

JOURNAL OF THE SENATE

Fifty-seventh Legislative Assembly

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Bismarck, April 26, 2001

The Senate convened at 8:30 a.m., with President Dalrymple presiding.

The prayer was offered by Senator Robinson.

The roll was called and all members were present.

A quorum was declared by the President.

MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK)

MR. PRESIDENT: The House has concurred in the Senate amendments and subsequently passed: HB 1293.

MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK)

MR. PRESIDENT: The House has adopted the conference committee report and subsequently passed: SB 2043.

MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK)

MR. PRESIDENT: The House has adopted the conference committee report on SB 2354.

MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK)

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

MOTION

SEN. CHRISTMANN MOVED that SB 2088 be placed on the Seventh order immediately after HB 1012, which motion prevailed.

REPORT OF CONFERENCE COMMITTEE

HB 1012, as engrossed: Your conference committee (Sens. Bowman, Thane, Tomac and Reps. Svedjan, Delzer, Kerzman) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1513-1519, adopt amendments as follows, and place HB 1012 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1513-1519 of the House Journal and pages 1377-1384 of the Senate Journal and that Engrossed House Bill No. 1012 be amended as follows:

Page 1, line 3, after the first semicolon insert "to provide for legislative council studies; to provide an exception to section 54-44.1-06 of the North Dakota Century Code, relating to the preparation of the department of human services appropriations bill for the 2003-05 biennium;"

Page 1, line 5, after "transfers" insert "; to provide for basic care facility rates"

Page 1, line 6, remove "and"

Page 1, line 7, after "reenact" insert "subsection 2 of section 25-02-01.1," after "50-01.2-03.2" insert ", and section 50-09-06.1", and after "to" insert "compensation for members of the state hospital governing body,"

Page 1, line 8, after "reimbursements" insert ", and assignment of support rights; to provide an effective date; and to declare an emergency"

Page 1, line 19, replace "34,412,275" with "34,511,962"

Page 1, line 23, replace "49,670,844" with "49,770,531"

Page 2, line 1, replace "31,615,495" with "31,715,182"

Page 2, line 5, replace "10,920,080" with "11,679,203"

Page 2, line 6, replace "17,169,938" with "17,297,140"

Page 2, line 9, replace "134,389,148" with "126,393,606"

Page 2, line 10, replace "718,078,659" with "736,187,339"

Page 2, line 11, replace "880,578,318" with "891,577,781"

Page 2, line 12, replace "671,393,327" with "678,799,617"

Page 2, line 13, replace "209,184,991" with "212,778,164"

Page 2, line 16, replace "10,546,892" with "9,650,689"

Page 2, line 17, replace "11,465,354" with "11,388,152"

Page 2, line 20, replace "133,362,788" with "132,341,763"

Page 2, line 21, replace "155,429,551" with "153,435,121"

Page 2, line 22, replace "124,743,392" with "123,325,366"

Page 2, line 23, replace "30,686,159" with "30,109,755"

Page 3, line 5, replace "8,207,410" with "8,122,652"

Page 3, line 6, replace "3,638,811" with "3,598,587"

Page 3, line 7, replace "4,568,599" with "4,524,065"

Page 3, line 9, replace "18,852,059" with "18,677,059"

Page 3, line 11, replace "7,657,031" with "7,482,031"

Page 3, line 14, replace "centers/institutions" with "center operations" and replace "19,695,629" with "19,640,332"

Page 3, line 15, replace "20,268,753" with "20,213,456"

Page 3, line 16, replace "11,124,027" with "11,119,701"

Page 3, line 17, replace "9,144,726" with "9,093,755"

Page 3, line 19, replace "11,207,210" with "11,128,925"

Page 3, line 20, replace "5,502,095" with "5,466,466"

Page 3, line 21, replace "5,705,115" with "5,662,459"

Page 3, line 27, replace "9,618,722" with "9,535,626"

Page 3, line 28, replace "5,161,574" with "5,127,922"

Page 3, line 29, replace "4,457,148" with "4,407,704"

Page 4, line 2, replace "Human service centers/institutions" with "Operations" and replace "50,265,299" with "50,154,275"

Page 4, line 3, replace "51,235,475" with "51,124,451"

Page 4, line 5, replace "33,274,332" with "33,163,308"

Page 4, line 8, replace "Human service centers/institutions" with "Operations"

Page 4, line 12, replace "201,053,372" with "200,465,912"

Page 4, line 13, replace "104,935,651" with "104,821,820"

Page 4, line 14, replace "96,117,721" with "95,644,092"

Page 4, line 15, replace "354,044,220" with "356,587,360"

Page 4, line 16, replace "932,687,865" with "938,661,985"

Page 4, line 17, replace "1,286,732,085" with "1,295,249,345"

Page 5, remove lines 28 through 31

Page 6, remove lines 1 and 2

Page 7, after line 4, insert:

"SECTION 16. LEGISLATIVE INTENT - PAYMENT SCHEDULE FOR CRITICAL ACCESS HOSPITALS. It is the intent of the legislative assembly that the department of human services implement a charge-based payment schedule for critical access hospitals, for the biennium beginning July 1, 2001, and ending June 30, 2003.

SECTION 17. LEGISLATIVE COUNCIL STUDY - STATE ADMINISTRATION OF CHILD SUPPORT. The legislative council shall consider studying, during the 2001-02 interim, the feasibility and desirability of state administration of child support, including the fiscal effect on counties and the state. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-eighth legislative assembly.

SECTION 18. LEGISLATIVE COUNCIL STUDY - SENIOR CITIZEN MILL LEVY MATCHING PROGRAM. The legislative council shall consider studying during the 2001-02 interim, the senior citizen mill levy matching grant program. If chosen, the study must address the appropriateness of whether the program match a percentage of the total mills levied by each county or match funds only on the first mill levied by each county. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-eighth legislative assembly.

SECTION 19. LEGISLATIVE INTENT - NORTHEAST HUMAN SERVICE CENTER FUNDING. It is the intent of the legislative assembly that any budget adjustments made by the northeast human service center relating to the unspecified \$175,000 reduction in general fund support made by the fifty-seventh legislative assembly not be made in areas of the budget that provide funding for contracts with private providers for the biennium beginning July 1, 2001, and ending June 30, 2003.

SECTION 20. MEDICAID FUNDING - REPORTS TO BUDGET SECTION. The department of human services shall report to each meeting of the budget section during the 2001-02 interim on the status of actual medical assistance expenditures to projections based on legislative appropriations for the biennium beginning July 1, 2001, and ending June 30, 2003. Each report must include the department's medical services utilization review efforts and the effect of these efforts on utilization and expenditures. If the department of human services anticipates that actual expenditures will exceed the funding provided by the legislative assembly for medical assistance grants, the department shall report to the budget section on the department's efforts to manage the funds appropriated to the department to provide for the anticipated shortfall and, if necessary, seek budget section approval to spend funds at a level which would require a request for a general fund deficiency appropriation from the next legislative assembly.

SECTION 21. DEPARTMENT OF HUMAN SERVICES APPROPRIATIONS BILL - EXECUTIVE BUDGET RECOMMENDATION. Notwithstanding North Dakota Century Code section 54-44.1-06, the office of the budget shall submit for introduction to the fifty-eighth legislative assembly the department of human services appropriations bill reflecting the same funding levels by line item and employee levels authorized by the fifty-seventh legislative assembly for the 2001-03 biennium. Any budget changes recommended by the office of the budget for the department of human services for the 2003-05 biennium must be presented to the appropriations committees of the fifty-eighth legislative assembly as a recommendation for change to the bill as introduced.

SECTION 22. COMPULSIVE GAMBLING SERVICES - CONTINGENT FUNDING. The operating expenses line item in subdivision 3 of section 1 of this Act includes \$150,000 from the general fund for compulsive gambling services. The department of human services may spend \$50,000 of this funding for compulsive gambling services only if the mental health association of North Dakota certifies to the department of human services that it has received at least \$220,000 of funding from

Indian gaming sources for compulsive gambling services during the biennium beginning July 1, 2001, and ending June 30, 2003.

SECTION 23. STATE HOSPITAL LANDFILL CLOSURE - PROJECTED SAVINGS. During the second year of the biennium beginning July 1, 2001, and ending June 30, 2003, the state hospital may use projected savings from other areas of the state hospital budget for the costs of closing the state hospital landfill. The state hospital may transfer appropriation authority between line items to provide the funding needed for the project, subject to emergency commission and budget section approval.

SECTION 24. Basic care facility private room rates. The department of human services shall allow a basic care facility to charge a higher rate for a private room used by a recipient of benefits under chapter 50-24.5 if the private room is not necessary to meet the resident's care needs; the resident, or a person acting on behalf of the resident, has requested the private room and the facility informs the person making the request, at the time of the request, of the amount of payment and that the payment must come from sources other than a resident's monthly income; and the payment does not exceed the amount charged to private pay residents.

SECTION 25. AMENDMENT. Subsection 2 of section 25-02-01.1 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

2. The department, in consultation with the state hospital, shall create a state hospital governing body and shall by rules describe the powers and duties of the governing body. The department shall compensate members not employed by the department in the amount of ~~sixty-two~~ one hundred dollars and fifty cents per day and reimburse members for expenses incurred in attending meetings in the amounts provided by sections 44-08-04 and 54-06-09."

Page 7, line 15, remove "eighty-five"

Page 7, line 16, overstrike "percent" and insert immediately thereafter "a percentage based on the level of legislative appropriations"

Page 7, after line 30, insert:

"SECTION 27. AMENDMENT. Section 50-09-06.1 of the North Dakota Century Code, as amended in section 3 of House Bill No. 1108, as approved by the fifty-seventh legislative assembly, is amended and reenacted as follows:

50-09-06.1. Assignment of support rights. An application under this chapter is deemed to create and effect an assignment of all rights to support, which a family member or foster child may have or come to have, to the state agency. The assignment:

1. Is effective as to all current and accrued support obligations and periods of eligibility;
2. Is limited to the total cost of benefits provided to the family or foster child; ~~and~~
3. Terminates when eligibility ceases, except with respect to any support obligation unpaid at that time; and
4. Is not effective as to any child subject to a benefit cap imposed under section 50-09-29."

Page 8, line 4, after the first "line" insert ", except for criteria relating to phenylketonuria or maple syrup urine disease treatment services for which income is not to be considered when determining eligibility"

Page 8, after line 5, insert:

"SECTION 29. EFFECTIVE DATE. Section 27 of this Act becomes effective January 1, 2002.

SECTION 30. EMERGENCY. Section 24 of this Act is declared to be an emergency measure. The department of human services shall authorize the basic care facility private room rate through emergency rulemaking."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1012 - Summary of Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Department of Human Services - Management						
Total all funds	\$60,522,444	\$49,670,844	\$99,687	\$49,770,531	\$49,670,844	\$99,687
Less estimated income	40,824,823	31,615,495	99,687	31,715,182	31,615,495	99,687
General fund	\$19,697,621	\$18,055,349	\$0	\$18,055,349	\$18,055,349	\$0
Department of Human Services - Economic Assistance						
Total all funds	\$928,758,489	\$880,578,318	\$10,999,463	\$891,577,781	\$890,398,201	\$1,179,580
Less estimated income	740,502,079	671,393,327	7,406,290	678,799,617	677,877,772	921,845
General fund	\$188,256,410	\$209,184,991	\$3,593,173	\$212,778,164	\$212,520,429	\$257,735
Department of Human Services - Program and Policy						
Total all funds	\$164,255,080	\$155,429,551	(\$1,994,430)	\$153,435,121	\$153,435,121	\$0
Less estimated income	129,295,937	124,743,392	(1,418,026)	123,325,366	123,325,366	
General fund	\$34,959,143	\$30,686,159	(\$576,404)	\$30,109,755	\$30,109,755	\$0
Department of Human Services - State Hospital						
Total all funds	\$52,174,730	\$51,235,475	(\$111,024)	\$51,124,451	\$51,124,451	\$0
Less estimated income	18,374,398	17,961,143		17,961,143	17,961,143	
General fund	\$33,800,332	\$33,274,332	(\$111,024)	\$33,163,308	\$33,163,308	\$0
Department of Human Services - Developmental Center						
Total all funds	\$41,022,887	\$40,687,887	\$0	\$40,687,887	\$40,687,887	\$0
Less estimated income	30,233,607	30,020,107		30,020,107	30,020,107	
General fund	\$10,789,280	\$10,667,780	\$0	\$10,667,780	\$10,667,780	\$0
Department of Human Services - Northwest Human Service Center						
Total all funds	\$8,328,987	\$8,157,433	\$0	\$8,157,433	\$8,157,433	\$0
Less estimated income	4,155,537	4,083,037		4,083,037	4,083,037	
General fund	\$4,173,450	\$4,074,396	\$0	\$4,074,396	\$4,074,396	\$0
Department of Human Services - North Central Human Service Center						
Total all funds	\$14,407,527	\$14,201,485	\$0	\$14,201,485	\$14,201,485	\$0
Less estimated income	5,892,990	5,797,056		5,797,056	5,797,056	
General fund	\$8,514,537	\$8,404,429	\$0	\$8,404,429	\$8,404,429	\$0
Department of Human Services - Lake Region Human Service Center						
Total all funds	\$8,259,010	\$8,207,410	(\$84,758)	\$8,122,652	\$8,122,652	\$0
Less estimated income	3,658,411	3,638,811	(40,224)	3,598,587	3,598,587	
General fund	\$4,600,599	\$4,568,599	(\$44,534)	\$4,524,065	\$4,524,065	\$0
Department of Human Services - Northeast Human Service Center						
Total all funds	\$19,082,759	\$18,852,059	(\$175,000)	\$18,677,059	\$18,602,059	\$75,000
Less estimated income	11,282,528	11,195,028		11,195,028	11,195,028	
General fund	\$7,800,231	\$7,657,031	(\$175,000)	\$7,482,031	\$7,407,031	\$75,000
Department of Human Services - Southeast Human Service Center						
Total all funds	\$20,387,053	\$20,268,753	(\$55,297)	\$20,213,456	\$20,213,456	\$0
Less estimated income	11,146,427	11,124,027	(4,326)	11,119,701	11,119,701	
General fund	\$9,240,626	\$9,144,726	(\$50,971)	\$9,093,755	\$9,093,755	\$0
Department of Human Services - South Central Human Service Center						
Total all funds	\$11,314,710	\$11,207,210	(\$78,285)	\$11,128,925	\$11,128,925	\$0
Less estimated income	5,531,495	5,502,095	(35,629)	5,466,466	5,466,466	
General fund	\$5,783,215	\$5,705,115	(\$42,656)	\$5,662,459	\$5,662,459	\$0
Department of Human Services - West Central Human Service Center						
Total all funds	\$18,918,235	\$18,616,938	\$0	\$18,616,938	\$18,616,938	\$0
Less estimated income	10,490,557	10,452,773		10,452,773	10,452,773	
General fund	\$8,427,678	\$8,164,165	\$0	\$8,164,165	\$8,164,165	\$0
Department of Human Services - Badlands Human Service Center						
Total all funds	\$9,669,122	\$9,618,722	(\$83,096)	\$9,535,626	\$9,535,626	\$0
Less estimated income	5,165,874	5,161,574	(33,652)	5,127,922	5,127,922	
General fund	\$4,503,248	\$4,457,148	(\$49,444)	\$4,407,704	\$4,407,704	\$0
Bill Total						
Total all funds	\$1,357,101,033	\$1,286,732,085	\$8,517,260	\$1,295,249,345	\$1,293,895,078	\$1,354,267
Less estimated income	1,016,554,663	932,687,865	5,974,120	938,661,985	937,640,453	1,021,532
General fund	\$340,546,370	\$354,044,220	\$2,543,140	\$356,587,360	\$356,254,625	\$332,735

House Bill No. 1012 - Department of Human Services - Management - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES ¹	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$11,810,001	\$11,810,001		\$11,810,001	\$11,810,001	
Operating expenses	35,536,510	34,412,275	\$99,687	34,511,962	34,412,275	\$99,687
Equipment	2,208,429	1,185,704		1,185,704	1,185,704	
Capital improvements	1,308	1,308		1,308	1,308	
Loan fund - DD	2,040,055	2,261,556		2,261,556	2,261,556	
HIPAA	<u>8,926,141</u>					
Total all funds	\$60,522,444	\$49,670,844	\$99,687	\$49,770,531	49,670,844	\$99,687
Less estimated income	<u>40,824,823</u>	<u>31,615,495</u>	<u>99,687</u>	<u>31,715,182</u>	<u>31,615,495</u>	<u>99,687</u>
General fund	\$19,697,621	\$18,055,349	\$0	\$18,055,349	\$18,055,349	\$0
FTE	122.80	122.80	0.00	122.80	122.80	0.00

¹ Management - Conference Committee changes:

	FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL
Executive Office Program No changes - The same as the Senate version.				
Managerial Support Program No changes - The same as the Senate version.				
Information Management Division Program Adds funding from federal TANF block grant funds for computer system changes relating to the amendment to NDCC Section 50-09-06.1 that precludes the department from assigning child support collections for a child that is subject to the TANF benefit cap. (Section 27)			\$99,687	\$99,687

A section is added requiring the Office of Management and Budget to submit for introduction the Department of Human Services appropriations bill for the 2003-05 biennium to the 58th Legislative Assembly at the same funding levels by line item and employee levels authorized by the 57th Legislative Assembly for the 2001-03 biennium. Any executive budget changes are to be submitted as a recommendation for change to the bill as introduced. (Section 21)

House Bill No. 1012 - Department of Human Services - Economic Assistance - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES ¹	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$11,126,095	\$10,920,080	\$759,123	\$11,679,203	\$11,679,203	
Operating expenses	17,889,079	17,169,938	127,202	17,297,140	17,297,140	
Equipment	17,950	17,950		17,950	17,950	
Capital improvements	2,543	2,543		2,543	2,543	
Grants - Assistance payments	134,790,705	134,389,148	(7,995,542)	126,393,606	126,574,490	(\$180,884)
Grants - Medical assistance	756,354,293	718,078,659	18,108,680	736,187,339	734,826,875	1,360,464
Health care trust fund	<u>8,577,824</u>					
Total all funds	\$928,758,489	\$880,578,318	\$10,999,463	\$891,577,781	\$890,398,201	\$1,179,580
Less estimated income	<u>740,502,079</u>	<u>671,393,327</u>	<u>7,406,290</u>	<u>678,799,617</u>	<u>677,877,772</u>	<u>921,845</u>
General fund	\$188,256,410	\$209,184,991	\$3,593,173	\$212,778,164	\$212,520,429	\$257,735
FTE	130.80	127.80	9.00	136.80	136.80	0.00

¹ Economic assistance - Conference Committee changes:

	FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL
Economic Assistance Policy Program Restores \$15,116 of the \$387,095 reduced by the House for grants relating to the Indian county allocation. The Senate version restored \$196,000 of the House reduction. The Conference Committee version changes the statutory formula provisions by removing the specific reference to a percentage and adding that the grant payments would be based on legislative appropriations. The Senate version increased the formula allocation by eight percent, from 85 percent as approved by the House to 93 percent. Total funding of \$2,400,000 is provided, \$331,993 of which is from the general fund.		\$15,116		\$15,116
Child Support Program No changes, the same as the Senate version.				
Medical Services Program Adds funding for medical assistance grants to increase the optometric fee payment by \$15, from \$31 to \$46, the same as the Senate version.		59,620	\$139,114	198,734
Adds DD grants funding. The Senate had added the same amount of funding but specified that the funding be used to increase the fringe benefit percentage allowed for community providers by three percent, from 30 to 33 percent and to increase the average wage for community provider direct care workers by 20 cents per hour in addition to the 10 cent per hour increase		1,837,358	3,838,774	5,676,132

added by the House.

Funding for basic care grants of \$8,010,658 of federal and special funds is moved from the assistance payments grants line item to the medical assistance grants line item to provide additional flexibility for the department to use funding for basic care costs or nursing facility costs, depending on the needs of the individual, the same as the Senate version.

Consolidates the children's special health services program into the medical services program, the same as the Senate version.	10.00	801,404	1,418,026	2,219,430
Removes the children's special health services program director position, the same as the Senate version.	(1.00)	(58,944)	(78,136)	(137,080)
Adds funding in children's special health services grants for costs associated with PKU-related services in accordance with provisions of Senate Bill No. 2239.		57,619		57,619
Adds funding for medical assistance grants, the same as the Senate version. The House removed the \$25 million of funding included in the executive budget from the health care trust fund for state matching for medical assistance grants and provided \$21 million from the general fund, resulting in a \$4 million reduction in state matching grants funding. This amendment restores \$500,000 of the \$4,000,000 reduction.		500,000	1,166,667	1,666,667
Adds funding for medical assistance grants relating to additional costs associated with provisions of House Bill No. 1441, which eliminates the asset test for medical assistance for children and families coverage groups and pregnant women.		381,000	921,845	1,302,845
Total Conference Committee changes - Economic assistance	9.00	\$3,593,173	\$7,406,290	\$10,999,463

A section of legislative intent is added providing that the department implement a charge-based payment schedule for critical access hospitals, the same as the Senate version. (Section 16)

This amendment removes a section of legislative intent added by the House providing that the Department of Human Services and the State Department of Health seek a federal waiver to allow the state to spend less than 30 percent of its federal maternal and child health block grant for children with special health care needs, the same as the Senate version.

A provision is added to allow individuals with phenylketonuria (PKU) to receive treatment services regardless of income, the same as the Senate version.

A section is added providing for a Legislative Council study of state administration of child support, the same as the Senate version. (Section 17)

Sections are added allowing, as an emergency measure, basic care facilities to charge a higher rate for private rooms, the same as the Senate version. (Sections 24 and 30)

A section is added amending NDCC Section 50-09-06.1, to preclude the department from assigning child support collections for any child that is subject to the benefit cap under the state's TANF program, effective January 1, 2002. (Sections 27 and 29)

A section is added providing that the department report to the Budget Section on the status of medical assistance expenditures and its utilization review efforts and, if the department anticipates that actual expenditures will exceed legislative appropriations for medical assistance grants, that the department report to the Budget Section on its efforts to provide for the shortfall and, if necessary, seek Budget Section approval to spend funds at a level which would require a request for a general fund deficiency appropriation from the 58th Legislative Assembly. (Section 20)

House Bill No. 1012 - Department of Human Services - Program and Policy - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES ¹	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$10,546,892	\$10,546,892	(\$896,203)	\$9,650,689	\$9,650,689	
Operating expenses	11,658,081	11,465,354	(77,202)	11,388,152	11,388,152	
Equipment	53,728	53,728		53,728	53,728	
Capital improvements	789	789		789	789	
Grants	<u>141,995,590</u>	<u>133,362,788</u>	<u>(1,021,025)</u>	<u>132,341,763</u>	<u>132,341,763</u>	
Total all funds	\$164,255,080	\$155,429,551	(\$1,994,430)	\$153,435,121	\$153,435,121	\$0
Less estimated income	<u>129,295,937</u>	<u>124,743,392</u>	<u>(1,418,026)</u>	<u>123,325,366</u>	<u>123,325,366</u>	
General fund	\$34,959,143	\$30,686,159	(\$576,404)	\$30,109,755	\$30,109,755	\$0
FTE	112.50	112.50	(10.00)	102.50	102.50	0.00

¹ Program and policy - Conference Committee changes:

	FTE	FUND	INCOME	TOTAL
Aging Services Program Restores \$100,000 of the \$350,000 removed by the House for senior citizen mill levy matching grants, the same as the Senate version. Funding of \$1,412,945 from the general fund remains in this bill. Additional funding of \$250,000 from the health care trust fund is included in House Bill No. 1196. Combined, these bills provide a total of \$1,662,945 for these grants, the same amount recommended in the executive budget, and an increase of \$400,000 compared to the 1999-2001 appropriation.		\$100,000		\$100,000
Children's Special Health Services Program Consolidates the children's special health services program into the medical services program, the same as the Senate version.	(10.00)	(801,404)	(\$1,418,026)	(2,219,430)
Children and Family Services Program No changes, the same as the Senate version.				
Mental Health and Substance Abuse Program Restores operating expense funding reduced by the House for compulsive gambling services to provide a total of \$150,000 from the general fund. A section is added providing that the additional \$50,000 may be spent only if the Mental Health Association receives at least \$220,000 of funding from Indian gaming sources for compulsive gambling services during the 2001-03 biennium, the same as the Senate version. (Section 22)		50,000		50,000
Developmental Disabilities Program No changes, the same as the Senate version.				
Vocational Rehabilitation Program Increases grants funding to restore \$75,000 of the \$300,000 of funding from the general fund reduced by the House for independent living centers, the same as the Senate version. Additional funding of \$100,000 from the health care trust fund for independent living center grants is included in House Bill No. 1196.		75,000		75,000
Total Conference Committee changes - Program and policy	(10.00)	(\$576,404)	(\$1,418,026)	(\$1,994,430)

A section is added providing for a Legislative Council study of the senior citizen mill levy matching program. (Section 18)

House Bill No. 1012 - Department of Human Services - State Hospital - Conference Committee Action

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES ¹	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Capital improvements	\$1,683,431	\$970,176		\$970,176	\$970,176	
Human service centers/institutions	50,491,299	50,265,299	(\$111,024)	50,154,275	50,154,275	
Total all funds	\$52,174,730	\$51,235,475	(\$111,024)	\$51,124,451	\$51,124,451	\$0
Less estimated income	<u>18,374,398</u>	<u>17,961,143</u>		<u>17,961,143</u>	<u>17,961,143</u>	
General fund	\$33,800,332	\$33,274,332	(\$111,024)	\$33,163,308	\$33,163,308	\$0
FTE	511.00	511.00	(2.00)	509.00	509.00	0.00
			FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL
¹ State Hospital - Conference Committee changes			(1.00)	(\$55,512)		(\$55,512)
Removes a vacant nurse position			(1.00)	(55,512)		(55,512)
Removes a vacant social worker position						
Total Conference Committee changes - State Hospital			(2.00)	(\$111,024)	\$0	(\$111,024)

A section is added increasing per diem for members of the State Hospital Governing Board by \$37.50 per day, from \$62.50 to \$100 per day, the same as the Senate version. (Section 25)

A section is added authorizing the State Hospital to close its landfill if funding becomes available within its 2001-03 biennium appropriation, the same as the Senate version. (Section 23)

House Bill No. 1012 - Department of Human Services - Developmental Center - Conference Committee Action

The Conference Committee did not change the Senate or House version.

House Bill No. 1012 - Human Service Centers - General Fund Summary

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES ¹	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Department of Human Services -	\$4,173,450	\$4,074,396		\$4,074,396	\$4,074,396	

Northwest Human Service Center						
Department of Human Services - North Central Human Service Center	8,514,537	8,404,429		8,404,429	8,404,429	
Department of Human Services - Lake Region Human Service Center	4,600,599	4,568,599	(\$44,534)	4,524,065	4,524,065	
Department of Human Services - Northeast Human Service Center	7,800,231	7,657,031	(175,000)	7,482,031	7,407,031	\$75,000
Department of Human Services - Southeast Human Service Center	9,240,626	9,144,726	(50,971)	9,093,755	9,093,755	
Department of Human Services - South Central Human Service Center	5,783,215	5,705,115	(42,656)	5,662,459	5,662,459	
Department of Human Services - West Central Human Service Center	8,427,678	8,164,165		8,164,165	8,164,165	
Department of Human Services - Badlands Human Service Center	4,503,248	4,457,148	(49,444)	4,407,704	4,407,704	
Total general fund	\$53,043,584	\$52,175,609	(\$362,605)	\$51,813,004	\$51,738,004	\$75,000

House Bill No. 1012 - Human Service Centers - Other Funds Summary

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES ¹	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Department of Human Services - Northwest Human Service Center	\$4,155,537	\$4,083,037		\$4,083,037	\$4,083,037	
Department of Human Services - North Central Human Service Center	5,892,990	5,797,056		5,797,056	5,797,056	
Department of Human Services - Lake Region Human Service Center	3,658,411	3,638,811	(\$40,224)	3,598,587	3,598,587	
Department of Human Services - Northeast Human Service Center	11,282,528	11,195,028		11,195,028	11,195,028	
Department of Human Services - Southeast Human Service Center	11,146,427	11,124,027	(4,326)	11,119,701	11,119,701	
Department of Human Services - South Central Human Service Center	5,531,495	5,502,095	(35,629)	5,466,466	5,466,466	
Department of Human Services - West Central Human Service Center	10,490,557	10,452,773		10,452,773	10,452,773	
Department of Human Services - Badlands Human Service Center	5,165,874	5,161,574	(33,652)	5,127,922	5,127,922	
Total other funds	\$57,323,819	\$56,954,401	(\$113,831)	\$56,840,570	\$56,840,570	

House Bill No. 1012 - Human Service Centers - All Funds Summary

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES ¹	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Department of Human Services - Northwest Human Service Center	\$8,328,987	\$8,157,433		\$8,157,433	\$8,157,433	
Department of Human Services - North Central Human Service Center	14,407,527	14,201,485		14,201,485	14,201,485	
Department of Human Services - Lake Region Human Service Center	8,259,010	8,207,410	(\$84,758)	8,122,652	8,122,652	
Department of Human Services - Northeast Human Service Center	19,082,759	18,852,059	(175,000)	18,677,059	18,602,059	\$75,000
Department of Human Services - Southeast Human Service Center	20,387,053	20,268,753	(55,297)	20,213,456	20,213,456	
Department of Human Services - South Central Human Service Center	11,314,710	11,207,210	(78,285)	11,128,925	11,128,925	
Department of Human Services - West Central Human Service Center	18,918,235	18,616,938		18,616,938	18,616,938	
Department of Human Services - Badlands Human Service Center	9,669,122	9,618,722	(83,096)	9,535,626	9,535,626	
Total all funds	\$110,367,403	\$109,130,010	(\$476,436)	\$108,653,574	\$108,578,574	\$75,000
FTE	904.33	899.33	(3.00)	896.33	895.33	1.00

¹ Human service centers changes include:

	FTE	GENERAL FUND	ESTIMATED INCOME	TOTAL
Northwest Human Service Center - Conference Committee changes				

No changes, the same as the Senate version.

**North Central Human Service Center -
Conference Committee changes**

No changes, the same as the Senate version.

**Lake Region Human Service Center -
Conference Committee changes**

Removes a vacant position - The center may determine the specific position to remove, the same as the Senate version.

(1.00)	(\$44,534)	(\$40,224)	(\$84,758)
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**Northeast Human Service Center -
Conference Committee changes**

Reduces general fund support. The Senate had reduced the general fund by \$250,000. A section of legislative intent is added providing that any budget adjustments made as a result of this reduction be made to areas of the budget other than funding for contracts with private providers. (Section 19)

	(\$175,000)		(\$175,000)
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**Southeast Human Service Center -
Conference Committee changes**

Removes a vacant office assistant III, the same as the Senate version.

(1.00)	(\$50,971)	(\$4,326)	(\$55,297)
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**South Central Human Service Center -
Conference Committee changes**

Removes a vacant addiction counselor, the same as the Senate version.

(1.00)	(\$42,656)	(\$35,629)	(\$78,285)
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**West Central Human Service Center -
Conference Committee changes**

No changes.

**Badlands Human Service Center -
Conference Committee changes**

Removes funding relating to a vacant human relations counselor II. The Senate had removed the funding and one FTE.

	(\$49,444)	(\$33,652)	(\$83,096)
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Engrossed HB 1012 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. SOLBERG MOVED that the conference committee report on Engrossed HB 1012 be adopted.

REQUEST

SEN. CHRISTENSON REQUESTED a recorded roll call vote on the motion to adopt the conference committee report on Engrossed HB 1012, which request was granted.

MOTION

SEN. G. NELSON MOVED the previous question, which motion prevailed.

ROLL CALL

The question being on the motion to adopt the conference committee report on Engrossed HB 1012, the roll was called and there were 31 YEAS, 18 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Andrist; Bowman; Christmann; Cook; Dever; Erbele; Espgaard; Fischer; Flakoll; Freborg; Grindberg; Kilzer; Klein; Krebsbach; Kringstad; Lee; Lyson; Mutch; Nelson, G.; Nething; Schobinger; Solberg; Stenehjelm; Thane; Tollefson; Traynor; Trenbeath; Urlacher; Wanzek; Wardner; Watne

NAYS: Bercier; Christenson; Every; Heitkamp; Holmberg; Kelsh; Krauter; Kroeplin; Lindaas; Mathern, D.; Mathern, T.; Nelson, C.; Nichols; O'Connell; Polovitz; Robinson; Tallackson; Tomac

The conference committee report on Engrossed HB 1012 was adopted.

Engrossed 1012, as amended, was placed on the Fourteenth order.

SECOND READING OF HOUSE BILL

HB 1012: A BILL for an Act to provide an appropriation for defraying the expenses of the department of human services; to provide for the transfer of appropriation authority between agencies and institutions; to provide for legislative council studies; to provide an exception to section 54-44.1-06 of the North Dakota Century Code, relating to the preparation of the department of human services appropriations bill for the 2003-05 biennium; to provide statements of legislative intent; to provide an exception to section 54-16-04 of the North Dakota Century Code, relating to emergency commission approval for line item transfers; to provide for basic care facility rates; to create and enact a new subsection to section 50-10-06 of the North Dakota Century Code, relating to eligibility for children's special health services; to amend and reenact subsection 2 of section 25-02-01.1, subsection 3 of section 50-01.2-03.2, and section 50-09-06.1 of the

North Dakota Century Code, relating to compensation for members of the state hospital governing body, county reimbursements, and assignment of support rights; to provide an effective date; and to declare an emergency.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 41 YEAS, 8 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Andrist; Bowman; Christmann; Cook; Dever; Erbele; Espegard; Every; Fischer; Flakoll; Freborg; Grindberg; Heitkamp; Holmberg; Kilzer; Klein; Krebsbach; Kringstad; Lee; Lindaas; Lyson; Mathern, T.; Mutch; Nelson, G.; Nething; Nichols; Polovitz; Robinson; Schobinger; Solberg; Stenehjem; Tallackson; Thane; Tollefson; Tomac; Traynor; Trenbeath; Urlacher; Wanzek; Wardner; Watne

NAYS: Bercier; Christenson; Kelsh; Krauter; Kroeplin; Mathern, D.; Nelson, C.; O'Connell

Engrossed HB 1012, as amended, passed, the title was agreed to, and the emergency clause was declared carried.

REPORT OF CONFERENCE COMMITTEE

SB 2088: Your conference committee (Sens. Stenehjem, Trenbeath, O'Connell and Reps. Weisz, Price, Mahoney) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1003-1004, adopt amendments as follows, and place SB 2088 on the Seventh order:

That the House recede from its amendments as printed on pages 1003 and 1004 of the Senate Journal and pages 1076 and 1077 of the House Journal and that Senate Bill No. 2088 be amended as follows:

Page 1, line 1, remove "create and enact two new subsections to section 39-06.1-06 of the North"

Page 1, line 2, remove "Dakota Century Code, relating to fees for traffic offenses; to"

Page 1, line 3, after the first comma insert "39-06.1-06,"

Page 1, line 5, after "Code" insert "and subsection 6 of section 39-12-05.3 of the North Dakota Century Code as amended by Senate Bill No. 2054, as approved by the fifty-seventh legislative assembly", after "offenses" insert "and weight limitations", remove "and", and after "penalties" insert "; to provide an expiration date; and to declare an emergency"

Page 2, line 5, replace "A new subsection to section" with "**AMENDMENT.** Section"

Page 2, line 6, replace "created" with "amended", replace "enacted" with "reenacted", and after the colon insert:

"39-06.1-06. Amount of statutory fees. The fees required for a noncriminal disposition pursuant to either section 39-06.1-02 or 39-06.1-03 must be as follows:

1. For a nonmoving violation as defined in section 39-06.1-08, a fee of any amount not to exceed twenty dollars.
2. For a moving violation as defined in section 39-06.1-09, a fee of twenty dollars, except for:
 - a. A violation of section 39-10-26, 39-10-26.2, 39-10-41, 39-10-42, 39-10-46, or 39-10-46.1, a fee of fifty dollars.
 - b. A violation of section 39-10-05 involving failure to yield to a pedestrian or subsection 1 of section 39-10-28, a fee of fifty dollars.
 - c. A violation of section 39-21-41.2, no fee may be imposed by the state, a city, or a county including a city or county operating under a home rule charter.
3. Except as provided in ~~subsection 8~~ subsections 7 and 11 of this section 39-06.1-06, for a violation of section 39-09-02, or an equivalent ordinance, a fee established as follows:

Miles per hour over lawful speed limit	Fee
1 - 5	\$ 5
6 - 10	\$ 5 plus \$1/each mph over 5 mph over limit
11 - 15	\$ 10 plus \$1/each mph over 10 mph over limit
16 - 20	\$ 15 plus \$2/each mph over 15 mph over limit
21 - 25	\$ 25 plus \$3/each mph over 20 mph over limit
26 - 35	\$ 40 plus \$3/each mph over 25 mph over limit
36 - 45	\$ 70 plus \$3/each mph over 35 mph over limit
46 +	\$100 plus \$5/each mph over 45 mph over limit

4. For a violation of section 39-09-01, or an ordinance defining careless driving, a fee of thirty dollars.
5. For a violation of section 39-09-01.1, or an ordinance defining care required in driving, a fee of not less than ten dollars nor more than thirty dollars.
6. ~~Repealed by S.L. 1985, ch. 430, § 4.~~
7. For a violation of any traffic parking regulations, except a violation of subsection 10 of section 39-01-15, on any state charitable or penal institution property or on the state capitol grounds, a fee in the amount of five dollars.
8. ~~7.~~ On Except as provided in subsection 11, on a highway on which the speed limit is a speed higher than fifty-five miles [88.51 kilometers] an hour, for a violation of section 39-09-02, or an equivalent ordinance, a fee established as follows:

Miles per hour over lawful speed limit	Fee
1 - 5	\$ 10 plus \$1/each mph over limit
6 - 10	\$ 15 plus \$2/each mph over 5 mph over limit
11 - 15	\$ 25 plus \$3/each mph over 10 mph over limit
<u>16 - 20</u>	<u>\$ 40 plus \$3/each mph over 15 mph over limit</u>
46 <u>21</u> - 25	\$ 40 <u>55</u> plus \$3/each mph over 45 <u>20</u> mph over limit
26 - 35	\$ 70 plus \$3/each mph over 25 mph over limit
36 + <u>- 45</u>	\$400 <u>120</u> plus \$5/each mph over 35 mph over limit
<u>46 +</u>	<u>\$170 plus \$5/each mph over 45 mph over limit</u>

9. ~~8.~~ For a violation of section 39-21-41.4, a fee not to exceed twenty dollars."

Page 2, line 7, replace "For" with "9. For"

Page 2, remove lines 9 and 10

Page 2, line 11, replace "For" with "10. For"

Page 2, after line 24, insert:

- "11. On a highway on which the speed limit is posted in excess of seventy miles [112.65 kilometers] an hour, for a violation of 39-09-02, or equivalent ordinance, a fee established as follows:

Miles per hour over lawful speed limit	Fee
<u>1 - 5</u>	<u>\$ 20</u>
<u>6 - 10</u>	<u>\$ 40</u>
<u>11 - 15</u>	<u>\$ 60</u>
<u>16 - 20</u>	<u>\$ 80</u>
<u>21 - 25</u>	<u>\$100</u>
<u>26 - 30</u>	<u>\$125</u>
<u>31 - 35</u>	<u>\$150</u>
<u>36 +</u>	<u>\$150 plus \$5/each mph over 35 mph over limit"</u>

Page 8, line 31, overstrike "paragraphs 31 and 34" and insert immediately thereafter "paragraph 33" and remove the overstrike over "~~of this~~"

Page 9, line 1, remove the overstrike over "~~subdivision~~"

Page 9, overstrike lines 5 through 15

Page 9, line 16, overstrike "1 point" and insert immediately thereafter "0 points"

Page 9, line 17, overstrike "2 points" and insert immediately thereafter "1 point"

Page 9, line 19, overstrike "4" and insert immediately thereafter "5"

Page 9, line 20, overstrike "6" and insert immediately thereafter "9"

Page 9, line 21, overstrike "8" and insert immediately thereafter "12"

Page 9, line 22, overstrike "12" and insert immediately thereafter "15"

Page 9, line 23, overstrike "(32)" and insert immediately thereafter "(31)"

Page 9, line 25, overstrike "(33)" and insert immediately thereafter "(32)"

Page 9, line 27, overstrike "(34)" and insert immediately thereafter "(33)"

Page 9, line 28, overstrike "a speed higher"

Page 9, line 29, overstrike "than fifty-five miles [88.51" and insert immediately thereafter "posted in excess of seventy miles [112.65"

Page 10, after line 5, insert:

"1 - 5" 0"

Page 10, line 7, overstrike "4" and insert immediately thereafter "2"

Page 10, line 8, overstrike "25" and insert immediately thereafter "20" and overstrike "7" and insert immediately thereafter "5"

Page 10, after line 8, insert:

"21 - 25" 7"

Page 10, line 9, overstrike "35" and insert immediately thereafter "30"

Page 10, after line 9, insert:

"31 - 35" 12"

Page 10, line 10, overstrike "12" and insert immediately thereafter "15"

Page 10, line 11, overstrike "(35)" and insert immediately thereafter "(34)"

Page 10, line 14, replace "(36)" with "(35)"

Page 10, line 18, replace "(37)" with "(36)"

Page 14, after line 29, insert:

"SECTION 7. AMENDMENT. Subsection 6 of section 39-12-05.3 of the North Dakota Century Code as amended by Senate Bill No. 2054, as approved by the fifty-seventh legislative assembly, is amended and reenacted as follows:

6. The gross weight limitations in subsections 1 and 2 do not apply to movement of a self-propelled fertilizer spreader if the vehicle does not travel at speeds in excess of thirty miles [48.28 kilometers] per hour when loaded over one-half capacity and the gross weight does not exceed eighty thousand pounds [38287.39 kilograms]. The gross weight limitations in subsections 1 and 2 do not apply to movement of a self-propelled agricultural chemical applicator if the vehicle does not travel at speeds in excess of thirty miles [48.28 kilometers] per hour when loaded over one-half capacity and the gross weight does not exceed forty-five thousand pounds [20411.66 kilograms]. The highway patrol shall issue a seasonal

permit for the commercial movement of vehicles exempted by this subsection. The seasonal permit issued under this subsection or under subdivision d of subsection 1 of section 39-12-04 entitles an individual with the permit to operate a vehicle as allowed by either of these provisions. A seasonal permit issued under this subsection is subject to the requirements of subdivision d of subsection 1 of section 39-12-04, ~~except a vehicle exempted by this subsection which is an implement of husbandry is not required to have proof of financial responsibility and does not have to be operated by a commercial entity.~~"

Page 15, after line 31, insert:

"SECTION 10. EXPIRATION DATE. Section 7 of this Act is effective through July 31, 2003, and after that date is ineffective.

SECTION 11. EMERGENCY. This Act is declared to be an emergency measure."

Renumber accordingly

SB 2088 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. STENEHJEM MOVED that the conference committee report on SB 2088 be adopted, which motion prevailed on a voice vote.

SB 2088, as amended, was placed on the Eleventh order.

SECOND READING OF SENATE BILL

SB 2088: A BILL for an Act to amend and reenact sections 39-06.1-05, 39-06.1-06, 39-06.1-07, 39-06.1-09, and 39-06.1-10, subdivision g of subsection 2 of section 39-07-09, and subsections 1 and 2 of section 39-21-46 of the North Dakota Century Code and subsection 6 of section 39-12-05.3 of the North Dakota Century Code as amended by Senate Bill No. 2054, as approved by the fifty-seventh legislative assembly, relating to traffic offenses and weight limitations; to provide penalties; to provide an expiration date; and to declare an emergency.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 45 YEAS, 4 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Andrist; Bowman; Christmann; Cook; Dever; Erbele; Espegard; Every; Fischer; Flakoll; Freborg; Grindberg; Holmberg; Kelsh; Kilzer; Klein; Krebsbach; Kringstad; Kroepelin; Lee; Lindaas; Lyson; Mathern, D.; Mathern, T.; Mutch; Nelson, C.; Nelson, G.; Nething; Nichols; O'Connell; Polovitz; Robinson; Schobinger; Solberg; Stenehjem; Tallackson; Thane; Tollefson; Tomac; Traynor; Trenbeath; Urlacher; Wanzek; Wardner; Watne

NAYS: Bercier; Christenson; Heitkamp; Krauter

Engrossed SB 2088 passed, the title was agreed to, and the emergency clause was declared carried.

MOTION

SEN. CHRISTMANN MOVED that the President appoint Sen. Kringstad to replace Sen. Nething as Chairman, and appoint Sen. Stenehjem to replace Sen. Kringstad, on the Conference Committee on Engrossed SB 2011, which motion prevailed.

MOTION

SEN. CHRISTMANN MOVED that the President appoint Sen. Cook to replace Sen. Freborg on the Conference Committee on Engrossed HB 1013, which motion prevailed.

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

MR. SPEAKER: The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2088.

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

MR. SPEAKER: The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1012.

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

MR. SPEAKER: The President has appointed Sen. Stenehjem to replace Sen. Kringstad on the Conference Committee on SB 2011.

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

MR. SPEAKER: The President has appointed Sen. Kringstad to replace Sen. Nething on the Conference Committee on SB 2011.

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

MR. SPEAKER: The President has appointed Sen. Cook to replace Sen. Freborg on the Conference Committee on HB 1013.

MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK)

MR. PRESIDENT: The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1020.

MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK)

MR. PRESIDENT: The Speaker has signed and your signature is respectfully requested on: HB 1200, HB 1386, HB 1479, HCR 3072.

MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK)

MR. PRESIDENT: The Speaker has signed: SB 2002, SB 2004, SB 2022, SB 2229, SB 2380.

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following bills were delivered to the Governor for approval on April 26, 2001: SB 2002, SB 2004, SB 2022, SB 2229, SB 2380.

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

MR. SPEAKER: The President has signed and your signature is respectfully requested on: SB 2019, SB 2021, SB 2032, SB 2361.

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

MR. SPEAKER: The President has signed: HB 1200, HB 1386, HB 1479, HCR 3072.

MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK)

MR. PRESIDENT: The Speaker has signed and your signature is respectfully requested on: HB 1301, HB 1326.

MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK)

MR. PRESIDENT: The Speaker has signed: SB 2019, SB 2021, SB 2032, SB 2361.

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following bills were delivered to the Governor for approval on April 26, 2001: SB 2019, SB 2021, SB 2032, SB 2361.

MOTION

SEN. CHRISTMANN MOVED that the Senate stand in recess until 12:30 p.m., which motion prevailed.

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

REPORT OF CONFERENCE COMMITTEE

HB 1020, as engrossed: Your conference committee (Sens. Andrist, Grindberg, Lindaas and Reps. Wald, Boehm, Gulleon) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1164-1165, adopt amendments as follows, and place HB 1020 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1164 and 1165 of the House Journal and pages 1008 and 1009 of the Senate Journal and that Engrossed House Bill No. 1020 be amended as follows:

Page 1, line 10, replace "4,735,223" with "4,717,780"

Page 1, line 17, replace "1,381,401" with "1,523,844"

Page 1, line 18, replace "12,624,348" with "12,749,348"

Page 1, line 20, replace "7,039,402" with "7,164,402"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:**House Bill No. 1020 - State Historical Society - Conference Committee Action**

	EXECUTIVE BUDGET	HOUSE VERSION	CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE VERSION	SENATE VERSION	COMPARISON TO SENATE
Salaries and wages	\$4,717,780	\$4,735,223	(\$17,443)	\$4,717,780	\$4,717,780	
Operating expenses	1,129,334	1,129,334		1,129,334	1,129,334	
Equipment	185,744	185,744		185,744	185,744	
Capital improvements	1,159,200	1,159,200		1,159,200	1,159,200	
Grants	485,559	485,559		485,559	485,559	
Capital improvements - Fort Buford	3,543,160	3,543,160		3,543,160	3,543,160	
Yellowstone-Missouri- Fort Union Commission	4,727	4,727		4,727	4,727	
Lewis and Clark Bicentennial	<u>1,398,844</u>	<u>1,381,401</u>	<u>142,443</u>	<u>1,523,844</u>	<u>1,398,844</u>	<u>\$125,000</u>
Total all funds	\$12,624,348	\$12,624,348	\$125,000	\$12,749,348	\$12,624,348	\$125,000
Less estimated income	<u>5,584,946</u>	<u>5,584,946</u>		<u>5,584,946</u>	<u>5,614,946</u>	<u>(30,000)</u>
General fund	\$7,039,402	\$7,039,402	\$125,000	\$7,164,402	\$7,009,402	\$155,000
FTE	56.00	55.00	1.00	56.00	56.00	0.00

Dept. 701 - State Historical Society - Detail of Conference Committee Changes

	RESTORE NEW FTE POSITION ¹	ADD FUNDING FOR GRANT TO LEWIS AND CLARK FOUNDATION ²	ADD FUNDING FOR GRANT TO FORT ABRAHAM LINCOLN FOUNDATION ³	TOTAL CONFERENCE COMMITTEE CHANGES
Salaries and wages	(\$17,443)			(\$17,443)
Operating expenses				
Equipment				
Capital improvements				
Grants				
Capital improvements - Fort Buford				
Yellowstone-Missouri- Fort Union Commission				
Lewis and Clark Bicentennial	<u>17,443</u>	<u>\$100,000</u>	<u>\$25,000</u>	<u>\$142,443</u>
Total all funds	\$0	\$100,000	\$25,000	\$125,000
Less estimated income				
General fund	\$0	\$100,000	\$25,000	\$125,000
FTE	1.00	0.00	0.00	1.00

¹ The House transferred \$17,443 from the Lewis and Clark line item to salaries and wages, removed one FTE historic site supervisor II position included in the Lewis and Clark line item, and directed the State Historical Society to use the \$17,443 allocated to the position to increase the funding available for the department's historical architect position. The Conference Committee amendment includes the Senate change to restore the historic site supervisor II position and transfer the related funding (for six months of the biennium) from the salaries and wages line item to the Lewis and Clark Bicentennial line item, as included in the Schafer and Hoeven budget recommendations.

² Funding is added for a grant to the North Dakota Lewis and Clark Bicentennial Foundation for expenses of the Lewis and Clark Interpretive Center in Washburn relating to the Lewis and Clark Bicentennial.

³ Funding is added for a grant to the Fort Abraham Lincoln Foundation for expenses relating to the Lewis and Clark Bicentennial.

Engrossed HB 1020 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. ANDRIST MOVED that the conference committee report on Engrossed HB 1020 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1020, as amended, was placed on the Fourteenth order.

SECOND READING OF HOUSE BILL

HB 1020: A BILL for an Act to provide an appropriation for defraying the expenses of the state historical society; and to declare an emergency.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 48 YEAS, 0 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Andrist; Bercier; Bowman; Christenson; Christmann; Cook; Dever; Erbele; Espegard; Every; Fischer; Flakoll; Freborg; Grindberg; Heitkamp; Holmberg; Kelsh; Kilzer; Klein; Krauter; Krebsbach; Kringstad; Kroepelin; Lee; Lindaas; Lyson; Mathern, D.; Mathern, T.; Mutch; Nelson, G.; Nething; Nichols; O'Connell; Polovitz; Robinson; Schobinger;

Solberg; Stenehem; Tallackson; Thane; Tollefson; Tomac; Traynor; Trenbeath; Urlacher; Wanzek; Wardner; Watne

ABSENT AND NOT VOTING: Nelson, C.

Engrossed HB 1020, as amended, passed, the title was agreed to, and the emergency clause was declared carried.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)
MR. SPEAKER: The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1020.

MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK)
MR. PRESIDENT: The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2088.

MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK)
MR. PRESIDENT: The House has concurred in the Senate amendments and subsequently passed: HB 1321.

MESSAGE TO THE SENATE FROM THE HOUSE (MARK L. JOHNSON, CHIEF CLERK)
MR. PRESIDENT: The House has adopted the conference committee report and subsequently passed: HB 1399.

MOTION

SEN. CHRISTMANN MOVED that the Senate stand in recess until 5:00 p.m., which motion prevailed.

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

REPORT OF CONFERENCE COMMITTEE

HB 1399, as engrossed: Your conference committee (Sens. Wardner, Christmann, Nichols and Reps. Carlson, Grosz, Schmidt) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1365-1368, adopt amendments as follows, and place HB 1399 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1365-1368 of the House Journal and pages 1182-1185 of the Senate Journal and that Engrossed House Bill No. 1399 be amended as follows:

Page 1, line 1, replace "section" with "sections" and after "57-38-30.3" insert "and 57-38-31.1"

Page 1, line 2, after "return" insert "and the filing of composite returns; to repeal section 57-38-34.1 of the North Dakota Century Code, relating to an optional card income tax return"

Page 1, line 17, remove "adjusted gross income and a federal"

Page 1, line 21, overstrike "This tax is", remove "two and seven-tenths", and overstrike "percent of the individual's, estate's, or"

Page 1, line 22, overstrike "trust's adjusted federal", remove "taxable", overstrike "income", remove "that is taxable to this state", and overstrike "for"

Page 1, line 23, overstrike "the taxable year" and replace "if the individual's, estate's, or trust's federal adjusted gross income" with "The tax for individuals is equal to North Dakota taxable income multiplied by the rates in the applicable rate schedule in subdivisions a through d corresponding to an individual's filing status used for federal income tax purposes. For an estate or trust, the schedule in subdivision e must be used for purposes of this subsection. For a nonresident individual, estate, or trust, the tax is equal to the tax determined in accordance with the applicable schedule in subdivisions a through e multiplied by the fraction under subdivision f.

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

If North Dakota taxable income is:
Not over \$27,050
Over \$27,050 but not over \$65,550

The tax is equal to:
2.10%
\$568.05 plus 3.92% of amount over \$27,050

<u>Over \$65,550 but not over \$136,750</u>	<u>\$2,077.25 plus 4.34% of amount over \$65,550</u>
<u>Over \$136,750 but not over \$297,350</u>	<u>\$5,167.33 plus 5.04% of amount over \$136,750</u>
<u>Over \$297,350</u>	<u>\$13,261.57 plus 5.54% of amount over \$297,350</u>

b. Married filing jointly and surviving spouse.

<u>If North Dakota taxable income is:</u>	<u>The tax is equal to:</u>
<u>Not over \$45,200</u>	<u>2.10%</u>
<u>Over \$45,200 but not over \$109,250</u>	<u>\$949.20 plus 3.92% of amount over \$45,200</u>
<u>Over \$109,250 but not over \$166,500</u>	<u>\$3,459.96 plus 4.34% of amount over \$109,250</u>
<u>Over \$166,500 but not over \$297,350</u>	<u>\$5,944.61 plus 5.04% of amount over \$166,500</u>
<u>Over \$297,350</u>	<u>\$12,539.45 plus 5.54% of amount over \$297,350</u>

c. Married filing separately.

<u>If North Dakota taxable income is:</u>	<u>The tax is equal to:</u>
<u>Not over \$22,600</u>	<u>2.10%</u>
<u>Over \$22,600 but not over \$54,625</u>	<u>\$474.60 plus 3.92% of amount over \$22,600</u>
<u>Over \$54,625 but not over \$83,250</u>	<u>\$1,729.98 plus 4.34% of amount over \$54,625</u>
<u>Over \$83,250 but not over \$148,675</u>	<u>\$2,972.31 plus 5.04% of amount over \$83,250</u>
<u>Over \$148,675</u>	<u>\$6,269.73 plus 5.54% of amount over \$148,675</u>

d. Head of household.

<u>If North Dakota taxable income is:</u>	<u>The tax is equal to:</u>
<u>Not over \$36,250</u>	<u>2.10%</u>
<u>Over \$36,250 but not over \$93,650</u>	<u>\$761.25 plus 3.92% of amount over \$36,250</u>
<u>Over \$93,650 but not over \$151,650</u>	<u>\$3,011.33 plus 4.34% of amount over \$93,650</u>
<u>Over \$151,650 but not over \$297,350</u>	<u>\$5,528.53 plus 5.04% of amount over \$151,650</u>
<u>Over \$297,350</u>	<u>\$12,871.81 plus 5.54% of amount over \$297,350</u>

e. Estates and trusts.

<u>If North Dakota taxable income is:</u>	<u>The tax is equal to:</u>
<u>Not over \$1,800</u>	<u>2.10%</u>
<u>Over \$1,800 but not over \$4,250</u>	<u>\$37.80 plus 3.92% of amount over \$1,800</u>
<u>Over \$4,250 but not over \$6,500</u>	<u>\$133.84 plus 4.34% of amount over \$4,250</u>
<u>Over \$6,500 but not over \$8,900</u>	<u>\$231.49 plus 5.04% of amount over \$6,500</u>
<u>Over \$8,900</u>	<u>\$352.45 plus 5.54% of amount over \$8,900</u>

f. For a nonresident individual, estate, or trust, the tax determined under the applicable schedule in subdivisions a through e must be multiplied by a fraction in which:

- (1) The numerator is the individual's federal adjusted gross income derived from North Dakota sources; and
- (2) The denominator is the individual's federal adjusted gross income from all sources reduced by the net income from the amounts specified in subdivisions a and b of subsection 3.

g. If married individuals who file a joint federal income tax return are required to file separate state income tax returns under any provision of this chapter, the tax under this subsection for each spouse must be determined by applying the rates under subdivision b to the spouses' joint North Dakota taxable income and prorating the result between the spouses based on their separate North Dakota taxable incomes.

h. For taxable years beginning after December 31, 2001, the tax commissioner shall prescribe new rate schedules that apply in lieu of the schedules set forth in subdivisions a through e. The new schedules must be determined by increasing the minimum and maximum dollar amounts for each income bracket for which a tax is imposed by the cost-of-living adjustment for the taxable year as determined by the secretary of the United States treasury for purposes of section 1(f) of the United States Internal Revenue Code of 1954, as amended. For this purpose, the rate applicable to each income bracket may not be changed, and the manner of applying the cost-of-living adjustment must be the same as that used for adjusting the income brackets for federal income tax purposes."

Page 1, remove line 24

Page 2, remove lines 1 through 6

Page 2, line 7, remove "wife filing a joint state income tax return"

Page 2, line 8, overstrike "The adjusted federal", remove "taxable", overstrike "income", remove "for purposes of this section", and overstrike "for a"

Page 2, line 9, overstrike "resident", remove "or nonresident", and overstrike "individual, estate, and trust must be determined by"

Page 2, line 11, remove "deducting the taxpayer's taxable", overstrike "income", remove "that is not", and overstrike "taxable to"

Page 2, line 12, overstrike "this state", remove "from", overstrike "the total", and remove "federal"

Page 2, line 13, remove "taxable", and overstrike "income as reported on the federal income tax return. To the extent they"

Page 2, line 14, overstrike "are included in the taxpayer's federal", remove "taxable", and overstrike "income, the following"

Page 2, line 15, overstrike "amounts must", remove "also", overstrike "be", and replace "deducted" with "For purposes of this section, "North Dakota taxable income" means the federal taxable income of an individual, estate, or trust as computed under the Internal Revenue Code of 1986, as amended, adjusted as follows"

Page 2, line 16, overstrike "Interest" and insert immediately thereafter "Reduced by interest"

Page 2, line 19, overstrike "The" and insert immediately thereafter "Reduced by the"

Page 2, line 25, overstrike "An" and insert immediately thereafter "Reduced by the"

Page 2, after line 27, insert:

- d. Reduced by thirty percent of the excess of the taxpayer's net long-term capital gain for the taxable year over the net short-term capital loss for that year, as computed for purposes of the Internal Revenue Code of 1986, as amended.
- e. Increased by the amount of a lump sum distribution for which income averaging was elected under section 402 of the Internal Revenue Code of 1986 [26 U.S.C. 402], as amended. This adjustment does not apply if the taxpayer received the lump sum distribution while a nonresident of this state and the distribution is exempt from taxation by this state under federal law.
- f. Increased by an amount equal to the losses that are passed through to a taxpayer in connection with an allocation and apportionment to North Dakota under chapter 57-35.3."

Page 4, line 21, after the overstruck period insert:

"Each adjustment in subsection 3 may be allowed only to the extent the adjustment is attributable to income allocated and apportioned to this state."

Page 4, line 22, after the overstruck period insert "5." and overstrike "A husband and wife" and insert immediately thereafter "Married individuals"

Page 4, line 27, replace "5" with "6"

Page 5, line 4, overstrike "entire" and insert immediately thereafter "federal"

Page 5, line 6, replace "6" with "7"

Page 5, line 19, replace "7" with "8"

Page 5, line 25, replace "8" with "9"

Page 5, line 27, replace "9" with "10"

Page 5, replace lines 29 and 30 with:

- "11. a. A taxpayer is entitled to a credit against the tax imposed by this section for any unused federal credit for prior year minimum tax. "Unused federal credit for prior year minimum tax" means the amount of the federal credit for prior year minimum tax attributable to federal alternative minimum tax included in the taxpayer's federal income tax liability for purposes of this section for taxable years beginning before January 1, 2001, reduced by the total amount of the federal credit for prior year minimum tax claimed on the taxpayer's federal income tax return for all taxable years beginning after December 31, 2000.
- b. The credit under this subsection is equal to fourteen percent of the portion of the unused federal credit for prior year minimum tax claimed on the taxpayer's federal income tax return and may not exceed the taxpayer's tax liability under this section for the taxable year. For a nonresident taxpayer, the credit determined under this subsection must be multiplied by the percentage that the nonresident taxpayer's North Dakota adjusted gross income is of the nonresident's federal adjusted gross income.
- c. The credit under this subsection is not allowed for taxable years beginning after December 31, 2004.
12. a. At the election of an individual taxpayer engaged in a farming business, the tax imposed by subsection 2 for the taxable year must be equal to the sum of the following:
- (1) The tax computed under subsection 2 on North Dakota taxable income reduced by elected farm income.
- (2) The increase in tax imposed by subsection 2 which would result if North Dakota taxable income for each of the three prior taxable years were increased by an amount equal to one-third of the elected farm income. For purposes of applying this paragraph to taxable years beginning before January 1, 2001, the increase in tax must be determined by recomputing the tax in the manner prescribed by the tax commissioner.
- b. For purposes of this subsection, "elected farm income" means that portion of North Dakota taxable income for the taxable year which is elected farm income as defined in section 1301 of the Internal Revenue Code of 1986 [26 U.S.C. 1301], as amended.
- c. The reduction in North Dakota taxable income under this subsection must be taken into account for purposes of making an election under this subsection for any subsequent taxable year.
- d. The tax commissioner may prescribe rules, procedures, or guidelines necessary to administer this subsection.
13. The tax commissioner may prescribe tax tables, to be used in computing the tax according to subsection 2, if the amounts of the tax tables are based on the tax rates set forth in subsection 2. If prescribed by the tax commissioner, the tables must be followed by every individual, estate, or trust determining a tax under this section.

SECTION 2. AMENDMENT.Section 57-38-31.1 of the North Dakota Century Code is amended and reenacted as follows:

57-38-31.1. Composite returns. Partnerships and subchapter S corporations may file a composite return on behalf of nonresident individual partners or shareholders in the manner prescribed by the tax commissioner. Any amount of tax paid by the partnership or subchapter S corporation on the composite return on behalf of a nonresident partner or shareholder constitutes a credit on the North Dakota return of the nonresident individual on whose behalf the tax was paid by the partnership or

subchapter S corporation. Any return filed by a partnership or subchapter S corporation under this section is considered as the return of the nonresident individual partner or shareholder on whose behalf the return is filed. The tax under this section must be computed by multiplying the aggregate of the shares of North Dakota taxable income reportable to North Dakota by the partners or shareholders included in the composite return by ~~the highest federal tax rate for individuals times the tax rate imposed under section 57-38-30.3~~ five and fifty-four hundredths percent.

SECTION 3. REPEAL. Section 57-38-34.1 of the North Dakota Century Code is repealed."

Page 6, remove lines 1 through 9

Renumber accordingly

Engrossed HB 1399 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. WARDNER MOVED that the conference committee report on Engrossed HB 1399 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1399, as amended, was placed on the Fourteenth order.

SECOND READING OF HOUSE BILL

HB 1399: A BILL for an Act to amend and reenact sections 57-38-30.3 and 57-38-31.1 of the North Dakota Century Code, relating to determination of income tax liability on the short-form state income tax return and the filing of composite returns; to repeal section 57-38-34.1 of the North Dakota Century Code, relating to an optional card income tax return; 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 31 YEAS, 16 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Andrist; Bowman; Cook; Dever; Erbele; Espegard; Fischer; Flakoll; Freborg; Grindberg; Holmberg; Kilzer; Klein; Krebsbach; Kringstad; Kroeplin; Lee; Lyson; Mutch; Nelson, G.; Nething; Nichols; Stenehjem; Thane; Tollefson; Traynor; Trenbeath; Urlacher; Wanzek; Wardner; Watne

NAYS: Bercier; Christenson; Christmann; Every; Heitkamp; Kelsh; Krauter; Lindaas; Mathern, D.; Mathern, T.; O'Connell; Polovitz; Robinson; Schobinger; Solberg; Tomac

ABSENT AND NOT VOTING: Nelson, C.; Tallackson

Engrossed HB 1399, as amended, passed and the title was agreed to.

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: HB 1399.

MOTION

SEN. CHRISTMANN MOVED that the absent members be excused, which motion prevailed.

MOTION

SEN. CHRISTMANN MOVED that the Senate stand at ease, which motion prevailed.

THE SENATE RECONVENED, with President Dalrymple presiding.

MOTION

SEN. CHRISTMANN MOVED that the Senate be on the Fourth and Seventh orders of business and at the conclusion of those orders, the Senate stand adjourned until 8:30 a.m., Friday, April 27, 2001, which motion prevailed.

COMMUNICATION FROM GOVERNOR JOHN HOEVEN

This is to inform you that on April 26, 2001, I have signed the following: SB 2023.

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

WILLIAM R. HORTON, Secretary