

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1266

2007 HOUSE POLITICAL SUBDIVISIONS

HB 1266

2007 HOUSE STANDING COMMITTEE MINUTES

Bill No. HB 1266

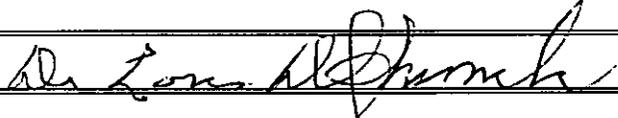
House Political Subdivisions Committee

Check here for Conference Committee

Hearing Date: January 18, 2007

Recorder Job Number: 1365, 1401

Committee Clerk Signature



Minutes:

Chairman Herbel opened the hearing on HB 1266.

Representative Aarsvold: This bill would increase the mill levy from \$1.50/per acre to \$2.00 per acre to maintain such drainage. This assessment would only be against agricultural property. The request comes mainly as a comfort fund for higher machinery expenses, including the cost of gas and earth moving and shaping. Secondly the bill calls for a drain fund to accumulate up to 6 years of assessments if the single years assessments did not prove adequate to cover the cost of maintenance. The current law permits four year accumulations. Should more than six years accumulations be necessary, the board would have to put the matter to a vote before the affected landowners before additional funds could be raised?

Tom Fischer: Senator District 46: Discussed high cost of diesel fuel and contractor prices are getting very expensive and I think this bill addresses some of the issues that would resolve that problem. I stand before you in support this legislation. Discussed costs increases whether large or small.

Rep. William Kretschmar: Is a .50 cent increase enough.

Tom Fischer: Allowing the 6 years I think it will make allot of differences to allot of projects. Right now we can retain 4 years of maintenance levy and they have to be expended before

you can continue the levy. We have drains in under our responsibility that are in reconstructed for several years, and we take the levy down to one or two cents, mainly because of the software. The county can't put it to zero, but the thing is it goes both ways. If \$2 is not enough we might have to raise that more. As others have said the importance of drainage to Agr. In the Red River Valley and Red River Basin is critical to the farming and it isn't for flood control in the spring. It is for summer rains that take the water off the land when you are crop sharing.

Chairman Herbel: So in essence in this bill they would be allowed to carry an extra \$12, which would be \$2 for each of the years for 6 years.

Rep. Louis Pinkerton: How are water resource boards chosen?

Tom Fischer: they are appointed by the County Commissioners.

Gary Thompson: (see attached testimony #1)

Rep.Dwight Wrangham: My questions deals with the existing language in the law. On the bottom of page 1, line 24; there is an alternate method of assessing nonagricultural land within the district. Is that ever used?

Gary Thompson: those things have been used. I am not familiar with having done that. I would probably refer that to some other resources here. I do not have much experience with this.

Rep.Dwight Wrangham: Page 2, if the cost or obligation, exceeds the total amount the may be levied within the 6 year period the board shall obtain approval of the majority of the landowners as determined in chapter 61. Does that indicate you could go in and borrow money?

Gary Thompson: That could be done. In Traill County we did borrow money and it still was not enough to cover the costs. Drainages have not been finished because we have run out of money.

Rodger Olson, Maple River Water Resource District: In support of this bill. We have run into many problems maintaining drainages in our district. If you have a long drain we have only enough to do a third of the drain and even though all of it should be done, we only have enough funds to do a portion of it. It makes a difference whether you are on the top or bottom of the drain and those people will have to wait until we get more funds so we can do another 5 miles etc. So the last people on the top have now benefited for 4-8 years that they have been paying in, but have not got a benefit so we see this as a great help in giving equal benefit back to our assessed farmers.

Larry Syverson: Chairman of Roseville Township of Traill County: (see attached testimony #2).

Gary Peterson: Traill Co WRD: Office Manager. I deal with tax with the county. I hope everyone realizes that this is not a tax. You do not pay for it unless you use it. It is a user fee the same as a utility bill. You don't pay for it unless you use it. The last time it has been changed the assessment fee is 10 years ago and allot has changed in the last 10 years to make it not feasible to maintain all the drains that we have. We have 40 plus drains and Traill county and of those drains, the smallest one is \$1300/year and the largest is \$19,000. Some drains we assess at 50% and others 75%.

Rep. Nancy Johnson: Do the land owners know about this bill?

Gary Peterson: Everyone I have talked to realizes that things aren't getting done that they want done so there needs to be an increase. They can't afford to loose 40 acres in one unit and they want their drains to work the way they are paying into it. Out of state land owners call and asked why this assessment is on, but they can't even tell me where their land is. People that are doing the work out there know this bill is needed.

Opposition: None

Hearing closed.

Chairman Herbel reopened the hearing on HB 1266. **Job #1401**

Motion made By Rep. Nancy Johnson Seconded By Rep. Donald Dietrich

Chairman Herbel stated was surprised that there was no opposition on this bill, but obviously there must be a need.

Vote: 12 Yes 0 No Absent: 2 Carrier: Rep. Pat Hatlestad

Date: 1-18-07
Roll Call Vote #: 1

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1266

House Political Subdivisions Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Rep. Nancy Johnson Seconded By Rep. Donald Dietrich

Representatives	Yes	No	Representatives	Yes	No
Rep. Gil Herbel-Chairman	X		Rep. Kari Conrad	X	
Rep. Dwight Wrangham-V. Chair			Rep. Chris Griffin	X	
Rep. Donald Dietrich	X		Rep. Lee Kaldor	X	
Rep. Patrick Hatlestad	X		Rep. Louis Pinkerton	X	
Rep. Nancy Johnson	X		Rep. Steve Zaiser	X	
Rep. Lawrence Klemin	X				
Rep. Kim Koppelman					
Rep. William Kretschmar	X				
Rep. Vonnie Pietsch	x				

Total (Yes) 12 No 0

Absent 2

Floor Assignment Rep. Pat Hatlestad

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

REPORT OF STANDING COMMITTEE (410)
January 18, 2007 4:53 p.m.

Module No: HR-12-0798
Carrier: Hatlestad
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1266: Political Subdivisions Committee (Rep. Herbel, Chairman) recommends DO PASS (12 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1266 was placed on the Eleventh order on the calendar.

2007 SENATE POLITICAL SUBDIVISIONS

HB 1266

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1266

Senate Political Subdivisions Committee

Check here for Conference Committee

Hearing Date: February 22, 2007

Recorder Job Number: 3702 and 3715 (Action)

Committee Clerk Signature

L. Lindsey Borg

Minutes:

Chairman Cook called the Senate Political Subdivisions Committee to order. All members (5) were present.

Chairman Cook opened the hearing on HB 1266 relating to maintenance of assessment drains.

Representative Aarsvold District 20, Trail County, Prime Sponsor, introduced HB 1266.

(Attachment #1) He reminded the committee that the assessment is a use tax. Those who benefit from the drain are those that pay for the work and it was accomplished by a vote early on when the drain district was established.

Chairman Cook asked if you had to go to a vote, could you go higher than two dollars.

Representative Aarsvold referred the question.

Senator Fischer, District 46, Fargo, ND testified in support of SB 1266. Supports the bill for the same reasons Representative Aarsvold alluded to. The costs of repairing or reconstructing a drain have gone up significantly due to the cost of machinery, diesel fuel and labor. If you are doing four miles of reconstruction or two miles of reconstruction, this could make a difference because if you are doing it in two projects you double up on the engineering fees and other charges that go along with reconstructing this drain. With the change of the law you

could do one project and get those costs down and it would make things more efficient. In answer to the question can we increase the two dollars? You can not go higher than two dollars without legislation on farm land. You can vote an excess levy. This bill will increase the levy from one dollar fifty cents to two dollars and increasing it to six years from four.

Senator Hacker asked if projects are being held up because of costs.

Senator Fischer answered yes, depending on the size and length of the drain. There are a lot of issues that this bill will help with.

Gary Peterson, Office manager for Trail County Water Resource District, appeared in support of HB 1266. Part of his job is to manage the accounts for the assessment drains. Each drain has its own separate account that can't be thrown in with other drains, so you can not move funds around. These are user fees, somewhat like a utility bill, you pay for only what you use, so some pay a dollar or some pay fifty cents.

Mike Dwyer, Represents all the Water Resource Districts, appeared in support of HB 1266.

The issues on this bill are primarily an eastern North Dakota in the Red River Valley issue.

Larry Syverson, a farmer from Mayville and Chairman of Roseville Township of Trail County, testified in support of HB 1266. (See attachment #2)

Senator Hacker said this is the fairest way to assess people that he had heard of because it is based on your benefit and wondered if two dollars was enough.

Larry Syverson answered that the dollar and a half was nearly sufficient in most cases or was sufficient. Two dollars would catch more projects. Inflation has hit very hard.

Kenneth Nelson, Cavalier County Water Resource Board testified in support of HB 1266. We are in complete support of this bill because maintenance or clean out of drains has increased about 55% over the past three years. Therefore it will allow more projects to be completed and

a longer time frame to build up a fund. Keeping all agriculture land assessed uniformly does do away with producers appealing assessments.

Keith Thoreson, Trail County, testified in support of HB 1266. These are maintenance levies. To understand drainage projects and put it in more layman's terms, a drain is like a road way for water and as water resource districts, we have the authority to levy and maintain those roadways for water. There is always a balance between because nobody wants taxes. We came up with two dollars as the most we can assess. We frequently assess less or not at all depending on the maintenance.

No further testimony in support, opposed or neutral testimony.

Vice Chairman Olafson closed the hearing on HB 1266.

Recorder # 3715 - February 22, 2007 (Action on HB 1266)

Chairman Cook asked the committee if they would like to take action on HB 1266.

Senator Warner moved a Do Pass

Senator Hacker seconded the motion.'

Discussion

Roll call vote: Yes 5 No 0 Absent 0

Carrier: Senator Olafson

REPORT OF STANDING COMMITTEE (410)
February 22, 2007 4:10 p.m.

Module No: SR-34-3704
Carrier: Olafson
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1266: Political Subdivisions Committee (Sen. Cook, Chairman) recommends DO PASS (5 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1266 was placed on the Fourteenth order on the calendar.

2007 TESTIMONY

HB 1266

#1

HOUSE BILL NO. 1266

Mr. Chairman, Committee Members, My name is Gary Thompson and I would like to thank you for allowing me to testify here today on behalf of the North Dakota Water Resource Districts Assoc.

Bill No. 1266 deals with the maintenance of Legal Assessed Drains and the number of years that can be assessed at 100% of assessment. As of today the assessment is \$1.50 per acre, for a total of 4 years of 100% assessment. We are asking for a .50 cent increase per acre and a total of 6 years of 100% assessment.

Due to higher costs for material items such as culverts, concrete and the continuing rate increases by contractors the rules for today are not adequate. We are not able to complete maintenance projects with the funds that can be raised in these areas of assessment.

By allowing these increases each Water Resource District would have the authority to assess for the needs of each individual drain. If the drain does not need work to be done, the total amount of assessments at 100% can not exceed 6 years. For example, if a drain brings in \$2,500.00 per year, the most it can carry is \$15,000.00 in that 6 year period, in comparison to 4 years or \$10,000.00 today.

Mr. Chairman and Committee Members, the North Dakota Water Resource Districts Assoc. at its annual meeting in December passed a resolution for this legislation and would ask for a do pass on Bill 1266.

Thank You

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To support HB1266:

Good morning Chairman Herbel and members of the Political Subdivisions Committee.

I am Larry Syverson a farmer from Mayville; I am the Chairman of Roseville Township of Traill County.

As a farmer and patron of the Miller drain district in Traill County I have seen several instances where much needed maintenance has been delayed for many years because the funds have been depleted. During these delays many acres of crops have been destroyed.

Recently the Miller Drain was reconstructed and combined with another drain, the Mayville #9, this has greatly improved conditions; however the extreme end of the original Miller Drain is still poorly served, the channel still has not been completely cleaned of silt. Here again the work is delayed until the funds come in, meanwhile the patrons are paying the substantial levy for the reconstruction while still suffering losses because the drain still doesn't serve them.

As township officers we are frequently called into the fray as frustrated farmers seek relief when water spreads over their land. In some cases it endangers our roads.

Therefore Chairman Herbel and Committee Members as a patron of a drainage district and a township officer I urge you to pass HB1266.

Chairman Herbel and Committee Members that completes my prepared testimony and I will try to answer your questions.

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To: Senate Political Subdivisions Committee
From: Representative Ole Aarsvold
Re: HB 1266 – Drain Assessments for Maintenance of Legal Drains

1266 would grant authority to Water Management Districts to increase their maximum levy from \$1.50/acre to \$2.00/acre to maintain assessed drains. Only agricultural land would have the increase applied. This request comes primarily as a consequence of inflating operating costs and higher machine hire expenses. Petroleum costs have had a profound impact on the costs of earth moving and shaping.

Secondly, the bill allows for a drain fund to accumulate up to 6 years collections if a single year's proceeds do not prove adequate to cover the maintenance costs. Current law permits 4 years accumulation.

Additionally, should more than 6 years accumulation be necessary, the Board would have to put the matter to a vote of the affected landowners before obligating the necessary funds. Currently, the threshold for that vote is more than 4 years accumulation.

There are others present who will better explain the need for the provisions made available in 1266.

To support HB1266:

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Chairman Cook and Committee Members that completes my prepared testimony and I will try to answer your questions.

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att. #3

We are in complete support
of this ⁽¹⁹⁶⁶⁾ Bill because maintenance
or clean out of drains have increased
about 55% over the past 3 yrs therefore
requiring a larger assessment with
a longer time frame to build
up a fund.

Keeping all agriculture land
assessed uniformly does ~~take~~ do
away with producers appealing assessments
except for audited areas.

Kenneth Nelson