pinkerton; Pollert; Porter; Potter; Price; Ruby; Schmidt; Schneider; Skarphol; Solberg; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vig; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wolf; Wrangham; Zaiser; Speaker Delzer

Engrossed SB 2013, as amended, passed, the title was agreed to, and the emergency clause was declared carried.

REPORT OF CONFERENCE COMMITTEE

SB 2012, as engrossed: Your conference committee (Sens. Fischer, Kilzer, Mathern and Reps. Pollert, Bellew, Metcalf) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1101-1110, adopt amendments as follows, and place SB 2012 on the Seventh order:

That the House recede from its amendments as printed on pages 1101-1110 of the Senate Journal and pages 1239-1247 of the House Journal and that Engrossed Senate Bill No. 2012 be amended as follows:

Page 1, line 3, remove the first "a" and replace "study" with "studies; to authorize a Bank of North Dakota loan; to provide a contingent appropriation"

Page 1, line 6, remove "26.1-45-13,", remove "and", and replace "subsection 6 of section 50-06.2-02" with "50-06-24"

Page 1, remove line 7

Page 1, line 8, remove ", subsection 4 of section 50-24.5-02, and subsection 2 of section 50-24.5-03"

Page 1, line 11, replace "qualified service providers" with "guardianship services" and after the semicolon insert "and"

Page 1, line 12, remove "; and to provide an"

Page 1, line 13, remove "effective date"

Page 3, line 7, replace "1,015,145" with "815,145"

Page 3, line 10, replace "(\$27,582,012)" with "(\$27,782,012)"

Page 3, line 12, replace "1,486,564" with "1,286,564"

Page 3, line 15, replace "2,856,130" with "2,456,130"

Page 3, line 16, replace "26,576,252" with "26,791,117"

Page 3, line 18, replace "8,938,273" with "9,023,335"

Page 3, line 19, replace "132,453,022" with "102,286,592"

Page 3, line 20, replace "170,790,212" with "140,523,709"

Page 3, line 21, replace "92,129,556" with "75,226,362"

Page 3, line 22, replace "78,660,656" with "65,297,347"

Page 3, line 25, replace "193,654" with "146,655"

Page 3, line 26, replace "1,540,622" with "1,446,512"

Page 3, line 27, replace "739,666" with "683,064"

Page 3, line 28, replace "1,647,335" with "1,537,933"

Page 3, line 29, replace "2,441,031" with "2,316,347"

Page 3, line 30, replace "2,584,618" with "2,496,321"

Page 3, line 31, replace "2,226,472" with "2,113,795"

Page 4, line 1, replace "621,652" with "564,763"

Page 4, line 2, replace "17,209,433" with "16,838,960"

Page 4, line 3, replace "6,031,330" with "5,331,330"

Page 4, line 4, replace "35,235,813" with "33,475,680"

Page 4, line 5, replace "4,462,288" with "4,472,489"

Page 4, line 6, replace "30,773,525" with "29,003,191"

Page 4, line 7, replace "110,920,745" with "95,587,102"

Page 4, line 8, replace "67,523,268" with "54,130,275"

Page 4, line 9, replace "178,444,013" with "149,717,377"

Page 4, line 18, replace "11,723,883" with "11,523,883"

Page 4, line 21, replace "44,098,190" with "43,898,190"

Page 4, line 23, replace "21,013,025" with "20,813,025"

Page 4, line 26, replace "25,668,611" with "25,268,611"

Page 4, line 27, replace "66,356,937" with "66,571,802"

Page 4, line 29, replace "341,776,723" with "341,861,785"

Page 4, line 30, replace "1,138,809,360" with "1,108,642,930"

Page 4, line 31, replace "1,572,612,030" with "1,542,345,527"

Page 5, line 1, replace "1,127,268,003" with "1,110,364,809"

Page 5, line 2, replace "445,344,027" with "431,980,718"

Page 5, line 5, replace "7,545,956" with "7,498,957"

Page 5, line 6, replace "16,888,313" with "16,794,203"

Page 5, line 7, replace "9,883,098" with "9,826,496"

Page 5, line 8, replace "22,230,466" with "22,121,064"

Page 5, line 9, replace "26,206,795" with "26,082,111"

Page 5, line 10, replace "14,781,265" with "14,692,968"

Page 5, line 11, replace "20,813,941" with "20,701,264"

Page 5, line 12, replace "9,863,050" with "9,806,161"

Page 5, line 13, replace "65,126,604" with "64,756,131"

Page 5, line 14, replace "48,456,612" with "47,756,612"

Page 5, line 15, replace "241,796,100" with "240,035,967"

Page 5, line 16, replace "112,810,933" with "112,821,134"

Page 5, line 17, replace "128,985,167" with "127,214,833"

Page 5, line 18, replace "595,342,219" with "580,008,576"

Page 5, line 19, replace "1,263,164,101" with "1,249,771,108"

Page 5, line 20, replace "1,858,506,320" with "1,829,779,684"

Page 5, line 25, remove "As determined necessary by the director of the department of human"

Page 5, remove lines 26 and 27

Page 5, line 28, remove "section 3 of this Act, for the biennium beginning July 1, 2007, and ending June 30, 2009."

Page 6, replace lines 3 through 15 with:

"SECTION 5. BANK OF NORTH DAKOTA LOAN AUTHORIZATION - BUDGET SECTION APPROVAL - CONTINGENT APPROPRIATION. If cost and caseload/utilization of developmental disabilities services is more than anticipated by the sixtieth legislative assembly, the department of human services, subject to budget section approval, may borrow the sum of \$3,500,000, or so much of the sum as may be necessary, from the Bank of North Dakota, which is appropriated for the purpose of providing the state matching share of additional medical assistance grants for developmental disabilities services for the biennium beginning July 1, 2007, and ending June 30, 2009. The department of human services shall request funding from the

sixty-first legislative assembly to repay any loan obtained pursuant to provisions of this section, including accrued interest.

SECTION 6. CRITICAL ACCESS HOSPITALS - MEDICAL ASSISTANCE REIMBURSEMENT METHOD. The department of human services shall implement a cost-based reimbursement system for inpatient and outpatient hospital services of critical access hospitals based on the funding provided in section 3 of this Act for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 7. DEPARTMENT OF HUMAN SERVICES STUDY - REBASING MEDICAL SERVICES PAYMENT RATES - REPORT TO LEGISLATIVE ASSEMBLY. The department of human services shall determine, during the 2007-08 interim and with the assistance of a health care consultant, the estimated cost of rebasing payment rates under the medical assistance program for hospital, physician, dentist, ambulance, and chiropractic services to the actual cost of providing these services for use in preparing the department's budget request for the 2009-11 biennium. The base year used in developing the cost estimate must be the most recent calendar year for which complete financial information is available to the department. The department shall report its findings and recommendations to the appropriations committees of the sixty-first legislative assembly. The department's recommendations may include options for staggered implementation or earlier implementation date preferences for service providers that have medical assistance service revenue that is ten percent or more of its total patient revenue. Any funds appropriated by the sixtieth legislative assembly to the department for providing the information required by this section may not be spent for other purposes during the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 8. LEGISLATIVE COUNCIL STUDY - NURSING HOME RATE EQUALIZATION. The legislative council shall consider studying, during the 2007-08 interim, the feasibility and desirability of continuing the equalization of nursing home payment rates and the feasibility and desirability of establishing a provider tax or assessment on nursing homes. The study must include input from representatives of the department of human services, other appropriate state agencies, and the nursing home industry. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

SECTION 9. LEGISLATIVE COUNCIL STUDY - INFANT DEVELOPMENT PROGRAM. The legislative council shall consider studying, during the 2007-08 interim, infant development programs. The study, if conducted, must include a review of the state's lead agency agreement, service coordination, staffing, and funding structure, including the adequacy of the funding and the equitable distribution of the funds to providers. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

SECTION 10. LEGISLATIVE INTENT - DEVELOPMENTAL DISABILITIES SERVICE PROVIDERS FUNDING INCREASES - EMPLOYEE SALARY INCREASE PRIORITY. It is the intent of the sixtieth legislative assembly that developmental disabilities service providers give priority to using the increased funding being provided for the 2007-09 biennium for increasing employees' salaries.

SECTION 11. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY. The total general fund appropriation line item in subdivision 3 of section 3 of this Act includes \$8,244,131 for the one-time funding items identified in this section. This amount is not a part of the agency's base budget to be used in preparing the 2009-11 executive budget. The department of human services shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

State hospital	
Sex offender treatment addition	\$3,100,000
Capital improvements	3,062,757
Extraordinary repairs	1,153,500
Developmental center	
Capital improvements	300,000
Extraordinary repairs	547,092
Equipment	80,782
Total	\$8,244,131"

Page 6, line 19, after "under" insert "the department's existing" and replace "with the Robinson recovery center" with "for methamphetamine treatment services"

Page 6, line 22, replace "\$170,500" with "\$525,597"

Page 6, remove lines 30 and 31

Page 7, remove lines 1 through 4

Page 11, remove lines 5 through 12

Page 13, replace lines 16 through 31 with:

"SECTION 21. AMENDMENT. Section 50-06-24 of the North Dakota Century Code is amended and reenacted as follows:

50-06-24. Guardianship services. The department of human services may create and coordinate a unified system for the provision of guardianship services to vulnerable adults who are ineligible for developmental disabilities case management services. The system must include a base unit funding level at the same level as developmental disability corporate guardianship rates, provider standards, staff competency requirements, ~~the use of an emergency funding procedure to cover the costs of establishing needed guardianships~~, and guidelines and training for guardians. ~~The department shall require that the contracting entity develop and maintain a system of volunteer guardians to serve the state.~~ The department shall adopt rules for guardianship services to vulnerable adults which are consistent with chapters 30.1-26, 30.1-28, and 30.1-29."

Page 14, remove lines 1 through 30

Page 16, remove lines 9 through 30

Page 17, remove lines 1 and 2

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2012 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
DHS - Management						
Total all funds	\$44,098,190	\$44,098,190	(\$200,000)	\$43,898,190	\$42,768,190	\$1,130,000
Less estimated income	23,085,165	23,085,165		23,085,165	22,508,965	576,200
General fund	\$21,013,025	\$21,013,025	(\$220,000)	\$20,813,025	\$20,259,225	\$553,800
DHS - Program and Policy						
Total all funds	\$1,531,965,784	\$1,572,612,030	(\$26,766,503)	\$1,545,845,527	\$1,537,744,534	\$8,100,993
Less estimated income	1,103,015,555	1,127,268,003	(13,403,194)	1,113,864,809	1,106,107,509	7,757,300
General fund	\$428,950,229	\$445,344,027	(\$13,363,309)	\$431,980,718	\$431,637,025	\$343,693
DHS - State Hospital						
Total all funds	\$64,959,122	\$65,126,604	(\$370,473)	\$64,756,131	\$64,692,846	\$63,285
Less estimated income	15,888,310	15,888,310	(1,445)	15,886,865	15,886,865	
General fund	\$49,070,812	\$49,238,294	(\$369,028)	\$48,869,266	\$48,805,981	\$63,285
DHS - Developmental Center						
Total all funds	\$48,456,612	\$48,456,612	(\$700,000)	\$47,756,612	\$47,756,612	\$0
Less estimated income	33,243,690	33,243,690		33,243,690	33,243,690	
General fund	\$15,212,922	\$15,212,922	(\$700,000)	\$14,512,922	\$14,512,922	\$0
DHS - Northwest HSC						
Total all funds	\$7,525,581	\$7,545,956	(\$46,999)	\$7,498,957	\$7,511,691	(\$12,734)
Less estimated income	3,136,258	3,136,258		3,136,258	3,136,258	
General fund	\$4,389,323	\$4,409,698	(\$46,999)	\$4,362,699	\$4,375,433	(\$12,734)
DHS - North Central HSC						
Total all funds	\$16,842,742	\$16,888,313	(\$94,110)	\$16,794,203	\$16,822,684	(\$28,481)
Less estimated income	7,917,967	7,917,967		7,917,967	7,917,967	
General fund	\$8,924,775	\$8,970,346	(\$94,110)	\$8,876,236	\$8,904,717	(\$28,481)
DHS - Lake Region HSC						
Total all funds	\$9,853,344	\$9,883,098	(\$56,602)	\$9,826,496	\$9,845,092	(\$18,596)
Less estimated income	4,417,334	4,417,334		4,417,334	4,417,334	
General fund	\$5,436,010	\$5,465,764	(\$56,602)	\$5,409,162	\$5,427,758	(\$18,596)
DHS - Northeast HSC						
Total all funds	\$22,192,605	\$22,230,466	(\$109,402)	\$22,121,064	\$22,144,727	(\$23,663)
Less estimated income	12,256,322	12,260,487	1,562	12,262,049	12,264,652	(2,603)
General fund	\$9,936,283	\$9,969,979	(\$110,964)	\$9,859,015	\$9,880,075	(\$21,060)
DHS - Southeast HSC						
Total all funds	\$26,145,474	\$26,206,795	(\$124,684)	\$26,082,111	\$26,120,436	(\$38,325)

Less estimated income	14,296,599	14,296,599		14,296,599	14,296,599	
General fund	\$11,848,875	\$11,910,196	(\$124,684)	\$11,785,512	\$11,823,837	(\$38,325)
DHS - South Central HSC						
Total all funds	\$14,741,738	\$14,781,265	(\$88,297)	\$14,692,968	\$14,717,673	(\$24,705)
Less estimated income	6,450,546	6,460,823	3,853	6,464,676	6,471,100	(6,424)
General fund	\$8,291,192	\$8,320,442	(\$92,150)	\$8,228,292	\$8,246,573	(\$18,281)
DHS - West Central HSC						
Total all funds	\$20,768,172	\$20,813,941	(\$112,677)	\$20,701,264	\$20,729,869	(\$28,605)
Less estimated income	10,327,232	10,343,709	6,178	10,349,887	10,360,185	(10,298)
General fund	\$10,440,940	\$10,470,232	(\$118,855)	\$10,351,377	\$10,369,684	(\$18,307)
DHS - Badlands HSC						
Total all funds	\$9,848,996	\$9,863,050	(\$56,889)	\$9,806,161	\$9,814,944	(\$8,783)
Less estimated income	4,845,616	4,845,756	53	4,845,809	4,845,897	(88)
General fund	\$5,003,380	\$5,017,294	(\$56,942)	\$4,960,352	\$4,969,047	(\$8,695)
Bill Total						
Total all funds	\$1,817,398,360	\$1,858,506,320	(\$28,726,636)	\$1,829,779,684	\$1,820,669,298	\$9,110,386
Less estimated income	1,238,880,594	1,263,164,101	(13,392,993)	1,249,771,108	1,241,457,021	8,314,087
General fund	\$578,517,766	\$595,342,219	(\$15,333,643)	\$580,008,576	\$579,212,277	\$796,299

Senate Bill No. 2012 - Department of Human Services - Management - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES ¹	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	\$11,723,883	\$11,723,883	(\$200,000)	\$11,523,883	\$11,393,883	\$130,000
Operating expenses	32,374,022	32,374,022		32,374,022	31,374,022	1,000,000
Capital assets	285	285		285	285	
Total all funds	\$44,098,190	\$44,098,190	(\$200,000)	\$43,898,190	\$42,768,190	\$1,130,000
Less estimated income	23,085,165	23,085,165		23,085,165	22,508,965	576,200
General fund	\$21,013,025	\$21,013,025	(\$200,000)	\$20,813,025	\$20,259,225	\$553,800
FTE	102.10	102.10	0.00	102.10	102.10	0.00
			FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL
¹Management - Conference Committee Changes:				(\$200,000)		(\$200,000)
Reduces funding for salaries and wages in anticipation of savings resulting from vacant positions and employee turnover. The House version reduced salaries and wages by \$330,000.						
Administration Support Program						
No changes						
Division of Information Technology Program						
No changes						
Total Conference Committee Changes - Management			0.00	(\$200,000)	\$0	(\$200,000)

Senate Bill No. 2012 - Department of Human Services - Program and Policy - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES ¹	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Salaries and wages	\$25,593,565	\$25,668,611	(\$400,000)	\$25,268,611	\$24,998,611	\$270,000
Operating expenses	65,561,106	66,356,937	214,865	66,571,802	66,514,290	57,512
Capital assets	399	399		399	399	
Grants	339,435,262	341,776,723	85,062	341,861,785	341,964,940	(103,155)
Grants - Medical assistance	1,101,375,452	1,138,809,360	(26,666,430)	1,112,142,930	1,104,266,294	7,876,636
Total all funds	\$1,531,965,784	\$1,572,612,030	(\$26,766,503)	\$1,545,845,527	\$1,537,744,534	\$8,100,993
Less estimated income	1,103,015,555	1,127,268,003	(13,403,194)	1,113,864,809	1,106,107,509	7,757,300
General fund	\$428,950,229	\$445,344,027	(\$13,363,309)	\$431,980,718	\$431,637,025	\$343,693
FTE	230.30	231.30	0.00	231.30	231.30	0.00
			FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL
¹Program and Policy - Conference Committee Changes:				(\$400,000)		(\$400,000)
Reduces funding for salaries and wages in anticipation of savings resulting from vacant positions and employee turnover. The House version reduced salaries and wages by \$670,000.						
Economic Assistance Policy Program						
No changes						
Child Support Program						
Removes operating expenses funding from the general fund for the Devils Lake Child Support Enforcement Unit due to provisions of Senate Bill No. 2205 providing for state administration of child support enforcement, the same as the House version						
				(215,016)		(215,016)
Medical Services Program						
Adds funding to provide a 4 percent inflationary increase for the first year of the biennium and a 5 percent for the						
				565,968	\$1,152,404	1,718,372

second year for medical-related service providers. The Senate provided a 4 percent annual inflationary increase and the House provided a 5 percent annual inflationary increase.

Removes funding for grants - Medical assistance added by the Senate for increasing medically needy income levels from 61 to 83 percent of poverty. The House also removed this funding.	(2,529,690)	(4,493,325)	(7,023,015)
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Reduces funding for grants - Medical assistance added by the Senate to provide \$1.5 million from the general fund for continuous Medicaid eligibility for children under 19 years of age who are either categorically or optionally categorically needy beginning January 2008. The section added by the Senate providing that the department monitor and report on these expenditures is also removed as well as the section added by the House providing for a Legislative Council study of the feasibility and desirability of allowing continuous Medicaid eligibility for this population.	(781,110)	(1,387,435)	(2,168,545)
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Reduces funding for grants - Medical assistance to reflect an anticipated reduction in the cost and caseload/utilization of the following medical assistance services from the amounts included in the executive budget and Senate version:

Inpatient hospital	(1,000,000)	(1,776,236)	(2,776,236)
Drugs	(1,783,368)	(3,167,035)	(4,950,403)
Healthy Steps	(200,000)	(593,336)	(793,336)
Durable medical equipment	(166,269)	(295,177)	(461,446)

The House also made these reductions.

Adds funding for grants - Medical assistance to increase Medicaid payment rates to implement cost-based reimbursement for critical access hospitals. The House had added \$1,394,469 from the general fund for increasing Medicaid hospital payment rates to the maximum base rate.	1,544,469	2,743,341	4,287,810
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Adds funding for grants - Medical assistance to increase Medicaid payment rates for chiropractic services. The House had also added a section requiring the payment rates for chiropractic services to be 50 percent of fiscal year 2006 billed charges, which is not included in the conference committee version.	31,845	56,564	88,409
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Adds funding for grants - Medical assistance to increase Medicaid payment rates for ambulance services, the same as the House version	125,000	222,029	347,029
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Adds operating expenses funding and a section to the bill requiring the department to develop a method for rebasing hospital, physician, dentist, ambulance, and chiropractic services payment rates under the Medicaid program, the same as the House version	175,000	175,000	350,000
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Long-Term Care Program

Adds funding to provide a 4 percent inflationary increase for the first year of the biennium and a 5 percent for the second year for long-term care service providers. The Senate provided a 4 percent annual inflationary increase and the House provided a 5 percent annual inflationary increase. Of the total, \$525,597 is from the health care trust fund for the additional state matching funds relating to nursing homes. The House version included \$1,144,080 from the health care trust fund.	645,293	2,431,014	3,076,307
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Adds funding for grants - Medical assistance to continue the same SPED eligibility criteria as the 2005-07 biennium, the same as the House version	1,537,030	80,896	1,617,926
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Removes funding for grants - Medical assistance to continue the \$50 per month personal care allowance for residents of nursing homes and intermediate care facilities for persons with mental retardation. The Senate had provided a \$55 per month allowance. The House also provided a \$50 per month allowance.		(499,850)	(499,850)
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Reduces funding for grants - Medical assistance to reflect an anticipated reduction in the cost and caseload/utilization of nursing home, aged and disabled waiver, basic care, and personal care option services from the amounts included in the executive budget and Senate version. The House also made this reduction.	(6,185,000)	(10,986,015)	(17,171,015)
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Reduces funding for grants - Medical assistance to reflect an anticipated reduction in the cost and caseload/utilization of basic care services from the amounts included in the executive budget and Senate version. The House also made this reduction.	(216,537)	(145,565)	(362,102)
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Reduces funding for grants - Medical assistance to reflect an anticipated reduction in the cost and caseload/utilization of developmental disabilities services from the amounts included in the executive budget and Senate version. The House also made this reduction.	(3,575,000)	(6,350,042)	(9,925,042)
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Adds funding in a separate section for developmental disabilities services grants. The state matching funds of \$3.5 million are from a Bank of North Dakota loan contingent on Budget Section Approval.		3,500,000	3,500,000
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Adds federal funds for developmental disabilities services grants associated with the contingent Bank of North Dakota loan		6,216,824	6,216,824
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Reduces funding added by the Senate from \$900,000 to \$400,000 from the general fund for the transition of selected Developmental Center residents to community programs. The House had provided \$200,000 from the general fund for this item.	(500,000)	(888,117)	(1,388,117)
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Aging Services Program

No changes

Children and Family Services Program

Adds funding to provide a 4 percent inflationary increase for the first year of the biennium and a 5 percent for the second year for children and family service providers. The Senate provided a 4 percent annual inflationary increase and the House provided a 5 percent annual inflationary increase.	84,030	249,424	333,454
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Reduces funding for grants to reflect an anticipated reduction in the cost and caseload/utilization of subsidized adoption services from the amounts included in the executive budget and Senate version. The House also made this reduction.	(300,000)	(426,392)	(726,392)
Adds funding from federal TANF block grant funds for grants to increase reimbursements for county child abuse and neglect assessments by \$100 per assessment, the same as the House version		770,800	770,800
Mental Health and Substance Abuse Program Adds funding to provide a 4 percent inflationary increase for the first year of the biennium and a 5 percent for the second year for contract service providers. The Senate provided a 4 percent annual inflationary increase and the House provided a 5 percent annual inflationary increase.	9,360	2,191	11,551
Developmental Disabilities Council Disabilities Program Adds funding to provide a 4 percent inflationary increase for the first year of the biennium and a 5 percent for the second year for contract service providers. The Senate provided a 4 percent annual inflationary increase and the House provided a 5 percent annual inflationary increase.	20,686	4,844	25,530
Reduces funding added by the Senate for centers for independent living. The conference committee version is the same as the House version which provides a total of \$1,381,457, of which \$546,040 is from the general fund. The executive budget recommended \$1,131,457, of which \$296,040 is from the general fund and the Senate provided \$1,631,457, of which \$796,040 is from the general fund.	(250,000)		(250,000)
Total Conference Committee Changes - Program and Policy	0.00	(\$13,363,309)	(\$13,403,194)

Senate Bill No. 2012 - Department of Human Services - State Hospital - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES ¹	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Traditional Secure Institutions	\$52,371,738 12,587,384	\$52,371,738 12,587,384 <u>167,482</u>	<u>(\$370,473)</u>	\$52,371,738 12,587,384 <u>(202,991)</u>	\$52,371,738 12,587,384 <u>(266,276)</u>	<u>63,285</u>
Total all funds	\$64,959,122	\$65,126,604	(\$370,473)	\$64,756,131	\$64,692,846	\$63,285
Less estimated income	<u>15,888,310</u>	<u>15,888,310</u>	<u>(1,445)</u>	<u>15,886,865</u>	<u>15,886,865</u>	
General fund	\$49,070,812	\$49,238,294	(\$369,028)	\$48,869,266	\$48,805,981	\$63,285
FTE	465.01	466.51	(1.00)	465.51	465.01	0.50
			FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL
¹ State Hospital - Conference Committee Changes: Removes funding for a vocational training position in the secure services unit added in the executive budget. The House also removed this position.			(1.00)	(\$69,028)	(\$1,445)	(\$70,473)
Reduces funding for capital improvements from \$3,362,757 to \$3,062,757, the same as the House version				(300,000)		(300,000)
Total Conference Committee Changes - State Hospital			(1.00)	(\$369,028)	(\$1,445)	(\$370,473)

Senate Bill No. 2012 - Department of Human Services - Developmental Center - Conference Committee Action

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES ¹	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
Human service centers/ institutions	\$48,456,612	\$48,456,612	(\$700,000)	\$47,756,612	\$47,756,612	
Total all funds	\$48,456,612	\$48,456,612	(\$700,000)	\$47,756,612	\$47,756,612	\$0
Less estimated income	<u>33,243,690</u>	<u>33,243,690</u>		<u>33,243,690</u>	<u>33,243,690</u>	
General fund	\$15,212,922	\$15,212,922	(\$700,000)	\$14,512,922	\$14,512,922	\$0
FTE	449.54	449.54	0.00	449.54	449.54	0.00
			FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL
¹ Developmental Center - Conference Committee Changes: Reduces funding for capital improvement projects from the general fund from \$947,092 to \$300,000, the same as the House version				(\$647,092)		(\$647,092)
Reduces funding for extraordinary repairs from \$600,000 to \$547,092, the same as the House version				(52,908)		(52,908)
Total Conference Committee Changes - Developmental Center			0.00	(\$700,000)	\$0	(\$700,000)

Senate Bill No. 2012 - Human Service Centers - General Fund Summary

	EXECUTIVE BUDGET	SENATE VERSION	COMMITTEE CHANGES ¹	COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
DHS - Northwest HSC	\$4,389,323	\$4,409,698	(\$46,999)	\$4,362,699	\$4,375,433	(\$12,734)
DHS - North Central HSC	8,924,775	8,970,346	(94,110)	8,876,236	8,904,717	(28,481)
DHS - Lake Region HSC	5,436,010	5,465,764	(56,602)	5,409,162	5,427,758	(18,596)
DHS - Northeast HSC	9,936,283	9,969,979	(110,964)	9,859,015	9,880,075	(21,060)
DHS - Southeast HSC	11,848,875	11,910,196	(124,684)	11,785,512	11,823,837	(38,325)
DHS - South Central HSC	8,291,192	8,320,442	(92,150)	8,228,292	8,246,573	(18,281)
DHS - West Central HSC	10,440,940	10,470,232	(118,855)	10,351,377	10,369,684	(18,307)
DHS - Badlands HSC	<u>5,003,380</u>	<u>5,017,294</u>	<u>(56,942)</u>	<u>4,960,352</u>	<u>4,969,047</u>	<u>(8,695)</u>
Total general fund	\$64,270,778	\$64,533,951	(\$701,306)	\$63,832,645	\$63,997,124	(\$164,479)

Senate Bill No. 2012 - Human Service Centers - Other Funds Summary

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES ¹	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
DHS - Northwest HSC	\$3,136,258	\$3,136,258		\$3,136,258	\$3,136,258	
DHS - North Central HSC	7,917,967	7,917,967		7,917,967	7,917,967	
DHS - Lake Region HSC	4,417,334	4,417,334		4,417,334	4,417,334	
DHS - Northeast HSC	12,256,322	12,260,487	\$1,562	12,262,049	12,264,652	(\$2,603)
DHS - Southeast HSC	14,296,599	14,296,599		14,296,599	14,296,599	
DHS - South Central HSC	6,450,546	6,460,823	3,853	6,464,676	6,471,100	(6,424)
DHS - West Central HSC	10,327,232	10,343,709	6,178	10,349,887	10,360,185	(10,298)
DHS - Badlands HSC	<u>4,845,616</u>	<u>4,845,756</u>	<u>53</u>	<u>4,845,809</u>	<u>4,845,897</u>	<u>(88)</u>
Total other funds	\$63,647,874	\$63,678,933	\$11,646	\$63,690,579	\$63,709,992	(\$19,413)

Senate Bill No. 2012 - Human Service Centers - All Funds Summary

	EXECUTIVE BUDGET	SENATE VERSION	CONFERENCE COMMITTEE CHANGES ¹	CONFERENCE COMMITTEE VERSION	HOUSE VERSION	COMPARISON TO HOUSE
DHS - Northwest HSC	\$7,525,581	\$7,545,956	(\$46,999)	\$7,498,957	\$7,511,691	(\$12,734)
DHS - North Central HSC	16,842,742	16,888,313	(94,110)	16,794,203	16,822,684	(28,481)
DHS - Lake Region HSC	9,853,344	9,883,098	(56,602)	9,826,496	9,845,092	(18,596)
DHS - Northeast HSC	22,192,605	22,230,466	(109,402)	22,121,064	22,144,727	(23,663)
DHS - Southeast HSC	26,145,474	26,206,795	(124,684)	26,082,111	26,120,436	(38,325)
DHS - South Central HSC	14,741,738	14,781,265	(88,297)	14,692,968	14,717,673	(24,705)
DHS - West Central HSC	20,768,172	20,813,941	(112,677)	20,701,264	20,729,869	(28,605)
DHS - Badlands HSC	<u>9,848,996</u>	<u>9,863,050</u>	<u>(56,889)</u>	<u>9,806,161</u>	<u>9,814,944</u>	<u>(8,783)</u>
Total all funds	\$127,918,652	\$128,212,884	(\$689,660)	\$127,523,224	\$127,707,116	(\$183,892)
FTE	838.73	838.73	0.00	838.73	838.73	0.00

¹ Funding for the human service centers provided from the general fund is reduced as follows (the House also made these reductions):

HUMAN SERVICE CENTER	GENERAL FUND
Northwest	(\$54,640)
North Central	(111,200)
Lake Region	(67,760)
Northeast	(123,600)
Southeast	(147,680)
South Central	(103,120)
West Central	(129,840)
Badlands	<u>(62,160)</u>
Total	(\$800,000)

Funding is added for the human service centers as listed below to provide a 4 percent inflationary increase for human service center contract service providers for the first year of the biennium and a 5 percent for the second year. The Senate provided a 4 percent annual increase and the House provided a 5 percent annual increase.

HUMAN SERVICE CENTER	GENERAL FUND	ESTIMATED INCOME	TOTAL
Northwest	\$7,641		\$7,641
North Central	17,090		17,090
Lake Region	11,158		11,158
Northeast	12,636	\$1,562	14,198
Southeast	22,996		22,996
South Central	10,970	3,853	14,823
West Central	10,985	6,178	17,163
Badlands	<u>5,218</u>	<u>53</u>	<u>5,271</u>
Total	\$98,694	\$11,646	\$110,340

Other changes to Senate Bill No. 2012:

Section 4 of the engrossed bill is changed to remove authority for the department to hire additional FTE positions without Emergency Commission approval. The House also made this change.

Section 7 of the engrossed bill is changed to remove specific reference to the Robinson Recovery Center. The House also made this change.

Section 10 of the engrossed bill added by the Senate providing for a Legislative Council study of the use of local property tax revenues to finance the delivery of human services is removed. The House also removed this section.

Sections added by the Senate changing the statutory name of qualified service providers to home service providers beginning July 2008 are removed. The House also removed these sections.

Sections are added which:

- Identify one-time funding included in the budget and provide for a report to the 2009 Legislative Assembly on the agency's use of the one-time funding. The House also added a similar section.
- Remove the requirement that entities contracting to provide guardianship services to vulnerable adults maintain a system of volunteer guardians. The House also removed this requirement.
- Provide for a Legislative Council study of infant development services and funding. The House also provided for this study.
- Provide for a Legislative Council study of nursing home equalization of rates and provider taxes/assessments on nursing homes. The House also provided for this study.
- Provide legislative intent that developmental disabilities service providers give priority to using the increased funding being provided for the 2007-09 biennium for increasing their employees' salaries. The House also added this section.
- Provide that the department implement a cost-based reimbursement system for critical access hospitals for the 2007-09 biennium.

Engrossed SB 2012 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. POLLERT MOVED that the conference committee report on Engrossed SB 2012 be adopted, which motion prevailed on a verification vote.

Engrossed SB 2012, as amended, was placed on the Fourteenth order.

SECOND READING OF SENATE BILL

SB 2012: A BILL for an Act to provide an appropriation for defraying the expenses of the department of human services; to provide statements of legislative intent; to provide for a legislative council report; to provide for legislative council studies; to authorize a Bank of North Dakota loan; to provide a contingent appropriation; to provide for transfers; to create and enact a new section to chapter 23-01 and chapter 23-39 of the North Dakota Century Code, relating to programs for children with special health care needs; to amend and reenact sections 25-17-02, 25-17-03, 50-06-01.2, 50-06-01.4, 50-06-24, and 50-24.4-15 of the North Dakota Century Code, relating to rulemaking and to the provision of medical food for individuals with metabolic disorders, the structure of the department of human services, guardianship services, and to nursing home property-related costs; and to repeal chapter 50-10 of the North Dakota Century Code, relating to aid to crippled children.

ROLL CALL

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

YEAS: Aarsvold; Amerman; Bellew; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; Damschen; DeKrey; Delmore; Dietrich; Dosch; Drovdal; Ekstrom; Froelich; Froseth; Glassheim; Grande; Griffin; Gruchalla; Gullerson; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Hunsakor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Myxter; Nelson; Nottestad; Onstad; Owens; Pietsch; Pinkerton; Pollert; Porter; Potter; Price; Schmidt; Schneider; Skarphol; Solberg; Sukut; Svedjan; Thoreson; Thorpe;

Uglem; Vig; Vigesaa; Wald; Wall; Weisz; Wieland; Williams; Wolf; Wrangham;
Speaker Delzer

NAYS: Ruby; Weiler; Zaiser

Engrossed SB 2012, as amended, passed and the title was agreed to.

REPORT OF CONFERENCE COMMITTEE

HB 1017, as engrossed: Your conference committee (Sens. Wardner, Krebsbach, Tallackson and Reps. Carlson, Ruby, Glassheim) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1485-1494 and place HB 1017 on the Seventh order.

Engrossed HB 1017 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. CARLSON MOVED that the conference committee report on Engrossed HB 1017 be adopted, which motion prevailed on a voice vote.

REPORT OF CONFERENCE COMMITTEE

HB 1012, as engrossed: Your conference committee (Sens. Wardner, Krebsbach, Tallackson and Reps. Carlson, Vigesaa, Kroeber) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1479-1480, adopt amendments as follows, and place HB 1012 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1479-1480 of the House Journal and pages 1262-1264 of the Senate Journal, and that Engrossed House Bill No. 1012 be amended as follows:

Page 1, line 2, replace the first "and" with "to provide for legislative council studies; to provide for transfers; to provide a contingent continuation of the single state registration system; to create and enact a new section to chapter 8-11.1 and a new section to chapter 24-02 of the North Dakota Century Code, relating to midwest interstate passenger rail commission dues and authority of the director of the department of transportation to join the multistate highway transportation agreement;" and replace "section" with "sections 39-04.2-04 and 39-29-10, the new subsection to section 57-40.3-04 of the North Dakota Century Code as created by section 4 of House Bill No. 1393, as approved by the sixtieth legislative assembly, and section"

Page 1, line 3, after "to" insert "distribution of public transportation funds, the operation of off-highway vehicles, motor vehicle excise tax exemptions for tribal members, and" and after "collections" insert "; to provide an expiration date; and to declare an emergency"

Page 1, line 18, replace "17,591,177" with "31,160,647"

Page 1, line 19, replace "(109,558,341)" with "(108,147,421)"

Page 1, line 20, replace "9,054,000" with "10,054,000"

Page 1, line 21, replace "(\$67,713,282)" with "(\$51,732,892)"

Page 2, line 4, replace "161,128,193" with "174,697,663"

Page 2, line 5, replace "547,310,178" with "548,721,098"

Page 2, line 6, replace "51,412,500" with "52,412,500"

Page 2, line 7, replace "887,295,066" with "903,275,456"

Page 2, after line 14, insert:

"SECTION 5. LEGISLATIVE COUNCIL STUDY - TRAFFIC FINES. The legislative council shall consider studying, during the 2007-08 interim, the traffic fines imposed by state and local governments. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

SECTION 6. LEGISLATIVE COUNCIL STUDY - HIGHWAY FUNDING AND INFRASTRUCTURE NEEDS. The legislative council shall study, during the 2007-08 interim, highway funding and transportation infrastructure needs, including those needs resulting from energy and economic development in the state. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

SECTION 7. Single state insurance registration system. If the Congress of the United States authorizes a continuation of state participation in the single state insurance registration system for motor carriers, the director of the department of transportation may continue to collect registration fees until the extension authorization expires.

SECTION 8. A new section to chapter 8-11.1 of the North Dakota Century Code is created and enacted as follows:

Amount of dues assessed by commission - Negotiation. North Dakota's commission members may negotiate a lower amount of any dues imposed by the commission based upon anticipated North Dakota commission-related activities. If the commission does not approve a lower amount of dues, the department of transportation may withhold the dues payment until the next legislative assembly addresses the issue.

SECTION 9. A new section to chapter 24-02 of the North Dakota Century Code is created and enacted as follows:

Multistate highway transportation agreement. The director may join the multistate highway transportation agreement to promote uniformity among participating jurisdictions in vehicle size and weight standards. The legislative council shall review the guidelines for eligible voting members of the cooperating committee formed by the agreement and appoint a member of the house standing transportation committee and a member of the senate standing transportation committee or their designees as the legislative members representing this state to the cooperating committee formed by the agreement.

SECTION 10. AMENDMENT. Section 39-04.2-04 of the North Dakota Century Code is amended and reenacted as follows:

39-04.2-04. Distribution of funds.

1. Moneys appropriated by the legislative assembly to the public transportation fund must be disbursed under guidelines issued by the director. The funds must be used by transportation providers to establish and maintain public transportation, especially for the elderly and handicapped, and may be used to contract to provide public transportation, as matching funds to procure money from other sources for public transportation and for other expenditures authorized by the director.
2. ~~Following authorization of the director, the state treasurer shall pay the public transportation funds to transportation providers in each county.~~ Each county shall receive ~~eighteen thousand three hundred dollars~~ a base amount of four-tenths of one percent of the appropriation for the program plus one dollar and fifty cents per capita of population in the county, based upon the latest regular or special official federal census. Each year the director shall increase or decrease the one dollar and fifty cents per capita amount in order to distribute all funds appropriated for the biennium. If there are multiple transportation providers in one county, then the base amount of ~~eighteen thousand three hundred dollars~~ must be divided equally among the providers and the additional per capita amount must be based upon the percentage of elderly and handicapped ridership provided by each transportation provider within the county.
3. ~~Unless otherwise provided by law, any moneys remaining in the fund at the end of each biennium must be retained in the public transportation fund for redistribution.~~

SECTION 11. AMENDMENT. Section 39-29-10 of the North Dakota Century Code is amended and reenacted as follows:

39-29-10. Operation by persons under age sixteen. Except as otherwise provided in this section, ~~a person~~ an individual under sixteen years of age who is not in

possession of a valid operator's license or permit to operate an ~~all-terrain off-highway~~ vehicle may not, except upon the lands of the ~~person's individual's~~ parent or guardian or as a participant in an organized sporting event that involves the use of off-highway vehicles, operate an ~~all-terrain off-highway~~ vehicle. ~~A person~~ An individual at least twelve years of age may operate an ~~all-terrain off-highway~~ vehicle if the ~~person individual~~ has completed an ~~all-terrain off-highway~~ vehicle safety training course prescribed by the director of the parks and recreation department ~~and~~, has received the appropriate ~~all-terrain off-highway~~ vehicle safety certificate issued by the director of the department of transportation. The failure of an operator to exhibit an ~~all-terrain off-highway~~ vehicle safety certificate on demand to any official authorized to enforce this chapter is presumptive evidence that that person does not hold ~~such~~ a certificate. Fees collected from each ~~person individual~~ receiving certification must be deposited in the ~~all-terrain off-highway~~ vehicle trail tax fund for ~~all-terrain off-highway~~ vehicle safety education and training programs.

SECTION 12. The new subsection to section 57-40.3-04 of the North Dakota Century Code, as created by section 4 of House Bill No. 1393, as approved by the sixtieth legislative assembly, is amended and reenacted as follows:

A motor vehicle acquired at any location within this state by an individual who ~~resides within the boundaries of any reservation in this state and who~~ is an enrolled member of a federally recognized Indian tribe."

Page 2, replace lines 21 through 24 with:

- "1. Ten percent to the highway fund.
- 2. Ninety percent to the state general fund.

SECTION 14. TRANSFER. The director of the department of transportation shall transfer the sum of \$1,000,000 from the highway fund to the public transportation fund for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 15. EXPIRATION DATE. Section 13 of this Act is effective through June 30, 2009, and after that date is ineffective.

SECTION 16. EMERGENCY. Of the funds appropriated in the capital improvements line item in section 3 of this Act, \$25,098,000 relating to fleet services motor vehicle purchases is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1012 - Department of Transportation - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$127,444,195	\$127,444,195		\$127,444,195	\$127,444,195	
Operating expenses	179,717,273	161,128,193	\$13,569,470	174,697,663	174,697,663	
Capital assets	548,721,098	547,310,178	1,410,920	548,721,098	548,721,098	
Grants	51,412,500	51,412,500	1,000,000	52,412,500	51,412,500	\$1,000,000
Nelson County grant					550,000	(550,000)
Total all funds	\$907,295,066	\$887,295,066	\$15,980,390	\$903,275,456	\$902,825,456	\$450,000
Less estimated income	<u>887,295,066</u>	<u>887,295,066</u>	<u>15,980,390</u>	<u>903,275,456</u>	<u>902,275,456</u>	<u>1,000,000</u>
General fund	\$20,000,000	\$0	\$0	\$0	\$550,000	(\$550,000)
FTE	1052.50	1052.50	0.00	1052.50	1052.50	0.00

Dept. 801 - Department of Transportation - Detail of Conference Committee Changes

	RESTORES FUNDING ¹	ADDS PUBLIC TRANSPORTATION GRANTS ²	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages			
Operating expenses	\$13,569,470		\$13,569,470
Capital assets	1,410,920		1,410,920
Grants		\$1,000,000	1,000,000
Nelson County grant			

Total all funds	\$14,980,390	\$1,000,000	\$15,980,390
Less estimated income	<u>14,980,390</u>	<u>1,000,000</u>	<u>15,980,390</u>
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

¹ This amendment restores funding for the items listed below which were removed by the House. The executive budget had provided funding for these items from the general fund. The conference committee is providing funding for these items from the highway fund, the same as the Senate version.

	HIGHWAY FUND
Information technology projects	\$1,788,558
Equipment	2,021,860
Road patching maintenance and materials	11,169,972
Total	<u>\$14,980,390</u>

² The conference committee provided an additional \$1 million from the public transportation fund, to provide a total of \$5.7 million from this fund for public transportation grants. This amendment also changes the public transportation grants formula.

The section added by the House providing that the first \$120 million of motor vehicle excise tax collections each biennium be deposited in the general fund and any additional amounts in the highway fund is changed to provide that 10 percent of these collections be deposited in the highway fund and 90 percent in the general fund. This provision is anticipated to reduce 2007-09 biennium general fund revenues by \$12.6 million. This section is effective only for the 2007-09 biennium and does not affect amounts deposited in the state aid distribution fund. The Senate provided that the first \$14 million be deposited in the highway fund and any additional amounts in the general fund.

A section is added by the conference committee transferring \$1 million from the highway fund to the public transportation fund.

A section is added authorizing the department to join the Multistate Highway Transportation Agreement. A similar section was added by the Senate.

The emergency clause section added by the Senate is included allowing Fleet Services to begin purchasing new vehicles prior to July 1, 2007. The Senate also added this section.

This amendment does not include the \$550,000 general fund appropriation approved by the Senate for providing a grant to Nelson County for critical road projects.

The following sections were added by the conference committee:

- Providing for Legislative Council studies of traffic fines and highway funding and infrastructure needs.
- Allowing the department to continue the single state insurance registration system until discontinued by Congress.
- Allowing the state to negotiate lower dues for membership in the Midwest Interstate Passenger Rail Commission.
- Exempting tribal members from paying motor vehicle excise taxes.
- Allowing children under 16 years of age to be involved in organized off-highway vehicle sporting events.

Engrossed HB 1012 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. CARLSON MOVED that the conference committee report on Engrossed HB 1012 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1012, as amended, was placed on the Eleventh order.

SECOND READING OF HOUSE BILL

HB 1012: A BILL for an Act to provide an appropriation for defraying the expenses of the department of transportation; to provide for legislative council studies; to provide for transfers; to provide a contingent continuation of the single state registration system; to create and enact a new section to chapter 8-11.1 and a new section to chapter 24-02 of the North Dakota Century Code, relating to midwest interstate passenger rail commission dues and authority of the director of the department of transportation to join the multistate highway transportation agreement; to amend and reenact sections 39-04.2-04 and 39-29-10, the new subsection to section 57-40.3-04 of the North Dakota Century Code as created by section 4 of House Bill No. 1393, as approved by the sixtieth legislative assembly, and section 57-40.3-10 of the North Dakota Century Code, relating to distribution of public transportation funds, the operation of off-highway vehicles, motor vehicle excise tax exemptions for tribal members, and motor vehicle excise tax collections; to provide an expiration date; and to declare an emergency.

ROLL CALL

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

YEAS: Amerman; Bellew; Belter; Berg; Boehning; Brandenburg; Carlisle; Carlson; Clark; Conrad; Dahl; Damschen; DeKrey; Delmore; Dietrich; Dosch; Drovdal; Froelich; Froseth; Grande; Gruchalla; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Hunskor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kempenich; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Meyer, S.; Monson; Mueller; Myxter; Owens; Pietsch; Pinkerton; Pollert; Porter; Potter; Price; Ruby; Schneider; Skarphol; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vig; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wolf; Wrangham; Speaker Delzer

NAYS: Aarsvold; Boe; Boucher; Charging; Ekstrom; Glassheim; Griffin; Gulleon; Kelsh, S.; Kerzman; Metcalf; Nelson; Nottestad; Onstad; Schmidt; Solberg; Zaiser

Reengrossed HB 1012 passed, the title was agreed to, and the emergency clause was declared carried.

REPORT OF CONFERENCE COMMITTEE

HB 1003, as engrossed: Your conference committee (Sens. Holmberg, Krebsbach, Robinson and Reps. Wald, Monson, Aarsvold) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1346-1357, adopt amendments as follows, and place HB 1003 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1346-1357 of the House Journal and pages 1025-1035 of the Senate Journal and that Engrossed House Bill No. 1003 be amended as follows:

Page 1, line 3, remove "to provide for"

Page 1, line 4, remove "a transfer;"

Page 1, line 6, replace "sections 1 and 2 of House Bill No. 1031, as" with "section 15-12-27 of the North Dakota Century Code, relating to North Dakota state university's eighteenth street development fund"

Page 1, line 7, remove "approved by the sixtieth legislative assembly, relating to the budgeting process"

Page 5, replace lines 5 through 31 with:

"SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION. The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the North Dakota university system office and to the various entities and institutions under the supervision of the state board of higher education which are included in the appropriation in section 3 of this Act as follows:

Subdivision 1.

NORTH DAKOTA UNIVERSITY SYSTEM OFFICE AND INSTITUTIONS

Capital assets	\$2,225,971
Competitive research program	460,000
Board initiatives	(1,486,500)
System governance	314,972
Common information services	10,914,000
Operations pool	(388,559)
Equity pool	(2,000,000)
Contingency and capital emergency	(436,923)
Professional liability insurance	(250,000)
Student financial assistance grants	2,483,095
Professional student exchange program	595,666
Scholars program	616,489
Native American scholarships	128,638
Education incentive programs	<u>512,412</u>
Total all funds - Adjustments/enhancements	\$13,689,261
Less estimated income - Adjustments/enhancements	<u>2,817,754</u>
Total general fund - Adjustments/enhancements	\$10,871,507

Subdivision 2.

BISMARCK STATE COLLEGE

Operations	\$2,868,132
Capital assets	<u>2,707,161</u>
Total all funds - Adjustments/enhancements	\$5,575,293
Less estimated income - Adjustments/enhancements	<u>1,988,750</u>
Total general fund - Adjustments/enhancements	\$3,586,543

Subdivision 3.

LAKE REGION STATE COLLEGE

Operations	\$1,121,359
Capital assets	<u>2,745,667</u>
Total all funds - Adjustments/enhancements	\$3,867,026
Less estimated income - Adjustments/enhancements	<u>3,007,600</u>
Total general fund - Adjustments/enhancements	\$859,426

Subdivision 4.

WILLISTON STATE COLLEGE

Operations	\$869,507
Capital assets	<u>(5,879,277)</u>
Total all funds - Adjustments/enhancements	(\$5,009,770)
Less estimated income - Adjustments/enhancements	<u>(5,660,000)</u>
Total general fund - Adjustments/enhancements	\$650,230

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

Operations	\$14,460,228
Capital assets	<u>(18,303,224)</u>
Total all funds - Adjustments/enhancements	(\$3,842,996)
Less estimated income - Adjustments/enhancements	<u>(23,911,554)</u>
Total general fund - Adjustments/enhancements	\$20,068,558

Subdivision 6.

NORTH DAKOTA STATE UNIVERSITY

Operations	\$13,788,980
Capital assets	<u>4,016,935</u>
Total all funds - Adjustments/enhancements	\$17,805,915
Less estimated income - Adjustments/enhancements	<u>(3,000,000)</u>
Total general fund - Adjustments/enhancements	\$20,805,915

Subdivision 7.

NORTH DAKOTA STATE COLLEGE OF SCIENCE

Operations	\$2,753,540
Capital assets	<u>1,198,613</u>
Total all funds - Adjustments/enhancements	\$3,952,153
Less estimated income - Adjustments/enhancements	<u>565,500</u>
Total general fund - Adjustments/enhancements	\$3,386,653

Subdivision 8.

DICKINSON STATE UNIVERSITY

Operations	\$2,144,483
Capital assets	<u>(465,484)</u>

Total all funds - Adjustments/enhancements	\$1,678,999
Less estimated income - Adjustments/enhancements	<u>(1,100,557)</u>
Total general fund - Adjustments/enhancements	\$2,779,556

Subdivision 9.

MAYVILLE STATE UNIVERSITY

Operations	\$1,111,435
Capital assets	<u>130,969</u>
Total all funds - Adjustments/enhancements	\$1,242,404
Less estimated income - Adjustments/enhancements	<u>(600,000)</u>
Total general fund - Adjustments/enhancements	\$1,842,404

Subdivision 10.

MINOT STATE UNIVERSITY

Operations	\$2,879,273
Capital assets	<u>367,024</u>
Total all funds - Adjustments/enhancements	\$3,246,297
Less estimated income - Adjustments/enhancements	<u>(7,128,385)</u>
Total general fund - Adjustments/enhancements	\$10,374,682

Subdivision 11.

VALLEY CITY STATE UNIVERSITY

Operations	\$1,543,611
Capital assets	<u>2,487,819</u>
Total all funds - Adjustments/enhancements	\$4,031,430
Less estimated income - Adjustments/enhancements	<u>2,200,000</u>
Total general fund - Adjustments/enhancements	\$1,831,430

Subdivision 12.

MINOT STATE UNIVERSITY - BOTTINEAU

Operations	\$425,088
Capital assets	<u>(5,699,023)</u>
Total all funds - Adjustments/enhancements	(\$5,273,935)
Less estimated income - Adjustments/enhancements	<u>(5,748,000)</u>
Total general fund - Adjustments/enhancements	\$474,065

Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE
AND HEALTH SCIENCES

Operations	\$3,127,499
Total general fund - Adjustments/enhancements	\$3,127,499

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

Operations	\$427,182
Capital assets	<u>78,566</u>
Total all funds - Adjustments/enhancements	\$505,748
Less estimated income - Adjustments/enhancements	<u>22,485</u>
Total general fund - Adjustments/enhancements	\$483,263
Total general fund - Section 2	\$81,141,731
Total estimated income - Section 2	(\$36,546,407)
Total all funds - Section 2	\$44,595,324

SECTION 3. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the North Dakota university system office and the various entities and institutions under the supervision of the state board of higher education for the purpose of defraying the expenses of those entities and institutions, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

Subdivision 1.

NORTH DAKOTA UNIVERSITY SYSTEM OFFICE AND INSTITUTIONS

Capital assets	\$16,504,112
Competitive research program	5,650,000
Board initiatives	398,500
System governance	5,883,394
Title II	695,600
Common information services	31,477,093

Professional liability insurance	1,100,000
Student financial assistance grants	5,987,497
Professional student exchange program	2,722,946
Scholars program	1,478,566
Native American scholarships	380,626
Education incentive programs	<u>1,740,314</u>
Total all funds	\$74,018,648
Less estimated income	<u>5,417,530</u>
Total general fund appropriation	\$68,601,118

Subdivision 2.

BISMARCK STATE COLLEGE

Operations	\$19,733,680
Capital assets	<u>6,695,942</u>
Total all funds	\$26,429,622
Less estimated income	<u>5,734,050</u>
Total general fund appropriation	\$20,695,572

Subdivision 3.

LAKE REGION STATE COLLEGE

Operations	\$6,511,348
Capital assets	<u>3,133,204</u>
Total all funds	\$9,644,552
Less estimated income	<u>3,007,600</u>
Total general fund appropriation	\$6,636,952

Subdivision 4.

WILLISTON STATE COLLEGE

Operations	\$6,622,504
Capital assets	<u>2,257,198</u>
Total all funds	\$8,879,702
Less estimated income	<u>2,300,000</u>
Total general fund appropriation	\$6,579,702

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

Operations	\$107,011,830
Capital assets	<u>81,828,875</u>
Total all funds	\$188,840,705
Less estimated income	<u>73,920,000</u>
Total general fund appropriation	\$114,920,705

Subdivision 6.

NORTH DAKOTA STATE UNIVERSITY

Operations	\$89,593,630
Capital assets	<u>43,209,161</u>
Total all funds	\$132,802,791
Less estimated income	<u>34,500,000</u>
Total general fund appropriation	\$98,302,791

Subdivision 7.

NORTH DAKOTA STATE COLLEGE OF SCIENCE

Operations	\$27,740,368
Capital assets	<u>4,756,865</u>
Total all funds	\$32,497,233
Less estimated income	<u>3,370,420</u>
Total general fund appropriation	\$29,126,813

Subdivision 8.

DICKINSON STATE UNIVERSITY

Operations	\$16,856,110
Capital assets	<u>9,018,763</u>
Total all funds	\$25,874,873
Less estimated income	<u>8,000,000</u>
Total general fund appropriation	\$17,874,873

Subdivision 9.

MAYVILLE STATE UNIVERSITY

Operations	\$10,115,065
Capital assets	<u>1,989,963</u>

Total all funds	\$12,105,028
Less estimated income	<u>900,000</u>
Total general fund appropriation	\$11,205,028

Subdivision 10.

MINOT STATE UNIVERSITY

Operations	\$30,095,122
Capital assets	<u>9,578,894</u>
Total all funds	\$39,674,016
Less estimated income	<u>1,406,615</u>
Total general fund appropriation	\$38,267,401

Subdivision 11.

VALLEY CITY STATE UNIVERSITY

Operations	\$13,350,137
Capital assets	<u>2,996,235</u>
Total all funds	\$16,346,372
Less estimated income	<u>2,200,000</u>
Total general fund appropriation	\$14,146,372

Subdivision 12.

MINOT STATE UNIVERSITY - BOTTINEAU

Operations	\$4,759,548
Capital assets	<u>410,702</u>
Total all funds	\$5,170,250
Less estimated income	<u>252,000</u>
Total general fund appropriation	\$4,918,250

Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE
AND HEALTH SCIENCES

Operations	<u>\$34,488,501</u>
Total general fund appropriation	\$34,488,501

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

Operations	\$3,352,828
Capital assets	<u>180,204</u>
Total all funds	\$3,533,032
Less estimated income	<u>997,486</u>
Total general fund appropriation	\$2,535,546
Total general fund appropriation - Section 3	\$468,299,624
Total estimated income appropriation - Section 3	\$142,005,701
Total all funds appropriation - Section 3	\$610,305,325
Grand total general fund appropriation - H.B. 1003	\$468,449,624
Grand total estimated income appropriation - H.B. 1003	\$164,719,701
Grand total all funds appropriation - H.B. 1003	\$633,169,325

SECTION 4. APPROPRIATION. There is appropriated out of any moneys in the general fund, not otherwise appropriated, the sum of \$150,000, or so much of the sum as may be necessary, to Dickinson state university for the purpose of providing one-time startup funding for establishing a Theodore Roosevelt center, for the biennium beginning July 1, 2007, and ending June 30, 2009."

Page 6, remove lines 1 through 31

Page 7, remove lines 1 through 30

Page 8, remove lines 1 through 30

Page 9, remove lines 1 through 30

Page 10, remove lines 1 through 31

Page 11, remove lines 1 through 30

Page 12, remove lines 1 through 23

Page 12, line 24, after "**INITIATIVES**" insert "- **REPORT TO THE SIXTY-FIRST LEGISLATIVE ASSEMBLY**", after "The" insert "board initiatives line item in subdivision 1 of section 3 of this Act includes the", and remove "of the funding included in"

Page 12, line 25, remove "the board initiatives line item in subdivision 1 of section 3 of this Act must be used"

Page 12, line 26, after "funds" insert "and the sum of \$98,500 for a recruiting initiative for Minot state university - Bottineau. The funding for the initiative is provided for a two-year pilot basis. Minot state university - Bottineau shall report on the effectiveness of the initiative to the appropriations committees of the sixty-first legislative assembly"

Page 13, remove lines 1 through 4

Page 13, line 5, replace "\$28,652,267" with "\$31,477,093"

Page 13, remove lines 14 through 18

Page 13, line 20, replace "\$1,000,000" with "\$750,000"

Page 13, line 25, replace "\$317,460" with "\$523,380"

Page 13, line 29, replace "\$900,000" with "\$7,783,315"

Page 13, line 30, after "fund" insert "of which \$2,773,800 is for northern tier network infrastructure, \$4,109,515 is for steamline projects at the state college of science, Valley City state university, and Minot state university - Bottineau, and \$900,000 is"

Page 16, remove lines 27 through 31

Page 17, line 1, after "**LIMIT**" insert "- **BUDGET SECTION APPROVAL**"

Page 17, line 4, after "year" insert "unless the board receives prior budget section approval"

Page 17, replace lines 5 through 31 with:

"SECTION 19. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY. The grand total appropriation in section 3 of this Act includes \$28,382,068 from the general fund and \$7,583,315 from the permanent oil tax trust fund for one-time funding items identified in this section. This amount is not part of the institutions' base budgets to be used in preparing the 2009-11 executive budget. The North Dakota university system shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

Northern tier network infrastructure from permanent oil tax trust fund	\$2,773,800
ConnectND system support	2,300,000
Common information system pool parity funding	420,000
Deferred maintenance	10,893,033
Capital projects	13,808,235
Capital projects from permanent oil tax trust fund	4,809,515
Campus initiatives	960,800
Total	\$35,965,383"

Page 18, remove lines 1 through 15

Page 18, line 17, replace "make available" with "use"

Page 18, line 19, replace "the payment of any consulting services relating to the legislative" with "completing and furnishing the thatcher hall renovation and addition at Minot state university - Bottineau"

Page 18, line 20, remove "council study of higher education"

Page 18, after line 21, insert:

"SECTION 21. LEGISLATIVE INTENT - NORTHERN TIER NETWORK. It is the intent of the sixtieth legislative assembly that higher education institutions utilizing the northern tier network be responsible for funding the related ongoing maintenance costs for the network.

SECTION 22. NORTH DAKOTA STATE UNIVERSITY - COLLEGE OF BUSINESS BUILDING. The state board of higher education may enter an agreement or agreements with the North Dakota state university foundation or other private entity and do all things necessary and proper to authorize construction by the foundation or other private entity of a college of business building off the North Dakota state university campus, using donations, gifts, or other private funds.

SECTION 23. LEGISLATIVE COUNCIL STUDY - HIGHER EDUCATION.

1. The legislative council shall consider appointing a higher education committee for the 2007-08 interim. If appointed, the committee shall spend a majority of time studying the means by which the North Dakota university system can further contribute to developing and attracting the human capital to meet North Dakota's economic and workforce needs, and if time allows, the committee may visit select higher education institutions.
2. The study must focus on ways to increase postsecondary access, improve the quality of education, contain costs and other means, including productivity, to maximize the usage of the North Dakota university system in meeting the human capital needs of the state.
3. The study must include a review of policy recommendations, as appropriate, which address the postsecondary delivery system, including the mix of institutions, educational attainment gaps, degree production gaps, recruitment and retention of students, and workforce training needs.
4. The study must include a review of the impact of the state's changing demographics on the university system long-term financing plan.
5. The study must recommend goals for each of the higher education cornerstones.
6. The study may include the use of a higher education roundtable format.
7. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.
8. The state board of higher education also shall take the recommendations into account and make appropriate changes to practices, board policy, and budget needs and allocation.

SECTION 24. LEGISLATIVE COUNCIL STUDY - PROFESSIONAL STUDENT EXCHANGE PROGRAMS. The legislative council shall consider studying, during the 2007-08 interim, higher education professional student exchange programs. The study should include review of:

1. The amount of annual tuition and fees paid by students for health care-related professional education programs.
2. The amount of annual support fees paid by the state for health care-related professional education programs.
3. The number of state-supported slots funded and demand for state-supported slots, including the consideration of basing the number of slots on the estimated workforce needs to fill positions due to retirements, geographic, and professional specific service needs.
4. The present repayment provisions and loan forgiveness programs to determine cost-effectiveness, equality issues, and development of program enhancements that would aid in the recruitment of professional students to return to the state to practice their chosen profession.
5. Discontinuation of the contracts with the western interstate commission on higher education for access to veterinary medicine programs and consideration of negotiating contracts for veterinary medicine with Kansas, Iowa, and Minnesota.

The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

SECTION 25. LEGISLATIVE INTENT - BISMARCK FAMILY PRACTICE CENTER. It is the intent of the sixtieth legislative assembly that the university of North Dakota school of medicine and health sciences may construct, renovate, remodel, purchase, or lease a building for the Bismarck family practice center."

Page 20, line 9, replace "Sections 1 and 2 of House Bill No. 1031, as approved by the" with "Section 15-12-27 of the North Dakota Century Code is"

Page 20, line 10, remove "sixtieth legislative assembly, are"

Page 20, line 11, replace "25" with "27"

Page 20, line 14, replace the comma with "and"

Page 20, line 15, remove ", and contingency and capital emergency"

Page 20, line 16, replace "9" with "4, 8, 15, 16," and replace "15" with "22"

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1003 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
University System office						
Total all funds	\$73,348,533	\$72,080,990	\$1,937,658	\$74,018,648	\$74,718,648	(\$700,000)
Less estimated income	2,437,810	2,686,810	2,730,720	5,417,530	2,643,730	2,773,800
General fund	\$70,910,723	\$69,394,180	(\$793,062)	\$68,601,118	\$72,074,918	(\$3,473,800)
Bismarck State College						
Total all funds	\$20,799,330	\$20,587,433	\$5,842,189	\$26,429,622	\$26,479,080	(\$49,458)
Less estimated income	27,805	27,805	5,706,245	5,734,050	5,707,555	26,495
General fund	\$20,771,525	\$20,559,628	\$135,944	\$20,695,572	\$20,771,525	(\$75,953)
Lake Region State College						
Total all funds	\$9,660,871	\$9,607,299	\$37,253	\$9,644,552	\$9,660,871	(\$16,319)
Less estimated income	3,007,600	2,007,600	1,000,000	3,007,600	3,007,600	
General fund	\$6,653,271	\$7,599,699	(\$962,747)	\$6,636,952	\$6,653,271	(\$16,319)
Williston State College						
Total all funds	\$7,996,300	\$8,830,366	\$49,336	\$8,879,702	\$8,896,300	(\$16,598)
Less estimated income	1,400,000	2,300,000		2,300,000	2,300,000	
General fund	\$6,596,300	\$6,530,366	\$49,336	\$6,579,702	\$6,596,300	(\$16,598)
University of North Dakota						
Total all funds	\$193,608,905	\$191,861,920	\$978,785	\$192,840,705	\$193,108,905	(\$268,200)
Less estimated income	78,200,000	74,100,000	3,820,000	77,920,000	77,700,000	220,000
General fund	\$115,408,905	\$117,761,920	(\$2,841,215)	\$114,920,705	\$115,408,905	(\$488,200)
UND Medical Center						
Total all funds	\$33,874,938	\$34,238,963	\$249,538	\$34,488,501	\$34,574,938	(\$86,437)
Less estimated income						
General fund	\$33,874,938	\$34,238,963	\$249,538	\$34,488,501	\$34,574,938	(\$86,437)
North Dakota State University						
Total all funds	\$119,527,336	\$133,439,378	\$11,363,413	\$144,802,791	\$145,027,336	(\$224,545)
Less estimated income	20,500,000	35,500,000	11,000,000	46,500,000	46,000,000	500,000
General fund	\$99,027,336	\$97,939,378	\$363,413	\$98,302,791	\$99,027,336	(\$724,545)
State College of Science						
Total all funds	\$8,830,758	\$8,917,159	\$294,074	\$39,211,233	\$39,280,758	(\$69,525)
Less estimated income	8,414,000	8,414,000	1,670,420	10,084,420	8,414,000	1,670,420
General fund	\$30,416,758	\$30,503,159	(\$1,376,346)	\$29,126,813	\$30,866,758	(\$1,739,945)
Dickinson State University						
Total all funds	\$25,917,119	\$25,729,961	\$294,912	\$26,024,873	\$25,917,119	\$107,754
Less estimated income	8,000,000	8,000,000		8,000,000	8,000,000	
General fund	\$17,917,119	\$17,729,961	\$294,912	\$18,024,873	\$17,917,119	\$107,754
Mayville State University						
Total all funds	\$11,736,719	\$12,208,021	(\$102,993)	\$12,105,028	\$11,879,752	\$225,276
Less estimated income	900,000	900,000		900,000	900,000	
General fund	\$10,836,719	\$11,308,021	(\$102,993)	\$11,205,028	\$10,979,752	\$225,276
Minot State University						
Total all funds	\$39,698,842	\$39,445,085	\$228,931	\$39,674,016	\$39,749,442	(\$75,426)
Less estimated income	5,575,550	1,239,150	167,465	1,406,615	1,239,150	167,465
General fund	\$34,123,292	\$38,205,935	\$61,466	\$38,267,401	\$38,510,292	(\$242,891)
Valley City State University						
Total all funds	\$15,979,831	\$15,851,252	\$495,120	\$16,346,372	\$16,379,831	(\$33,459)
Less estimated income			2,200,000	2,200,000		2,200,000
General fund	\$15,979,831	\$15,851,252	(\$1,704,880)	\$14,146,372	\$16,379,831	(\$2,233,459)

Minot State University - Bottineau						
Total all funds	\$5,182,179	\$5,138,046	\$32,204	\$5,170,250	\$5,182,179	(\$11,929)
Less estimated income	12,905	12,905	239,095	252,000	12,905	239,095
General fund	\$5,169,274	\$5,125,141	(\$206,891)	\$4,918,250	\$5,169,274	(\$251,024)
Forest Service						
Total all funds	\$3,538,935	\$3,513,993	\$19,039	\$3,533,032	\$3,538,935	(\$5,903)
Less estimated income	997,486	997,486		997,486	997,486	
General fund	\$2,541,449	\$2,516,507	\$19,039	\$2,535,546	\$2,541,449	(\$5,903)
Bill Total						
Total all funds	\$599,700,596	\$611,449,866	\$21,719,459	\$633,169,325	\$634,394,094	(\$1,224,769)
Less estimated income	129,473,156	136,185,756	28,533,945	164,719,701	156,922,426	7,797,275
General fund	\$470,227,440	\$475,264,110	(\$6,814,486)	\$468,449,624	\$477,471,668	(\$9,022,044)

House Bill No. 1003 - General Fund Summary

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
University System office	\$70,910,723	\$69,394,180	(\$793,062)	\$68,601,118	\$72,074,918	(\$3,473,800)
Bismarck State College	20,771,525	20,559,628	135,944	20,695,572	20,771,525	(75,953)
Lake Region State College	6,653,271	7,599,699	(962,747)	6,636,952	6,653,271	(16,319)
Williston State College	6,596,300	6,530,366	49,336	6,579,702	6,596,300	(16,598)
University of North Dakota	115,408,905	117,761,920	(2,841,215)	114,920,705	115,408,905	(488,200)
UND Medical Center	33,874,938	34,238,963	249,538	34,488,501	34,574,938	(86,437)
North Dakota State University	99,027,336	97,939,378	363,413	98,302,791	99,027,336	(724,545)
State College of Science	30,416,758	30,503,159	(1,376,346)	29,126,813	30,866,758	(1,739,945)
Dickinson State University	17,917,119	17,729,961	294,912	18,024,873	17,917,119	107,754
Mayville State University	10,836,719	11,308,021	(102,993)	11,205,028	10,979,752	225,276
Minot State University	34,123,292	38,205,935	61,466	38,267,401	38,510,292	(242,891)
Valley City State University	15,979,831	15,851,252	(1,704,880)	14,146,372	16,379,831	(2,233,459)
Minot State University - Bottineau	5,169,274	5,125,141	(206,891)	4,918,250	5,169,274	(251,024)
Forest Service	<u>2,541,449</u>	<u>2,516,507</u>	<u>19,039</u>	<u>2,535,546</u>	<u>2,541,449</u>	<u>(5,903)</u>
Total general fund	\$470,227,440	\$475,264,110	(\$6,814,486)	\$468,449,624	\$477,471,668	(\$9,022,044)

Detail of Conference Committee Changes to the General Fund

	RESTORES COMPENSATION PACKAGE TO 5/5 ¹	ALLOCATES FUNDING FOR MAYVILLE STATE UNIVERSITY MASTER PLAN TO OPERATIONS ²	INCREASES FUNDING FOR THE COMPETITIVE RESEARCH PROGRAM ³	INCREASES FUNDING FOR BOARD INITIATIVES ⁴	DECREASES FUNDING FOR SYSTEM GOVERNANCE ⁵	INCREASES FUNDING FOR SUPPORT OF THE CONNECTND SYSTEM ⁶
University System office	\$199,479		\$150,000	\$98,500	(\$200,000)	\$2,300,000
Bismarck State College	211,897	(\$250,000)				
Lake Region State College	53,572					
Williston State College	65,934					
University of North Dakota	1,246,985					
UND Medical Center	335,975					
North Dakota State University	1,087,958					
State College of Science	263,599					
Dickinson State University	187,158					
Mayville State University	88,198	250,000				
Minot State University	304,357					
Valley City State University	128,579					
Minot State University - Bottineau	44,133					
Forest Service	<u>24,942</u>					
Total general fund	\$4,242,766	\$0	\$150,000	\$98,500	(\$200,000)	\$2,300,000
	INCREASES FUNDING FOR THE NORTHERN TIER NETWORK AND CHANGES FUNDING SOURCE ⁷	REMOVES FUNDING FOR THE OPERATIONS POOL ⁸	REMOVES FUNDING FOR CONTINGENCY AND CAPITAL EMERGENCY ⁹	DECREASES FUNDING FOR PROFESSIONAL LIABILITY INSURANCE ¹⁰	INCREASES FUNDING FOR THE KANSAS STATE UNIVERSITY VETERINARY MEDICINE PROGRAM ¹¹	REMOVES FUNDING FOR EDUCATION INCENTIVE PROGRAMS ¹²
University System office	(\$2,400,000)	(\$144,559)	(\$296,482)	(\$250,000)		
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total general fund	(\$2,400,000)	(\$144,559)	(\$296,482)	(\$250,000)	\$0	\$0
	PROVIDES .25 PERCENT OPERATING REDUCTION	ADJUSTS FUNDING FOR OPERATIONS ¹³	ADJUSTS FUNDING FOR CAPITAL ASSETS ¹⁴	TOTAL GENERAL FUND CHANGES		
University System office				(\$793,062)		
Bismarck State College	(\$49,458)		(\$26,495)	135,944		

Lake Region State College	(16,319)		(1,000,000)	(962,747)
Williston State College	(16,598)			49,336
University of North Dakota	(268,200)		(3,820,000)	(2,841,215)
UND Medical Center	(86,437)			249,538
North Dakota State University	(224,545)		(500,000)	363,413
State College of Science	(69,525)	\$100,000	(1,670,420)	(1,376,346)
Dickinson State University	(42,246)	150,000		294,912
Mayville State University	(24,724)		(416,467)	(102,993)
Minot State University	(75,426)		(167,465)	61,466
Valley City State University	(33,459)	400,000	(2,200,000)	(1,704,880)
Minot State University - Bottineau	(11,929)		(239,095)	(206,891)
Forest Service	(5,903)			19,039
Total general fund	(\$924,769)	\$650,000	(\$10,039,942)	(\$6,814,486)

House Bill No. 1003 - Other Funds Summary

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
University System office	\$2,437,810	\$2,686,810	\$2,730,720	\$5,417,530	\$2,643,730	\$2,773,800
Bismarck State College	27,805	27,805	5,706,245	5,734,050	5,707,555	26,495
Lake Region State College	3,007,600	2,007,600	1,000,000	3,007,600	3,007,600	
Williston State College	1,400,000	2,300,000		2,300,000	2,300,000	
University of North Dakota	78,200,000	74,100,000	3,820,000	77,920,000	77,700,000	220,000
UND Medical Center						
North Dakota State University	20,500,000	35,500,000	11,000,000	46,500,000	46,000,000	500,000
State College of Science	8,414,000	8,414,000	1,670,420	10,084,420	8,414,000	1,670,420
Dickinson State University	8,000,000	8,000,000		8,000,000	8,000,000	
Mayville State University	900,000	900,000		900,000	900,000	
Minot State University	5,575,550	1,239,150	167,465	1,406,615	1,239,150	167,465
Valley City State University			2,200,000	2,200,000		2,200,000
Minot State University - Bottineau	12,905	12,905	239,095	252,000	12,905	239,095
Forest Service	997,486	997,486		997,486	997,486	
Total other funds	\$129,473,156	\$136,185,756	\$28,533,945	\$164,719,701	\$156,922,426	\$7,797,275

Detail of Conference Committee Changes to Other Funds

	RESTORES COMPENSATION PACKAGE TO 5/5 ¹	ALLOCATES FUNDING FOR MAYVILLE STATE UNIVERSITY MASTER PLAN TO OPERATIONS ²	INCREASES FUNDING FOR THE COMPETITIVE RESEARCH PROGRAM ³	INCREASES FUNDING FOR BOARD INITIATIVES ⁴	DECREASES FUNDING FOR SYSTEM GOVERNANCE ⁵	INCREASES FUNDING FOR SUPPORT OF THE CONNECTND SYSTEM ⁶
University System office						
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total other funds	\$0	\$0	\$0	\$0	\$0	\$0

	INCREASES FUNDING FOR THE NORTHERN TIER NETWORK AND CHANGES FUNDING SOURCE ⁷	REMOVES FUNDING FOR THE OPERATIONS POOL ⁸	REMOVES FUNDING FOR CONTINGENCY AND CAPITAL EMERGENCY ⁹	DECREASES FUNDING FOR PROFESSIONAL LIABILITY INSURANCE ¹⁰	INCREASES FUNDING FOR THE KANSAS STATE UNIVERSITY VETERINARY MEDICINE PROGRAM ¹¹	REMOVES FUNDING FOR EDUCATION INCENTIVE PROGRAMS ¹²
University System office	\$2,773,800				\$205,920	(\$249,000)
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total other funds	\$2,773,800	\$0	\$0	\$0	\$205,920	(\$249,000)

	PROVIDES .25 PERCENT OPERATING REDUCTION	ADJUSTS FUNDING FOR OPERATIONS ¹³	ADJUSTS FUNDING FOR CAPITAL ASSETS ¹⁴	TOTAL OTHER FUNDS CHANGES
University System office				\$2,730,720
Bismarck State College			\$5,706,245	5,706,245
Lake Region State College			1,000,000	1,000,000
Williston State College				

University of North Dakota			3,820,000	3,820,000
UND Medical Center				
North Dakota State University			11,000,000	11,000,000
State College of Science			1,670,420	1,670,420
Dickinson State University				
Mayville State University				
Minot State University			167,465	167,465
Valley City State University			2,200,000	2,200,000
Minot State University - Bottineau			239,095	239,095
Forest Service				
Total other funds	\$0	\$0	\$25,803,225	\$28,533,945

House Bill No. 1003 - All Funds Summary

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
University System office	\$73,348,533	\$72,080,990	\$1,937,658	\$74,018,648	\$74,718,648	(\$700,000)
Bismarck State College	20,799,330	20,587,433	5,842,189	26,429,622	26,479,080	(49,458)
Lake Region State College	9,660,871	9,607,299	37,253	9,644,552	9,660,871	(16,319)
Williston State College	7,996,300	8,830,366	49,336	8,879,702	8,896,300	(16,598)
University of North Dakota	193,608,905	191,861,920	978,785	192,840,705	193,108,905	(268,200)
UND Medical Center	33,874,938	34,238,963	249,538	34,488,501	34,574,938	(86,437)
North Dakota State University	119,527,336	133,439,378	11,363,413	144,802,791	145,027,336	(224,545)
State College of Science	38,830,758	38,917,159	294,074	39,211,233	39,280,758	(69,525)
Dickinson State University	25,917,119	25,729,961	294,912	26,024,873	25,917,119	107,754
Mayville State University	11,736,719	12,208,021	(102,993)	12,105,028	11,879,752	225,276
Minot State University	39,698,842	39,445,085	228,931	39,674,016	39,749,442	(75,426)
Valley City State University	15,979,831	15,851,252	495,120	16,346,372	16,379,831	(33,459)
Minot State University - Bottineau	5,182,179	5,138,046	32,204	5,170,250	5,182,179	(11,929)
Forest Service	<u>3,538,935</u>	<u>3,513,993</u>	<u>19,039</u>	<u>3,533,032</u>	<u>3,538,935</u>	<u>(5,903)</u>
Total all funds	\$599,700,596	\$611,449,866	\$21,719,459	\$633,169,325	\$634,394,094	(\$1,224,769)
FTE	2134.59	2136.59	0.00	2136.59	2136.59	0.00

Detail of Conference Committee Changes to All Funds

	RESTORES COMPENSATION PACKAGE TO 5/5 ¹	ALLOCATES FUNDING FOR MAYVILLE STATE UNIVERSITY MASTER PLAN TO OPERATIONS ²	INCREASES FUNDING FOR THE COMPETITIVE RESEARCH PROGRAM ³	INCREASES FUNDING FOR BOARD INITIATIVES ⁴	DECREASES FUNDING FOR SYSTEM GOVERNANCE ⁵	INCREASES FUNDING FOR SUPPORT OF THE CONNECTND SYSTEM ⁶
University System office	\$199,479	(\$250,000)	\$150,000	\$98,500	(\$200,000)	\$2,300,000
Bismarck State College	211,897					
Lake Region State College	53,572					
Williston State College	65,934					
University of North Dakota	1,246,985					
UND Medical Center	335,975					
North Dakota State University	1,087,958					
State College of Science	263,599					
Dickinson State University	187,158					
Mayville State University	88,198	250,000				
Minot State University	304,357					
Valley City State University	128,579					
Minot State University - Bottineau	44,133					
Forest Service	<u>24,942</u>					
Total all funds	\$4,242,766	\$0	\$150,000	\$98,500	(\$200,000)	\$2,300,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	INCREASES FUNDING FOR THE NORTHERN TIER NETWORK AND CHANGES FUNDING SOURCE ⁷	REMOVES FUNDING FOR THE OPERATIONS POOL ⁸	REMOVES FUNDING FOR CONTINGENCY AND CAPITAL EMERGENCY ⁹	DECREASES FUNDING FOR PROFESSIONAL LIABILITY INSURANCE ¹⁰	INCREASES FUNDING FOR THE KANSAS STATE UNIVERSITY VETERINARY MEDICINE PROGRAM ¹¹	REMOVES FUNDING FOR EDUCATION INCENTIVE PROGRAMS ¹²
University System office	\$373,800	(\$144,559)	(\$296,482)	(\$250,000)	\$205,920	(\$249,000)
Bismarck State College						
Lake Region State College						
Williston State College						
University of North Dakota						
UND Medical Center						
North Dakota State University						
State College of Science						
Dickinson State University						
Mayville State University						
Minot State University						
Valley City State University						
Minot State University - Bottineau						
Forest Service						
Total all funds	\$373,800	(\$144,559)	(\$296,482)	(\$250,000)	\$205,920	(\$249,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	PROVIDES .25 PERCENT OPERATING REDUCTION	ADJUSTS FUNDING FOR OPERATIONS ¹³	ADJUSTS FUNDING FOR CAPITAL ASSETS ¹⁴	TOTAL ALL FUNDS CHANGES
University System office				\$1,937,658
Bismarck State College	(\$49,458)		\$5,679,750	5,842,189

Lake Region State College	(16,319)			37,253
Williston State College	(16,598)			49,336
University of North Dakota	(268,200)			978,785
UND Medical Center	(86,437)			249,538
North Dakota State University	(224,545)		10,500,000	11,363,413
State College of Science	(69,525)	\$100,000		294,074
Dickinson State University	(42,246)	150,000		294,912
Mayville State University	(24,724)		(416,467)	(102,993)
Minot State University	(75,426)			228,931
Valley City State University	(33,459)	400,000		495,120
Minot State University - Bottineau	(11,929)			32,204
Forest Service	(5,903)			19,039
Total all funds	(\$924,769)	\$650,000	\$15,763,283	\$21,719,459
FTE	0.00	0.00	0.00	0.00

- 1 This amendment restores funding for salary increases of 5 percent for each year of the 2007-09 biennium, same as the Senate version.
- 2 This amendment allocates \$250,000 of the \$1 million from the general fund included in the executive budget recommendation for Mayville State University for deferred maintenance and developing a long-range master plan to the university for support of campus operations. This allocation was not included in either the House or Senate version.
- 3 This amendment increases funding for competitive research by \$150,000 from the general fund, from \$5,550,000 as provided for in the executive budget recommendation to \$5,650,000, same as the Senate version.
- 4 This amendment increases funding for board initiatives by \$98,500 from the general fund, from \$300,000 to \$398,500. The funding of \$98,500 is to be used for a recruiting initiative for Minot State University - Bottineau. The initiative is a pilot project and Minot State University - Bottineau is to report to the 61st Legislative Assembly on the effectiveness of the initiative. This increase was also included in the Senate version although in the Senate version it was a shared initiative between Minot State University - Bottineau and Minot State University.
- 5 This amendment decreases funding for system governance by \$200,000 from the general fund. This decrease was not included in either the House or Senate version.
- 6 This amendment increases one-time funding provided for support of the ConnectND system by \$2,300,000 from the general fund, from \$3,700,000 as provided for in the executive budget to \$6,000,000, same as the Senate version.
- 7 This amendment increases funding for the Northern Tier Network project by \$373,800, from \$2,400,000 to \$2,773,800, and changes the funding source from the general fund to the permanent oil tax trust fund. The following is a summary of funding for the Northern Tier Network project:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund	\$1,000,000	\$2,400,000	\$2,773,800	
Permanent oil tax trust fund				\$2,773,800
Total	\$1,000,000	\$2,400,000	\$2,773,800	\$2,773,800

- 8 This amendment removes funding of \$144,559 from the general fund for the operations pool, same as the Senate version.
- 9 This amendment removes funding of \$296,482 from the general fund for contingency and capital emergency, same as the Senate version.
- 10 This amendment decreases funding for professional liability insurance by \$250,000 from the general fund. This decrease was not included in either the House or Senate version.
- 11 This amendment increases funding for the Kansas State University veterinary medicine program by \$205,920, from \$317,460 to \$523,380 from the student loan trust fund, to fund five new students per year in the 2007-09 biennium, same as the Senate version.
- 12 This amendment decreases funding for the education incentive programs by \$249,000, from \$1,989,314, as provided for by the House, to \$1,227,902. The additional funding of \$249,000 was related to increases in the teacher shortage loan forgiveness program as provided in House Bill No. 1249. House Bill No. 1249 was defeated by the Senate; therefore, the additional funding provided for in House Bill No. 1003 is removed. This decrease was also included in the Senate version.
- 13 Dickinson State University - This amendment provides funding of \$150,000 from the general fund for one-time startup funding for establishing a Theodore Roosevelt Center. This funding was not included in the House or Senate version.

State College of Science and Valley City State University - This amendment provides funding of \$500,000 from the general fund to support campus operations at the State College of Science (\$100,000) and Valley City State University (\$400,000), same as the Senate version.

- 14 Bismarck State College - This amendment appropriates funding of \$5,679,750 from special funds for reauthorization of the college's student housing project.

This amendment also requires an additional local match for the college's Schafer Hall renovation of \$26,495. The following is a summary of funding for the project:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund	\$515,195	\$515,195	\$515,195	\$488,700
Special funds	27,805	27,805	27,805	54,300
Total	\$543,000	\$543,000	\$543,000	\$543,000

Lake Region State College - This amendment changes the funding source for the college's wind energy project as follows:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
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General fund		\$1,000,000		
Special funds	<u>\$3,007,600</u>	<u>2,007,600</u>	<u>\$3,007,600</u>	<u>\$3,007,600</u>
Total	\$3,007,600	\$3,007,600	\$3,007,600	\$3,007,600

University of North Dakota - This amendment changes the funding source of the UND School of Medicine and Health Sciences new Bismarck family medicine residency facility as follows:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund		\$3,600,000		
Special funds	<u>\$4,500,000</u>	<u>400,000</u>	<u>\$4,000,000</u>	<u>\$4,000,000</u>
Total	\$4,500,000	\$4,000,000	\$4,000,000	\$4,000,000

This amendment also requires a local match for the university's O'Kelly Hall and Ireland laboratory renovation of \$220,000. The following is a summary of funding for the project:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund		\$2,200,000		
Special funds	<u>\$2,200,000</u>	<u>\$2,200,000</u>	<u>\$2,200,000</u>	<u>\$1,980,000</u> <u>220,000</u>
Total	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000

North Dakota State University - This amendment increases the special funds appropriation to the university to reauthorize the Bison Sports Arena renovation project by \$10,500,000, from \$15,000,000 to \$25,500,000, same as the Senate version.

This amendment also requires a local match for the university's Minard Hall renovation of \$500,000. The following is a summary of funding for the project:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund	\$500,000	\$500,000	\$500,000	\$4,500,000
Special funds				<u>500,000</u>
Total	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000

State College of Science - This amendment changes the funding source for the college's steamline project from the general fund to the permanent oil tax trust fund. The following is a summary of funding for the project:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund	\$1,670,420	\$1,670,420	\$1,670,420	
Permanent oil tax trust fund				<u>\$1,670,420</u>
Total	\$1,670,420	\$1,670,420	\$1,670,420	\$1,670,420

Mayville State University - This amendment decreases funding added by the House for the payoff of special assessments and other deferred maintenance issues by \$416,467 from the general fund, from \$559,500 to \$143,033, same as the Senate version.

Minot State University - This amendment requires an additional local match for the university's Swain Hall renovation and addition of \$167,465. The following is a summary of funding for the project:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund	\$2,500,000	\$6,500,000	\$6,500,000	\$6,332,535
Special funds	<u>4,536,150</u>	<u>536,150</u>	<u>536,150</u>	<u>703,615</u>
Total	\$7,036,150	\$7,036,150	\$7,036,150	\$7,036,150

Valley City State University - This amendment changes the funding source for the university's steamline project from the general fund to the permanent oil tax trust fund. The following is a summary of funding for the project:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund	\$2,200,000	\$2,200,000	\$2,200,000	
Permanent oil tax trust fund				<u>\$2,200,000</u>
Total	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000

Minot State University - Bottineau - This amendment changes the funding source for the university's steamline project from the general fund to the permanent oil tax trust fund. The following is a summary of funding for the project:

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION
General fund	\$239,095	\$239,095	\$239,095	
Permanent oil tax trust fund				\$230,095
Special funds	<u>12,905</u>	<u>12,905</u>	<u>12,905</u>	<u>12,905</u>
Total	\$252,000	\$252,000	\$252,000	\$252,000

This amendment also:

- Amends Section 17 of the engrossed bill to provide that the State Board of Higher Education shall limit any annual tuition increase for the 2007-08 and 2008-09 academic years to not more than 5 percent for each year unless the board receives prior Budget Section approval, same as the Senate version.
- Adds a section to provide that participating higher education institutions are responsible for funding maintenance costs associated with the Northern Tier Network, same as the Senate version.
- Adds a section to allow the State Board of Higher Education to authorize construction of a College of Business building off the North Dakota State University campus, same as the Senate version.
- Adds sections to provide for a study of higher education and professional student exchange programs and removes study language added by the House, same as the Senate version.
- Amends Section 23 of the engrossed bill relating to the use of unspent 2005-07 general fund appropriations to provide that the State Board of Higher Education shall use \$200,000 of the unspent 2005-07 general fund appropriation for completing and furnishing the Thatcher Hall renovation and addition at Minot State University - Bottineau, same as the Senate version.
- Amends Section 26 of the engrossed bill to remove the repeal of Sections 1 and 2 of House Bill No. 1031 and to repeal Section 15-12-27 of the North Dakota Century Code relating to North Dakota State University's 18th Street Development Fund, same as the Senate version.
- Adds a section of legislative intent regarding the UND School of Medicine Bismarck family practice center.
- Amends the one-time funding section and emergency clause for the bill as appropriate.
- Provides a total of \$7,783,315 from the permanent oil tax trust fund, \$4,109,515 for steamline projects, \$2,773,800 for the Northern Tier Network infrastructure, and \$900,000 for the Williston State College service rig program.

Engrossed HB 1003 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. WALD MOVED that the conference committee report on Engrossed HB 1003 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1003, as amended, was placed on the Eleventh order.

SECOND READING OF HOUSE BILL

HB 1003: A BILL for an Act to provide an appropriation for defraying the expenses of the North Dakota university system; to provide for transfer of funds; to authorize the state board of higher education to issue and sell bonds for capital projects; to limit student tuition rates; to provide for a legislative council study; to amend and reenact section 15-10-43 of the North Dakota Century Code, relating to the contract with the Kansas state university veterinary medical education program; to repeal section 15-12-27 of the North Dakota Century Code, relating to North Dakota state university's eighteenth street development fund; to provide for retroactive application; and to declare an emergency.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 82 YEAS, 11 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Amerman; Bellew; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; Delmore; Dietrich; Ekstrom; Froelich; Froseth; Glassheim; Grande; Griffin; Gruchalla; Guleson; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Hunskor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kerzman; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Meyer, S.; Monson; Mueller; Myxter; Nottestad; Onstad; Owens; Pietsch; Pinkerton; Pollert; Potter; Price; Ruby; Schmidt; Schneider; Skarphol; Solberg; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vig; Vigesaa; Wald; Wall; Wieland; Williams; Wolf; Zaiser

NAYS: Damschen; DeKrey; Dosch; Drovdal; Kempenich; Nelson; Porter; Weiler; Weisz; Wrangham; Speaker Delzer

ABSENT AND NOT VOTING: Metcalf

Reengrossed HB 1003 passed, the title was agreed to, and the emergency clause was declared carried.

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

MR. PRESIDENT: The House has adopted the conference committee report and subsequently passed: SB 2012, SB 2013, SB 2260.

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

MR. PRESIDENT: The House has adopted the conference committee report on: HB 1017.

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

MR. PRESIDENT: The House has adopted the conference committee report and subsequently passed: HB 1003, HB 1012.

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: HB 1009, HB 1015.

MOTION

REP. MONSON MOVED that the House stand in recess until 3:00 p.m., which motion prevailed.

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

CORRECTION AND REVISION OF THE JOURNAL

MR. SPEAKER: Your **Committee on Correction and Revision of the Journal (Rep. Kretschmar, Chairman)** has carefully reexamined the Journal of the Seventy-sixth Day and recommends that it be corrected as follows and when so corrected, recommends that it be approved:

Page 1815, after line 25 insert:

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

MR. PRESIDENT: The Speaker has signed: HB 1138, HB 1197, HB 1417, HB 1472.

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following bills were delivered to the Governor for approval on April 23, 2007: HB 1138, HB 1197, HB 1417, HB 1472."

REP. KRETSCHMAR MOVED that the report be adopted, which motion prevailed.

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: HB 1003, HB 1012, HB 1017.

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

MR. PRESIDENT: Your signature is respectfully requested on: HB 1009, HB 1015.

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

MR. SPEAKER: The Senate is returning: HB 1460.

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

MR. SPEAKER: Your signature is respectfully requested on: SB 2012, SB 2013, SB 2260.

ANNOUNCEMENT

SPEAKER DELZER ANNOUNCED that the House stand in recess until 5:00 p.m..

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

APPOINTMENT OF CONFERENCE COMMITTEE

REP. BERG MOVED that the Speaker appoint a committee of three to act with a like committee from the Senate as a new Conference Committee on Engrossed HB 1460, which motion prevailed.

THE SPEAKER APPOINTED as a new Conference Committee on:

Engrossed HB 1460: Reps. N. Johnson, Keiser, Boe

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

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

HB 1460: Reps. N. Johnson; Keiser; Boe

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

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

HB 1460: Sens. Klein; Hacker; Potter

REPORT OF CONFERENCE COMMITTEE

HB 1460, as engrossed: Your conference committee (Sens. Klein, Hacker, Potter and Reps. N. Johnson, Keiser, Boe) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1465-1466, adopt amendments as follows, and place HB 1460 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1465 and 1466 of the House Journal and on pages 1283 and 1284 of the Senate Journal and that Engrossed House Bill No. 1460 be amended as follows:

Page 1, line 1, after "to" insert "create and enact a new section to chapter 65-02 of the North Dakota Century Code, relating to employee awards and incentive spending authority; to"

Page 1, line 2, after the semicolon insert "to provide for a legislative council study; and"

Page 1, line 3, remove "; to provide an effective date; and to provide an expiration date"

Page 1, remove lines 5 through 23

Page 2, remove lines 1 through 30

Page 3, remove lines 1 through 19

Page 3, line 26, overstrike ", at least one of which must be a participant in"

Page 3, line 27, overstrike "the risk management program, at least two" and insert immediately thereafter ". Two" and overstrike "which" and insert immediately thereafter "the employer members"

Page 3, line 28, after "premiums" insert ", which at the time of the member's initial appointment were" and overstrike ", at least" and insert immediately thereafter an underscored semicolon

Page 3, line 29, overstrike "which" and insert immediately thereafter "the employer members" and overstrike "of" and insert immediately thereafter ", which at the time of the member's initial appointment was at least"

Page 3, line 30, overstrike ", at least" and insert immediately thereafter an underscored semicolon and overstrike "which" and insert immediately thereafter "the employer members"

Page 3, line 31, overstrike "of" and insert immediately thereafter ", which at the time of the member's initial appointment was", overstrike the comma and insert immediately thereafter an underscored semicolon, and overstrike "at"

Page 4, line 1, overstrike "least one" and insert immediately thereafter "two of the employer members must be" and overstrike "representative" and insert immediately thereafter "representatives"

Page 4, line 2, overstrike the first "representative" and insert immediately thereafter "representatives"

Page 4, line 4, overstrike "; at least one member must have"

Page 4, line 5, overstrike "received workforce safety and insurance benefits; and at least" and insert immediately thereafter ". Of the three employee members,"

Page 4, line 6, after "labor" insert "and one other member must have received workforce safety and insurance wage-loss benefits at some time during the ten years before the member's initial appointment"

Page 4, line 15, overstrike "Board members" and insert immediately thereafter "A board member whose initial appointment was before August 1, 2007,"

Page 4, line 16, remove the overstrike over "~~three~~" and insert immediately thereafter "consecutive terms and a board member whose initial appointment was after July 31, 2007, may not serve more than"

Page 4, line 22, overstrike "the"

Page 4, line 25, replace "greater North Dakota chamber of commerce" with "a coordinating committee appointed by the governor, composed of representatives from the associated general contractors of North Dakota, the North Dakota petroleum council, the greater North Dakota chamber of commerce, the North Dakota motor carriers association, the North Dakota healthcare association, the national federation of independent business, the lignite energy council, and other statewide business interests"

Page 4, line 26, remove "working together with other business organizations in the state"

Page 5, line 1, remove "two"

Page 5, line 2, overstrike "nonorganized labor" and insert immediately thereafter "two"

Page 5, line 3, after "representatives" insert "who do not represent organized labor"

Page 5, after line 7, insert:

"e. Within the thirty days following receipt of a list of potential candidates representing employers, organized labor, or the North Dakota medical association, the governor may reject the list and request that the submitting entity submit a new list of potential candidates."

Page 5, after line 9, insert:

"**SECTION 2.** A new section to chapter 65-02 of the North Dakota Century Code is created and enacted as follows:

Spending authority - Limited. Notwithstanding any other law enacted by the sixtieth legislative assembly, any statement of legislative intent, any statement of purpose of amendment, or other provision of law, the organization may not expend funds for the purpose of providing workers' compensation education or training for public officials other than the director and members of the board, or for providing awards, other than service awards or other awards or incentives allowed under law and applicable to executive branch agencies. For purposes of this section, award does not include a nonwage, cash disbursement to an organization employee through a performance-based system for employee recognition."

Page 5, line 11, replace "Under section 1 of this Act, a board" with "The board member serving on August 1, 2007, as the representative of the risk management program shall serve the remainder of the appointed term as the employer at-large representative. The employee board member serving on August 1, 2007, as the employee who has received workforce safety and insurance benefits shall continue to serve through the expiration of the member's appointed term, regardless of the member's wage-loss benefit history."

SECTION 4. WORKFORCE SAFETY AND INSURANCE - LEGISLATIVE COUNCIL STUDY. The legislative council shall consider studying, during the 2007-08 interim, the workforce safety and insurance governance changes made during the 2007 legislative session. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly."

Page 5, remove lines 12 through 18

Renumber accordingly

Engrossed HB 1460 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. N. JOHNSON MOVED that the conference committee report on Engrossed HB 1460 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1460, as amended, was placed on the Eleventh order.

SECOND READING OF HOUSE BILL

HB 1460: A BILL for an Act to create and enact a new section to chapter 65-02 of the North Dakota Century Code, relating to employee awards and incentive spending authority; to amend and reenact section 65-02-03.1 of the North Dakota Century Code, relating to the workforce safety and insurance board membership; to provide for a legislative council study; and to provide for application and transition.

ROLL CALL

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

YEAS: Aarsvold; Amerman; Bellew; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; Damschen; DeKrey; Delmore; Dietrich; Dosch; Drovda; Ekstrom; Froelich; Froseth; Glassheim; Grande; Griffin; Gruchalla; Gullerson; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Hunsakor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Myxter; Nelson; Nottestad; Onstad; Owens; Pietsch; Pinkerton; Pollert; Porter; Potter; Price; Ruby; Schmidt; Schneider; Skarphol; Solberg; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vig; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wolf; Wrangham; Speaker Delzer

NAYS: Zaiser

Reengrossed HB 1460 passed and the title was agreed to.

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

MR. PRESIDENT: The Speaker has signed: SB 2012, SB 2013, SB 2260.

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

MR. PRESIDENT: The House has adopted the conference committee report and subsequently passed: HB 1460.

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

MR. PRESIDENT: Your signature is respectfully requested on: HB 1003, HB 1012, HB 1017.

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

MR. SPEAKER: The Senate has amended and subsequently passed: HB 1014.

SENATE AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1014

In lieu of the amendments to Engrossed House Bill No. 1014, as printed on pages 1087-1092 of the Senate Journal, Engrossed House Bill No. 1014 is amended as follows:

Page 1, line 3, after the second "to" insert "provide for prioritization of carbon sequestration and storage projects; to"

Page 1, line 5, replace the second "and" with a comma

Page 1, line 6, after "6-09.17-02" insert ", and subdivision d of subsection 2 of section 57-39.4-10"

Page 1, line 7, replace "and" with a comma and after "fund" insert ", and sourcing rules for sales and use tax purposes; to provide legislative intent; to provide an appropriation"

Page 1, line 8, after "appropriation" insert "; to provide an appropriation reduction"

Page 6, line 4, replace "22,362,790" with "22,144,184"

Page 6, line 5, replace "166,850,430" with "171,667,931"

Page 6, line 6, replace "189,213,220" with "193,812,115"

Page 6, after line 27, insert:

"SECTION 7. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET. There is appropriated out of any moneys in the permanent oil tax trust fund, not otherwise appropriated, the sum of \$5,300,000, or so much of the sum as may be necessary, to the office of management and budget for the purpose of repaying the Bank of North Dakota for loans and accrued interest relating to funds borrowed during the 2005-07 biennium for centers of excellence, for the period beginning with the effective date of this Act and ending June 30, 2009."

Page 7, after line 22, insert:

"SECTION 13. LANDS AND MINERALS TRUST FUND TRANSFER TO THE GENERAL FUND. During the biennium beginning July 1, 2007, and ending June 30, 2009, the director of the office of management and budget may transfer special funds from the lands and minerals trust fund to the general fund in the amount of \$15,000,000.

SECTION 14. BANK OF NORTH DAKOTA TRANSFERS TO STATE GENERAL FUND. During the biennium beginning July 1, 2007, and ending June 30, 2009, the industrial commission shall transfer to the state general fund \$60,000,000 from the current earnings and the accumulated undivided profits of the Bank of North Dakota. The moneys must be transferred in the amounts and at the times requested by the director of the office of management and budget. A transfer authorized may be made only to the extent the transfer does not reduce the Bank's capital structure below \$175,000,000.

SECTION 15. STUDENT LOAN TRUST FUND TRANSFER TO THE GENERAL FUND. The industrial commission shall transfer to the general fund in the state treasury the sum of \$3,100,000 of earnings from the North Dakota student loan trust fund. The moneys must be transferred in the amounts and at the times requested by the director of the office of management and budget during the biennium beginning July 1, 2007, and ending June 30, 2009, and upon certification by the student loan trust trustee that sufficient moneys remain available to pay all debt service on student loan trust bonds, all required rebate payments to the United States treasury, and all program operating expenses.

SECTION 16. TRANSFER. The state industrial commission shall transfer to the general fund in the state treasury the sum of \$5,000,000 from the North Dakota mill and elevator association. The moneys must be transferred in amounts and at such times as requested by the director of the office of management and budget during the biennium beginning July 1, 2007, and ending June 30, 2009."

Page 8, line 10, replace "project" with "program" and after the semicolon insert "for litigation that may be necessary to protect and promote the continued development of lignite resources;"

Page 8, after line 15, insert:

"SECTION 19. LEGISLATIVE INTENT - BANK PROPERTY. It is the intent of the sixtieth legislative assembly that real estate property owned by the Bank of North Dakota at 1205-1215 west main street in Bismarck not be sold by the Bank of North Dakota during the 2007-09 biennium."

Page 9, remove lines 17 through 21

Page 10, after line 11, insert:

"SECTION 26. AMENDMENT. Subdivision d of subsection 2 of section 57-39.4-10 of the North Dakota Century Code as amended by Senate Bill No. 2380, as approved by the sixtieth legislative assembly, is amended and reenacted as follows:

- d. Until December 31, ~~2007~~ 2009, florist sales as defined by each member state. Prior to this date, these items must be sourced according to the requirements of each member state.

SECTION 27. Carbon sequestration and storage projects - Priority. Notwithstanding any other provision of law, the industrial commission, department of mineral resources, public service commission, or any other state entity that approves a carbon sequestration or storage project shall give priority to an operation located in this state for the expected life of the operation."

Page 10, after line 18, insert:

"SECTION 29. APPROPRIATION - STATE CONTINGENCY FUND. In addition to the amount appropriated to the office of management and budget in House Bill No. 1522, there is appropriated from the general fund in the state treasury, not otherwise appropriated, the sum of \$200,000, or so much of the sum as may be necessary, to the office of management and budget for state contingencies for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 30. APPROPRIATIONS REDUCTIONS. The amounts listed reduce the general fund and special funds appropriation authority enacted by the sixtieth legislative assembly of the state of North Dakota for the various agencies and institutions for the biennium beginning July 1, 2007, and ending June 30, 2009:

AGENCY OR INSTITUTION	GENERAL FUND REDUCTION	SPECIAL FUNDS REDUCTION	TOTAL REDUCTION
Governor's office	\$2,694		\$2,694
Secretary of state	2,522	\$108	2,630
Office of management and budget	5,133	1,245	6,378
Information technology department	2,743	40,947	43,690
State auditor	5,291	2,333	7,624
State treasurer	722		722
Attorney general	18,953	3,853	22,806
Tax commissioner	14,845		14,845
Office of administrative hearings		1,228	1,228
Legislative council	5,288		5,288
Judicial branch	52,634	1,394	54,028
Commission on legal council for indigents	2,820		2,820
Retirement and investment office		2,396	2,396
Public employees retirement		3,562	3,562
Department of public instruction	3,451	8,069	11,520
Land department		2,564	2,564
State library	2,199	347	2,546
School for the deaf	2,824	144	2,968
North Dakota vision services - School for the blind	864	260	1,124
Department of career and technical education	1,057	83	1,140
Department of health	11,930	26,844	38,774
Veterans' home	2,212	5,194	7,406
Indian affairs commission	496		496
Department of veterans affairs	576		576
Department of human services	132,310	77,339	209,649
Protection and advocacy project	623	2,549	3,172
Job service North Dakota	125	27,920	28,045
Insurance commissioner		5,855	5,855
Industrial commission	6,786	786	7,572
Labor commissioner	893	357	1,250
Public service commission	3,981	2,073	6,054
Aeronautics commission		808	808
Department of financial institutions		4,438	4,438
Securities department	1,278		1,278
Bank of North Dakota		20,492	20,492

Housing finance agency		4,812	4,812
Mill and elevator association		15,228	15,228
Workforce safety and insurance		32,577	32,577
Highway patrol	15,949	8,215	24,164
Department of corrections and rehabilitation	65,693	3,843	69,536
Adjutant general	9,033	18,719	27,752
Department of commerce	7,579	2,777	10,356
Agriculture commissioner	4,129	3,645	7,774
State seed department		3,284	3,284
Upper great plains transportation institute	115	955	1,070
Branch research centers	2,576	920	3,496
North Dakota state university extension service	2,518	1,902	4,420
Northern crops institute	80	62	142
Main research center	4,167	1,933	6,100
Agronomy seed farm		184	184
Racing commission	48	226	274
State historical society	5,576	696	6,272
Council on the arts	508		508
Game and fish department		20,072	20,072
Parks and recreation department	5,126	272	5,398
State water commission	10,259	1,033	11,292
Department of transportation		<u>117,956</u>	<u>117,956</u>
Total	\$418,606	\$482,499	\$901,105"

Page 10, line 20, after "fund" insert "; the appropriation in section 7 of this Act for the office of management and budget" and replace "15" with "21"

Page 10, line 21, remove "and" and replace "16" with "22"

Page 10, line 23, after "fund" insert "; and section 23 of this Act"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1014 - Summary of Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Office of Management and Budget				
Total all funds	\$0	\$0	\$5,500,000	\$5,500,000
Less estimated income			5,300,000	5,300,000
General fund	\$0	\$0	\$200,000	\$200,000
Industrial Commission				
Total all funds	\$58,870,922	\$59,155,922	\$0	\$59,155,922
Less estimated income	50,108,132	50,393,132		50,393,132
General fund	\$8,762,790	\$8,762,790	\$0	\$8,762,790
Bank of North Dakota				
Total all funds	\$48,242,359	\$51,742,359	\$0	\$51,742,359
Less estimated income	38,142,359	38,142,359		38,142,359
General fund	\$10,100,000	\$13,600,000	\$0	\$13,600,000
Housing Finance Agency				
Total all funds	\$41,534,102	\$41,534,102	\$0	\$41,534,102
Less estimated income	41,534,102	41,534,102		41,534,102
General fund	\$0	\$0	\$0	\$0
Mill and Elevator				
Total all funds	\$36,780,837	\$36,780,837	\$0	\$36,780,837
Less estimated income	36,780,837	36,780,837		36,780,837
General fund	\$0	\$0	\$0	\$0
Appropriation reductions				
Total all funds	\$0	\$0	(\$901,105)	(\$901,105)
Less estimated income			(482,499)	(482,499)
General fund	\$0	\$0	(\$418,606)	(\$418,606)
Bill Total				
Total all funds	\$185,428,220	\$189,213,220	\$4,598,895	\$193,812,115
Less estimated income	166,565,430	166,850,430	4,817,501	171,667,931
General fund	\$18,862,790	\$22,362,790	(\$218,606)	\$22,144,184

House Bill No. 1014 - Office of Management and Budget - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Loan repayment			<u>\$5,500,000</u>	<u>\$5,500,000</u>
Total all funds	\$0	\$0	\$5,500,000	\$5,500,000
Less estimated income			<u>5,300,000</u>	<u>5,300,000</u>
General fund	\$0	\$0	\$200,000	\$200,000
FTE	0.00	0.00	0.00	0.00

Dept. 110 - Office of Management and Budget - Detail of Senate Changes

	LOAN REPAYMENT AND STATE CONTINGENCIES ¹	TOTAL SENATE CHANGES
Loan repayment	<u>\$5,500,000</u>	<u>\$5,500,000</u>
Total all funds	\$5,500,000	\$5,500,000
Less estimated income	<u>5,300,000</u>	<u>5,300,000</u>
General fund	\$200,000	\$200,000
FTE	0.00	0.00

¹ Sections are added to provide an appropriation to the Office of Management and Budget from the permanent oil tax trust fund to repay the centers of excellence loan and interest, and to provide additional funding for state contingencies from \$500,000 to \$700,000.

House Bill No. 1014 - Industrial Commission - Senate Action

This amendment declares Section 23 of this Act to be an emergency.

A section is added to provide a transfer from the lands and minerals trust fund to the general fund.

A section is added to provide a transfer from the Bank of North Dakota to the general fund.

A section is added to provide a transfer from the student loan trust fund to the general fund.

A section is added to provide a transfer from the Mill and Elevator Association to the general fund.

A section is added providing an additional \$200,000 to the Office of Management and Budget for state contingencies.

A section is added that reduces appropriations included in the executive budget relating to Senate Bill No. 2050. Senate Bill No. 2050 would have increased the monthly contribution to the state employee retiree health benefit fund by .15 percent, from 1 to 1.15 percent.

House Bill No. 1014 - Bank of North Dakota - Senate Action

A section is added to provide legislative intent that the property at the new Bank location not be sold by the Bank during the 2007-09 biennium.

House Bill No. 1014 - Housing Finance Agency - Senate Action

No changes.

A section is added amending Section 57-39.4-10 of the North Dakota Century Code relating to sourcing rules for sales and use tax purposes.

ANNOUNCEMENT

SPEAKER DELZER ANNOUNCED that the House stand in recess until 7:00 p.m..

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

CONSIDERATION OF MESSAGE FROM THE SENATE

REP. THORESON MOVED that the House do concur in the Senate amendments to Engrossed HB 1014 as printed on HJ pages 1949-1954, which motion prevailed on a voice vote.

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

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: HB 1460.

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: SB 2172.

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

MR. PRESIDENT: Your signature is respectfully requested on: HB 1460.

ANNOUNCEMENT

SPEAKER DELZER ANNOUNCED that the House stand in recess until 8:30 p.m..

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

SECOND READING OF HOUSE BILL

HB 1014: A BILL for an Act to provide an appropriation for defraying the expenses of the state industrial commission and the agencies under the management of the industrial commission; to authorize transfers; to provide an exemption; to provide for prioritization of carbon sequestration and storage projects; to create and enact a new section to chapter 6-09.17 of the North Dakota Century Code, relating to partnership in assisting community expansion fund incentive limitations; to amend and reenact subsection 6 of section 6-09-15, section 6-09.17-02, and subdivision d of subsection 2 of section 57-39.4-10 of the North Dakota Century Code, relating to the powers of the Bank of North Dakota, the biodiesel partnership in assisting community expansion fund, and sourcing rules for sales and use tax purposes; to provide legislative intent; to provide an appropriation; to provide a contingent appropriation; to provide an appropriation reduction; and to declare an emergency.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 89 YEAS, 0 NAYS, 0 EXCUSED, 5 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Amerman; Bellew; Belter; Berg; Boe; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; Damschen; DeKrey; Dietrich; Drovdal; Ekstrom; Froelich; Froseth; Glassheim; Grande; Griffin; Gruchalla; Gulleon; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Hunskor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Myxter; Nelson; Nottestad; Onstad; Owens; Pietsch; Pinkerton; Pollert; Porter; Potter; Price; Ruby; Schmidt; Schneider; Skarphol; Solberg; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vig; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wolf; Zaiser; Speaker Delzer

ABSENT AND NOT VOTING: Boehning; Delmore; Dosch; Kretschmar; Wrangham

Reengrossed HB 1014 passed, the title was agreed to, and the emergency clause was declared carried.

REPORT OF CONFERENCE COMMITTEE

SB 2172, as engrossed: Your conference committee (Sens. Tollefson, Cook, Horne and Reps. Owens, Grande, Pinkerton) recommends that the **HOUSE RECEDE** from the

House amendments on SJ page 923, adopt amendments as follows, and place SB 2172 on the Seventh order:

That the House recede from its amendments as printed on page 923 of the Senate Journal and page 1084 of the House Journal and that Engrossed Senate Bill No. 2172 be amended as follows:

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

Page 1, line 3, remove "; and to provide an expiration date"

Page 1, line 13, after "deceased" insert ", for the first one hundred twenty thousand dollars of true and full valuation of the fixtures, buildings, and improvements""

Page 1, line 23, after "~~government~~" insert "for a percentage, equal to the percentage of the disabled veteran's certified rated service-connected disability, applied against the first one hundred twenty thousand dollars of true and full valuation of the fixtures, buildings, and improvements""

Page 2, line 17, overstrike "Any person shall thereafter furnish to the assessor or other"

Page 2, overstrike line 18

Page 2, line 19, overstrike "will support the claim for exemption for any subsequent year" and insert immediately thereafter "After the initial filing of a claim for exemption under this subsection, the exemption is automatically renewed each following year but the veteran or veteran's unremarried surviving spouse must refile if that person sells the property or no longer claims it as a primary place of residence or if the veteran dies or receives a change in the percentage of the certified rated service-connected disability""

Page 2, line 20, after "subsection" insert ", and except as otherwise provided in this subsection""

Page 2, after line 25, insert:

"This subsection does not apply within a county in which a resolution approved by the board of county commissioners is in effect disallowing the exemption under this subsection for the taxable year."

Page 2, line 26, remove "- EXPIRATION DATE" and remove "the"

Page 2, line 27, remove "first two" and remove ", and is thereafter ineffective"

Renumber accordingly

Engrossed SB 2172 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. OWENS MOVED that the conference committee report on Engrossed SB 2172 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2172, as amended, was placed on the Fourteenth order.

SECOND READING OF SENATE BILL

SB 2172: A BILL for an Act to amend and reenact subsection 20 of section 57-02-08 of the North Dakota Century Code, relating to the homestead property tax exemption for disabled veterans; and to provide an effective date.

ROLL CALL

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

YEAS: Aarsvold; Amerman; Bellew; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; Damschen; DeKrey; Dietrich; Dosch; Drovdal; Ekstrom; Froelich; Froseth; Glassheim; Grande; Griffin; Gruchalla; Guleson; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Hunskor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Myxter; Nelson; Nottestad; Onstad; Owens; Pietsch; Pinkerton; Pollert; Porter; Potter; Price; Ruby; Schmidt; Schneider; Skarphol; Solberg; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vig;

Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wolf; Wrangham; Zaiser;
Speaker Delzer

ABSENT AND NOT VOTING: Delmore

Engrossed SB 2172, as amended, passed and the title was agreed to.

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

MR. PRESIDENT: The House has adopted the conference committee report and subsequently passed: SB 2172.

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

MR. PRESIDENT: The House has concurred in the Senate amendments and subsequently passed: HB 1014.

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: SB 2032.

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

MR. SPEAKER: The Senate has passed unchanged: HB 1522.

ANNOUNCEMENT

SPEAKER DELZER ANNOUNCED that the House stand in recess until 9:45 p.m..

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

REPORT OF CONFERENCE COMMITTEE

SB 2032, as reengrossed: Your conference committee (Sens. Urlacher, Cook, Triplett and Reps. Belter, Drovdal, S. Kelsh) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1445-1453, adopt amendments as follows, and place SB 2032 on the Seventh order:

That the House recede from its amendments as printed on pages 1445-1453 of the Senate Journal and pages 1615-1623 of the House Journal and that Reengrossed Senate Bill No. 2032 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact three new sections to chapter 57-38 and three new subsections to section 57-38-30.3 of the North Dakota Century Code, relating to income tax marriage penalty relief, a homestead income tax credit, and a commercial property income tax credit; to amend and reenact sections 57-02-08.1, 57-12-09, 57-15-14, 57-20-07.1, and 57-55-04 of the North Dakota Century Code, relating to the homestead credit, notice of assessment increases, school district levy limitations, contents of property tax statements, payment of real estate taxes, and mobile home taxes; to provide an appropriation; to provide for a transfer; to provide for a legislative council study; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 57-02-08.1 of the North Dakota Century Code is amended and reenacted as follows:

57-02-08.1. Homestead credit.

1. a. Any person sixty-five years of age or older or permanently and totally disabled, in the year in which the tax was levied, with an income that does not exceed the limitations of subdivision c is entitled to receive a reduction in the assessment on the taxable valuation on the person's homestead. An exemption under this subsection applies regardless of whether the person is the head of a family.
- b. The exemption under this subsection continues to apply if the person does not reside in the homestead and the person's absence is due to confinement in a nursing home, hospital, or other care facility, for as

long as the portion of the homestead previously occupied by the person is not rented to another person.

- c. The exemption must be determined according to the following schedule:
 - (1) If the person's income is not in excess of ~~eight ten~~ eight ten thousand ~~five hundred~~ dollars, a reduction of one hundred percent of the taxable valuation of the person's homestead up to a maximum reduction of three thousand ~~thirty-eight~~ three hundred seventy-five dollars of taxable valuation.
 - (2) If the person's income is in excess of ~~eight ten~~ eight ten thousand ~~five hundred~~ dollars and not in excess of ~~ten twelve~~ ten twelve thousand dollars, a reduction of eighty percent of the taxable valuation of the person's homestead up to a maximum reduction of two thousand ~~four~~ seven hundred ~~thirty~~ dollars of taxable valuation.
 - (3) If the person's income is in excess of ~~ten twelve~~ ten twelve thousand dollars and not in excess of ~~eleven fourteen~~ eleven fourteen thousand ~~five hundred~~ dollars, a reduction of sixty percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~one two thousand eight hundred twenty-three~~ two thousand eight hundred twenty-five dollars of taxable valuation.
 - (4) If the person's income is in excess of ~~eleven fourteen~~ eleven fourteen thousand ~~five hundred~~ dollars and not in excess of ~~thirteen sixteen~~ thirteen sixteen thousand dollars, a reduction of forty percent of the taxable valuation of the person's homestead up to a maximum reduction of one thousand ~~two~~ three hundred ~~fifteen~~ fifty dollars of taxable valuation.
 - (5) If the person's income is in excess of ~~thirteen sixteen~~ thirteen sixteen thousand dollars and not in excess of ~~fourteen seventeen~~ fourteen seventeen thousand five hundred dollars, a reduction of twenty percent of the taxable valuation of the person's homestead up to a maximum reduction of six hundred ~~eight~~ seventy-five dollars of taxable valuation.
 - d. Persons residing together, as spouses or when one or more is a dependent of another, are entitled to only one exemption between or among them under this subsection. Persons residing together, who are not spouses or dependents, who are coowners of the property are each entitled to a percentage of a full exemption under this subsection equal to their ownership interests in the property.
 - e. This subsection does not reduce the liability of any person for special assessments levied upon any property.
 - f. Any person claiming the exemption under this subsection shall sign a verified statement of facts establishing the person's eligibility.
 - g. A person is ineligible for the exemption under this subsection if the value of the assets of the person and any dependent residing with the person, excluding the unencumbered value of the person's residence that the person claims as a homestead, exceeds fifty thousand dollars, including the value of any assets divested within the last three years. For purposes of this subdivision, the unencumbered valuation of the homestead is limited to one hundred thousand dollars.
 - h. The assessor shall attach the statement filed under subdivision f to the assessment sheet and shall show the reduction on the assessment sheet.
 - i. An exemption under this subsection terminates at the end of the taxable year of the death of the applicant.
2. a. Any person who would qualify for an exemption under subdivisions a and c of subsection 1 except for the fact that the person rents living quarters is eligible for refund of a portion of the person's annual rent deemed by this subsection to constitute the payment of property tax.

- b. For the purpose of this subsection, twenty percent of the annual rent, exclusive of any federal rent subsidy and of charges for any utilities, services, furniture, furnishings, or personal property appliances furnished by the landlord as part of the rental agreement, whether expressly set out in the rental agreement, must be considered as payment made for property tax. When any part of the twenty percent of the annual rent exceeds four percent of the annual income of a qualified applicant, the applicant is entitled to receive a refund from the state general fund for that amount in excess of four percent of the person's annual income, but the refund may not be in excess of two hundred forty dollars. If the calculation for the refund is less than five dollars, a minimum of five dollars must be sent to the qualifying applicant.
 - c. Persons who reside together, as spouses or when one or more is a dependent of another, are entitled to only one refund between or among them under this subsection. Persons who reside together in a rental unit, who are not spouses or dependents, are each entitled to apply for a refund based on the rent paid by that person.
 - d. Each application for refund under this subsection must be made to the tax commissioner before the first day of June of each year by the person claiming the refund. The tax commissioner may grant an extension of time to file an application for good cause. The tax commissioner shall issue refunds to applicants.
 - e. This subsection does not apply to rents or fees paid by a person for any living quarters, including a nursing home licensed pursuant to section 23-16-01, if those living quarters are exempt from property taxation and the owner is not making a payment in lieu of property taxes.
 - f. A person may not receive a refund under this section for a taxable year in which that person received an exemption under subsection 1.
3. All forms necessary to effectuate this section must be prescribed, designed, and made available by the tax commissioner. The county directors of tax equalization shall make these forms available upon request.
 4. A person whose homestead is a farm structure exempt from taxation under subsection 15 of section 57-02-08 may not receive any property tax credit under this section.
 5. For the purposes of this section:
 - a. "Dependent" has the same meaning it has for federal income tax purposes.
 - b. "Homestead" has the same meaning as provided in section 47-18-01.
 - c. "Income" means income for the most recent complete taxable year from all sources, including the income of any dependent of the applicant, and including any county, state, or federal public assistance benefits, social security, or other retirement benefits, but excluding any federal rent subsidy, any amount excluded from income by federal or state law, and medical expenses paid during the year by the applicant or the applicant's dependent which is not compensated by insurance or other means.
 - d. "Medical expenses" has the same meaning as it has for state income tax purposes, except that for transportation for medical care the person may use the standard mileage rate allowed for state officer and employee use of a motor vehicle under section 54-06-09.
 - e. "Permanently and totally disabled" means the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or has lasted or can be expected to last for a

continuous period of not less than twelve months as established by a certificate from a licensed physician.

SECTION 2. AMENDMENT. Section 57-12-09 of the North Dakota Century Code is amended and reenacted as follows:

57-12-09. ~~Written notice~~ Notice of increased assessment to real estate owner. When any assessor has increased the true and full valuation of any lot or tract of land ~~together with or~~ any improvements thereon ~~by fifteen percent or more to more than ten percent more than the amount~~ of the last assessment, ~~written~~ notice of the amount of increase over the last assessment and the amount of the last assessment must be delivered in writing by the assessor to the property owner ~~or~~, mailed in writing to the property owner at the property owner's last-known address ~~except that no notice need be delivered or mailed if the true and full valuation is increased by less than three thousand dollars,~~ or provided to the property owner by electronic mail directed with verification of receipt to an electronic mail address at which the property owner has consented to receive notice. Delivery of notice to a property owner under this section must be completed not fewer than fifteen days before the meeting of the local equalization board. The tax commissioner shall prescribe suitable forms for this notice and the notice must show the true and full value as defined by law of the property, including improvements, that the assessor used in making the assessment for the current year and for the year in which the last assessment was made and must also show the date prescribed by law for the meeting of the local equalization board of the assessment district in which the property is located and the meeting date of the county equalization board. The notice must be mailed or delivered ~~to the property owner at least ten days in advance of the meeting date of the local equalization board and must be mailed or delivered~~ at the expense of the assessment district for which the assessor is employed.

SECTION 3. AMENDMENT. Section 57-15-14 of the North Dakota Century Code is amended and reenacted as follows:

57-15-14. ~~Tax~~ General fund levy limitations in school districts. The aggregate amount levied each year for the purposes listed in section 57-15-14.2 by any school district, except the Fargo school district, may not exceed the amount in dollars which the school district levied for the prior school year plus eighteen percent up to a general fund levy of one hundred eighty-five mills on the dollar of the taxable valuation of the district, except that:

1. In any school district having a total population in excess of four thousand according to the last federal decennial census:
 - a. There may be levied any specific number of mills that upon resolution of the school board has been submitted to and approved by a majority of the qualified electors voting upon the question at any regular or special school district election.
 - b. There is no limitation upon the taxes which may be levied if upon resolution of the school board of any such district the removal of the mill levy limitation has been submitted to and approved by a majority of the qualified electors voting at any regular or special election upon such question.
2. In any school district having a total population of less than four thousand, there may be levied any specific number of mills that upon resolution of the school board has been approved by fifty-five percent of the qualified electors voting upon the question at any regular or special school election.
3. After June 30, 2007, in any school district election for approval by electors of unlimited or increased levy authority under subsection 1 or 2, the ballot must specify the number of mills, the percentage increase in dollars levied, or that unlimited levy authority is proposed for approval, and the number of taxable years for which that approval is to apply. After June 30, 2007, approval by electors of unlimited or increased levy authority under subsection 1 or 2 may not be effective for more than ten taxable years.
4. In any school district in which the total assessed valuation of property has increased twenty percent or more over the prior year and in which as a result of that increase the school district is entitled to less in state aid payments provided in chapter 15.1-27 because of the deduction required in

section 15.1-27-05, there may be levied any specific number of mills more in dollars than was levied in the prior year up to a general fund levy of one hundred eighty-five mills on the dollar of the taxable valuation of the school district. The additional levy authorized by this subsection may be levied for not more than two years because of any twenty percent or greater annual increase in assessed valuation. The total amount of revenue generated in excess of the eighteen percent increase which is otherwise permitted by this section may not exceed the amount of state aid payments lost as a result of applying the deduction provided in section 15.1-27-05 to the increased assessed valuation of the school district in a one-year period.

The question of authorizing or discontinuing such specific number of mills authority or unlimited taxing authority in any school district must be submitted to the qualified electors at the next regular election upon resolution of the school board or upon the filing with the school board of a petition containing the signatures of qualified electors of the district equal in number to ~~twenty ten~~ percent of the number of ~~persons enumerated in the school census for that district for the most recent year such census was taken, unless such census is greater than four thousand in which case only fifteen percent of the number of persons enumerated in the school census is required~~ electors who cast votes in the most recent election in the school district. However, not fewer than twenty-five signatures are required unless the district has fewer than twenty-five qualified electors, in which case the petition must be signed by not less than twenty-five percent of the qualified electors of the district. In those districts with fewer than twenty-five qualified electors, the number of qualified electors in the district must be determined by the county superintendent for such county in which such school is located. However, the approval of discontinuing either such authority does not affect the tax levy in the calendar year in which the election is held. The election must be held in the same manner and subject to the same conditions as provided in this section for the first election upon the question of authorizing the mill levy.

SECTION 4. AMENDMENT. Section 57-20-07.1 of the North Dakota Century Code is amended and reenacted as follows:

57-20-07.1. County treasurer to mail real estate tax statement. On or before December twenty-sixth of each year, the county treasurer shall mail a real estate tax statement to the owner of each parcel of real property at the owner's last-known address. The statement must be provided in a manner that allows the taxpayer to retain a printed record of the obligation for payment of taxes and special assessments as provided in the statement. If a parcel of real property is owned by more than one individual, the county treasurer shall send only one statement to one of the owners of that property. Additional copies of the tax statement will be sent to the other owners upon their request and the furnishing of their names and addresses to the county treasurer. ~~Such tax statements~~ The tax statement must include a dollar valuation of the true and full value as defined by law of the property and the total mill levy applicable. The tax statement must include, or be accompanied by a separate sheet, with three columns showing, for the taxable year to which the tax statement applies and the two immediately preceding taxable years, the property tax levy in dollars against the parcel by the county and school district and any city or township that levied taxes against the parcel. Failure of an owner to receive a statement will not relieve that owner of liability, nor extend the discount privilege past the February fifteenth deadline.

SECTION 5. A new section to chapter 57-38 of the North Dakota Century Code is created and enacted as follows:

Marriage penalty credit.

1. A married couple filing a joint return under section 57-38-30.3 is allowed a credit of not to exceed three hundred dollars per couple as determined under this section. The tax commissioner shall adjust the maximum amount of the credit under this subsection each taxable year at the time and rate adjustments are made to rate schedules under subdivision g of subsection 1 of section 57-38-30.3.
2. The credit under this section is the difference between the tax on the couple's joint North Dakota taxable income under the rates and income levels in subdivision b of subsection 1 of section 57-38-30.3 and the sum of the tax under the rates and income levels of subdivision a of subsection 1 of section 57-38-30.3 on the earned income of the lesser-earning spouse, and the tax under the rates and income levels of subdivision a of

subsection 1 of section 57-38-30.3 on the couple's joint North Dakota taxable income, minus the earned income of the lesser-earning spouse.

3. The tax commissioner shall prepare and make available to taxpayers a comprehensive table showing the credit under this section at brackets of earnings of the lesser-earning spouse and joint taxable income. The brackets of earnings may not be more than two thousand dollars.
4. For a nonresident or part-year resident, the credit under this section must be adjusted based on the percentage calculated under subdivision f of subsection 1 of section 57-38-30.3.
5. For purposes of this section:
 - a. "Earned income" means the sum of the following, to the extent included in North Dakota taxable income:
 - (1) Earned income as defined in section 32(c)(2) of the Internal Revenue Code;
 - (2) Income received from a retirement pension, profit-sharing, stock bonus, or annuity plan; and
 - (3) Social security benefits as defined in section 86(d)(1) of the Internal Revenue Code.
 - b. "Earned income of the lesser-earning spouse" means the earned income of the spouse with the lesser amount of earned income for the taxable year minus the sum of:
 - (1) The amount for one exemption under section 151(d) of the Internal Revenue Code; and
 - (2) One-half of the amount of the standard deduction under section 63(c)(2)(A)(4) of the Internal Revenue Code.

SECTION 6. A new section to chapter 57-38 of the North Dakota Century Code is created and enacted as follows:

Homestead income tax credit - Rules.

1. In addition to any other credit or deduction allowed by law for a homeowner, an individual is entitled to a credit against the tax imposed under section 57-38-29 or section 57-38-30.3 for taxable years 2007 and 2008 in the amount of ten percent of property taxes or mobile home taxes that became due during the income tax taxable year and are paid which were levied against the individual's homestead in this state. For purposes of this section, "property taxes" does not include any special assessments.
2. For purposes of this section, "homestead" means the dwelling occupied by the individual as the individual's primary residence and, if that residence is in this state, any residential or agricultural property owned by that individual in this state.
3.
 - a. The amount of the credit under this section may not exceed one thousand dollars for married persons filing a joint return or five hundred dollars for a single individual or married individuals filing separate returns.
 - b. The amount of the credit under this section may not exceed the taxpayer's tax liability under this chapter.
4. The amount of the credit under subsection 3 in excess of the taxpayer's tax liability may be carried forward for up to five years or the taxpayer may request that the tax commissioner issue the taxpayer a certificate in the amount of the excess which may be used by the taxpayer against property or mobile home tax liability of the taxpayer during the ensuing taxable year by delivering the certificate to the county treasurer in which the taxable property or mobile home is subject to taxes. The county treasurer shall forward certificates redeemed in payment of a tax obligation under this

section to the tax commissioner, who shall issue payment to the county in the amount of the certificates.

5. Persons owning property together are entitled to only one credit for a parcel of property between or among them under this section. Persons owning property together are each entitled to a percentage of the credit for a single individual under this section equal to their ownership interests in the property.
6. This section is not subject to subsection 1 or subsection 2 of section 57-38-45.
7. The tax commissioner shall adopt rules to provide for filing and verification of claims of credits under this section and for issuance and redemption of tax certificates under subsection 4.
8.
 - a. If, on November 15, 2008, the total amount of tax credits claimed under this section exceeds forty-seven million dollars, the tax commissioner shall reduce the rate of the credit under subsection 1. The adjusted credit rate must be calculated by the tax commissioner as follows:
 - (1) The tax commissioner shall determine the percentage by which the credits claimed under this section exceeds forty-seven million dollars.
 - (2) The difference between the number one and the amount calculated under subdivision a multiplied by ten percent is the adjusted credit rate for the 2008 taxable year.
 - b. The tax commissioner shall report any adjustment under this subsection to the budget section of the legislative council for review.

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

Commercial property income tax credit - Rules.

1. In addition to any other credit or deduction allowed by law for a property owner, an individual or corporation is entitled to a credit against the tax imposed under sections 57-38-29, 57-39-30, or 57-38-30.3 for taxable years 2007 and 2008 in the amount of ten percent of property taxes or mobile home taxes that became due during the income tax taxable year and are paid which were levied against commercial property in this state. For purposes of this section, "property taxes" does not include any special assessments.
 - a. The amount of the credit under this section may not exceed one thousand dollars for any taxpayer.
 - b. The amount of the credit under this section may not exceed the taxpayer's tax liability under this chapter.
 - c. The amount of the credit under this section may not exceed one thousand dollars for married persons filing a joint return or five hundred dollars for a single individual or married individual filing separate returns.
2. The amount of the credit under subdivisions a and c of subsection 1 in excess of the taxpayer's tax liability may be carried forward for up to five years.
3. Persons owning property together are entitled to only one credit for property between or among them under this section. Persons owning property together are each entitled to a percentage of the credit equal to their ownership interests in the property. Married individuals owning property together are each entitled to a percentage of the credit for a single individual under this section equal to their ownership interests in the property.

4. This section is not subject to subsection 1 or subsection 2 of section 57-38-45.
5. A passthrough entity entitled to the credit under this section shall allocate the amount of the credit allowed with respect to the entity's property at the passthrough entity level. The amount of the total credit determined at the entity level must be passed through to the partners, shareholders, or members in proportion to their respective interests in the passthrough entity.
6. The tax commissioner shall adopt rules to provide for filing and verification of claims under this section.
7.
 - a. If, on November 15, 2008, the total amount of credits claimed under this section exceeds seven million dollars, the tax commissioner shall reduce the cap that applies to the credit under subsection 1. The adjusted credit cap must be calculated by the tax commissioner as follows:
 - (1) The tax commissioner shall determine the percentage by which the credits claimed under this section exceeds seven million dollars.
 - (2) The difference between the number one and the amount calculated under paragraph 1 multiplied by the amount of the cap is the adjusted credit cap for the 2008 taxable year.
 - b. The tax commissioner shall report any proposed adjustment under this subsection to the budget section of the legislative council for approval.

SECTION 8. Three new subsections to section 57-38-30.3 of the North Dakota Century Code are created and enacted as follows:

A taxpayer filing a return under this section is entitled to the credit provided under section 5 of this Act.

A taxpayer filing a return under this section is entitled to the credit provided under section 6 of this Act.

A taxpayer filing a return under this section is entitled to the credit provided under section 7 of this Act.

SECTION 9. AMENDMENT. Section 57-55-04 of the North Dakota Century Code is amended and reenacted as follows:

57-55-04. Taxes - How determined - Disbursement. The director of tax equalization shall determine the tax for each mobile home by placing an evaluation on the mobile home based upon its assessed value and by adjusting the valuation of the mobile home by the percentage provided in section 57-02-27 to determine its taxable valuation under standards and guides determined by the state tax commissioner and applying that evaluation to the preceding year's total mill levies applying to property within the taxing district in which the mobile home is located. The county treasurer shall provide a tax statement for each mobile home subject to taxation under this chapter, including three columns showing, for the taxable year to which the tax statement applies and the two immediately preceding taxable years, the property tax levy in dollars against the mobile home by the county and school district and any city or township that levied taxes against the mobile home. If a mobile home is acquired or moved into this state during the calendar year and a tax permit has not been previously issued for such mobile home in this state for such year, the tax is determined by computing the remaining number of months of the current year to the nearest full month and multiplying that number by one-twelfth of the amount which would be due for the full year. The taxes collected under this chapter must be disbursed in the same year they are collected and in the same manner as real estate taxes for the preceding year are disbursed.

SECTION 10. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$3,604,000, or so much of the sum as may be necessary, to the state tax commissioner

for the purpose of enhanced funding for the expanded homestead tax credit as provided in this Act, for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 11. APPROPRIATION - TAX DEPARTMENT. There is appropriated from special funds, the sum of \$1,100,000, or so much of the sum as may be necessary, to the tax commissioner, for the purpose of implementing the provisions of this Act, for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 12. TRANSFER. During the biennium beginning July 1, 2007, and ending June 30, 2009, the director of the office of management and budget shall transfer \$115,000,000 from the permanent oil tax trust fund to the general fund.

SECTION 13. LEGISLATIVE COUNCIL STUDY. The legislative council shall study in each interim through 2012 the feasibility and desirability of property tax reform and providing property tax relief to taxpayers of the state, with the goal of reduction of each taxpayer's annual property tax bill to an amount that is not more than one and one-half percent of the true and full value of property, and including examination of the proper measure of education funding from local taxation and state resources and the variability of funding resources among taxing districts and examination of improved collection and reporting of property tax information to identify residency of property owners with minimized administrative difficulty. The legislative council shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the legislative assembly subsequent to each interim.

SECTION 14. EFFECTIVE DATE. Sections 1, 3, and 4 of this Act are effective for taxable years beginning after December 31, 2006. Section 9 of this Act is effective for taxable years beginning after December 31, 2007, for mobile home taxes. Section 2 of this Act is effective for taxable years beginning after December 31, 2007. Sections 5, 6, 7, and 8 of this Act are effective for taxable years beginning after December 31, 2006."

Renumber accordingly

Reengrossed SB 2032 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. DROVDAL MOVED that the conference committee report on Reengrossed SB 2032 be adopted, which motion prevailed on a voice vote.

Reengrossed SB 2032, as amended, was placed on the Fourteenth order.

SECOND READING OF SENATE BILL

SB 2032: A BILL for an Act to create and enact three new sections to chapter 57-38 and three new subsections to section 57-38-30.3 of the North Dakota Century Code, relating to income tax marriage penalty relief, a homestead income tax credit, and a commercial property income tax credit; to amend and reenact sections 57-02-08.1, 57-12-09, 57-15-14, 57-20-07.1, and 57-55-04 of the North Dakota Century Code, relating to the homestead credit, notice of assessment increases, school district levy limitations, contents of property tax statements, payment of real estate taxes, and mobile home taxes; to provide an appropriation; to provide for a transfer; to provide for a legislative council study; and to provide an effective date.

ROLL CALL

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

YEAS: Aarsvold; Amerman; Bellew; Belter; Berg; Boe; Boehning; Boucher; Brandenburg; Carlisle; Carlson; Charging; Clark; Conrad; Dahl; Damschen; DeKrey; Delmore; Dietrich; Dosch; Drovdal; Ekstrom; Froelich; Froseth; Glassheim; Grande; Griffin; Gruchalla; Gullerson; Haas; Hanson; Hatlestad; Hawken; Headland; Heller; Herbel; Hofstad; Hunsakor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, S.; Kempenich; Kerzman; Kingsbury; Klein; Klemin; Koppelman; Kreidt; Kretschmar; Kroeber; Martinson; Meier, L.; Metcalf; Meyer, S.; Monson; Mueller; Myxter; Nottestad; Onstad; Owens; Pietsch; Pinkerton; Pollert; Porter; Potter; Price; Ruby; Schmidt; Schneider; Skarphol; Solberg; Sukut; Svedjan; Thoreson; Thorpe; Uglem; Vig; Vigesaa; Wald; Wall; Weiler; Weisz; Wieland; Williams; Wolf; Wrangham; Zaiser; Speaker Delzer

NAYS: Nelson

Reengrossed SB 2032, as amended, passed and the title was agreed to.

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

MR. PRESIDENT: The House has adopted the conference committee report and subsequently passed: SB 2032.

MOTION

REP. MONSON MOVED that a committee of three be appointed to notify the Senate that the House has completed its business and is about to adjourn, which motion prevailed.

THE SPEAKER APPOINTED Reps. Owens, Weisz, and S. Meyer.

MOTION

REP. MONSON MOVED that a committee of three be appointed to notify the Governor that the House has completed its business and is about to adjourn, which motion prevailed.

THE SPEAKER APPOINTED Reps. Carlisle, Dahl, and Kroeber.

REQUEST

REP. OWENS REQUESTED that the committee appointed to notify the Senate that the House has completed its business and is about to adjourn be discharged, as the committee had completed its task, which request was granted.

REQUEST

REP. CARLISLE REQUESTED that the committee appointed to notify the Governor that the House has completed its business and is about to adjourn be discharged, as the committee had completed its task, which request was granted.

MOTION

REP. MONSON MOVED that the House be on the Fourth, Fifteenth, and Sixteenth orders of business and at the conclusion of those orders, the House adjourn sine die.

Pursuant to Rep. Monson's motion the House stood adjourned sine die.

Buell J. Reich, Chief Clerk

