

Testimony to the  
**ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS**  
Prepared August 28, 2013  
by the North Dakota Association of Counties  
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### CONCERNING AREAS OF STUDY

Madam Chair and Commission members, thank you for the invitation to suggest additional areas of study for this interim.

As I believe you will see from the amount of information provided to the committee on the assigned studies, those two alone are quite significant. From the county perspective however, there are several topics that are directly related to the efficiency of local government that could be examined.

A great deal of attention was given during the last Legislative Session to the issue of county social service funding. This is just one of a number of governmental services that are funded with locally collected property tax but are designed, directed, expanded, and increased by state and/or federal mandate.

Clearly, county social services is the largest of these. It is the single service area which consumes the greatest share of county property tax revenue, as illustrated by the attached sheet. Many of you on this committee are aware, counties have:

- no authority to set program human service eligibility criteria (therefore county workload),
- no control over the economic forces that drive application rates, and
- little flexibility in employee compensation, as counties must pay social service employees within state salary classifications – often resulting in automatic increases regardless of county policy.

These and other factors have driven the dedicated property taxes supporting county social services to increase by over 50% in the last seven years alone. This issue has been the subject of legislation introduced in each of the last three regular sessions, resulting in only study resolutions in 2009 and 2011 – neither of which were prioritized by the Legislative Management Committee.

The similar issue of NDSU Extension has been raised by a number of counties. There is a clear disconnect between the authority to raise extension agent salaries (State) and the responsibility to pay those salaries (State AND County). Although a much smaller property tax burden (see attached table), the issue is very similar to social services.

The final example is referenced on the attached table by the general term “indigent representation.” This issue involves multiple mandates and is more complex because of the policy issues involved, but it is similar in that federal protections, state agency policy, and state court decisions drive these property tax costs that counties must ultimately pay.

Madam Chair and committee members, it would be the hope of many of our county officials that one or more of these issues could be examined by the ACIR this interim.

# 2011 County Property Tax Revenue (Statewide Total - \$214 Million)

Use of Revenue by Category	Total Dollars	Avg. Mills	% of Co. Prop. Tax
Social Services	\$ 43,346,672	18.94	20.1%
Sheriff & County Corrections	\$ 41,419,507	18.09	19.2%
Roads (Including Emerg. Levy & Unorg.Twp.Rd.)	\$ 38,178,896	16.68	17.7%
Central Services (Bldg, Util. HR, Admin, Other)	\$ 13,026,598	5.69	6.1%
Water Resource Districts	\$ 8,350,360	3.65	3.9%
State's Attorney/Prosecution	\$ 6,493,840	2.84	3.0%
Auditor/Finance/Elections	\$ 6,404,146	2.80	3.0%
Information Technology (all Dept.)	\$ 5,869,368	2.56	2.7%
Recorder/Clerk	\$ 4,807,594	2.10	2.2%
Public Health	\$ 4,685,651	2.05	2.2%
Treasurer (Tax/revenue collection, invest)	\$ 4,287,369	1.87	2.0%
Weed Control	\$ 4,216,629	1.84	2.0%
County Commission	\$ 3,950,960	1.73	1.8%
Extension Service	\$ 3,570,996	1.56	1.7%
Tax Director (Assessment)	\$ 3,067,532	1.34	1.4%
Indigent Representation *	\$ 2,720,249	1.19	1.3%
Senior Services (Transit, Meals, etc.)	\$ 2,702,345	1.18	1.3%
County Library	\$ 2,623,625	1.15	1.2%
Job Development & Planning	\$ 2,476,058	1.08	1.2%
Emergency Management	\$ 2,343,170	1.02	1.1%
Emerg. Medical Services	\$ 2,116,777	0.92	1.0%
County/Multi-County Fairs	\$ 1,418,676	0.62	0.7%
Veteran's Services	\$ 1,370,386	0.60	0.6%
County Parks	\$ 1,315,828	0.57	0.6%
County Superintendent of Schools	\$ 1,219,837	0.53	0.6%
Historical Society	\$ 402,651	0.18	0.2%
Public Notice/Publication	\$ 314,424	0.14	0.1%
Abandoned Cemetery	\$ 15,424	0.01	0.0%
<b>Levies not as widely used</b>			
County Airport (23 Counties)	\$ 1,110,480		0.5%
Vector Control (5 Counties)	\$ 588,575		0.3%
Weather Modification (5 Counties)	\$ 456,923		0.2%
Specials Paid to Cities (7 Counties)	\$ 174,372		0.1%
County Hospitals (2 Counties)	\$ 131,005		0.1%

\* Indigent Representation includes civil indigent defense for mental health and sexually dangerous individual commitments, guardian ad litem in private civil cases, and public administrators assigned by state district court.