

## JOURNAL OF THE SENATE

## Sixty-fourth Legislative Assembly

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Bismarck, April 16, 2015

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

The prayer was offered by Reverend Larry Giese, Lord of Life Lutheran Church, Bismarck.

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

A quorum was declared by the President.

## CONSIDERATION OF AMENDMENTS

**HB 1055, as reengrossed: SEN. COOK (Finance and Taxation Committee) MOVED** that the amendments on SJ pages 1521-1522 be adopted and then be placed on the Fourteenth order with **DO NOT PASS**, which motion prevailed on a voice vote.

## SECOND READING OF HOUSE BILL

**HB 1055:** A BILL for an Act to amend and reenact sections 4-02-26, 4-02-27.1, 4-02-27.2, 4-02-37, 4-08-02, 4-08-04, 4-08-15, and 4-08-15.1, subsection 17 of section 4-22-26, subsection 2 of section 4.1-47-14, sections 4.1-47-16 and 4.1-47-25, subsection 2 of section 11-09.1-05, subsection 15 of section 11-11-14, sections 11-11-46, 11-28-17, 11-28.3-03, 11-28.3-04, 11-28.3-09, 11-37-14, 15-04-23, 15-52-09, 15-52-26, 15.1-09-49, and 15.1-12-09.1, subdivision n of subsection 1 of section 15.1-12-10, sections 15.1-12-16.1, 15.1-27-02, 15.1-27-04.1, 15.1-27-04.2, 15.1-27-11, 15.1-27-20.2, 16.1-01-11, 18-06-11, and 18-10-12.1, subsection 4.1 of section 21-03-06, subsection 5 of section 21-03-07, sections 21-07-01, 23-18-01, 23-18-02, and 23-18-03, subsection 13 of section 23-18.2-10, sections 23-18.2-11, 23-18.2-14, 23-18.2-16, and 23-30-02, subsection 5 of section 23-30-11, sections 23-35-05 and 23-35-07, subsection 2 of section 23-35.1-02, section 23-46-01, subsection 2 of section 40-05.1-06, sections 40-37-02 and 40-37-03, subsection 4 of section 40-38-02, sections 40-38.1-02, 40-45-16, 40-55-08, and 40-55-09, subsection 3 of section 40-57.1-03, subsections 2, 3, 4, 5, and 10 of section 40-58-20, sections 40-59-02, 40-59-03, 50-01.2-03.2, 54-24.2-02.1, 54-24.2-02.2, 54-24.2-03, 54-24.2-05, and 54-24.3-10, subsections 1, 13, and 15 of section 57-02-01, subsection 22 of section 57-02-08, subsection 1 of section 57-02-08.1, sections 57-02-08.2, 57-02-08.8, 57-02-27, 57-02.1-05, 57-02.1-06, 57-02.3-05, 57-02.3-06, 57-06-14.1, 57-06-17.2, 57-06-24, 57-15-01.1, 57-15-02, 57-15-02.1, 57-15-06, 57-15-06.7, 57-15-06.8, 57-15-06.10, 57-15-08, 57-15-10, 57-15-12, 57-15-12.1, 57-15-12.2, 57-15-14, 57-15-14.2, 57-15-14.4, 57-15-14.5, 57-15-16, 57-15-17.1, 57-15-19.4, 57-15-20, 57-15-20.2, 57-15-22, 57-15-22.2, 57-15-26.1, 57-15-26.2, 57-15-26.3, 57-15-26.4, 57-15-26.5, 57-15-26.6, 57-15-26.8, 57-15-27.1, 57-15-27.2, 57-15-28, 57-15-28.1, 57-15-31, 57-15-38, 57-15-42, 57-15-48, 57-15-50, 57-15-51, 57-15-53, 57-15-56, 57-15-59, 57-15-61, 57-19-01, 57-19-04, and 57-20-02, subdivision a of subsection 1 of section 57-20-07.1, sections 57-22-16 and 57-32-02, subdivision b of subsection 3 of section 57-33.2-19, sections 57-39.2-26.2, 57-44-03, 57-47-04, 57-51-15, 57-55-04, 57-64-01, 57-64-02, 57-64-03, and 57-64-04, subsection 18 of section 58-03-07, sections 58-15-02, 61-04.1-24, 61-04.1-26, and 61-04.1-32, subsection 2 of section 61-16.1-11, subsection 9 of section 61-24-08, sections 61-24-09, 61-24.5-10, 61-24.5-11, 61-24.5-12, 61-24.5-13, and 61-24.5-14, and subsection 5 of section 61-41-02 of the North Dakota Century Code, relating to determination of taxable valuation and replacement of statutory references to mills with references to cents for property tax rate purposes; to provide for legislative council reconciliation of statutory references to mill levies and taxable valuation; to provide for a recommendation on implementation of a uniform chart of accounts for counties; and to provide an effective date.

## ROLL CALL

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

committee recommendation of DO NOT PASS, the roll was called and there were 4 YEAS, 42 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Laffen; Larsen; Schaible

**NAYS:** Armstrong; Axness; Bekkedahl; Bowman; Burckhard; Carlisle; Casper; Cook; Davison; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oban; Oehlke; Poolman; Robinson; Rust; Schneider; Sinner; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

**ABSENT AND NOT VOTING:** Campbell

Reengrossed HB 1055, as amended, failed.

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#### REQUEST

**SEN. LAFFEN REQUESTED** the Journal reflect he intended to vote NAY on HB 1055, which request was granted.

#### CONSIDERATION OF AMENDMENTS

**HB 1223, as engrossed and amended: SEN. LAFFEN (Appropriations Committee) MOVED** that the amendments on SJ pages 1494-1495 be adopted and then be placed on the Fourteenth order with **DO NOT PASS**, which motion prevailed on a voice vote.

#### SECOND READING OF HOUSE BILL

**HB 1223:** A BILL for an Act to amend and reenact section 57-38-30 and subsection 1 of section 57-38-30.3 of the North Dakota Century Code, relating to corporate and individual income tax rate reductions; and to provide an effective date.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO NOT PASS, the roll was called and there were 13 YEAS, 33 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Armstrong; Burckhard; Casper; Cook; Hogue; Klein; Laffen; Larsen; Miller; Schaible; Unruh; Wanzek

**NAYS:** Axness; Bekkedahl; Bowman; Carlisle; Davison; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Heckaman; Holmberg; Kilzer; Krebsbach; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Murphy; Nelson; O'Connell; Oban; Oehlke; Poolman; Robinson; Rust; Schneider; Sinner; Sorvaag; Triplett; Wardner; Warner

**ABSENT AND NOT VOTING:** Campbell

Engrossed HB 1223, as amended, failed.

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#### SECOND READING OF HOUSE BILL

**HB 1070:** A BILL for an Act to amend and reenact subdivision f of subsection 43 of section 57-02-08 of the North Dakota Century Code, relating to the property tax exemption for affordable housing.

#### ROLL CALL

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO NOT PASS, the roll was called and there were 17 YEAS, 29 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Axness; Bowman; Dotzenrod; Grabinger; Heckaman; Larsen; Lee, J.; Marcellais; Mathern; Murphy; Nelson; O'Connell; Oban; Robinson; Schneider; Sinner; Triplett

**NAYS:** Anderson; Armstrong; Bekkedahl; Burckhard; Carlisle; Casper; Cook; Davison; Dever; Erbele; Flakoll; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Lee, G.;

Luick; Miller; Oehlke; Poolman; Rust; Schaible; Sorvaag; Unruh; Wanzek; Wardner; Warner

**ABSENT AND NOT VOTING:** Campbell

HB 1070 failed.

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### SECOND READING OF HOUSE BILL

**HB 1067:** A BILL for an Act to create and enact a new subsection to section 57-39.2-26.1, of the North Dakota Century Code, relating to allocation of revenues among political subdivisions; to provide an effective date; to provide an expiration date; and to declare an emergency.

### ROLL CALL

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

**YEAS:** Anderson; Armstrong; Axness; Bekkedahl; Bowman; Burckhard; Carlisle; Casper; Cook; Davison; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Murphy; Nelson; O'Connell; Oban; Oehlke; Poolman; Robinson; Rust; Schaible; Schneider; Sinner; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

**NAYS:** Miller

**ABSENT AND NOT VOTING:** Campbell

HB 1067 passed and the emergency clause was declared carried.

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### MOTION

**SEN. KLEIN MOVED** that Sen. Oban replace Sen. Marcellais on the Conference Committee on SB 2031, which motion prevailed on a voice vote.

### CONSIDERATION OF MESSAGE FROM THE HOUSE

**SEN. FLAKOLL MOVED** that the Senate do concur in the House amendments to Engrossed SB 2151 as printed on SJ pages 1503-1504, which motion prevailed on a voice vote.

Engrossed SB 2151 as amended, was placed on the Eleventh order of business.

### SECOND READING OF SENATE BILL

**SB 2151:** A BILL for an Act to create and enact four new sections to chapter 15.1-37 of the North Dakota Century Code, relating to early childhood education provider grants; to amend and reenact section 15.1-37-01 of the North Dakota Century Code, relating to early childhood education program approval; to provide for a superintendent of public instruction study and report to the legislative management; to provide an appropriation; 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 32 YEAS, 14 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Armstrong; Axness; Burckhard; Casper; Cook; Davison; Dotzenrod; Erbele; Flakoll; Grabinger; Heckaman; Holmberg; Lee, J.; Luick; Marcellais; Mathern; Miller; Murphy; Nelson; Oban; Oehlke; Poolman; Robinson; Rust; Schneider; Sinner; Sorvaag; Triplett; Unruh; Wardner; Warner

**NAYS:** Bekkedahl; Bowman; Carlisle; Dever; Hogue; Kilzer; Klein; Krebsbach; Laffen;

Larsen; Lee, G.; O'Connell; Schaible; Wanzek

**ABSENT AND NOT VOTING:** Campbell

Reengrossed SB 2151 passed.

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**REQUEST**

**SEN. SCHAIBLE REQUESTED** the Journal reflect he intended to vote YEA on SB 2151, which request was granted.

**MOTION**

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

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

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The Senate has passed, the emergency clause carried, unchanged: HB 1067.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The Senate has amended and subsequently failed to pass: HB 1055, HB 1223.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The Senate has failed to pass, unchanged: HB 1070.

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

**MR. PRESIDENT:** The House has amended and subsequently passed: SB 2013.

**HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2013**

Page 1, line 7, after "state" insert "; to provide an exemption; to provide a statement of legislative intent; and to provide for legislative management studies"

Page 1, remove lines 20 through 24

Page 2, replace lines 1 through 10 with:

"Salaries and wages	\$15,940,953	\$2,339,053	\$18,280,006
Accrued leave payments	322,068	(322,068)	0
Operating expenses	29,430,802	1,397,390	30,828,192
Integrated formula payments	1,752,100,000	144,900,000	1,897,000,000
Grants - special education contracts	16,500,000	800,000	17,300,000
Grants - transportation	53,500,000	3,500,000	57,000,000
Grants - other grants	272,996,261	(4,451,534)	268,544,727
PowerSchool	0	6,000,000	6,000,000
Rapid enrollment grants	13,600,000	1,200,000	14,800,000
Transportation efficiency	30,000	0	30,000
National board certification	120,000	0	120,000
Total all funds	\$2,154,540,084	\$155,362,841	\$2,309,902,925
Less estimated income	436,996,759	71,635,714	508,632,473
Total general fund	\$1,717,543,325	\$83,727,127	\$1,801,270,452
Full-time equivalent positions	99.75	0.00	99.75"

Page 2, replace lines 15 through 22 with:

"Salaries and wages	\$3,780,053	\$401,127	\$4,181,180
Accrued leave payments	75,354	(75,354)	0
Operating expenses	1,895,726	0	1,895,726
Grants	2,519,000	616,500	3,135,500
Total all funds	\$8,270,133	\$942,273	\$9,212,406
Less estimated income	2,394,145	44,606	2,438,751

Total general fund	\$5,875,988	\$897,667	\$6,773,655
Full-time equivalent positions	29.75	0.00	29.75"

Page 2, remove lines 27 through 31

Page 3, replace lines 1 through 4 with:

"Salaries and wages	\$6,932,905	\$781,425	\$7,714,330
Accrued leave payments	134,846	(134,846)	0
Operating expenses	1,908,794	139,502	2,048,296
Capital assets	191,762	675,412	867,174
Grants	<u>200,000</u>	<u>0</u>	<u>200,000</u>
Total all funds	\$9,368,307	\$1,461,493	\$10,829,800
Less estimated income	<u>1,568,928</u>	<u>120,282</u>	<u>1,689,210</u>
Total general fund	\$7,799,379	\$1,341,211	\$9,140,590
Full-time equivalent positions	44.61	1.00	45.61"

Page 3, replace lines 9 through 16 with:

"Salaries and wages	\$4,415,180	\$344,969	\$4,760,149
Accrued leave payments	87,463	(87,463)	0
Operating expenses	707,006	157,700	864,706
Capital assets	<u>35,364</u>	<u>46,590</u>	<u>81,954</u>
Total all funds	\$5,245,013	\$461,796	\$5,706,809
Less estimated income	<u>743,427</u>	<u>(118,102)</u>	<u>625,325</u>
Total general fund	\$4,501,586	\$579,898	\$5,081,484
Full-time equivalent positions	30.00	0.00	30.00"

Page 3, replace lines 21 through 23 with:

"Grand total general fund	\$1,735,720,278	\$86,545,903	\$1,822,266,181
Grand total special funds	<u>441,703,259</u>	<u>71,682,500</u>	<u>513,385,759</u>
Grand total all funds	\$2,177,423,537	\$158,228,403	\$2,335,651,940"

Page 4, after line 3, insert:

"Civics education grant	0	200,000
Cardiopulmonary resuscitation training grants	0	450,000"

Page 4, replace line 6 with:

"Total department of public instruction - general fund	\$6,070,000	\$15,480,000"
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Page 4, replace lines 24 through 26 with:

"Grand total - all funds	\$10,375,095	\$16,386,000
Grand total - estimated income	<u>1,112,588</u>	<u>656,000</u>
Grand total - general fund	\$9,262,507	\$15,730,000"

Page 6, line 17, replace "twenty-seven" with "eighteen"

Page 6, line 19, replace "Sixty" with "Fifty-five"

Page 6, line 20, replace "Sixty" with "Fifty-four"

Page 6, line 31, replace "Sixty" with "Fifty-four"

Page 9, after line 13, insert:

**"SECTION 12. EXEMPTION - SAFETY GRANTS.** The amount appropriated for school district safety grants in section 1 of chapter 59 of the 2013 Session Laws is not subject to section 54-44.1-11 and any unexpended funds are available for school district safety grants during the biennium beginning July 1, 2015, and ending June 30, 2017.

**SECTION 13. UNSPENT GRANTS - STATE SCHOOL AID RESTRICTION - 2013-15 BIENNIUM.** Notwithstanding any provisions of Senate Bill No. 2031, as approved by the sixty-fourth legislative assembly, the superintendent of public instruction may not spend any of the moneys remaining in the grants - state school aid line item to contract for a study of the impact of early childhood education provider grants during the 2015-17 biennium."

Page 13, after line 18, insert:

**"SECTION 23. LEGISLATIVE INTENT - REGIONAL EDUCATION ASSOCIATIONS AND THE NORTH DAKOTA TEACHER CENTER NETWORK.** It is the intent of the sixty-fourth legislative assembly that, during the 2015-17 biennium, the North Dakota teacher center network merge with regional education associations and that the mergers be complete by July 1, 2017.

**SECTION 24. LEGISLATIVE MANAGEMENT STUDY - SCHOOL DISTRICT TRANSPORTATION.** During the 2015-16 interim, the legislative management shall consider studying school district transportation and state reimbursement for transportation. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

**SECTION 25. LEGISLATIVE MANAGEMENT STUDY - TEACHER PREPARATION AND RETENTION.** During the 2015-16 interim, the legislative management shall consider studying teacher preparation and retention, including reasons new teachers leave the profession, federal requirements for teacher preparation programs, and possible enhancements to teacher preparation programs and other programs designed to improve retention of new teachers. As part of the study the superintendent of public instruction shall prepare exit interview forms to be completed by school districts when a teacher separates employment. The superintendent of public instruction shall compile the information from the exit interviews and provide a report to the legislative management. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly."

Re-number accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2013 - Summary of House Action**

	Base Budget	Senate Version	House Changes	House Version
Department of Public Instruction				
Total all funds	\$2,154,540,084	\$2,449,114,980	(\$139,212,055)	\$2,309,902,925
Less estimated income	436,996,759	508,680,867	(48,394)	508,632,473
General fund	\$1,717,543,325	\$1,940,434,113	(\$139,163,661)	\$1,801,270,452
State Library				
Total all funds	\$8,270,133	\$9,234,993	(\$22,587)	\$9,212,406
Less estimated income	2,394,145	2,439,261	(510)	2,438,751
General fund	\$5,875,988	\$6,795,732	(\$22,077)	\$6,773,655
School for the Deaf				
Total all funds	\$9,368,307	\$10,869,702	(\$39,902)	\$10,829,800
Less estimated income	1,568,928	1,693,570	(4,360)	1,689,210
General fund	\$7,799,379	\$9,176,132	(\$35,542)	\$9,140,590
Vision Services - School for the Blind				
Total all funds	\$5,245,013	\$5,730,901	(\$24,092)	\$5,706,809
Less estimated income	743,427	631,843	(6,518)	625,325
General fund	\$4,501,586	\$5,099,058	(\$17,574)	\$5,081,484
Bill total				
Total all funds	\$2,177,423,537	\$2,474,950,576	(\$139,298,636)	\$2,335,651,940
Less estimated income	441,703,259	513,445,541	(59,782)	513,385,759
General fund	\$1,735,720,278	\$1,961,505,035	(\$139,238,854)	\$1,822,266,181

**Senate Bill No. 2013 - Department of Public Instruction - House Action**

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$15,940,953	\$18,356,066	(\$76,060)	\$18,280,006
Operating expenses	29,430,802	30,828,192		30,828,192
Integrated formula payments	1,752,100,000	2,030,800,000	(133,800,000)	1,897,000,000
Grants - special education contracts	16,500,000	17,300,000		17,300,000
Grants - transportation	53,500,000	60,000,000	(3,000,000)	57,000,000
Grants - other grants	272,996,261	270,880,722	(2,335,995)	268,544,727
Rapid enrollment grants	13,600,000	14,800,000		14,800,000
Transportation efficiency	30,000	30,000		30,000
National board certification	120,000	120,000		120,000
Accrued leave payments	322,068			
PowerSchool		6,000,000		6,000,000
<b>Total all funds</b>	<b>\$2,154,540,084</b>	<b>\$2,449,114,980</b>	<b>(\$139,212,055)</b>	<b>\$2,309,902,925</b>
Less estimated income	436,996,759	508,680,867	(48,394)	508,632,473
<b>General fund</b>	<b>\$1,717,543,325</b>	<b>\$1,940,434,113</b>	<b>(\$139,163,661)</b>	<b>\$1,801,270,452</b>
FTE	99.75	99.75	0.00	99.75

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

	Adjusts Funding for Health Insurance Premium Increases <sup>1</sup>	Adjusts Funding for English Language Learner Grants <sup>2</sup>	Adjusts Funding for Integrated Formula Payments <sup>3</sup>	Decreases Funding for Transportation Grants <sup>4</sup>	Adds Funding for Medicaid Matching Requirements <sup>5</sup>	Decreases Funding for Free Meals to Students Eligible for Reduced Meals <sup>6</sup>
Salaries and wages	(\$76,060)					
Operating expenses						
Integrated formula payments			(133,800,000)			
Grants - special education contracts						
Grants - transportation				(3,000,000)		
Grants - other grants		(1,300,000)			323,611	(867,000)
Rapid enrollment grants						
Transportation efficiency						
National board certification						
Accrued leave payments						
PowerSchool						
<b>Total all funds</b>	<b>(\$76,060)</b>	<b>(\$1,300,000)</b>	<b>(\$133,800,000)</b>	<b>(\$3,000,000)</b>	<b>\$323,611</b>	<b>(\$867,000)</b>
Less estimated income	(48,394)	0	0	0	0	0
<b>General fund</b>	<b>(\$27,666)</b>	<b>(\$1,300,000)</b>	<b>(\$133,800,000)</b>	<b>(\$3,000,000)</b>	<b>\$323,611</b>	<b>(\$867,000)</b>
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds One-Time Funding for Civics Education Grant <sup>7</sup>	Adjusts Funding for Other Grants <sup>8</sup>	Total House Changes
Salaries and wages			(\$76,060)
Operating expenses			
Integrated formula payments			(133,800,000)
Grants - special education contracts			
Grants - transportation			(3,000,000)
Grants - other grants	200,000	(692,606)	(2,335,995)
Rapid enrollment grants			
Transportation efficiency			
National board certification			
Accrued leave payments			
PowerSchool			
<b>Total all funds</b>	<b>\$200,000</b>	<b>(\$692,606)</b>	<b>(\$139,212,055)</b>
Less estimated income	0	0	(48,394)
<b>General fund</b>	<b>\$200,000</b>	<b>(\$692,606)</b>	<b>(\$139,163,661)</b>
FTE	0.00	0.00	0.00

<sup>1</sup> Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

<sup>2</sup> Funding for English language learner grants included in Senate Bill No. 2031 is adjusted to provide a total of \$1.2 million from the general fund.

<sup>3</sup> Integrated formula payments are reduced based on House amendments to Senate Bill No. 2031, to provide a total of \$1,897,000,000, of which \$219,134,000 is from the state tuition fund and \$1,677,866,000 is from the general fund. This level of funding represents a \$144,900,000 increase from 2013-15 base level integrated formula payments and a \$3,000,000 reduction from the executive recommendation. Funding for integrated formula payments is adjusted for the following:

Per student integrated formula payment rate adjustments	(\$43,580,000)
Senate increase to "at-risk" factor is removed	(45,100,000)
Additional property tax relief added by the Senate is removed	(22,000,000)
Additional professional development days added by the Senate are removed	(20,000,000)
Increases to the English language learner and regional education association factors included in the executive recommendation and the Senate version are removed	(1,320,000)
Increases to the school size weighting factors added by the Senate are removed	(1,800,000)
<b>Total adjustment to integrated formula payments included in Engrossed Senate Bill No. 2013</b>	<b>(\$133,800,000.00)</b>

<sup>4</sup> Funding for transportation grants is reduced to provide a total of \$57 million from the general fund, an increase of \$3.5 million from the 2013-15 biennium.

<sup>5</sup> Funding is added for Medicaid matching requirements of school districts related to increased medical assistance payment rates for physical, occupational, and speech therapy services resulting from Senate Bill No. 2272.

<sup>6</sup> Funding added by the Senate to provide free breakfast and lunch to students eligible for reduced meals is decreased to provide a total of \$205,000 from the general fund to provide free breakfast to students eligible for reduced meals.

<sup>7</sup> One-time funding is added to provide for a passthrough grant to the North Dakota Humanities Council for the development of elementary and secondary civics education.

<sup>8</sup> Funding is removed or reduced for the following other grants provided from the general fund:

	General Fund (Decrease)	Total General Fund
Mentoring program	(\$300,000)	\$2,700,000
Teacher center network	(54,000)	360,000
LEAD Center	(7,500)	260,000
Rural art outreach program	(20,000)	415,000
North Dakota Young Entrepreneur education program	(140,000)	0
"We the People" program	(5,000)	20,000
Pathfinders Parent project	(146,106)	0
National writing projects	(20,000)	173,000
Total general fund	(\$692,606)	\$3,928,000

This amendment also:

- Designates funding for CPR grants (\$450,000) as one-time funding from the general fund;
- Amends the section related to the distribution of transportation grants to adjust reimbursement rates to reflect \$3 million reduction in total available grants;
- Adds an exemption to provide that any safety grant funds at the end of the 2013-15 biennium may be continued to the 2015-17 biennium;
- Adds a section of legislative intent to require that, during the 2015-17 biennium, teacher center networks merge with regional education associations and to provide mergers are complete by July 1, 2017;
- Adds a section to provide for a Legislative Management study of school district transportation and state reimbursement;
- Adds a section to provide for a Legislative Management study of teacher preparation and retention, including reasons new teachers leave the profession, federal requirements for teacher preparation programs, and possible enhancements to teacher preparation programs and other programs designed to improve retention of



new teachers. As part of the study the Department of Public Instruction must prepare exit interview forms to be completed by school districts when a teacher separates employment. Information from the exit interviews must be compiled by the Department of Public Instruction and the department must report to the Legislative Management regarding the data compiled from the exit interviews.

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**Senate Bill No. 2013 - State Library - House Action**

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$3,780,053	\$4,203,767		\$4,181,180
Operating expenses	1,895,726	1,895,726	(\$22,587)	1,895,726
Grants	2,519,000	3,135,500		3,135,500
Accrued leave payments	75,354			
Total all funds	\$8,270,133	\$9,234,993	(\$22,587)	\$9,212,406
Less estimated income	2,394,145	2,439,261	(510)	2,438,751
General fund	\$5,875,988	\$6,795,732	(\$22,077)	\$6,773,655
FTE	29.75	29.75	0.00	29.75

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

	Adjusts Funding for Health Insurance Premium Increases <sup>1</sup>	Total House Changes
Salaries and wages	(\$22,587)	(\$22,587)
Operating expenses		
Grants		
Accrued leave payments		
Total all funds	(\$22,587)	(\$22,587)
Less estimated income	(510)	(510)
General fund	(\$22,077)	(\$22,077)
FTE	0.00	0.00

<sup>1</sup> Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

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**Senate Bill No. 2013 - School for the Deaf - House Action**

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$6,932,905	\$7,754,232	(\$39,902)	\$7,714,330
Operating expenses	1,908,794	2,048,296		2,048,296
Capital assets	191,762	867,174		867,174
Grants	200,000	200,000		200,000
Accrued leave payments	134,846			
Total all funds	\$9,368,307	\$10,869,702	(\$39,902)	\$10,829,800
Less estimated income	1,568,928	1,693,570	(4,360)	1,689,210
General fund	\$7,799,379	\$9,176,132	(\$35,542)	\$9,140,590
FTE	44.61	45.61	0.00	45.61

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

	Adjusts Funding for Health Insurance Premium Increases <sup>1</sup>	Total House Changes
Salaries and wages	(\$39,902)	(\$39,902)
Operating expenses		
Capital assets		
Grants		
Accrued leave payments		
	(\$39,902)	(\$39,902)

Total all funds		
Less estimated income	(4,360)	(4,360)
General fund	(\$35,542)	(\$35,542)
FTE	0.00	0.00

<sup>1</sup> Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

**Senate Bill No. 2013 - Vision Services - School for the Blind - House Action**

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$4,415,180	\$4,784,241	(\$24,092)	\$4,760,149
Operating expenses	707,006	864,706		864,706
Capital assets	35,364	81,954		81,954
Accrued leave payments	87,463			
Total all funds	\$5,245,013	\$5,730,901	(\$24,092)	\$5,706,809
Less estimated income	743,427	631,843	(6,518)	625,325
General fund	\$4,501,586	\$5,099,058	(\$17,574)	\$5,081,484
FTE	30.00	30.00	0.00	30.00

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

	Adjusts Funding for Health Insurance Premium Increases <sup>1</sup>	Total House Changes
Salaries and wages	(\$24,092)	(\$24,092)
Operating expenses		
Capital assets		
Accrued leave payments		
Total all funds	(\$24,092)	(\$24,092)
Less estimated income	(6,518)	(6,518)
General fund	(\$17,574)	(\$17,574)
FTE	0.00	0.00

<sup>1</sup> Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The House has amended, subsequently passed, and the emergency clause carried: SB 2018, SB 2019.

**HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2018**

Page 1, replace lines 11 through 22 with:

"Salaries and wages	\$11,367,710	\$2,607,279	\$13,974,989
Accrued leave payments	211,332	(211,332)	0
Operating expenses	2,666,016	1,966,649	4,632,665
Capital assets	1,699,725	2,800,569	4,500,294
Grants	1,000,000	(100,000)	900,000
Cultural heritage grants	504,500	0	504,500
Exhibits	0	300,000	300,000
Yellowstone-Missouri-Fort Union	4,492	0	4,492
Total all funds	\$17,453,775	\$7,363,165	\$24,816,940
Less estimated income	3,221,964	252,937	3,474,901
Total general fund	\$14,231,811	\$7,110,228	\$21,342,039
Full-time equivalent positions	68.00	10.00	78.00"

Page 2, replace lines 4 through 15 with:

"North Dakota studies eighth grade curriculum	\$150,000	\$0
Historic sites exhibits	50,000	0
Project pool	950,000	0
State's 125th celebration planning	100,000	0
Technology costs	0	100,650
Fort Totten and Stutsman repairs	0	875,000
Double Ditch	0	250,000
Electronic records project	0	264,000
Dakota the dinosaur	0	1,500,000
Traveling and historic sites exhibits	0	300,000
Promotion funding for historical events	0	200,000
Whitestone hill native memorial	0	25,000
Total all funds	\$1,250,000	\$3,514,650
Less estimated income	0	175,000
Total general fund	\$1,250,000	\$3,339,650"

Page 2, after line 28, insert:

**"SECTION 5. DOUBLE DITCH FUNDING.** The capital assets line item in section 1 of this Act include one-time funding of \$250,000 from the general fund for developing a coordinated plan between the state historical society and the army corps of engineers for the funding and repair of the double ditch historic site river bank, for the biennium beginning July 1, 2015, and ending June 30, 2017.

**SECTION 6. WHITESTONE HILL NATIVE MEMORIAL - MATCHING FUNDS.** Of the funds appropriated in the capital assets line item in section 1 of this Act, \$25,000 from the general fund is for the Whitestone hill native memorial. The state historical society shall certify to the office of management and budget that one dollar of private funds has been raised for every one dollar of state funds for the memorial before any state funds may be spent."

Page 2, line 30, replace "\$4,675,000" with "\$925,000"

ReNUMBER accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### Senate Bill No. 2018 - State Historical Society - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$11,367,710	\$14,290,938	(\$315,949)	\$13,974,989
Operating expenses	2,666,016	4,682,665	(50,000)	4,632,665
Capital assets	1,699,725	6,575,294	(2,075,000)	4,500,294
Grants	1,000,000	900,000		900,000
Cultural heritage grants	504,500	504,500		504,500
Yellowstone-Missouri-Fort Union Comm	4,492	4,492		4,492
Accrued leave payments	211,332			
Exhibits		300,000		300,000
Total all funds	\$17,453,775	\$27,257,889	(\$2,440,949)	\$24,816,940
Less estimated income	3,221,964	3,480,717	(5,816)	3,474,901
General fund	\$14,231,811	\$23,777,172	(\$2,435,133)	\$21,342,039
FTE	68.00	79.00	(1.00)	78.00

#### Department No. 701 - State Historical Society - Detail of House Changes

	Adjusts Funding for Health Insurance Premium Increases <sup>1</sup>	Removes Funding for New Historic Site Supervisor <sup>2</sup>	Removes Funding for Welk Homestead Operations <sup>3</sup>	Adds One-Time Funding for Dakota the Dinosaur <sup>4</sup>	Removes One-Time Funding for Double Ditch Historic Site <sup>5</sup>	Removes One-Time Funding for Fort Totten and Stutsman County Courthouse <sup>6</sup>
Salaries and wages	(\$61,537)	(\$169,412)	(\$85,000)			
Operating expenses			(50,000)			
Capital assets				1,500,000	(3,250,000)	(300,000)
Grants						
Cultural heritage grants						
Yellowstone-Missouri-Fort Union						

Comm						
Accrued leave payments						
Exhibits						
Total all funds	(\$61,537)	(\$169,412)	(\$135,000)	\$1,500,000	(\$3,250,000)	(\$300,000)
Less estimated income	(5,816)	0	0	0	0	0
General fund	(\$55,721)	(\$169,412)	(\$135,000)	\$1,500,000	(\$3,250,000)	(\$300,000)
FTE	0.00	(1.00)	0.00	0.00	0.00	0.00

	<b>Reduces One-Time Funding for Whitestone Hill Native Memorial<sup>7</sup></b>	<b>Total House Changes</b>
Salaries and wages		(\$315,949)
Operating expenses		(50,000)
Capital assets	(25,000)	(2,075,000)
Grants		
Cultural heritage grants		
Yellowstone-Missouri-Fort Union Comm		
Accrued leave payments		
Exhibits		
Total all funds	(\$25,000)	(\$2,440,949)
Less estimated income	0	(5,816)
General fund	(\$25,000)	(\$2,435,133)
FTE	0.00	(1.00)

<sup>1</sup> Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

<sup>2</sup> Funding is removed from the general fund for a new historic site supervisor FTE position (\$163,091) and related salary increase (\$6,321).

<sup>3</sup> Funding is removed from the general fund for temporary employee salary and wages (\$85,000) and related operating costs (\$50,000) of the Welk Homestead.

<sup>4</sup> One-time funding from the general fund is added for the purchase of Dakota the dinosaur.

<sup>5</sup> One-time funding from the general fund for the Double Ditch Historic Site repairs is reduced from \$3,500,000 to \$250,000.

<sup>6</sup> One-time funding from the general fund and other funds is reduced from \$1,175,000 to \$675,000, providing project funding as follows:

	General Fund	Other Funds	Total
Fort Totten repairs	\$500,000	\$100,000	\$600,000
Stutsman County Courthouse repairs	200,000	75,000	275,000
Total	\$700,000	\$175,000	\$875,000

<sup>7</sup> One-time funding is reduced from \$50,000 to \$25,000 for the Whitestone Hill native memorial and a section is added requiring a dollar-for-dollar match of private funds.

This amendment also:

- Transfers \$200,000 from the general fund for the promotion funding from ongoing funding to one-time funding.
- Transfers \$300,000 from the general fund for the traveling and historic sites exhibits from ongoing funding to one-time funding.
- Adds a section to provide the one-time funding appropriated to the State Historical Society for the Double Ditch Historic Site be used for developing a coordinated plan between the State Historical Society and the Army Corps of Engineers for the funding and repair of the Double Ditch Historic Site river bank.
- Amends the emergency clause from \$4,675,000 to \$925,000 relating to \$250,000 for the Double Ditch Historic Site project and Fort Totten and Stutsman County

Courthouse repairs.

### HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2019

Page 1, line 2, replace "and for providing" with "; to provide a 2013-15 appropriation; to provide"

Page 1, line 3, after the second semicolon insert "to amend and reenact section 43-30-05.2 of the North Dakota Century Code, relating to the private investigative and security board and peace officers; to provide an effective date;"

Page 1, replace lines 17 through 24 with:

"Administration	\$2,573,593	\$623,129	\$3,196,722
Accrued leave payments	181,577	(181,577)	0
Park operations and maintenance	15,045,525	18,378,406	33,423,931
Recreation	<u>5,585,875</u>	<u>2,021,544</u>	<u>7,607,419</u>
Total all funds	\$23,386,570	\$20,841,502	\$44,228,072
Less estimated income	<u>10,505,431</u>	<u>4,357,404</u>	<u>14,862,835</u>
Total general fund	\$12,881,139	\$16,484,098	\$29,365,237
Full-time equivalent positions	55.00	11.00	66.00"

Page 2, replace lines 5 and 6 with:

"International Peace Garden	<u>\$973,699</u>	<u>\$535,297</u>	<u>\$1,508,996</u>
Total general fund	\$973,699	\$535,297	\$1,508,996"

Page 2, replace lines 12 and 13 with:

"Lewis and Clark interpretive center	\$0	\$1,005,279	\$1,005,279
Total general fund	\$0	\$1,005,279	\$1,005,279"

Page 2, replace lines 18 through 20 with:

"Grand total general fund	\$13,854,838	\$18,024,674	\$31,879,512
Grand total special funds	<u>10,505,431</u>	<u>4,357,404</u>	<u>14,862,835</u>
Grand total all funds	\$24,360,269	\$22,382,078	\$46,742,347"

Page 2, replace line 26 with:

"Parks enhancements	\$3,897,800	\$13,000,000"
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Page 3, replace lines 6 and 7 with:

"State park study	0	25,000
International Peace Garden demolition project	0	200,000"

Page 3, replace lines 9 through 11 with:

"Total all funds	\$7,447,800	\$15,460,596
Less estimated income	<u>1,270,300</u>	<u>345,000</u>
Total general fund	\$6,177,500	\$15,115,596"

Page 3, line 24, replace "\$585,297" with "\$535,297"

Page 3, line 30, replace "\$580,000" with "\$455,000"

Page 4, line 2, remove "\$125,000 for one-time costs relating to the Lewis and Clark interpretive center expansion"

Page 4, line 3, remove "project,"

Page 4, line 5, replace "Fort Mandan foundation" with "Lewis and Clark interpretive center"

Page 4, after line 6, insert:

**"SECTION 6. 2013-15 BIENNIUM APPROPRIATION - LEWIS AND CLARK INTERPRETIVE CENTER OPERATING COSTS.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$125,000, or so much of the sum as may be necessary, to the parks and recreation department for the purpose of defraying operating costs of the Lewis and Clark interpretive center, for the period beginning with the effective date of this Act, and ending June 30, 2015.

**SECTION 7. STATE PARK ENHANCEMENTS.** The park operations and maintenance line item in subdivision 1 of section 1 of this Act includes one-time funding of \$13,000,000 for state park enhancements. Of this amount, \$3,000,000 is for the Lewis and Clark interpretive center, of which \$2,050,000 is for a grant for debt repayment which results in receiving all assets and inventory from the Lewis and Clark foundation, and \$950,000 is for operating costs of the Lewis and Clark interpretive center, \$100,000 is for repair and replacement of a timber bridge at the Roughrider Bridge trail, and \$9,900,000 is for state park enhancements as determined necessary by the director of the parks and recreation department, for the biennium beginning July 1, 2015, and ending June 30, 2017.

**SECTION 8. DAKOTA INSTITUTE OF THE LEWIS AND CLARK FORT MANDAN FOUNDATION - DISSOLUTION AND DISTRIBUTION OF INVENTORY.** Upon acquisition of the Dakota institute of the Lewis and Clark Fort Mandan foundation by the state of North Dakota, the state shall dissolve the entity. All rights, title, interests, copyrights, and remaining inventory of any Dakota institute publication, book, and other document or production, regardless of format excluding video, after transfer of the institute must be granted to the author or producer of the document or production."

Page 4, after line 21, insert:

**"SECTION 11. EXEMPTION.** Up to \$200,000 of Pembina gorge area project funding from the general fund included in the natural resources line item contained in section 30 of chapter 15 of the 2013 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation may be expended during the biennium beginning July 1, 2015, and ending June 30, 2017, for renting property in the Pembina gorge area for the purpose of providing office space for employees or individuals responsible for monitoring or patrolling the trail systems in the area, developing a plan for continued monitoring and patrolling of the trail systems, and to determine the feasibility of establishing an interpretive center.

**SECTION 12. AMENDMENT.** Section 43-30-05.2 of the North Dakota Century Code is amended and reenacted as follows:

**43-30-05.2. Peace officers.**

Notwithstanding section 12.1-13-04, the board may issue a license to an individual who is a peace officer if the license issued to that peace officer under chapter 12-63 is on inactive status. The board may issue a registration to provide private security service to an active duty peace officer."

Page 4, line 22, replace "\$22,400,000" with "\$13,000,000"

Page 4, line 24, after the comma insert "and section 6 of this Act"

Page 4, line 24, replace "is" with "are"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2019 - Parks and Recreation Department - House Action**

	Base Budget	Senate Version	House Changes	House Version
Administration	\$2,573,593	\$3,218,398	(\$21,676)	\$3,196,722
Natural resources	15,045,525	43,046,186	(9,622,255)	33,423,931

Recreation	5,585,875	7,607,419		7,607,419
International Peace Garden	973,699	1,558,996	(50,000)	1,508,996
Accrued leave payments Lewis and Clark	181,577	580,000	425,279	1,005,279
Total all funds	\$24,360,269	\$56,010,999	(\$9,268,652)	\$46,742,347
Less estimated income	10,505,431	14,680,226	182,609	14,862,835
General fund	\$13,854,838	\$41,330,773	(\$9,451,261)	\$31,879,512
FTE	55.00	62.00	4.00	66.00

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

	Adjusts Funding for Health Insurance Premium Increases <sup>1</sup>	Reduces Funding for Temporary Salaries <sup>2</sup>	Reduces One- Time Funding for Park Improvement Plan <sup>3</sup>	Reduces One- Time Funding for Peace Tower Demolition Project <sup>4</sup>	Removes One- Time Funding for Lewis and Clark Expansion Project <sup>5</sup>	Adds One-Time Funding for a State Park Study <sup>6</sup>
Administration	(\$46,676)					\$25,000
Natural resources		(222,255)	(9,400,000)			
Recreation						
International Peace Garden				(50,000)		
Accrued leave payments Lewis and Clark					(125,000)	
Total all funds	(\$46,676)	(\$222,255)	(\$9,400,000)	(\$50,000)	(\$125,000)	\$25,000
Less estimated income	(1,286)	0	0	0	0	0
General fund	(\$45,390)	(\$222,255)	(\$9,400,000)	(\$50,000)	(\$125,000)	\$25,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00
	<b>Adds FTE positions - Lewis and Clark<sup>7</sup></b>	<b>Total House Changes</b>				
Administration		(\$21,676)				
Natural resources		(9,622,255)				
Recreation						
International Peace Garden		(50,000)				
Accrued leave payments Lewis and Clark	550,279	425,279				
Total all funds	\$550,279	(\$9,268,652)				
Less estimated income	183,895	182,609				
General fund	\$366,384	(\$9,451,261)				
FTE	4.00	4.00				

<sup>1</sup> Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

<sup>2</sup> Funding for temporary salaries is reduced due to converting five temporary administrative assistant positions to 5 FTE positions.

<sup>3</sup> One-time funding for park improvement projects is reduced to provide a total of \$13 million, of which up to \$9.9 million may be used at the discretion of the Director of the Parks and Recreation Department for any state park enhancement projects, \$3 million is for the Lewis and Clark Interpretive Center, of which \$2,050,000 is for a grant for debt repayment and \$950,000 is for operating costs for the Lewis and Clark Interpretive Center for the 2015-17 biennium, and \$100,000 is for the repair and replacement of a timber bridge at the Roughter Bridge trail.

<sup>4</sup> One-time funding is reduced for the International Peace Garden's Peace Tower demolition project to provide a total of \$200,000 for the demolition project.

<sup>5</sup> One-time funding is removed for the Lewis and Clark Interpretive Center expansion project.

<sup>6</sup> One-time funding is added for a study of the feasibility and desirability of a new state park.

<sup>7</sup> Positions and funding are added for the Lewis and Clark Interpretive Center for the 2015-

17 biennium.

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This amendment also:

- Adjusts a section to provide one-time funding of \$13 million for state park enhancements, of which up to \$9.9 million may be used at the discretion of the Director of the Parks and Recreation Department for any state park enhancement projects, \$3 million is for the Lewis and Clark Interpretive Center, and \$100,000 is for the repair and replacement of a timber bridge at the Roughrider Bridge trail.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The House has amended and subsequently failed to pass: SB 2088.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**  
**MR. SPEAKER:** The Senate has concurred in the House amendments and subsequently passed: SB 2151.

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

**SB 2304:** Reps. Kasper; Schneider; Steiner

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The House has concurred in the Senate amendments and subsequently passed: HCR 3052.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The House does not concur in the Senate amendments to HB 1059, and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

**HB 1059:** Reps. Headland; Owens; Haak

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**  
**MR. SPEAKER:** The President has appointed Sen. Oban to replace Sen. Marcellais on the Conference Committee on SB 2031.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**  
**MR. SPEAKER:** Your signature is respectfully requested on: SB 2151.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**  
**MR. SPEAKER:** Your signature is respectfully requested on: SB 2275.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1030, HB 1244, HB 1255, HB 1313, HB 1474.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1068, HB 1372.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The Speaker has signed: SB 2021, SB 2030, SB 2074, SB 2075, SB 2097, SB 2164, SB 2190, SB 2323.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The Speaker has signed: SB 2151.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The Speaker has signed: SB 2275.



**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The President has signed: HB 1006, HB 1017, HB 1023, HB 1102, HB 1206, HB 1231, HB 1256, HB 1358, HB 1390, HB 1403.

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

**MR. PRESIDENT:** The Speaker has signed: HB 1006, HB 1017, HB 1023, HB 1102, HB 1206, HB 1231, HB 1256, HB 1358, HB 1390, HB 1403.

**REPORT OF STANDING COMMITTEE**

**HB 1410, as engrossed: Education Committee (Sen. Flakoll, Chairman)** recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1410 was placed on the Fourteenth order on the calendar.

**REPORT OF CONFERENCE COMMITTEE**

**SB 2035, as engrossed:** Your conference committee (Sens. Laffen, Unruh, Dotzenrod and Reps. Headland, Owens, Haak) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 992-993, adopt amendments as follows, and place SB 2035 on the Seventh order:

That the House recede from its amendments as printed on pages 992 and 993 of the Senate Journal and pages 1183 and 1184 of the House Journal and that Engrossed Senate Bill No. 2035 be amended as follows:

Page 1, line 7, replace "a" with "studies by the"

Page 1, line 7, replace "study" with "and industrial commission"

Page 8, line 18, remove "or expand"

Page 8, line 19, after "state" insert ", and any component integral to the fertilizer or chemical processing plant."

Page 8, line 22, remove "Tangible personal property used to replace an existing facility"

Page 8, remove line 23

Page 8, line 24, replace "replacement creates an expansion of the facility." with "The exemption provided in this section applies to all phases of construction under the permit or application for permit required by subsection 2. An integral component to the fertilizer or chemical processing plant:

- a. May be owned directly or indirectly by the fertilizer or chemical processing facility, or by an unrelated third party;
  - b. Must be located at the facility site; and
  - c. Must be necessary for the plant's processing of fertilizer or chemicals.
2. On or before June 30, 2019, the owner of the fertilizer or chemical processing plant must receive from the department of health an air quality permit or a notice that the air quality permit application is complete. The owner shall provide this documentation to the tax commissioner to qualify for the exemption under this section. Denial, expiration, or revocation of a permit terminates the exemption under this section.

Page 8, line 25, replace "2." with "3."

Page 8, line 27, remove "or expand"

Page 9, line 1, replace "3." with "4."

Page 9, line 8, replace "4." with "5."

Page 10, line 7, remove "or expand"

Page 10, line 9, replace "1" with "2"

Page 10, after line 17, insert:

**"SECTION 5. OIL AND GAS RESEARCH - NATURAL GAS PRODUCTION STUDY.**  
The industrial commission may use the sum of one hundred thousand dollars from the oil and gas research fund, or so much of the amount as may be necessary, pursuant to its continuing appropriation under section 57-51.1-07.3 for the purpose of contracting for an independent, nonmatching natural gas production study."

Renumber accordingly

Engrossed SB 2035 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**SB 2046, as reengrossed:** Your conference committee (Sens. Larsen, J. Lee, Axness and Reps. Bellew, Silbernagel, Holman) recommends that the **SENATE ACCEDE** to the House amendments as printed on SJ page 1316 and place SB 2046 on the Seventh order.

Reengrossed SB 2046 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**SB 2166, as engrossed:** Your conference committee (Sens. Oehlke, Rust, Sinner and Reps. Weisz, Rick C. Becker, M. Nelson) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 940-943, adopt amendments as follows, and place SB 2166 on the Seventh order:

That the House recede from its amendments as printed on page(s) 940-944 of the Senate Journal and pages 1090-1094 of the House Journal and that Engrossed Senate Bill No. 2166 be amended as follows:

Page 1, line 1, after "to" insert "create and enact paragraph 40 to subdivision a of subsection 3 of section 39-06.1-10 of the North Dakota Century Code, relating to entries against driving records; to"

Page 1, line 1, replace "section" with "sections 39-06.1-05 and 39-06.1-09, subdivision b of subsection 3 of section 39-06.1-10, and sections 39-07-09 and"

Page 1, line 2, after "to" insert "authorized procedures for traffic violations, definitions of moving violations, entries against driving records, discretion for release upon promise to appear, and"

Page 1, after line 3, insert:

**"SECTION 1. AMENDMENT.** Section 39-06.1-05 of the North Dakota Century Code is amended and reenacted as follows:

#### **39-06.1-05. Offenses excepted.**

The procedures authorized under sections 39-06.1-02 and 39-06.1-03 may not be utilized by a person charged with one of the following offenses:

1. Driving or being in actual physical control of a vehicle in violation of section 39-08-01, or an equivalent ordinance.
2. Reckless driving or aggravated reckless driving in violation of section 39-08-03, or an equivalent ordinance.
3. A violation of chapter 12.1-16 resulting from the operation of a motor vehicle.

4. Leaving the scene of an accident in violation of section 39-08-04, 39-08-05, 39-08-07, or 39-08-08, or equivalent ordinances.
5. Driving while license or driving privilege is suspended or revoked in violation of section 39-06-42, or an equivalent ordinance.
6. Violating subdivision b or c of subsection 5 of section 39-24-09.
7. ~~Operating a modified motor vehicle in violation of section 39-21-45.1~~
8. Operating an unsafe vehicle in violation of subsection 2 of section 39-21-46.
- 9.8. Causing an accident with an authorized emergency vehicle or a vehicle operated by or under the control of the director used for maintaining the state highway system in violation of subsection 5 of section 39-10-26.

**SECTION 2. AMENDMENT.** Section 39-06.1-09 of the North Dakota Century Code is amended and reenacted as follows:

**39-06.1-09. Moving violation defined.**

For the purposes of sections 39-06.1-06 and 39-06.1-13, a "moving violation" means a violation of section 39-04-22, subsection 1 of section 39-04-37, section 39-04-55, 39-06-01, 39-06-14, 39-06-14.1, 39-06-16, 39-08-20, 39-08-23, 39-08-24, 39-09-01, 39-09-01.1, 39-09-04.1, or 39-09-09, subsection 1 of section 39-12-02, section 39-12-04, 39-12-05, 39-12-06, 39-12-09, ~~39-21-45.1~~, 39-24-02, or 39-24-09, except subdivisions b and c of subsection 5 of section 39-24-09, or equivalent ordinances; or a violation of the provisions of chapter 39-10, 39-10.2, or 39-21, or equivalent ordinances, except subsection 5 of section 39-10-26, ~~section 39-21-44~~, and ~~39-21-45.1~~, subsections 2 and 3 of section 39-21-46, and those sections within those chapters which are specifically listed in subsection 1 of section 39-06.1-08.

**SECTION 3.** Paragraph 40 of subdivision a of subsection 3 of section 39-06.1-10 of the North Dakota Century Code is created and enacted as follows:

- (40) Driving a modified motor vehicle in violation of section 39-21-45.1, or equivalent ordinance 1 point

**SECTION 4. AMENDMENT.** Subdivision b of subsection 3 of section 39-06.1-10 of the North Dakota Century Code is amended and reenacted as follows:

- b. Criminal Violations
- | Conviction of:   | Points Assigned: |
|--|------------------|
| (1) Reckless driving in violation of section 39-08-03, or equivalent ordinance   | 8 points         |
| (2) Aggravated reckless driving in violation of section 39-08-03, or equivalent ordinance  | 12 points        |
| (3) Leaving the scene of an accident involving property damage in violation of section 39-08-05, 39-08-07, or 39-08-08, or equivalent ordinances       | 14 points        |
| (4) Leaving the scene of an accident involving personal injury or death in violation of section 39-08-04, or equivalent ordinance                      | 18 points        |
| (5) Violating restrictions in a restricted license issued under section 39-06-17 and relating to the use of eyeglasses or contact lenses while driving | 3 points         |

- |                      |  |                     |
|----------------------|--|---------------------|
| (6)                  | Violating any restrictions other than those listed in paragraph 5, contained in a restricted license issued under section 39-06-17 or 39-06.1-11   | 4 points            |
| (7)                  | <del>Knowingly driving a modified motor vehicle in violation of section 39-21-45.1, or equivalent ordinance</del>  | <del>2 points</del> |
| <del>(8)</del>       | Except as provided in paragraph 9 of subdivision a, knowingly operating an unsafe vehicle in violation of section 39-21-46, or equivalent ordinance  | 2 points            |
| <del>(9)</del> (8)   | Fleeing in a motor vehicle from a peace officer in violation of section 39-10-71, or equivalent ordinance  | 24 points           |
| <del>(10)</del> (9)  | Causing an accident with an authorized emergency vehicle or a vehicle operated by or under the control of the director used for maintaining the state highway system in violation of subsection 5 of section 39-10-26, or equivalent ordinance | 2 points            |
| <del>(11)</del> (10) | Driving in violation of the conditions of an instruction permit  | 2 points            |

**SECTION 5. AMENDMENT.** Section 39-07-09 of the North Dakota Century Code is amended and reenacted as follows:

**39-07-09. Offenses under which person halted may not be entitled to release upon promise to appear.**

Section 39-07-07 does not apply to a person if:

1. The halting officer has good reason to believe the person guilty of any felony or if the person is halted and charged with an offense listed in section 39-06.1-05 but not listed in subsection 2; or
2. The halting officer, acting within the officer's discretion, determines that it is inadvisable to release the person upon a promise to appear and if the person has been halted and charged with any of the following offenses:
  - a. Reckless driving.
  - b. Driving in excess of speed limitations established by the state or by local authorities in their respective jurisdictions.
  - c. Driving while license or driving privilege is suspended or revoked for violation of section 39-06-42, or an equivalent ordinance.
  - d. ~~Operating a modified vehicle.~~
  - e. Driving without liability insurance in violation of section 39-08-20.
  - ~~f.~~e. Failing to display a placard or flag, in violation of any rule implementing section 39-21-44, while transporting explosive or hazardous materials.
  - ~~g.~~f. Operating an unsafe vehicle in violation of subsection 2 of section 39-21-46.

The halting officer forthwith shall take any person not released upon a promise to appear before the nearest or most accessible magistrate."

Page 1, line 7, overstrike "Except as otherwise provided in this section,"

Page 1, line 7, remove "an individual"

Page 1, line 7, overstrike "may not operate"

Page 1, overstrike line 8

Page 1, line 9, overstrike "laws of this state with a weight of"

Page 1, line 9, remove "ten"

Page 1, line 9, overstrike "thousand pounds ["

Page 1, line 9, remove "4535.92"

Page 1, overstrike lines 10 through 15

Page 1, line 16, remove "a."

Page 1, line 16, overstrike "The motor vehicle must be equipped with front and rear bumpers."

Page 1, line 17, remove "b."

Page 1, line 17, overstrike "The maximum body height permitted for the motor vehicle is forty-two inches"

Page 1, overstrike lines 18 and 19

Page 1, line 20, remove "c."

Page 1, line 20, overstrike "The maximum bumper height permitted is twenty-seven inches [68.58"

Page 1, overstrike lines 21 and 22

Page 1, line 23, remove "d."

Page 1, line 23, overstrike "The" and insert immediately thereafter "An individual who operates a registered motor vehicle on a highway may not modify that"

Page 1, line 23, overstrike "may be modified in accordance with the following" and insert immediately thereafter "unless the modification meets the following requirements"

Page 2, line 1, remove the overstrike over "a.:"

Page 2, line 1, remove "(1)"

Page 2, line 2, replace "the director's requirements" with "any other requirement applicable to a vehicle under chapter 39-21"

Page 2, line 3, remove the overstrike over "b.:"

Page 2, line 3, remove "(2)"

Page 2, line 4, overstrike "comply" and insert immediately thereafter "be branded"

Page 2, line 5, remove "the director's"

Page 2, line 5, overstrike "requirements" and insert immediately thereafter "a United States department of transportation tire identification number"

Page 2, line 6, remove the overstrike over "e.:"

Page 2, line 6, remove "(3)"

Page 2, line 6, overstrike "The maximum outside diameter permitted for tires is forty-four inches"

Page 2, overstrike line 7 and insert immediately thereafter "The maximum body height permitted for a motor vehicle is forty-two inches [106.68 centimeters]. Measurement of body height is made from a level ground surface to the floor of the cargo area."

Page 2, line 8, remove "(4)"

Page 2, line 8, overstrike "A horizontal drop bumper may be used to comply with the bumper height"

Page 2, line 9, overstrike "requirement of subsection 3. The horizontal bumper must"

Page 2, line 10, remove "be"

Page 2, line 10, overstrike "at least three inches [7.62 centimeters] in vertical width;"

Page 2, line 11, remove "extend"

Page 2, line 11, overstrike "the entire horizontal body width; and"

Page 2, line 12, remove "be"

Page 2, line 12, overstrike "horizontal, load bearing, and attached to the vehicle frame to"

Page 2, overstrike line 13

Page 2, line 14, overstrike "The maximum lift permitted in the suspension system is four inches [10.16"

Page 2, overstrike line 15

Page 2, line 16, remove "e."

Page 2, line 16, remove "An individual"

Page 2, line 16, overstrike "charged with violating this section has the burden of"

Page 2, line 17, remove "showing"

Page 2, line 17, overstrike "that the modifications are permitted under this"

Page 2, overstrike line 18 and insert immediately thereafter:

"2. An individual may not operate a registered motor vehicle on a highway unless the motor vehicle is equipped with front and rear bumpers. The height of the bumper must not exceed twenty-seven inches [68.58 centimeters] and this measurement is made from a level ground surface to the highest point on the bottom of the bumper. A horizontal drop bumper may be used to comply with this subsection and must be at least three inches [7.62 centimeters] in vertical width; extend the entire horizontal body width; and be horizontal, load bearing, and attached to the vehicle frame to effectively transfer impact when engaged."

Page 2, line 19, after "6." insert "3."

Page 2, line 19, remove "f."

Page 2, line 21, after the "7." insert "4."

Page 2, line 21, remove "g."

Renumber accordingly

Engrossed SB 2166 was placed on the Seventh order of business on the calendar.

**THE SENATE RECOGNIZED THE PRESENCE OF:**

Former Senator Elroy Lindaas

### CORRECTION AND REVISION OF THE JOURNAL

**MR. PRESIDENT:** Your **Committee on Correction and Revision of the Journal (Sen. Poolman, Chairman)** has carefully examined the Journal of the Sixty-seventh Day and recommends that it be corrected as follows and when so corrected, recommends that it be approved:

Page 1480, line 13, remove "amended"

**SEN. POOLMAN MOVED** that the report be adopted, which motion prevailed.

### SECOND READING OF HOUSE BILL

**HB 1410:** A BILL for an Act to provide an appropriation for head start programs.

### ROLL CALL

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 36 YEAS, 10 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Armstrong; Axness; Bekkedahl; Bowman; Burckhard; Casper; Cook; Davison; Dotzenrod; Flakoll; Grabinger; Heckaman; Hogue; Klein; Krebsbach; Laffen; Lee, J.; Luick; Marcellais; Mathern; Murphy; Nelson; O'Connell; Oban; Oehlke; Poolman; Robinson; Rust; Schaible; Schneider; Sinner; Sorvaag; Wanzek; Wardner; Warner

**NAYS:** Carlisle; Dever; Erbele; Holmberg; Kilzer; Larsen; Lee, G.; Miller; Triplett; Unruh

**ABSENT AND NOT VOTING:** Campbell

Engrossed HB 1410 passed.

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### APPOINTMENT OF CONFERENCE COMMITTEE

**SEN. KLEIN MOVED** that the President appoint a committee of three to act with a like committee from the House as a Conference Committee on Reengrossed HB 1015, Engrossed HB 1016, Reengrossed HB 1059, and Reengrossed HB 1151, which motion prevailed.

**THE PRESIDENT APPOINTED** as a Conference Committee on:

**Reengrossed HB 1015:** Sens. Wanzek, Krebsbach, Robinson

**Engrossed HB 1016:** Sens. Sorvaag, Carlisle, Mathern

**Reengrossed HB 1059:** Sens. Cook, Bekkedahl, Triplett

**Reengrossed HB 1151:** Sens. Flakoll, Holmberg, Oban

### CONSIDERATION OF MESSAGES FROM THE HOUSE

**SEN. KLEIN MOVED** that the Senate do not concur in the House amendments to Engrossed SB 2005 as printed on SJ pages 1354-1355, in the House amendments to Engrossed SB 2013, in the House amendments to Engrossed SB 2018, in the House amendments to Engrossed SB 2019, in the House amendments to Engrossed SB 2020 as printed on SJ pages 1510-1518, and in the House amendments to Engrossed SB 2206 as printed on SJ page 1504 and that a conference committee be appointed to meet with a like committee from the House on each of these measures, which motion prevailed on a voice vote.

### APPOINTMENT OF CONFERENCE COMMITTEES

**THE PRESIDENT APPOINTED** as a Conference Committee on:

**Engrossed SB 2005:** Sens. Carlisle, Bowman, Robinson.

**Engrossed SB 2013:** Sens. Holmberg, Krebsbach, Heckaman.

**Engrossed SB 2018:** Sens. Krebsbach, Erbele, Mathern.

**Engrossed SB 2019:** Sens. Krebsbach, Sorvaag, O'Connell.

**Engrossed SB 2020:** Sens. G. Lee, Holmberg, Robinson.

**Engrossed SB 2206:** Sens. Dever, J. Lee, Warner.

**CONSIDERATION OF MESSAGE FROM THE HOUSE**

**SEN. NELSON MOVED** that the Senate do concur in the House amendments to Reengrossed SB 2107 as printed on SJ page 1509, which motion prevailed on a voice vote.

Reengrossed SB 2107 as amended, was placed on the Eleventh order of business.

**SECOND READING OF SENATE BILL**

**SB 2107:** A BILL for an Act to create and enact chapter 12.1-41 of the North Dakota Century Code, relating to the Uniform Act on Prevention of and Remedies for Human Trafficking; to amend and reenact subsection 1 of section 12.1-32-15 of the North Dakota Century Code, relating to definitions; to repeal chapter 12.1-40 of the North Dakota Century Code, relating to human trafficking; and to provide a penalty.

**ROLL CALL**

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

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

**ABSENT AND NOT VOTING:** Campbell

Reengrossed SB 2107 passed.

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**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. OEHLKE MOVED** that the conference committee report on Engrossed SB 2166 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2166, as amended, was placed on the Eleventh order of business.

**SECOND READING OF SENATE BILL**

**SB 2166:** A BILL for an Act to create and enact paragraph 40 to subdivision a of subsection 3 of section 39-06.1-10 of the North Dakota Century Code, relating to entries against driving records; to amend and reenact sections 39-06.1-05 and 39-06.1-09, subdivision b of subsection 3 of section 39-06.1-10, and sections 39-07-09 and 39-21-45.1 of the North Dakota Century Code, relating to authorized procedures for traffic violations, definitions of moving violations, entries against driving records, discretion for release upon promise to appear, and modified vehicles.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 43 YEAS, 3 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Armstrong; Axness; Bekkedahl; Bowman; Burckhard; Carlisle; Casper; Cook; Davison; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Murphy; Nelson; O'Connell; Oban; Oehlke; Poolman; Robinson; Rust; Schaible; Schneider; Sinner; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

**NAYS:** Laffen; Larsen; Miller

**ABSENT AND NOT VOTING:** Campbell

Reengrossed SB 2166 passed.

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**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. LARSEN MOVED** that the conference committee report on Reengrossed SB 2046 be



adopted, which motion prevailed on a voice vote.

Reengrossed SB 2046, as amended, was placed on the Eleventh order of business.

#### SECOND READING OF SENATE BILL

**SB 2046:** A BILL for an Act to create and enact a new section to chapter 50-24.1 of the North Dakota century code, relating to medical assistance coverage for certain behavioral health services.

#### ROLL CALL

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

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

**ABSENT AND NOT VOTING:** Campbell

Reengrossed SB 2046 passed.

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#### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**SEN. LAFFEN MOVED** that the conference committee report on Engrossed SB 2035 as printed on SJ pages 1487-1488 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2035, as amended, was placed on the Eleventh order of business.

#### SECOND READING OF SENATE BILL

**SB 2035:** A BILL for an Act to create and enact a new section to chapter 57-39.2 of the North Dakota Century Code, relating to a sales tax exemption for tangible personal property used to construct a fertilizer or chemical processing facility; to amend and reenact section 40-57.1-03 and subsection 4 of section 57-40.2-03.3 of the North Dakota Century Code, relating to requirements of a city or county granting a property tax exemption and a use tax exemption for tangible personal property used to construct a fertilizer or chemical processing facility; to provide for studies by the legislative management and industrial commission; and to provide for a retroactive effective date.

#### ROLL CALL

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

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

**ABSENT AND NOT VOTING:** Campbell

Reengrossed SB 2035 passed.

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#### MOTION

**SEN. KLEIN MOVED** that Sen. Marcellais replace Sen. Oban on the Conference Committee on SB 2031, which motion prevailed on a voice vote.

**MOTION**

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

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

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The Senate has passed, unchanged: HB 1410.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The Senate has concurred in the House amendments and subsequently passed: SB 2107.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The Senate does not concur in the House amendments to SB 2005, SB 2013, SB 2018, SB 2019, SB 2020, and SB 2206, and the President has appointed as a conference committee to act with a like committee from the House on:

**SB 2005:** Sens. Carlisle; Bowman; Robinson

**SB 2013:** Sens. Holmberg; Krebsbach; Heckaman

**SB 2018:** Sens. Krebsbach; Erbele; Mathern

**SB 2019:** Sens. Krebsbach; Sorvaag; O'Connell

**SB 2020:** Sens. G. Lee; Holmberg; Robinson

**SB 2206:** Sens. Dever; J. Lee; Warner

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

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

**HB 1015:** Sens. Wanzek; Krebsbach; Robinson

**HB 1016:** Sens. Sorvaag; Carlisle; Mathern

**HB 1059:** Sens. Cook; Bekkedahl; Triplett

**HB 1151:** Sens. Flakoll; Holmberg; Oban

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The President has appointed Sen. Marcellais to replace Sen. Oban on the Conference Committee on SB 2031.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: SB 2035, SB 2046, SB 2166.

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

**MR. PRESIDENT:** The House has adopted the conference committee report on: SB 2113.

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

**MR. PRESIDENT:** The House has adopted the conference committee report on: SB 2312.

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

**MR. PRESIDENT:** The House has adopted the conference committee report on: SB 2333.

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

**MR. PRESIDENT:** The House has adopted the conference committee report on: SB 2356.

**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 1106.

**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 2070, SB 2292, SB 2326.

**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 2295.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The President has signed: SB 2021, SB 2030, SB 2074, SB 2075, SB 2097, SB 2164, SB 2190, SB 2275, SB 2323.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The President has signed: SB 2151.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The President has signed: HB 1030, HB 1068, HB 1244, HB 1255, HB 1313, HB 1372, HB 1474.

**DELIVERY OF ENROLLED BILLS AND RESOLUTIONS**

The following bills were delivered to the Governor for approval on April 16, 2015: SB 2021, SB 2030, SB 2074, SB 2075, SB 2097, SB 2164, SB 2190, SB 2275, SB 2323.

**DELIVERY OF ENROLLED BILLS AND RESOLUTIONS**

The following bill was delivered to the Governor for approval on April 16, 2015: SB 2151.

**COMMUNICATION FROM GOVERNOR JACK DALRYMPLE**

This is to inform you that on April 16, 2015, I have signed the following: SB 2278, SB 2289, SB 2318, SB 2327, and SB 2334.

**REPORT OF CONFERENCE COMMITTEE**

**SB 2377, as engrossed:** Your conference committee (Sens. Unruh, Armstrong, Murphy and Reps. Keiser, Lefor, Hunsakor) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1125-1140, adopt amendments as follows, and place SB 2377 on the Seventh order:

That the House recede from its amendments as printed on pages 1125-1140 of the Senate Journal and pages 1314-1328 of the House Journal and that Engrossed Senate Bill No. 2377 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact subsection 5 of section 38-11.2-01, sections 38-12.1-01, 38-12.1-02, 38-12.1-03, 38-12.1-04, 38-12.1-05, and 38-14.1-02, subsection 3 of section 38-14.1-05, subsection 3 of section 38-14.1-13, subdivisions r and s of subsection 1 of section 38-14.1-14, subdivision c of subsection 2 of section 38-14.1-14, paragraph 2 of subdivision e of subsection 3 of section 38-14.1-21, subdivision b of subsection 4 of section 38-14.1-21, subsections 1 and 1.1 of section 38-14.1-24, subdivision b of subsection 3 of section 38-14.1-24, subsections 5, 10, and 18 of section 38-14.1-24, section 38-14.1-25, subdivision b of subsection 1 of section 38-14.1-27, subsections 1, 3, and 4 of section 38-14.1-37, sections 38-15-01, 38-15-02, 38-18-05, 38-18-07, 57-61-01, and 57-61-01.2, subsection 1 of section 57-61-01.5, sections 57-61-01.7, 57-61-02, and 57-61-03, and subsection 1 of section 57-61-04 of the North Dakota Century Code, relating to the definition of coal and commercial leonardite and the taxation of commercial leonardite.

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

**SECTION 1. AMENDMENT.** Subsection 5 of section 38-11.2-01 of the North Dakota Century Code is amended and reenacted as follows:

5. "Subsurface mineral" means any naturally occurring element or compound recovered under the provisions of chapter 38-12, but for the purpose of this chapter excludes coal, commercial leonardite, oil and gas, sand and gravel, and rocks crushed for sand and gravel.

**SECTION 2. AMENDMENT.** Section 38-12.1-01 of the North Dakota Century Code is amended and reenacted as follows:

**38-12.1-01. Legislative findings.**

The legislative assembly of the state of North Dakota finds that:

1. The discovery and evaluation of coal or commercial leonardite deposits is advantageous in an industrial society.
2. Coal or commercial leonardite occurs hidden under the ground and must be searched for by diverse techniques, and that the search, exploration, or prospecting for coal or commercial leonardite is a necessary and expensive prerequisite to coal or commercial leonardite extraction and for land use planning in coal-bearing or commercial leonardite-bearing areas.
3. It is to the benefit of society to allow coal or commercial leonardite exploration and to require the information generated from exploration to be available to the office of the state geologist.

**SECTION 3. AMENDMENT.** Section 38-12.1-02 of the North Dakota Century Code is amended and reenacted as follows:

**38-12.1-02. Declaration of policy.**

It is hereby declared to be in the public interest to have persons engaged in coal or commercial leonardite exploration or evaluation report their findings to the office of the state geologist so that data on the location, quantity, and quality of coal or commercial leonardite, and the characteristics of associated material, will be available to assist the state in determining what the attitude of the state should be regarding future development of coal or commercial leonardite resources.

**SECTION 4. AMENDMENT.** Section 38-12.1-03 of the North Dakota Century Code is amended and reenacted as follows:

**38-12.1-03. Definitions.**

As used in this chapter, unless the context otherwise requires:

1. "Coal" means a dark-colored, compact, and earthy organic rock with less than forty percent inorganic components, based on dry material, formed by the accumulation and decomposition of plant material. The term includes lignite in both oxidized and nonoxidized forms, whether or not the material is enriched in radioactive materials. The term does not include commercial leonardite.
2. "Coal exploration" means:
  - a. The use of any technique which when applied to the surface of the land will aid in the discovery or evaluation of coal or commercial leonardite or aid in determining the quantity and quality of coal or commercial leonardite present. It includes drilling or digging, excavating, core sample drilling and collection, diamond drilling, trenching, or any other type of penetration of the surface of the earth; or
  - b. Environmental data gathering activities conducted for the purpose of establishing the conditions of an area prior to applying for a permit under chapter 38-14.1. The provisions of sections 38-12.1-04 and 38-12.1-05 are not applicable to such environmental data gathering activities unless the natural land surface will be substantially disturbed or such activities are located on lands designated unsuitable for mining under section 38-14.1-05.
3. "Commercial leonardite" means a dark-colored, soft, earthy rock formed from the oxidation of lignite coal, and is produced from a mine that has as

its only function for supply for purposes other than gasification or combustion to generate electricity.

4. "Commission" means the industrial commission of the state of North Dakota.
- 4-5. "Permit area" means a county.
- 5-6. "Person" means and includes any natural person, corporation, limited liability company, association, partnership, receiver, trustee, executor, administrator, guardian, fiduciary, or other representative of any kind, and includes any department, agency, or instrumentality of the state or of any governmental subdivision thereof; the masculine gender, in referring to a person, includes the feminine and the neuter genders.
- 6-7. "Road" means a surface or right of way for purposes of travel by land vehicles used in coal or commercial leonardite exploration. A road consists of the entire area of the right of way, including the roadbed, shoulders, parking and side areas, approaches, structures, ditches, and surface.

**SECTION 5. AMENDMENT.** Section 38-12.1-04 of the North Dakota Century Code is amended and reenacted as follows:

**38-12.1-04. Jurisdiction of commission.**

The commission has jurisdiction and authority over all persons and property, both public and private, necessary to effectively enforce the provisions of this chapter. The director of mineral resources shall act as a supervisor charged with the duty of enforcing the regulations and orders of the commission applicable to the provisions of this chapter. The commission has authority to make such investigations as it deems proper to determine whether facts exist which justify action by the commission. The commission acting through the director of mineral resources has the authority:

1. To require:
  - a. The furnishing of a reasonable bond with good and sufficient surety, conditioned upon the full compliance with the provisions of this chapter, and the rules and orders of the commission prescribed to govern the exploration for coal or commercial leonardite on state and private lands and roads used in coal or commercial leonardite exploration within the state of North Dakota. The person required to furnish the bond may elect to deposit a collateral bond, self-bond, cash, or any alternative form of security approved by the commission, or combination thereof, by which a permittee assures faithful performance of all requirements of this chapter and the rules and orders of the industrial commission.
  - b. The delivery, free of charge, to the state geologist of the basic data collected during the course of the exploration within a reasonable time as may be prescribed by the state geologist. The data so submitted is confidential and available only to the office of the state geologist for official purposes for a period of two years, and such period of confidentiality must, upon application, be extended for one-year periods by the state geologist, for a total period not to exceed ten years unless it is demonstrated that such period should be further extended in order to prevent possible resulting harm to the person, or the person's successors and assigns, who delivered such basic data to the state geologist. The basic data must include, if specifically requested by the state geologist and if the information has been developed by or for a person conducting the exploration:
    - (1) Sample cuts.

- (2) Drillers' logs, sample logs, radioactivity logs, resistivity logs, or other types of electrical or mechanical logs.
  - (3) Elevation and location information on the data collection points.
  - (4) Other pertinent information as may be required by the state geologist.
2. To require the plugging, covering, or reburial in an appropriate manner so as to protect environmental quality, general health and safety, and economic values of all holes, pits, or trenches excavated during the course of coal or commercial leonardite exploration.
  3. To promulgate and enforce rules, regulations, and orders to effectuate the provisions, purpose, and intent of this chapter.
  4. To inspect all drilling or exploration sites. For the purposes of this subsection, the director of mineral resources or the director's representative shall have access to all drilling or exploration installations regulated by this chapter for the purpose of inspection and sampling and shall have the authority to require the operators' aid if the director finds it necessary and requests it.
  5. Notwithstanding any of the other provisions of this section, the commission acting through the director of mineral resources shall require that any lands substantially disturbed in coal or commercial leonardite exploration, including excavations, roads, and drill holes, and the removal of necessary facilities and equipment be reclaimed in accordance with the applicable performance standards of section 38-14.1-24. Reclamation must be accomplished to protect environmental quality, general health and safety, and economic values.

**SECTION 6. AMENDMENT.** Section 38-12.1-05 of the North Dakota Century Code is amended and reenacted as follows:

**38-12.1-05. Notice and drilling permit required - Exceptions - Limits on coal or commercial leonardite removal.**

1. It is unlawful to commence operations for drilling for the exploration for coal or commercial leonardite without first obtaining a permit from the director of mineral resources, under such rules and regulations as may be prescribed by the commission, and paying to the commission a fee of one hundred dollars for each such permit area. The permit application must include a description of the exploration area and the period of proposed exploration. The permit must be granted within thirty days after a proper application has been submitted.
2. This permit may not be required:
  - a. In an area where a permit to conduct surface coal mining operations is in effect pursuant to chapter 38-14.1;
  - b. For holes drilled to guide excavating equipment in an operating mine;
  - c. In areas where a drill hole is required by any other state agency; or
  - d. For environmental data gathering activities that do not substantially disturb the land, unless the environmental data gathering activities are located on land designated unsuitable for mining under section 38-14.1-05.
3. No person may remove more than two hundred fifty tons [226.80 metric tons] of coal or commercial leonardite pursuant to an exploration permit without first obtaining a permit from the public service commission.

**SECTION 7. AMENDMENT.** Section 38-14.1-02 of the North Dakota Century Code is amended and reenacted as follows:

**38-14.1-02. Definitions.**

Wherever used or referred to in this chapter, unless a different meaning clearly appears from the context:

1. "Alluvial valley floors" means the unconsolidated stream-laid deposits holding streams where water availability is sufficient for subirrigation or flood irrigation agricultural activities but does not include upland areas which are generally overlain by a thin veneer of colluvial deposits composed chiefly of sediment from sheet erosion, deposits by unconcentrated runoff or slope wash, together with talus, other mass movement accumulation, and windblown deposits.
2. "Approximate original contour" means that surface configuration achieved by backfilling and grading an area affected by surface coal mining operations so that the reclaimed area closely resembles the general surface configuration of the land prior to being affected by surface coal mining operations and blends into and complements the surrounding undisturbed land.
3. "Coal" means a dark-colored compact and earthy organic rock with less than forty percent inorganic components, based on dry material, formed by the accumulation and decomposition of plant material. The term includes consolidated lignitic coal, in both oxidized and nonoxidized forms, having less than eight thousand three hundred British thermal units per pound [453.59 grams], moist and mineral matter free, whether or not the material is enriched in radioactive materials. The term does not include commercial leonardite.
4. "Commercial leonardite" means a dark-colored, soft, earthy organic rock formed from the oxidation of lignite coal, and is produced from a mine that has as its only function for supply for purposes other than gasification or combustion to generate electricity.
5. "Commission" means the public service commission, or such other department, bureau, or commission as may lawfully succeed to the powers and duties of that commission. The commission is the state regulatory authority for all purposes relating to the Surface Mining Control and Reclamation Act of 1977 [Pub. L. 95-87; 91 Stat. 445; 30 U.S.C. 1201 et seq.].
- ~~5-6.~~ "Extended mining plan" means a written statement setting forth the matters specified in section 38-14.1-15 and covering the estimated life of the surface coal mining operation.
- ~~6-7.~~ "Final cut" means the last pit created in a surface mining pit sequence.
- ~~7-8.~~ "Highwall" and "endwall" mean those sides of the pit adjacent to unmined land.
- ~~8-9.~~ "Imminent danger to the health and safety of the public" means the existence of any condition or practice, or any violation of a permit or other requirement of this chapter in a surface coal mining and reclamation operation, which condition, practice, or violation could reasonably be expected to cause substantial physical harm to persons outside the permit area before such condition, practice, or violation can be abated. A reasonable expectation of death or serious injury before abatement exists if a rational person, subjected to the same conditions or practices giving rise to the peril, would not expose the person's self to the danger during the time necessary for abatement.

- ~~9-10.~~ "Operator" means any individual, person, partnership, firm, association, society, joint stock company, company, cooperative, corporation, limited liability company, or other business organization, or any department, agency, or instrumentality of the state, local, or federal government, or any governmental subdivision thereof including any publicly owned utility or publicly owned corporation of the state, local, or federal government, engaged in or controlling a surface coal mining operation. Operator does not include those who remove or intend to remove two hundred fifty tons [226.80 metric tons] or less of coal or commercial leonardite from the earth by coal or commercial leonardite mining within twelve consecutive calendar months in any one location or who remove any coal or commercial leonardite pursuant to reclamation operations under chapter 38-14.2.
- ~~40-11.~~ "Other minerals" means clay, stone, sand, gravel, metalliferous and nonmetalliferous ores, and any other solid material or substances of commercial value occurring within five hundred feet [152.4 meters] or less of the land surface and which are excavated in solid form from natural deposits on or in the earth, exclusive of coal or commercial leonardite and those minerals which occur naturally in liquid or gaseous form.
- ~~44-12.~~ "Other suitable strata" means those portions of the overburden determined by the commission to be suitable for meeting the requirements of subsections 2 and 17 of section 38-14.1-24 and based on data submitted by the permit applicant.
- ~~42-13.~~ "Overburden" means all of the earth and other materials, with the exception of suitable plant growth material, which lie above natural deposits of coal or commercial leonardite and also means such earth and other materials, with the exception of suitable plant growth material, disturbed from their natural state by surface coal or commercial leonardite mining operations.
- ~~42-1-14.~~ "Performance bond" means a surety bond, collateral bond, self-bond, deposit, a bond issued under the state surface mining and reclamation bond fund, any alternative form of security approved by the commission, or combination thereof, by which a permittee assures faithful performance of all requirements of this chapter.
- ~~43-15.~~ "Permit" means a permit to conduct surface coal mining and reclamation operations issued by the commission.
- ~~44-16.~~ "Permit applicant" means a person or operator applying for a permit.
- ~~45-17.~~ "Permit area" means the area of land approved by the commission for surface coal mining operations which shall be readily identifiable by appropriate markers on the site.
- ~~46-18.~~ "Permit renewal" means the extension of the permit term for areas within the boundaries of the initial or existing permit, upon the expiration of the initial or existing permit term.
- ~~47-19.~~ "Permit revision" means the modification of permit provisions during the term of the permit and includes changes in the mining and reclamation plans, incidental boundary extensions, and the transfer, assignment, or sale of rights granted under the permit.
- ~~48-20.~~ "Permit term" means a period of time beginning with the date upon which a permit is given for surface coal mining and reclamation operations under the provisions of this chapter, and ending with the expiration of the next succeeding five years plus any renewal of the permit granted under this chapter.
- ~~49-21.~~ "Permittee" means a person or operator holding a permit.



- ~~20-22.~~ "Person" means an individual, partnership, firm, association, society, joint stock company, company, cooperative, corporation, limited liability company, or other business organization.
- ~~21-23.~~ "Pit" means a tract of land, from which overburden, ~~or coal,~~ or commercial leonardite, or ~~both,~~ any combination of overburden, coal, or commercial leonardite has been or is being removed for the purpose of surface coal mining operations.
- ~~22-24.~~ "Prime farmland" means lands as prescribed by commission regulation that have the soil characteristics and moisture supply needed to produce sustained high yields of adapted crops economically when treated and managed, including management of water, according to modern farming methods. Furthermore, such lands historically have been used for intensive agricultural purposes and are large enough in size to constitute a viable economic unit.
- ~~23-25.~~ "Prime soils" means those soils that have the required soil characteristics (including slope and moisture supply) needed to produce sustained high yields of adapted crops, as determined by the state conservationist of the United States department of agriculture soil conservation service.
- ~~24-26.~~ "Reclaimed" or "reclaim" means conditioning areas affected by surface coal mining operations to make them capable of supporting the uses which they were capable of supporting prior to any mining, or higher or better uses, pursuant to subsection 2 of section 38-14.1-24.
- ~~25-27.~~ "Reclamation plan" means a plan submitted by an applicant for a permit which sets forth a plan for reclamation of the proposed surface coal mining operations pursuant to subsection 2 of section 38-14.1-14.
- ~~26-28.~~ "Refuse" means all waste material directly connected with the production of coal or commercial leonardite mined by surface coal mining operations.
- ~~27-29.~~ "Soil amendments" means those materials added by the operator to the replaced overburden or suitable plant growth material, or both, to improve the physical or chemical condition of the soil in its relation to plant growth capability.
- ~~28-30.~~ "Soil classifier" means a professional soil classifier as defined in subsection 4 of section 43-36-01.
- ~~29-31.~~ "Soil survey" means the identification and location of all suitable plant growth material within the proposed permit area and an accompanying report that describes, classifies, and interprets for use such materials.
- ~~30-32.~~ "State program" means the program established by the state of North Dakota in accordance with the requirements of section 503 of the federal Surface Mining Control and Reclamation Act of 1977 [Pub. L. 95-87; 91 Stat. 470; 30 U.S.C. 1253] to regulate surface coal mining and reclamation operations on lands within the state of North Dakota.
- ~~31-33.~~ "Suitable plant growth material" means that soil material (normally the A, B, and portions of the C horizons) located within the proposed permit area which, based upon a soil survey, is found by the commission to be the most acceptable as a medium for plant growth when respread on the surface of regraded areas.
- ~~32-34.~~ "Surface coal mining and reclamation operations" means surface coal mining operations and all activities necessary and incidental to the reclamation of such operations after July 1, 1979.
- ~~33-35.~~ "Surface coal mining operations" means:

- a. Activities affecting the surface of lands in connection with a surface coal or commercial leonardite mine. Such activities include extraction of coal or commercial leonardite from coal or commercial leonardite refuse piles, excavation for the purpose of obtaining coal or commercial leonardite, including such common methods as contour, strip, auger, box cut, open pit, and area mining, the uses of explosives and blasting, and in situ distillation or retorting, leaching or other chemical or physical processing, and the cleaning, concentrating, or other processing or preparation, and loading of coal or commercial leonardite at or near the minesite, except that such activities do not include coal or commercial leonardite exploration subject to chapter 38-12.1, or the extraction of coal or commercial leonardite incidental to reclamation operations under chapter 38-14.2; and
- b. The areas upon which such activities occur or where such activities disturb the natural land surface. Such areas shall also include any adjacent land the use of which is incidental to any such activities, all adjacent lands affected by the construction of new roads or the improvement or use of existing roads to gain access to the site of such activities and for haulage, and excavations, workings, impoundments, dams, refuse banks, dumps, stockpiles, overburden piles, spoil banks, culm banks, tailings, holes or depressions, repair areas, storage areas, processing areas, shipping areas, and other areas upon which are sited structures, facilities, or other property or materials on the surface, resulting from or incident to such activities.

~~34:36.~~ "Unwarranted failure to comply" means the failure of a permittee to prevent the occurrence of any violation of the permittee's permit or any requirement of this chapter due to indifference, lack of diligence, or lack of reasonable care, or the failure to abate any violation of such permit or this chapter due to indifference, lack of diligence, or lack of reasonable care.

**SECTION 8. AMENDMENT.** Subsection 3 of section 38-14.1-05 of the North Dakota Century Code is amended and reenacted as follows:

3. Prior to designating any land area as unsuitable for surface coal mining operations, the commission shall prepare a detailed statement on:
  - a. The potential coal or commercial leonardite resources of the area;
  - b. The demand for coal or commercial leonardite resources; and
  - c. The impact of such designation on the environment, the economy, and the supply of coal or commercial leonardite.

**SECTION 9. AMENDMENT.** Subsection 3 of section 38-14.1-13 of the North Dakota Century Code is amended and reenacted as follows:

3. Upon request by the permit applicant, the commission, in its discretion, may designate specific information included in the plans required by subdivisions c and d of subsection 1 as exempt from disclosure under section 44-04-18, provided such specific information pertains only to the analysis of the chemical and physical properties of the coal or commercial leonardite (excepting information regarding such mineral or elemental contents which is potentially toxic in the environment). Each request must be accompanied by a statement specifying the need for nondisclosure, which statement must be considered part of the permit application to be filed for public inspection as specified in subsection 2. The confidential information is exempt for a period not to exceed ten years subsequent to the date on which the request for nondisclosure was filed, unless it is demonstrated by the permit applicant that such period should be further extended in order to prevent possible resulting harm to the permit applicant, or the applicant's successors and assigns.

**SECTION 10. AMENDMENT.** Subdivisions r and s of subsection 1 of section 38-14.1-14 of the North Dakota Century Code are amended and reenacted as follows:

- r. Cross sections, maps or plans of the land to be affected, including the actual area to be mined, prepared by or under the direction of and certified by a registered professional engineer, a registered land surveyor, or a qualified professional geologist with assistance from experts in related fields, showing pertinent elevation and location of test borings or core samplings and depicting all of the following information:
  - (1) The nature and depth of the various strata of overburden.
  - (2) The location of subsurface water, if encountered, and its quality.
  - (3) The nature and thickness of any coal, commercial leonardite, or rider seam above the coal or commercial leonardite seam to be mined.
  - (4) The nature of the stratum immediately beneath the coal or commercial leonardite seam to be mined.
  - (5) All mineral crop lines and the strike and dip of the coal or commercial leonardite to be mined, within the area of land to be affected.
  - (6) Existing or previous surface mining limits.
  - (7) The location and extent of known workings of any underground mines, including mine openings to the surface.
  - (8) The location of aquifers.
  - (9) The estimated elevation of the water table.
  - (10) The location of spoil, waste, or refuse areas, suitable plant growth material stockpiling areas and, if necessary, stockpiling areas for other suitable strata.
  - (11) The location of all impoundments for waste or erosion control.
  - (12) Any settling or water treatment facility.
  - (13) Constructed or natural drainways and the location of any discharges to any surface body of water on the area of land to be affected or adjacent thereto.
  - (14) Profiles at appropriate cross sections of the anticipated final surface configuration that will be achieved pursuant to the applicant's proposed reclamation plan.
- s. A statement by the applicant of the result of test borings or core samplings from the permit area, including logs of the drill holes, the thickness of the coal or commercial leonardite seam found, an analysis of the chemical properties of such coal or commercial leonardite, the sulfur content of any coal or commercial leonardite seam, chemical analysis of potentially toxic forming sections of the overburden, and chemical analysis of the stratum lying immediately underneath the coal or commercial leonardite to be mined. The provisions of this subdivision may be waived by the commission with respect to the specific application by a written determination that such requirements are unnecessary.

**SECTION 11. AMENDMENT.** Subdivision c of subsection 2 of section 38-14.1-14 of the North Dakota Century Code is amended and reenacted as follows:

- c. The consideration which has been given to maximize the utilization and conservation of the coal or commercial leonardite being recovered so that reffecting the land in the future can be minimized.

**SECTION 12. AMENDMENT.** Paragraph 2 of subdivision e of subsection 3 of section 38-14.1-21 of the North Dakota Century Code is amended and reenacted as follows:

- (2) Not materially damage the quantity or quality of water in surface or underground water systems that supply these alluvial valley floors. This subdivision does not affect those surface coal mining operations which on July 1, 1979, produce coal or commercial leonardite in commercial quantities and are located within or adjacent to alluvial valley floors or have obtained specific permit approval by the commission to conduct surface coal mining operations within said alluvial valley floors.

**SECTION 13. AMENDMENT.** Subdivision b of subsection 4 of section 38-14.1-21 of the North Dakota Century Code is amended and reenacted as follows:

- b. The commission finds that the proposed surface coal mining operation will constitute a hazard to a dwelling house, public building, school, church, cemetery, commercial or institutional building, public road, stream, lake, or other public or private property other than property subject to a coal or commercial leonardite lease.

**SECTION 14. AMENDMENT.** Subsections 1 and 1.1 of section 38-14.1-24 of the North Dakota Century Code are amended and reenacted as follows:

1. Conduct surface coal mining operations so as to maximize the utilization and conservation of the coal or commercial leonardite being recovered so that reffecting the land in the future through surface coal mining can be minimized.
- 1.1. Conduct any auger mining associated with surface coal mining operations in a manner that will maximize recoverability of coal or commercial leonardite and other mineral reserves remaining after mining activities and reclamation operations are completed, and seal or fill all auger holes as necessary to ensure long-term stability of the area and minimize any adverse impact to the environment or hazard to public health or safety. The commission may prohibit auger mining if necessary to maximize the utilization, recoverability, or conservation of coal or commercial leonardite resources, to ensure long-term stability, or to protect against any adverse impact to the environment or hazard to public health or safety.

**SECTION 15. AMENDMENT.** Subdivision b of subsection 3 of section 38-14.1-24 of the North Dakota Century Code is amended and reenacted as follows:

- b. The permittee, at a minimum, shall backfill, grade, and compact (where advisable) using all available overburden and other spoil and waste materials to attain the lowest practicable grade (not to exceed the angle of repose), to provide adequate drainage, and to contain all toxic materials in order to achieve an ecologically sound land use compatible with the surrounding region, in those instances where:
  - (1) Surface coal mining operations are carried out over a substantial period of time at the same location where the operation transects the coal or commercial leonardite deposit;

- (2) The thickness of the coal or commercial leonardite deposits relative to the volume of overburden is large; and
- (3) The permittee demonstrates that the overburden and other spoil and waste materials at a particular point in the permit area or otherwise available from the entire permit area are insufficient, giving due consideration to volumetric expansion, to restore the approximate original contour.

**SECTION 16. AMENDMENT.** Subsections 5, 10, and 18 of section 38-14.1-24 of the North Dakota Century Code are amended and reenacted as follows:

5. Remove, segregate, and respread suitable plant growth material as required by the commission within the permit area. The commission may require the permittee to segregate suitable plant growth material in two or more soil layers. The commission shall determine the soil layer or layers to be removed based upon the quality and quantity of suitable plant growth material inventoried by the soil survey required in subdivision t of subsection 1 of section 38-14.1-14. Based on the soil survey, the commission shall also determine whether other suitable strata are necessary to meet revegetation requirements. If other strata can be shown to be suitable and necessary to meet revegetation requirements, the commission may require the permittee to determine the areal extent of other suitable strata within the proposed permit area, and to remove, segregate, protect, and respread such material. If the suitable plant growth material or other suitable strata cannot be replaced on an approved graded area within a time short enough to avoid deterioration of such material, the permittee shall stockpile and stabilize such materials by establishing a successful cover of quick-growing plants or by other means thereafter so that the suitable plant growth material or other suitable strata will be protected from wind and water erosion and will remain free from any contamination by toxic material. In the interest of achieving the maximum reclamation provided for in this chapter, the permittee may, or at the discretion of the commission shall, utilize such soil amendments as described in ~~of subsection 27-~~section 38-14.1-02.
10. Remove or bury all debris and other similar material resulting from the operation and bury all mine wastes ~~and, coal, and commercial leonardite~~ processing wastes unless the commission approves the surface disposal of such wastes. If the commission approves the surface disposal of such wastes, the permittee shall stabilize all waste piles in designated areas through construction in compacted layers, including the use of incombustible and impervious materials if necessary, to assure that the final contour of the waste pile will be compatible with natural surroundings and that the site can and will be stabilized and revegetated according to the provisions of this chapter.
18. Assume the responsibility for successful revegetation, as required by subsection 17, for a period of ten full years after the last year of augmented seeding, fertilizing, irrigation, or other work, provided that, when the commission approves a long-term intensive agricultural postmining land use, the ten-year period of responsibility for revegetation commences at the date of initial planting. However, for previously mined areas that are affected by remining, the operator's responsibility for successful revegetation will extend for a period of five full years after the last year of augmented seeding, fertilizing, irrigation, and other work in order to assure compliance with the applicable standards. For the purposes of this subsection, "previously mined areas" are lands that were affected by coal or commercial leonardite mining activities prior to January 1, 1970, and "augmented seeding, fertilizing, irrigation, or other work" does not include normal conservation practices recognized locally as good management for the postmining land use.

**SECTION 17. AMENDMENT.** Section 38-14.1-25 of the North Dakota Century Code is amended and reenacted as follows:

**38-14.1-25. Prohibited mining practices.**

1. ~~No~~A permittee may not use any coal or commercial leonardite mine waste piles consisting of mine wastes, tailings, coal processing wastes, or other liquid or solid wastes either temporarily or permanently as dams or embankments unless approved by the commission, after consultation with the state engineer.
2. ~~No~~A permittee may not locate any part of the surface coal mining and reclamation operations or deposit overburden, debris, or waste materials outside the permit area for which bond has been posted, except as provided in subsection 24 of section 38-14.1-03.
3. ~~No~~A permittee may not deposit overburden, debris, or waste materials in such a way that normal erosion or slides brought about by natural causes will permit the same to go beyond or outside the permit area for which bond has been posted.

**SECTION 18. AMENDMENT.** Subdivision b of subsection 1 of section 38-14.1-27 of the North Dakota Century Code is amended and reenacted as follows:

- b. For those surface coal mining and reclamation operations which remove or disturb strata that serve as aquifers which significantly ensure the hydrologic balance of water use either on or off the mining site, the commission, in consultation with other appropriate state agencies, shall specify those:
  - (1) Monitoring sites to record the quantity and quality of surface drainage above and below the minesite as well as in the potential zone of influence.
  - (2) Monitoring sites to record level, amount, and samples of ground water and aquifers potentially affected by the mining and also directly below the lowermost (deepest) coal or commercial leonardite seam to be mined.
  - (3) Records of well logs and borehole data to be maintained.
  - (4) Monitoring sites to record precipitation.

The monitoring data collection and analysis required by this section must be conducted according to standards and procedures set forth by the commission in consultation with other appropriate state agencies in order to assure their reliability and validity.

**SECTION 19. AMENDMENT.** Subsections 1, 3, and 4 of section 38-14.1-37 of the North Dakota Century Code are amended and reenacted as follows:

1. The provisions of this chapter do not apply to any of the following activities:
  - a. Extraction of coal or commercial leonardite by a landowner for the landowner's own noncommercial use from land owned or leased by the landowner.
  - b. Extraction of coal or commercial leonardite as an incidental part of federal, state, or local government-financed highway or other construction under regulations established by the commission.
3. The commission may provide or assume the cost of training coal or commercial leonardite operators who meet the qualifications in

subsection 2 concerning the preparation of permit applications and compliance with the regulatory program.

4. An operator who has received assistance under subsection 2 or 3 shall reimburse the commission for the cost of the services rendered if the commission finds that the operator's actual and attributed annual production of coal or commercial leonardite for all locations exceeds three hundred thousand tons [272155.41 metric tons] during the twelve months immediately following the date the operator is issued a surface coal mining and reclamation permit.

**SECTION 20. AMENDMENT.** Section 38-15-01 of the North Dakota Century Code is amended and reenacted as follows:

**38-15-01. Policy.**

It is hereby declared to be in the public interest to foster, encourage, and promote the development, production, and utilization of all natural resources of coal, commercial leonardite, oil, gas, and subsurface minerals in a manner as will prevent waste and allow a greater ultimate recovery of the natural resources, and to protect the rights of all owners so that the greatest possible economic recovery of natural resources be obtained in the state, to the end that landowners, royalty owners, producers, and the general public realize and enjoy the greatest possible good from these vital natural resources.

**SECTION 21. AMENDMENT.** Section 38-15-02 of the North Dakota Century Code is amended and reenacted as follows:

**38-15-02. Definitions.**

As used in this chapter, unless the context otherwise requires:

1. "Coal" means all kinds of coal, and includes what is known as lignite coal, unless a contrary intention plainly appears.
2. "Commercial leonardite" means a dark-colored, soft, earthy rock formed from the oxidation of lignite coal, and is produced from a mine that has as its only function for supply for purposes other than gasification or combustion to generate electricity.
3. "Commission" means the industrial commission.
- ~~3-4.~~ "Conflicting interests" means those interests of producers which are in conflict, so that full production and utilization by one producer is prohibited or impeded by the interests of another producer of a separate natural resource.
- ~~4-5.~~ "Gas" means all natural gas and other fluid hydrocarbons not hereinbelow defined as oil.
- ~~5-6.~~ "Natural resources" means coal, oil, gas, and subsurface minerals as defined herein.
- ~~6-7.~~ "Oil" means crude petroleum oil and other hydrocarbons, regardless of gravity, which are produced at the wellhead in liquid form, and the liquid hydrocarbons known as distillate or condensate recovered or extracted from gas other than gas produced in association with oil and commonly known as casinghead gas.
- ~~7-8.~~ "Owner" means the person who has the right to produce natural resources either for that person or others.
- ~~8-9.~~ "Person" means any natural person, corporation, limited liability company, association, partnership, receiver, trustee, executor, administrator, guardian, fiduciary, or other representative of any kind, and

includes any department, agency, instrumentality, or political subdivision of the state. The masculine gender, in referring to a person, includes the feminine and the neuter genders.

- 9-10. "Producer" means the owner of a well or wells, or mine or mines, capable of producing coal, commercial leonardite, oil, gas, or subsurface minerals.
- ~~10-11.~~ "Subsurface minerals" means all naturally occurring elements and their compounds, volcanic ash, precious metals, carbonates, and natural mineral salts of boron, bromine, calcium, fluorine, iodine, lithium, magnesium, phosphorus, potassium, sodium, thorium, uranium, and sulfur, and their compounds but does not include sand and gravel and rocks crushed for sand and gravel.
- ~~11-12.~~ "Waste" means the inefficient utilization of reserves of oil, gas, subsurface minerals, ~~or~~ coal, or commercial leonardite, as the case may be.

**SECTION 22. AMENDMENT.** Section 38-18-05 of the North Dakota Century Code is amended and reenacted as follows:

**38-18-05. Definitions.**

In this chapter, unless the context or subject matter otherwise requires:

1. "Agricultural production" means the production of any growing grass or crop attached to the surface of the land, whether or not the grass or crop is to be sold commercially, and the production of any farm animals, including farmed elk, whether or not the animals are to be sold commercially.
2. "Disturbed" means any alteration of the topsoil of the land whether the alteration is for the purpose of exploring for coal or commercial leonardite, or for the purpose of carrying out an actual mining operation.
3. "Mineral developer" means the person who acquires at least seventy-five percent of the mineral rights or a lease of at least seventy-five percent of the mineral rights for the purpose of extracting or using the mineral for nonagricultural purposes.
4. "Mineral estate" means an estate in or ownership of all or part of the minerals under a specified tract of land.
5. "Mineral lease" means any lease which purports to convey the minerals or rights relating to the minerals under a specified tract of land separate from the surface, and any other type of lease which gives or conveys rights to minerals.
6. "Mineral owner" means any person or persons who presently own the mineral estate, their successors, assigns, or predecessors in title, under a specified tract of land by means of a mineral deed, or by an exception or reservation in the deed, grant, or conveyance of the surface, or by any other means whatsoever.
7. "Minerals" means coal or commercial leonardite.
8. "Mining operation" means any type of activity, the aim of which is to discover the presence of minerals, or to remove the minerals so discovered from their original position on or in the land by any means whatsoever.
9. "Surface estate" means an estate in or ownership of the surface of a particular tract of land.



10. "Surface owner" means the person or persons who presently have valid title to the surface of the land, their successors, assigns, or predecessors in title, regardless of whether or not a portion of the land surface is occupied for a residence.

**SECTION 23. AMENDMENT.** Section 38-18-07 of the North Dakota Century Code is amended and reenacted as follows:

**38-18-07. Surface damage and disruption payments.**

1. Unless the mineral lease, surface lease, or consent statement executed by the surface owner provides for payments to the surface owner, the mineral developer shall annually pay to the surface owner a sum of money equal to the amount of damages sustained by the surface owner for loss of agricultural production caused by mining activity, provided that it can be shown that the land disturbed or to be disturbed has regularly been used for agricultural production. The amount of damages may be determined by any formula mutually agreeable between the surface owner and the mineral developer. The payments contemplated by this section only cover land actually mined, disturbed, or to be mined during the year or years during which agricultural production was actually interrupted and which land has not been restored to the level of agricultural productivity required by the plan submitted pursuant to chapter 38-14.1. The payments to be made hereunder must be made before December thirty-first of that calendar year in which the loss occurred.
2. Unless waived by the owner of a farm building, if the coal or commercial leonardite removal area of a surface mining operation comes within five hundred feet [152.4 meters] of any farm building, the mineral developer shall pay to the owner of the farm building either the fair market value of the farm building or the entire cost of removing the farm building to a location where the coal or commercial leonardite removal area of the mining operation will not come within five hundred feet [152.4 meters] of such building or buildings. The payments contemplated hereunder are in addition to any payments required by the terms of any mineral lease, unless the surface owner is a party to the lease and the lease provides for damages as contemplated in this subsection in an amount not less than the amount which would be recoverable under this section.
3. The rights granted to the surface owner by this section are hereby declared to be absolute and unwaivable, except as provided in subsection 2. Any instrument which purports to waive rights granted by this section is null and void and of no legal effect.

**SECTION 24. AMENDMENT.** Section 57-61-01 of the North Dakota Century Code is amended and reenacted as follows:

**57-61-01. Severance tax upon coal - Imposition - In lieu of sales and use taxes - Payment to the tax commissioner.**

There is hereby imposed upon all coal severed for sale or for industrial purposes by coal mines within the state a tax of thirty-seven and one-half cents per ton of two thousand pounds [907.18 kilograms]. ~~Such~~The severance tax is in lieu of any sales or use taxes imposed by law. Each coal mine owner or operator shall remit ~~such~~the tax for each month, within twenty-five days after the end of each month, to the state tax commissioner ~~upon such~~on reports and forms as the tax commissioner deems necessary. For the purposes of this chapter, commercial leonardite is taxed in the same manner as coal.

**SECTION 25. AMENDMENT.** Section 57-61-01.2 of the North Dakota Century Code is amended and reenacted as follows:

**57-61-01.2. When coal or commercial leonardite considered severed.**

Coal or commercial leonardite is considered to be severed for the purposes of this chapter when it is first removed from where it was placed by nature, unless within thirty days of first removal it is placed into a long-term inventory storage deposit, in which case it is considered to be severed when removed from the deposit or it is pledged as collateral on a loan. A long-term inventory storage deposit is one which is so identified in a mining plan approved by the public service commission pursuant to chapter 38-14.1 and which as part of that plan is covered with soil and subjected to reclamation requirements during the time it serves as a deposit and before coal or commercial leonardite is removed therefrom.

**SECTION 26. AMENDMENT.** Subsection 1 of section 57-61-01.5 of the North Dakota Century Code is amended and reenacted as follows:

1. There is imposed upon all coal or commercial leonardite severed for sale or for industrial purposes by coal or commercial leonardite mines within the state a tax, separate from and additional to the tax imposed by section 57-61-01, of two cents per ton of two thousand pounds [907.18 kilograms]. All of the provisions of this chapter for administration of the coal or commercial leonardite severance tax apply to the tax imposed under this section. The state tax commissioner shall transfer revenue from the tax imposed by this section to the state treasurer for deposit in a special fund in the state treasury, known as the lignite research fund. Such moneys must be used for contracts for land reclamation research projects and for research, development, and marketing of lignite and products derived from lignite. The industrial commission shall adopt rules for submission and consideration of research, development, and marketing proposals and entering into contracts under the lignite research, development, and marketing program.

**SECTION 27. AMENDMENT.** Section 57-61-01.7 of the North Dakota Century Code is amended and reenacted as follows:

**57-61-01.7. Severance tax reduction for coal or commercial leonardite mined for out-of-state shipment.**

For coal or commercial leonardite subject to taxes under this chapter which is shipped out of state after June 30, 2001:

1. The coal or commercial leonardite is subject to thirty percent of the taxes imposed under section 57-61-01 and the entire revenue under this subsection must be deposited in the coal development trust fund for use as provided in subsection 1 of section 57-62-02 and allocation to the lignite research fund as provided in subsection 2 of section 57-61-01.5.
2. In addition to the taxes under subsection 1, the coal or commercial leonardite may be subject to up to seventy percent of the severance taxes imposed under section 57-61-01 at the option of the county in which the coal or commercial leonardite is mined. The board of county commissioners, by resolution, may grant to the operator of a mine from which the coal or commercial leonardite is shipped out of state a partial or complete exemption from this portion of the severance tax. Any tax revenue from full or partial taxation under this subsection must be allocated to the county under subsection 2 of section 57-62-02.
3. Taxes imposed under section 57-61-01.5 apply to coal or commercial leonardite subject to this section and must be allocated as provided in section 57-61-01.5.

**SECTION 28. AMENDMENT.** Section 57-61-02 of the North Dakota Century Code is amended and reenacted as follows:

**57-61-02. When tax due - When delinquent.**

The severance tax as provided in this chapter is due within twenty-five days after the end of each month, and if not received by the twenty-fifth day, becomes delinquent and must be collected as herein provided. The tax commissioner, upon request and a proper showing of the necessity therefor, may grant an extension of time, not to exceed fifteen days, for paying the tax, and when such a request is granted, the tax is not delinquent until the extended period has expired. The tax commissioner shall require a report to be filed monthly by each owner or operator of a coal or commercial leonardite mine, in such form as the tax commissioner may specify, to list a full description of the mine, the number of tons of coal or commercial leonardite severed, the amount of tax due and remitted, and any other information deemed necessary by the tax commissioner for the proper administration of this chapter.

**SECTION 29. AMENDMENT.** Section 57-61-03 of the North Dakota Century Code is amended and reenacted as follows:

**57-61-03. Powers of state tax commissioner.**

The state tax commissioner has the power to require any person engaged in such production, and the agent or employee of such person, or purchaser of such coal or commercial leonardite, or the owner of any royalty interest therein, to furnish any additional information the tax commissioner deems necessary for the purpose of correctly computing the amount of said tax; to examine the books, records, and files of such person; to conduct hearings and compel the attendance of witnesses, the production of books, records, and papers of any person; and to make any investigation or hold any inquest deemed necessary to a full and complete disclosure of the true facts as to the amount of production from any coal or commercial leonardite mine or of any company or other producer thereof and as to the rendition thereof for taxing purposes.

**SECTION 30. AMENDMENT.** Subsection 1 of section 57-61-04 of the North Dakota Century Code is amended and reenacted as follows:

1. The tax commissioner has the power and authority to ascertain and determine whether or not any return or remittances filed with the tax commissioner are correct, and if the owner or operator has made an untrue or incorrect return or remittance or has failed to make the required return, the tax commissioner shall ascertain the correct amount of taxes due and give immediate notice to the owner or operator filing the incorrect return or remittance or who failed to file the required return. Any coal or commercial leonardite mine operator or owner receiving notice from the tax commissioner that the owner or operator has filed an incorrect return or remittance or failed to file the required return shall remit the tax assessed by the tax commissioner within fifteen days of such notice unless within fifteen days of the notice such person makes application in writing to the tax commissioner for a hearing under chapter 28-32 before the tax commissioner. The tax becomes delinquent if within fifteen days of the notice it is not paid or an application for a hearing is not made. Taxes assessed by decision of the tax commissioner pursuant to chapter 28-32, if not paid, become delinquent five days after the time for appeal from the tax commissioner's decision has expired, except that if an appeal from the tax commissioner's decision is taken to the district court of Burleigh County, such taxes if not paid become delinquent five days following final judicial determination."

Renumber accordingly

Engrossed SB 2377 was placed on the Seventh order of business on the calendar.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1106, as engrossed:** Your conference committee (Sens. Armstrong, Hogue, Nelson and Reps. Paur, Maragos, Delmore) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ page 1130, adopt amendments as follows,

and place HB 1106 on the Seventh order:

That the Senate recede from its amendments as printed on page 1130 of the House Journal and page 886 of the Senate Journal and that Engrossed House Bill No. 1106 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for a legislative management study of issues relating to criminal defendants who are veterans or who are currently serving in the armed forces.

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

**SECTION 1. LEGISLATIVE MANAGEMENT STUDY - CRIMINAL JUSTICE ISSUES RELATING TO DEFENDANTS WHO ARE VETERANS OR SERVING IN ARMED FORCES.**

1. The legislative management shall consider studying, during the 2015-16 interim, issues related to criminal defendants who are veterans or who are currently serving in the armed forces, including:
  - a. Whether additional treatment and sentencing options should be considered if a defendant is suspected to have posttraumatic stress disorder or other behavioral health conditions;
  - b. Whether the additional treatment and sentencing options should apply to both misdemeanor and felony offenses and, if applied to misdemeanor offenses, the impact those additional cases would have on the courts and the department of corrections and rehabilitation;
  - c. The point in the criminal proceeding at which the inquiry regarding the defendant's behavioral health condition should be made;
  - d. What actions are being taken by other states' judicial and criminal justice systems to address similar issues regarding criminal defendants who are veterans or who are currently serving in the armed forces; and
  - e. What steps the state needs to take to ensure that veterans and other armed forces personnel with posttraumatic stress disorder or other behavioral health conditions are best handled in the state's criminal justice system.
2. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly."

Renumber accordingly

Engrossed HB 1106 was placed on the Seventh order of business on the calendar.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. UNRUH MOVED** that the conference committee report on Engrossed SB 2377 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2377, as amended, was placed on the Eleventh order of business.

**SECOND READING OF SENATE BILL**

**SB 2377:** A BILL for an Act to amend and reenact subsection 5 of section 38-11.2-01, sections 38-12.1-01, 38-12.1-02, 38-12.1-03, 38-12.1-04, 38-12.1-05, and 38-14.1-02, subsection 3 of section 38-14.1-05, subsection 3 of section 38-14.1-13, subdivisions r and s of subsection 1 of section 38-14.1-14, subdivision c of subsection 2 of section 38-14.1-14, paragraph 2 of subdivision e of subsection 3 of section 38-14.1-21, subdivision b of subsection 4 of section 38-14.1-21, subsections 1 and 1.1 of section 38-14.1-24, subdivision b of subsection 3 of section 38-14.1-24,

subsections 5, 10, and 18 of section 38-14.1-24, section 38-14.1-25, subdivision b of subsection 1 of section 38-14.1-27, subsections 1, 3, and 4 of section 38-14.1-37, sections 38-15-01, 38-15-02, 38-18-05, 38-18-07, 57-61-01, and 57-61-01.2, subsection 1 of section 57-61-01.5, sections 57-61-01.7, 57-61-02, and 57-61-03, and subsection 1 of section 57-61-04 of the North Dakota Century Code, relating to the definition of coal and commercial leonardite and the taxation of commercial leonardite.

#### ROLL CALL

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

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

**ABSENT AND NOT VOTING:** Miller

Reengrossed SB 2377 passed.

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#### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**SEN. ARMSTRONG MOVED** that the conference committee report on Reengrossed HB 1106 be adopted, which motion prevailed on a voice vote.

Reengrossed HB 1106, as amended, was placed on the Fourteenth order of business.

#### SECOND READING OF HOUSE BILL

**HB 1106:** A BILL for an Act to provide for a legislative management study of issues relating to criminal defendants who are veterans or who are currently serving in the armed forces.

#### ROLL CALL

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

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

**ABSENT AND NOT VOTING:** Miller

Reengrossed HB 1106, as amended, passed.

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#### MOTION

**SEN. KLEIN MOVED** that the rules be suspended and that the Majority Leader be authorized to select a replacement for any absent Senate member of a conference committee for the remainder of the 2015 session, which motion prevailed.

#### MOTION

**SEN. KLEIN MOVED** that Sen. Axness replace Sen. Warner on the Conference Committees on HB 1049 and HB 1359, which motion prevailed on a voice vote.

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

**MR. PRESIDENT:** The House does not concur in the Senate amendments to HB 1003 and HB 1018, and the Speaker has appointed as a conference committee to act with a like

committee from the Senate on:

**HB 1003:** Reps. Sanford; Martinson; Boe

**HB 1018:** Reps. Streyle; Martinson; Guggisberg

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The President has appointed Sen. Axness to replace Sen. Warner on the Conference Committee on HB 1049.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The President has appointed Sen. Axness to replace Sen. Warner on the Conference Committee on HB 1359.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: SB 2377.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: HB 1106.

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

**MR. PRESIDENT:** The House has adopted the conference committee report on: SB 2011.

**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 1057, HB 1095, HB 1217, HB 1368, HB 1392.

**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 2332.

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

**MR. PRESIDENT:** The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1144.

**MOTION**

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

**MOTION**

**SEN. KLEIN MOVED** that the Senate be on the Fourth, Fifth, Thirteenth, and Sixteenth orders of business and at the conclusion of those orders, the Senate stand adjourned until 8:00 a.m., Friday, April 17, 2015, which motion prevailed.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1095, as engrossed:** Your conference committee (Sens. Schaible, Hogue, Murphy and Reps. Lefor, Hofstad, Hunsakor) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ page 1297, adopt amendments as follows, and place HB 1095 on the Seventh order:

That the Senate recede from its amendments as printed on page 1297 of the House Journal and pages 1071 and 1072 of the Senate Journal and that Engrossed House Bill No. 1095 be amended as follows:

Page 1, line 1, remove "subsection 2 of section 61-16.1-09,"

Page 1, line 3, remove "a water resource board's eminent domain power,"

Page 1, line 5, after "projects" insert "; and to provide for a legislative management study"

Page 1, remove lines 7 through 24

Page 2, remove lines 1 through 4

Page 4, line 26, replace "the" with "that"

Page 4, line 30, remove "Drain" also"

Page 4, remove line 31

Page 7, after line 17, insert:

**"SECTION 4. LEGISLATIVE MANAGEMENT STUDY.** During the 2015-16 interim, the legislative management shall assign to the water topics overview committee the responsibility of studying the use of quick take in eminent domain by water resource districts. The study must include input from stakeholders, including the state water commission, water resource districts, and landowners. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly."

Renumber accordingly

Engrossed HB 1095 was placed on the Seventh order of business on the calendar.

#### **REPORT OF CONFERENCE COMMITTEE**

**HB 1392:** Your conference committee (Sens. Laffen, Unruh, Dotzenrod and Reps. Dockter, Owens, Mitskog) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1449-1450, adopt amendments as follows, and place HB 1392 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1449 and 1450 of the House Journal and pages 1201 and 1202 of the Senate Journal and that House Bill No. 1392 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 a new section to chapter 40-22 of the North Dakota Century Code, relating to adoption of municipal policy establishing special assessment determination methods for allocation of assessments among and within classes of property; to amend and reenact section 40-53.1-07 of the North Dakota Century Code, relating to the disposition of the property of a dissolved city by a county.

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

**SECTION 1.** A new section to chapter 40-22 of the North Dakota Century Code is created and enacted as follows:

#### **Municipal policy providing special assessment determination methods for allocation of assessments among and within classes of property.**

Within five months of this section becoming applicable to a city, the governing body of each city with a population exceeding ten thousand shall adopt written policies, after a public hearing for consideration of the policies, which will be applied for cost allocation among properties benefited by a special assessment project. Policies established under this section must provide separately the policy that will be applied for cost allocation for each kind of special assessment and the cost allocation method for residential, commercial, and agricultural property and for any property subject to separate or special assessment factors or assessment rates.

**SECTION 2. AMENDMENT.** Section 40-53.1-07 of the North Dakota Century Code is amended and reenacted as follows:

#### **40-53.1-07. Dissolution - Care of property - Manager - Disposition of funds.**

If a city is dissolved, the board of county commissioners shall assume control of all property belonging to the dissolved city and shall employ a qualified person to manage and operate the property and to collect all charges due from the operation of such property or dispose of the property in accordance with chapter 11-27. The

person employed shall execute a bond to the county in an amount determined by the board of county commissioners, conditioned that that person will faithfully perform that person's duties and will promptly pay all money that person receives to the county treasurer monthly on the first day of each month. The bond shall be executed by the person employed and a surety company authorized to do business in the state. The premium on the bond shall be paid by the board of county commissioners from city funds, if any, and if none, from county funds."

Renumber accordingly

HB 1392 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**HB 1217, as engrossed:** Your conference committee (Sens. Burckhard, J. Lee, Grabinger and Reps. Hatlestad, Rich S. Becker, Oversen) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ page 1416, adopt amendments as follows, and place HB 1217 on the Seventh order:

That the Senate recede from its amendments as printed on page 1416 of the House Journal and pages 1153 and 1154 of the Senate Journal and that Engrossed House Bill No. 1217 be amended as follows:

Page 2, line 12, overstrike "a"

Page 2, line 13, overstrike "protection order"

Page 2, line 13, overstrike "under section 14-07.1-02"

Page 2, line 15, after the first comma insert "protection order under section 14-07.1-02, ex parte temporary"

Page 2, line 15, after the second underscored comma insert "order prohibiting contact."

Page 2, line 16, after the underscored semicolon insert "or"

Page 2, line 17, remove the underscored semicolon

Page 2, remove lines 18 through 25

Page 2, replace line 26 with "containing objective supporting evidence indicating domestic violence or sexual assault; and"

Renumber accordingly

Engrossed HB 1217 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**HB 1368, as engrossed:** Your conference committee (Sens. Casper, Armstrong, Grabinger and Reps. Kretschmar, Klemin, Delmore) recommends that the **HOUSE ACCEDE** to the Senate amendments as printed on HJ page 1220 and place HB 1368 on the Seventh order.

Engrossed HB 1368 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**HB 1057:** Your conference committee (Sens. Laffen, Oehlke, Dotzenrod and Reps. Steiner, Dockter, Schneider) recommends that the **HOUSE ACCEDE** to the Senate amendments as printed on HJ page 1302 and place HB 1057 on the Seventh order.

HB 1057 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**HB 1144, as engrossed:** Your conference committee (Sens. Casper, Oehlke, Sinner and Reps. Lefor, Sukut, M. Nelson) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1452-1455, adopt amendments as



follows, and place HB 1144 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1452-1455 of the House Journal and pages 1198-1201 of the Senate Journal and that House Bill No. 1144 be amended as follows:

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

Page 1, line 19, remove "any person who uses a vehicle in connection"

Page 1, replace lines 20 and 21 with "an individual who:

- a. Receives connections to potential passengers and related services from a transportation network company in exchange for payment or a fee to the transportation network company; and
- b. Uses a personal vehicle to offer or provide prearranged transportation services to a passenger upon connection through an online-enabled application or platform controlled by a transportation network company in return for compensation or payment of a fee."

Page 2, line 1, after "6." insert """Personal injury protection" means basic no-fault benefits as defined under subsection 2 of section 26.1-41-01.

7."

Page 2, line 1, remove "that"

Page 2, replace lines 2 through 4 with "which uses an online-enabled application or platform to connect a passenger with an independent participating driver who provides prearranged transportation services using a personal vehicle. A transportation network company may not be deemed to control, direct, or manage the personal vehicles or participating drivers that connect to the transportation network company online-enabled application or platform, unless agreed to by written contract."

Page 2, line 5, replace "7." with "8."

Page 3, line 8, remove "Transportation network company insurance coverage provided under this section"

Page 3, replace lines 9 through 11 with "Transportation network company insurance coverage provided under this section for uninsured motorist coverage must meet the requirements under section 26.1-40-15.2, which is primary coverage.

- c. Transportation network company insurance coverage provided under this section for underinsured motorist coverage must meet the requirements under section 26.1-40-15.3, which is primary coverage."

Page 3, line 12, replace "c." with "d."

Page 3, line 12, after "provide" insert "primary"

Page 3, line 13, remove "when required"

Page 3, line 15, replace "d." with "e."

Page 3, line 17, replace "e." with "f."

Page 3, line 21, replace "f." with "g."

Page 3, line 21, replace "In every instance where" with "If"

Page 3, after line 25, insert:

**"26.1-40.1-04. Insurance coverage during the application on stage with no passengers in vehicle.**

1. During the application on stage, the transportation network company insurance must include:
  - a. Motor vehicle liability coverage that is primary coverage. The coverage must include at least fifty thousand dollars per person and one hundred thousand dollars per incident for death and bodily injury and at least twenty-five thousand dollars for property damage.
  - b. Uninsured motorist coverage under section 26.1-40-15.2 which is primary coverage.
  - c. Underinsured motorist coverage under section 26.1-40-15.3 which is primary coverage.
  - d. Personal injury protection under chapter 26.1-41 which is primary coverage.
2. The requirements for coverage under this section may be satisfied by:
  - a. Transportation network company insurance maintained by a participating driver;
  - b. Transportation network company insurance maintained by a transportation network company; or
  - c. Any combination of subdivisions a and b.
3. The following apply to insurance requirements under this section:
  - a. The primary insurer, in the case of insurance coverage provided under subdivision a of subsection 1, has the sole duty to defend and indemnify the insured.
  - b. Coverage under a transportation network company insurance policy may neither be dependent on a driver's personal automobile insurance policy carrier first denying a claim nor a personal automobile insurance policy carrier being required to first deny a claim.
  - c. If transportation network company insurance maintained by a participating driver to fulfill the insurance obligations of this section has excluded coverage according to its policy or ceased to exist, the transportation network company shall provide the coverage required by this section beginning with the first dollar of a claim.

**26.1-40.1-05. Automobile insurers.**

Insurers that write personal automobile insurance may allow no-fault insurance coverage to be conditional on transportation network company no-fault insurance coverage under sections 26.1-40.1-03 and 26.1-40.1-04."

Page 3, line 26, replace "**26.1-40.1-04**" with "**26.1-40.1-06**"

Page 4, line 1, replace "**26.1-40.1-05**" with "**26.1-40.1-07**"

Page 4, line 5, after the second "of" insert "less than"

Page 4, line 5, remove "or less"

Page 4, line 8, replace "**26.1-40.1-06**" with "**26.1-40.1-08**"

Page 4, remove lines 15 through 21

Page 4, line 22, replace "26.1-40.1-08" with "26.1-40.1-09"

Page 4, line 25, replace "26.1-40.1-09" with "26.1-40.1-10"

Page 4, replace lines 26 through 30 with:

"A participating driver of a transportation network company shall carry proof of transportation network company insurance coverage at all times during the driver's use of a vehicle in connection with a transportation network company's online-enabled application or platform. In the event of an accident, a participating driver shall provide this insurance coverage information to any other party involved in the accident and to a police officer, upon request."

Page 5, line 1, replace "26.1-40.1-10" with "26.1-40.1-11"

Page 6, line 14, replace "eighteen" with "twenty-one"

Page 6, line 15, replace "**Records**" with "**Personally identifiable information**"

Page 6, replace lines 16 through 26 with "A transportation network company may not disclose any personally identifiable information of a transportation network company passenger, except pursuant to the publicly disclosed terms of the transportation network company's privacy policy. For any other disclosure not governed by the privacy policy, the transportation network company must obtain the passenger's consent before the company may disclose the passenger's personally identifiable information."

**39-34-05. Transportation network company reporting requirements - Legislative management report - Penalty.**

1. A transportation network company shall report the following information to the department of transportation on June fifteenth and December fifteenth of each year for the previous six calendar months:
  - a. A list of political subdivisions in which the transportation network company operates;
  - b. The number of accidents that were reported to the transportation network company during the passenger on-board stage; and
  - c. The number and types of traffic violations and any other violations that were reported to the transportation network company during the passenger on-board stage.
2. The department of transportation shall report the information collected from transportation network companies during each biennium to the legislative management.
3. The department of transportation may impose a civil penalty of up to five hundred dollars for the failure of a transportation network company to report as required under this section. A transportation network company with two or more violations of this section may be prohibited by the department of transportation from operating within the state for one hundred eighty days from the date of the department's notification to the transportation network company.
4. All civil penalties collected under this section must be deposited in the state highway fund."

Page 6, line 30, remove "by the department of transportation"

Page 7, line 3, after the underscored period insert "A political subdivision may prohibit a transportation network company from operating without a state permit within the jurisdiction of the political subdivision."

**SECTION 3. EMERGENCY.** This Act is declared to be an emergency measure."

Renumber accordingly

Engrossed HB 1144 was placed on the Seventh order of business on the calendar.

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

**Jane Schaible, Secretary**