

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1197

2001 HOUSE APPROPRIATIONS
HB 1197

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1197

House Appropriations Committee

Conference Committee

Hearing Date January 19,2001

Tape Number	Side A	Side B	Meter #
1	0 - 2892		HB1197
	2892-3850		HB1026
Committee Clerk Signature <i>Z Z Danke</i>			

Minutes:

Chairman M. Timm, Vice-Chair F. Wald, Rep. Aarsvold, Rep.Boehm, Rep. Byerly, Rep. Carlisle, Rep. Delzer, Rep.Glasshelm, Rep. Gulleson, Rep. Heuther, Rep. Kempenich, Rep. Kerzman, Rep. Kliniske, Rep Koppleman, Rep. Martinson, Rep. Monson, Rep. Skarphol, Rep. Svedjan, Rep Thoreson, Rep. Warner, Rep. Wentz

Rep. Mike Timm: Called the Appropriations Committee to order at 08:00 a.m.

Clerk Called the Roll.

Rep. Mike Timm: We have H1197 scheduled before the full committee this morning.

I will have the clerk read the title to the bill.

Rep. Mike Timm: There is a fiscal note on this, but I dont't think everybody has a copy of the fiscal note. Rep. Timm then read the fiscal note to the committee. Then called upon Joe Morrissette of the Legislative Council to explain the bill.

Joe Morrisette: This bill is recommended by interim legislative compensation commission and I was the staff person for that commission. The 3 bills that are recommended by the commission two of them deal legislative compensation directly and this one deals with the mileage reimbursement that's paid to legislators and other state employees when their using their own vehicle for travel this bill increases the state mileage rate 25 cents to 31 cents. The mileage rate was last increased in 1995 to the 25 cents per mile amount. The legislative commission reviewed some information that was prepared by the national council of state legislatures which compares legislative compensation reimbursement rates in other states, and in reviewing that they felt that the 25 cent per mile rate was low in North Dakota, and we received comments from various legislators on an individual basis and as a committee they met with the legislative management committee to get their input on issues of concern regarding legislative compensation rates for reimbursement. In their discussions the issue of mileage reimbursements at a time when fuel costs were increasing was noted as an issue of concern. When this bill was introduced, even though it is broader in scope than just the legislative assembly, it deals with all state employees. When the committee did some research to try to determine what type of an impact the bill might have in reviewing the changes that were made in 1995 when the rate was increased from 20 cents per mile to 25 cents per mile, it was determined that the budgets of state agencies were not increased, so the appropriation amounts weren't changed even though it was recognized that the bill would have a cost but it would increase travel expenses that the agencies had to pay to their employees in the event they used their own vehicles. I should point out that it only effects travel by state employees or legislators using their own vehicles. If a state employee is traveling and they are using the motor pool their is no cost associated with this bill because its only mileage reimbursement for personal vehicle travel. When were dealing with the changes made in 1995

the state agency bills were not adjusted to reflect that. It does note that on the fiscal note which was prepared by OMB and they indicate that although this will have the effect that's listed on the bill of \$184,000 from the general fund and \$177,000 from other funds, its not anticipated that all agency budgets would be increased to reflect that, so although that's the cost it will most likely result in a shifting within budgets and not an increase in appropriation unless the legislative assembly decides to make that adjustment specifically in each agency budget, as I said hasn't been the case in the past.

Rep. Rex Byerly: Is there any particular reason why the rates didn't go up for the other vehicle types or at least be equal? Is there a logical explanation for that?

Response: The commission did discuss that and they felt that the their charge as legislative compensation to specifically address legislative compensation issues and those other rates deal directly with rates that are paid to legislators. At the time this was being introduced or being considered by the commission a bill was being drafted that would also increase state mileage reimbursement rates. But I don't believe that bill was ever introduced.

Rep. Mike Timm: Is a pickup considered a truck?

Response: No, a pickup driven by a state employee in state related travel would be reimbursed as a passenger vehicle.

Rep. Bob Skarphol: Is it the intention to take care of mileage during the legislative session, and if so, don't we need an emergency clause?

Response: That would be correct. There is no emergency clause in the bill and this would not take effect until August 1st.

Rep. Francis Wald: I move a do pass with an emergency clause.

Rep. Mike Timm: We have other people that want to testify yet, and I won't accept that motion yet.

Rep. Rex Byerly: The other question that I wanted to ask you is, the person that deals with out of state travel, did they discuss that at all? It seems rather odd to me that if this circumstance arose if we had state governments meeting in Mpls and I got 25 cents a mile to Fargo and from there on I got 18 cents a mile, it just seems that there would be that break in there. Did they discuss that?

Response: It was discussed briefly, and I think the feeling was that most travel is instate for legislators, but maybe that is an issue and probably should be an increase for that travel as well.

Rep. Mike Timm: Is there any other testimony in favor of HB1197? Any opposition to HB1197? Any other comments or questions by the committee members? If not, the hearing will be closed on HB1197. And we have HB1197 before us.

Rep. Bob Skarphol: I move that HB1197 be amended to include an emergency clause.

Rep. Mike Timm: There is a motion to amend the bill to put an emergency clause on this bill. Is there a second. Seconded by Rep. Kempenich. Any discussion?

Rep. Ron Carlisle: A question for Joe. Did the compensation commission ask why the emergency clause did not go in at that time?

Response: That was discussed in relation to this bill and the legislative compensation bill which were introduced without an emergency clause and the commission agreed that if legislative assembly wished to enact those without an emergency clause that they could do so but they would just introduce the concept of increasing the mileage rate and increasing the legislative compensation rates and leave the effective dates up to the rest of the assembly to address.

Rep. Mike Timm: Any other discussion on the amendment?

Rep. Jeff Delzer: I don't know that its a major deal, but I guess I am not going to go along with emergency clause, because I think this would be good enough to take effect on August 1st.

Rep. Mike Timm: All those in favor of the motion to amend the bill to include the emergency Clause say aye. Voice vote was taken. Aye's and Nay's. Clerk will take a roll call on the motion to amend. Roll call vote taken (11) yes (9) no. Motion to amend to include emergency clause has passed.

Rep. Rex Byerly: I would move to amend page 2 line 20 from 18 cents to 31 cents.

Rep. Mike Timm: Is there a second to that motion? Seconded by Rep. Monson. And the effect of your amendment would be to increase the mileage traveling out of state. Response was yes. Any discussion on that motion?

Rep. Jeff Delzer: Is there somewhere in this bill that says that makes sure we will not pay mileage over and above what the airfare would be?

Joe Morrisette: I believe that's in a different section of the code, I don't believe its addressed in that section. I think that's a section that deals with legislative compensation and reimbursement and if travel was by air it has to be reimbursed at the coach rate and can't exceed some factor of the ground mileage reimbursement that would otherwise be paid.

Rep. Keith Kempeneh: Had a question on something on page two, but is inaudible on the tape.

Rep. Mike Timm: This amendment would just raise the bar on that reimbursement. Any other discussion? We have a motion to amend too raise the 18 cents to 31 cents on page 2, line 20. All in favor of that motion say aye. No voice vote at this time pending a question by Rep. Aarsvold.

Rep. Ole Aarsvold: The 150 miles that is referred too would not be a factor then, would it? Should that be deleted then as well?

Joe Morrisette response: In the past there has been that differential of 25 cents for instate and once your beyond 150 miles it drops to 18 cents , without that differential between instate and out of state mileage we would probably make some other changes in the bill to make that read better. We would make amendments consistent with the intent to make 31 cents the mileage reimbursement rate for instate and out of state travel if that amendment is passed.

Rep. Robert Heuther: If I were to attend a conference in San Diego which is close to 2000 miles a 4000 mile round trip, I would sure feel guilty drawing that 31 cents a mile. Maybe we should have something in the bill that would limit it to the maximum end of a coach fare price even if I drove my car ?

Rep. Mike Timm: All we have to do is defeat the motion to amend.

Rep. Bob Martinson: I thought the motion was just to change the 18 cents to 31 cents, so the 150 mile limit would still be in there.

Rep. Mike Timm: The 150 mile limit was questioned as to why we need that and Joe says they would make the amendment to be more compatible.

Rep. Bob Martinson: The motion was merely to change the 18 cents to 31 cents it doesn't have anything to do with the 150 miles. Rep. Timm, Yes that is the motion.

Joe Morrisette: The way the law reads now is that you are reimbursed 25 cents per mile for instate and the first 150 miles beyond the state border, after that the mileage reimbursement rate drops to 18 cents per mile, so what the amendment would be doing is saying that whether your in state or 150 miles beyond the border or 1000 miles beyond the border your reimbursed at 31 cents per mile. That would be the effect of the amendment.

Rep. Delzer: Is there anybody here that can give me some history why this was setup this way? Was it to encourage airfare instead of road travel?

Rep. Martinson: I was in state government for a long time and it was put in there basically so that if somebody did have a conference in Los Angeles that they wouldn't take their family to Disneyland for a vacation, because when you put the mileage to it, per mile vs. the airfare you could come out better. The problem with it is the short distances I think are more important than the long ones. I think it would be great if it was changed to 31 cents but I think it would be nice to have a limit of 500 mile radius or something.

Joe Morrisette: I found that section 54-03-20 which is not addressing this bill and it deals with compensation and expense reimbursement for members of the legislative assembly and the reimbursement at coach fare limitation says that if your reimbursed for travel by common carrier can only be at the cost of coach fare with the limit the it can only exceed 1 1/2 times the amount you would have gotten for mileage by motor vehicle. So that's where that limitation comes in, there is not limitation regarding your paid mileage that it has to limited to what you would have gotten for airfare. It's the other way around, your airfare reimbursement is limited to what you would have got for mileage.

Rep. Ole Aarsvold: If in fact it is our intent to go to 31 cents across the board then that section could just as well be deleted it seems to me and clarifying language to put in that first section that make it clear that this applies to both in state and out of state travel.

Rep. Rex Byerly: I would withdraw my motion for the 31 cents in this context if I can make a new motion that would just extend the boundary at 31 cents.

Rep. Mike Timm: Motion has been withdrawn.

Rep. Rex Byerly: I make a new motion to amend page 2 line 20 to go from 18 cents to 31 cents and the two references that speak of 150 miles, to change those to 300 miles. My motion is to

amend this section to say that for 300 outside of the borders of North Dakota we get 31 cents and anything beyond that we get 18 cents.

Rep. Mike Timm: That motion is made by Rep. Byerly , seconded by Rep. Aarsvold. So extended the boundary out to 300 miles is what were doing and were leaving the 18 cents as it is.

Rep. Martinson: May I ask a question for the purpose of the record, and I hope the answer will be recorded. Do you mean that the 300 miles is each way? Or just 300 total? Because OMB has interpreted that as 150 miles total.

Rep. Rex Byerly: I would expect if they interpreted that to be 150 miles total, I'm saying 300 miles one way.

Rep. Rex Byerly: We seem to have a semantics problem here, what my motion is, is that we are paid 31 cents a mile anytime we go outside of the borders of the State of North Dakota to a total of 300 geographic miles, but mileage is paid going to or from. Does that solve the problem?

Rep. Aarsvold: Joe, maybe you could answer this. What are the motor pool costs for that same trip for instance.

Joe Morrisette: No, I do not know.

Rep. Mike Timm: We have a motion now to extend the boundary to 300 miles. Does everyone understand that? Voice vote was taken: Aye's and Nay's. Motion Passed. Now we have the bill as amended before us. We have two amendments on the bill. I need a motion for a Do Pass or Do Not Pass. Rep. Kempenich moves for a Do Pass, seconded by Rep Wentz. Any discussion? Roll Call vote will be taken as amended. Aye (17) Nay (3) Motion is passed. Rep. Wald will carry bill to the floor.

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House Appropriations Committee
Bill/Resolution Number HB1197
Hearing Date January 19,2001

Rep. Mike Timm: Everyone should have a copy of a motion we have to make (Attachment A). Its a headline for House Appropriation Committee, and its a motion that we have to make to approve the action by where Rep. Byerly's Committee held a hearing on block grants yesterday and we just have to get this in the record. Rep. Byerly makes the motion to approve the insertion of the language into the minutes of the Appropriations Committee. Seconded by Rep. Carlisle.
Any Discussion ?

Rep. Gulleon: Why wasn't it an official part of the record.

Rep. Rex Byerly: Under Federal Law the community service block grant program has to have a public hearing before the legislature of each state. We had that hearing yesterday upstairs in the Government Subsection of Appropriations and these words are mandated in federal law that we had that hearing.

Rep. Mike Timm: Any other discussion on the motion? Roll Call vote will be taken.

Aye (20) Nay (0) Absent (1) Motion is passed.

FISCAL NOTE
 Requested by Legislative Council
 03/22/2001

Bill/Resolution No.:

Amendment to: Engrossed
 HB 1197

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures	\$23,277	\$22,334	\$186,218	\$178,667	\$186,218	\$178,667
Appropriations						

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

Although the reimbursement rate increases will cause an increase in travel expenses to agencies, appropriation levels will not change. Agencies will be expected to fund the increased costs from within their budgets. The 1999-2001 biennium projected increase is based on costs for the first three months of the biennium due to the emergency clause added to the bill.

The per mile increase for motor vehicle amounts to a \$364,885 for all funds per biennium, while the per mile increase for airplane travel amounts to \$3,173 for all funds per biennium.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and*

appropriations.

Name:	Pam Sharp	Agency:	OMB
Phone Number:	328-4606	Date Prepared:	03/22/2001

FISCAL NOTE
 Requested by Legislative Council
 01/24/2001

Bill/Resolution No.:

Amendment to: HB 1197

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures	\$23,059	\$22,155	\$184,473	\$177,239	\$184,473	\$177,239
Appropriations						

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

Although the reimbursement rate increase of 6 cents per mile to employees and will cause an increase in travel expenses to agencies, appropriation levels will not change. Agencies will be expected to fund the increased costs from within their budgets. The 1999-2001 biennium projected increase is based on costs for the last three months of the biennium due to the emergency clause added to the bill.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Name:	Jeff Larshus	Agency:	OMB
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Phone Number: 328-4902

Date Prepared: 01/24/2001

FISCAL NOTE
 Requested by Legislative Council
 01/03/2001

Bill/Resolution No.: HB 1197

Amendment to:

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$184,473	\$177,239	\$184,473	\$177,239
Appropriations						

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

Although the reimbursement rate increase of 6 cents per mile to employees and will cause an increase in travel expenses to agencies, appropriation levels will not change. Agencies will be expected to fund the increased costs from within their budgets.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Travel expenditures will increase by the amounts noted above, however appropriation levels will not change. Agencies will be expected to fund the increases from within their budgets.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Appropriations will not change.

Name:	Pam Sharp	Agency:	OMB
Phone Number:	328-4606	Date Prepared:	01/04/2001

Date: 1-19-01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1197

House APPROPRIATIONS Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number FEDERAL MANDATED LANGUAGE FOR SERVICE BLOCK GRANT PROGRAM.

Action Taken _____

Motion Made By Rep Byerly Seconded By REP. CARLISLE

Representatives	Yes	No	Representatives	Yes	No
Timm - Chairman	✓				
Wald - Vice Chairman	✓				
Rep - Aarsvold	✓		Rep - Koppelman		
Rep - Boehm	✓		Rep - Martinson	✓	
Rep - Byerly	✓		Rep - Monson	✓	
Rep - Carlisle	✓		Rep - Skarphol	✓	
Rep - Delzer	✓		Rep - Svedjan	✓	
Rep - Glasshelm	✓		Rep - Thoreson	✓	
Rep - Gulleeson	✓		Rep - Warner	✓	
Rep - Huether	✓		Rep - Wentz	✓	
Rep - Kempenich	✓				
Rep - Kerzman	✓				
Rep - Kliniske	✓				

Total (Yes) 20 No 0

Absent 1

Floor Assignment NONE

If the vote is on an amendment, briefly indicate intent:

Date: 1-19-01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1197

House APPROPRIATIONS Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken AMENDED TO INCLUDE EMERGENCY CLAUSE

Motion Made By REP. SKARPHOL Seconded By KEMPENICH

Representatives	Yes	No	Representatives	Yes	No
Timm - Chairman	✓				
Wald - Vice Chairman	✓				
Rep - Aarsvold	✓		Rep - Koppelman		
Rep - Boehm		✓	Rep - Martinson	✓	
Rep - Byerly	✓		Rep - Monson		✓
Rep - Carlisle		✓	Rep - Skarphol	✓	
Rep - Delzer		✓	Rep - Svedjan	✓	
Rep - Glasshelm	✓		Rep - Thoreson		✓
Rep - Gulleson	✓		Rep - Warner		✓
Rep - Huether		✓	Rep - Wentz		✓
Rep - Kempenich	✓				
Rep - Kerzman	✓				
Rep - Kliniske		✓			

Total (Yes) 11 No 9

Absent 1

Floor Assignment REP WALD

If the vote is on an amendment, briefly indicate intent:

Date: 1-19-01
Roll Call Vote #: 2

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB1197

House APPROPRIATIONS Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken EXTEND BOUNDARY TO 300 MILES AND TO CHANGE

~~TO~~ PAGE 2 LINE 20 FROM 18¢ TO 31¢
Motion Made By _____ Seconded
REP BYERLY By REP AARSVOLD

Representatives	Yes	No	Representatives	Yes	No
Timm - Chairman	✓				
Wald - Vice Chairman	✓				
Rep - Aarsvold	✓		Rep - Koppelman		
Rep - Boehm	✓		Rep - Martinson	✓	
Rep - Byerly	✓		Rep - Monson	✓	
Rep - Carlisle	✓		Rep - Skarphol	✓	
Rep - Delzer		✓	Rep - Svedjan	✓	
Rep - Glassheim	✓		Rep - Thoreson		✓
Rep - Gulleason	✓		Rep - Warner	✓	
Rep - Huether		✓	Rep - Wentz	✓	
Rep - Kempenich	✓				
Rep - Kerzman	✓				
Rep - Kliniske	✓				

Total (Yes) 17 No 3

Absent 1

Floor Assignment REP. WALD.

If the vote is on an amendment, briefly indicate intent:

2001 SENATE APPROPRIATIONS

HB 1197

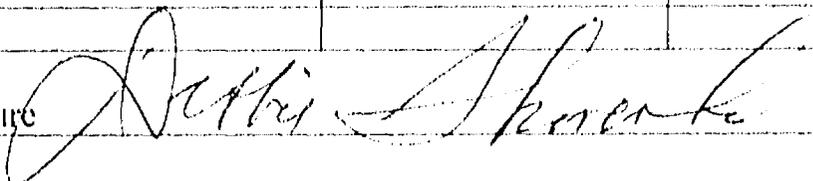
2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1197

Senate Appropriations Committee

Conference Committee

Hearing Date February 15, 2001

Tape Number	Side A	Side B	Meter #
1		X	37.0-43.9
Committee Clerk Signature 			

Minutes:

Senator Nething opened the hearing on HB 1197.

Gary Ness, Aeronautics Commission, testified (testimony and amendment attached) asking the committee to amend mileage from 35 cents per mile to 70 cents per mile for air travel.

Joe Morrisette, Legislative Council Analyst, introduced input from Legislative Assembly and concerns with current costs of fuel for mileage and state reimbursement. This is not an emergency. Fiscal notes revised for the cost this biennium. Cost will be \$185,000 from general fund this biennium and \$180,000 next biennium. Next biennium expenditures are reallocation funds.

Senator Robinson: How many years has the IRS been at a 31 cents per mile base?

Joe Morrisette: I'm not sure but they are now higher to 32 cents per mile.

Senator Tallackson: The amendment, is it quite fit, line 16?

Senator Nething: This will be looked at later by Legislative Council.

Page 2
Senate Appropriations Committee
Bill/Resolution Number HB 1197
Hearing Date February 15, 2001

With no further testimony, the hearing was closed.

Tape #1, Side B, meter 43.9.

March 20, 2001 Full Committee action (Tape 2, side a, meter No. 5.5-50.7 (1 of 6))

Senator Nothing reopened the hearing on HB1197.

Review of the bill by Committee members; Senator Heitkamp moved for the adoption of amendment - increases from 35 cents to 70 cents per mile on the reimbursement rate for state employee travel by private airplanes. Senator Holmberg seconded the adoption. Amendment carried by voice vote.

Senator Holmberg moved DO PASS AS AMENDED; Senator Heitkamp seconded the motion.

Roll call vote: 13 yes; 0 no; 1 absent and not voting.

Senator Heitkamp accepted the floor assignment.

10106.0201
Title.

Prepared by the Legislative Council staff for
Senate Appropriations
March 20, 2001

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1197

Page 1, line 16, overstrike "thirty-five" and insert immediately thereafter "seventy"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

SENATE - This amendment increases from 35 cents to 70 cents per mile the reimbursement rate for state employee travel by private airplane.

Date: 3-20-01

Roll Call Vote #: _____

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 1197

Senate Appropriations Committee

Subcommittee on _____
or

Conference Committee

Legislative Council Amendment Number 10106.0201

Action Taken As per the committee

Motion Made By Senator Holmberg Seconded By Senator Heitkamp

Senators	Yes	No	Senators	Yes	No
Dave Nething, Chairman	✓				
Ken Solberg, Vice-Chairman	✓				
Randy A. Schobinger	✓				
Elroy N. Lindaas	✓				
Harvey Tallackson	✓				
Larry J. Robinson	✓				
Steven W. Tomac	✓				
Joel C. Heitkamp	✓				
Tony Grindberg	✓				
Russell T. Thane					
Ed Kringstad	✓				
Ray Holmberg	✓				
Bill Bowman	✓				
John M. Andrist	✓				

Total Yes 13 No 0

Absent 1

Floor Assignment Senator Heitkamp

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
March 21, 2001 9:07 a.m.

Module No: SR-49-6229
Carrier: Heitkamp
Insert LC: 10106.0201 Title: .0300

REPORT OF STANDING COMMITTEE

HB 1197, as engrossed: Appropriations Committee (Sen. Nething, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed HB 1197 was placed on the Sixth order on the calendar.

Page 1, line 16, overstrike "thirty-five" and insert immediately thereafter "seventy"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

SENATE - This amendment increases from 35 cents to 70 cents per mile the reimbursement rate for state employee travel by private airplane.

2001 HOUSE APPROPRIATIONS

CONFERENCE COMMITTEE

HB 1197

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1197A

House Appropriations Committee

Conference Committee

Hearing Date ~~March~~ ^{April} 9, 2001

Tape Number	Side A	Side B	Meter #
1	x		0 - 1135
Committee Clerk Signature <i>Z Z Rankin</i>			

Minutes:

CONFERENCE COMMITTEE ACTION ON HB1197.

Attendees: Rep. Timm, Rep. Wald, Rep. Heuther

Sen. Thane, Sen. Holmberg, Sen. Heitkamp

Rep. Timm: Called the meeting to order and had roll call. All present. The reason this conference committee was called is that we would like the Senate's reason for doubling the airplane reimbursement from .35 cents to .70 cents, this bill also included raising the mileage for all state employees and then of course you guys doubled it.

Sen. Thane: We doubled it from .35 to .70 for air miles traveled. The rationale for that was that the commissioner uses his aircraft quite a bit for official business and there is no way that .35 cents a mile will come close to taking care of his expenses. He fly's into airports that do not use commercial transportation to go into. That was the rationale that was used to raise the rate.

Sen. Holmberg: First of all, that hadn't been changed in quite a number of years and there are many instances, as an example, we raised the mileage to .31 cents which means that if I come down for one of those early meetings I do get \$167 to drive down to Bismarek for a 1/2 or those one day meetings that we have, plus the \$35.00 for my hotel room, plus an another example would be the evening meal so your up to \$220 some dollars just for those hard expenses, I can rent a plane and fly here for about the cost that this would pay and the difference is that its 166 miles verses the 270 each way is what they pay on the plane, it actually saves the state a few dollars not a lot but a few dollars and it saves me 8 hours of sitting in the car and I think its appropriate that we give those people who want to have that option, particularly when it saves money. I know of legislators who have flown commercial to go to a meeting and I remember back a few years ago, that it cost \$300 and some dollars, so we can fly commercial or drive our cars, so Mr. Chairman it seemed to make sense and I can't remember how many years its been since the change, perhaps it would be up to you and maybe Joe does.

Rep. Timm: Let me ask the question of Joe. If somebody flies commercial from Grand Forks to Bismarek for a meeting do they get reimbursed the full amount for the commercial airline, do they?

Joe, Legislative Council: I think the reimbursement for that is limited to a factor of what the ground mileage would have been. I think its 1 1/2 times what the ground mileage would have been, I can check on that, it's in a different section of law, but I think that is the way its worded.

Rep. Timm: Another question I have is if somebody flies in a small chartered plane, how do they get reimbursed then? Does he get reimbursed this .70 a mile or does he get reimbursed for what he has to pay for that chartered plane?

Joe, Legislative Council: I think the reimbursement would be at the rate set in this bill.

Sen. Holmberg: If a person was to fly from Fargo to Bismarck they would under current law .35 cents per mile.

Rep. Thum: This is if he doesn't fly himself, but he is flying with somebody else.

Sen. Holmberg: If Joe has his wife drive him out here and back and doesn't physically drive, he still gets the current .25 cents, part of is that this has not changed in a long time.

Sen. Heltkamp: Sen. Holmberg made the point, the reasoning behind it is because there wasn't a change for quite awhile. There is a heavy look at how often this would be utilized and it didn't seem as though the money still gave an incentive to allow people to rush out and start chartering commercial flights, but yet did acknowledge that fact that if you flew commercial you may not be able to do it for this amount, (not commercial) but if I fly you out here, I may not be able to do it for you for that amount, but it does put an extra dollar amount in there so that you can do it. I think it really came down in the Senate that it hadn't been looked for quite awhile and we just needed to make that realization between the difference, and that was the justification.

Rep. Thane: I checked with the payroll clerk just to find out how many legislators may or may not be using it, and she said that in the last biennium none has used it. So it isn't that your going to get a big utilization of this because we doubled it, because, first of all there are not that many legislators who are pilots.

Rep. Wald: Joe, is there a fiscal note did you day?

Joe, Legislative Council: The fiscal note indicates that the cost of the adjustment to the air travel is about \$3000.

Rep. Wald: My second question, what if two legislators were in the same general area and you rent a plane in Lisbon and you fly to Bismarck, do you both get .70 cents?

Sen. Heltkamp: I would think by the letter of the law that we possibly would, but ethically would you both turn it in? I don't think you would.

Rep. Wald: The senate amendments says private airplane, and I didn't quite catch what you were saying senator about flying commercial from Grand Forks. This wouldn't allow you to fly commercial as I understand it.

Sen. Holmberg: Perhaps Joe could review the current law for us. The only difference that we made was the .70 cents.

Sen. Heltkamp: Joe when you go through that and review that, I'm sure your going to look at when they based the fiscal note, they base the fiscal note I'm sure on what had been turned in before, and if you look at what has been turned in before I think your going to look at what Sen. Thane brought up, which is Mr. Ness has got a job to do so he has to fly into Edgeley where he is going to promote aviation, that new business that we have going there, and he is going to take his plane to do that, and he can't do that and even come close to breaking even for the amount and so that was really what drove us. It was just an issue of fairness.

Rep. Wald: Do the same restrictions apply out of state by private aircraft? If you recall, the House amendments say that current law provides for out of state in excess of 150 miles beyond the state border as reimbursed at the rate of .18 cents per mile, this amendment extends the range for reimbursement at the regular rate of 300 miles, and my question is when you fly in private aircraft are you going to fly all the way to New York and back for meeting. Are there any out of state restrictions? There is if you drive, I just wonder if there is when you fly?

Joe, Legislative Council: I don't believe that there are, I don't see that in the bill. Rep. Wald is correct, those restrictions relating to reimbursement in excess of certain miles beyond the state border relate just to motor vehicle, I don't see any restrictions on the travel by private airplane.

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House Appropriations Committee

Bill/Resolution Number HB1197

Hearing Date April 9, 2001

Rep. Timm: So if somebody is going to NCSL meeting he is going to get his commercial fare paid for by the council and if you flew your own private airplane, regardless of what the cost was you couldn't exceed what it would cost you to go commercial.

Rep. Wald: I move that the House accede to the Senate amendments, Seconded by Rep Heather.

Rep. Timm: Any discussion? We will call the roll? (6) yes (0) no. Motion passes. Rep. Timm Will carry the bill to the floor.

Conference Committee Action on HB1197 is closed.

REPORT OF CONFERENCE COMMITTEE (420)
April 9, 2001 4:23 p.m.

Module No: SR-62-8204

Insert LC: .

REPORT OF CONFERENCE COMMITTEE

HB 1197, as engrossed: Your conference committee (Sens. Thane, Holmberg, Holtkamp and Reps. Timm, Wald, Huether) recommends that the **HOUSE ACCEDE** to the Senate amendments on HJ page 1101 and place HB 1197 on the Seventh order.

Engrossed HB 1197 was placed on the Seventh order of business on the calendar.

2001 TESTIMONY

HB 1197

HB 1197

HB-1197

Senate Appropriations
February 15, 2001

Sen. David Nethling, Chairman

Testimony of Gary R. Ness, Director
ND Aeronautics Commission

The change in the surface transportation travel expense reimbursement for State officials and employees is well received and timely.

Representative Berg alerted me to the changes that were being made and that air travel was not on the table. Due to timing and other schedule problems an amendment was not attached on the House side before the final reading and passage.

The cost of travel has increased in the air as well as by ground. In the investigation of that increase I contacted three Fixed Based Operators in the State to verify expense figures. If you were to rent a **Cessna 152**, a two seat trainer type aircraft, average rental rate is **56 cents** a mile. Renting a **Cessna 172**, a four place single engine aircraft, average rental is **66 cents** per mile. The next step up in the picking order is the **Cessna 182**, a four place higher powered and faster aircraft, average rental **94 cents** a mile.

The **IRS** does not have specific per mile cost set forth in code. What is required is:

Divide the total hours flown into the gross expense = Cost per hour.

Hours flown for business X Cost per hour = your deduction

Each aircraft and each operation has a different cost factor, thus we do not have a **25 cent** or **31 cent** figure to tie to the expense side.

The amendment that I suggest is to raise the 35 cent reimbursement to an average between the C-172 and C-182. These aircraft would be the typical aircraft used in the performance of State duties.

That suggested figure would be **70 cents** a mile with the language put forth in 54-06-09, paragraph 1 and 2.

Amendment to the First Engrossment of HB-1197

Page 1, Line 17,----- strike; thirty-five, replace with; seventy -----

For House Appropriations Committee Minutes

It was moved by _____, seconded by _____, and carried that the information including summaries, minutes, and testimony received during the community services block grant hearing be provided to the legislative leadership and members of the Senate Appropriations Committee and upon request to other interested persons to help them analyze the portion of the Office of Management and Budget's budget request involving the community services block grant revenues, and that copies of such information be kept in the House Appropriations Committee files for future reference.