

**2013 SENATE GOVERNMENT AND VETERANS AFFAIRS**

**SB 2246**

# 2013 SENATE STANDING COMMITTEE MINUTES

Senate Government and Veterans Affairs Committee  
Missouri River Room, State Capitol

SB 2246  
01/31/2013  
Job Number 18070

Conference Committee

Committee Clerk Signature



## Minutes:

**Chairman Dever:** Opened hearing on SB 2246

**Senator Cook, District 34:** Testified as sponsor and in support of the bill. Explained the bill. This bill amends the amendment that we did last session that required auditing. There are two types of housing authorities, and we wanted the one to get audited by the auditor. Those that handle HUD financing are required to be audited by HUD. There was no need to have that done twice so I wanted to exclude them. What I found out after I excluded them is that I was misinformed. I thought all of them were required to be audited by HUD. We have some small ones out there that don't handle a lot of HUD dollars and so all they are required to do is give a report. That amendment all of the sudden was going to force them to spend a whole lot of money, more than what they handle, on audits. The intent if this bill is to correct it. I urge a Do Pass.

**Chairman Dever:** We can discuss this in committee discussion.

Closed hearing on SB 2246.

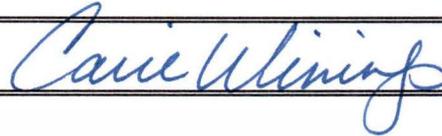
# 2013 SENATE STANDING COMMITTEE MINUTES

Senate Government and Veterans Affairs Committee  
Missouri River Room, State Capitol

SB 2246-2  
02/01/2013  
Job Number 18162

Conference Committee

Committee Clerk Signature



## Minutes:

**Chairman Dever:** Reopened SB 2246 for committee discussion.

**Senator Cook:** See Attachment #1 for proposed amendment to correct an unintended consequence of an amendment that we put on in this committee last session.

(The committee reviews the amendment with Senator Cook) The committee came to the conclusion that it would be necessary to overstrike lines 6-8 as well. The idea was run across Gordy and he agreed that it would be better. Decided to have the amendments drafted officially and run it across a few more people to not cause any other unintended consequences. It will solve the problem and enable the auditor's office to do all of this in one sweep rather than do an audit on the city and then the political subdivision and the housing authority.

**Chairman Dever:** Closed committee discussion.

# 2013 SENATE STANDING COMMITTEE MINUTES

Senate Government and Veterans Affairs Committee  
Missouri River Room, State Capitol

SB 2246  
02/15/2013  
Job Number

Conference Committee

Committee Clerk Signature



## Minutes:

**Chairman Dever:** Reopened SB 2246 for committee discussion.

**Senator Cook:** Reminds committee what the amendment was and the purpose of it.

**(4:00) Chairman Dever:** Clarifies what the real intent of the amendment is and the committee continues to discuss it as the intern is making a draft of the amendment for the committee to look at. See Attachment #1 for amendment printed by intern.

**Senator Cook:** Requests to see the amendment before it is signed.

**Chairman Dever:** Agrees to that.

**(10:00) Chairman Dever:** There might still need to be some wording changes in the title but it appears to be what we are looking for.

**Senator Cook:** I think it is right. **Moved the amendment drafted by the intern and to be approved after legislative council drafts.**

**Senator Nelson:** Seconded.

**A Roll Call Vote Was Taken: 7 yeas, 0 nays, 0 absent.**

**Senator Cook:** **Moved a Do Pass As Amended.**

**Senator Poolman:** Seconded.

**A Roll Call Vote Was Taken: 7 yeas, 0 nays, 0 absent.**

**Senator Cook:** Carrier.

February 18, 2013

2/18/13  
TD

PROPOSED AMENDMENTS TO SENATE BILL NO. 2246

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact subsection 1 of section 54-10-14 of the North Dakota Century Code, relating to audits.

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

**SECTION 1. AMENDMENT.** Subsection 1 of section 54-10-14 of the North Dakota Century Code is amended and reenacted as follows:

1. The state auditor shall audit the following political subdivisions once every two years, except as provided in this section or otherwise by law:
  - a. Counties.
  - b. Cities, and when a city is audited, to include any political subdivision that was created by the city and has bonding authority.
  - c. Park districts.
  - d. School districts.
  - e. Firefighters relief associations.
  - f. Airport authorities.
  - g. Public libraries.
  - h. Water resource districts.
  - i. Garrison Diversion Conservancy District.
  - j. Rural fire protection districts.
  - k. Special education districts.
  - l. Area career and technology centers.
  - m. Correction centers.
  - n. Recreation service districts.
  - o. Weed boards.
  - p. Irrigation districts.
  - q. Rural ambulance service districts.
  - r. Southwest water authority.
  - s. Regional planning councils.

- t. Soil conservation districts.
- u. ~~Housing authorities not required to be audited by the federal department of housing and urban development."~~

Renumber accordingly

Date: 2/15

Roll Call Vote #: 1

2013 SENATE STANDING COMMITTEE  
ROLL CALL VOTES

BILL/RESOLUTION NO. 2246

Senate Government and Veterans Affairs Committee

Check here for Conference Committee

*Overstrike 6-8*

Legislative Council Amendment Number \_\_\_\_\_ *+ remove new language*

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt Amendment

Rerefer to Appropriations  Reconsider

Motion Made By Senator Cook Seconded By Senator Nelson

Senators	Yes	No	Senator	Yes	No
Chairman Dick Dever	✓		Senator Carolyn Nelson	✓	
Vice Chairman Spencer Berry	✓		Senator Richard Marcellais	✓	
Senator Dwight Cook	✓				
Senator Donald Schaible	✓				
Senator Nicole Poolman	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment \_\_\_\_\_

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

Date: 2/15

Roll Call Vote #: 2

2013 SENATE STANDING COMMITTEE  
ROLL CALL VOTES

BILL/RESOLUTION NO. 2246

Senate Government and Veterans Affairs Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt Amendment  
 Rerefer to Appropriations  Reconsider

Motion Made By Senator Cook Seconded By Senator Poolman

Senators	Yes	No	Senator	Yes	No
Chairman Dick Dever	✓		Senator Carolyn Nelson	✓	
Vice Chairman Spencer Berry	✓		Senator Richard Marcellais	✓	
Senator Dwight Cook	✓				
Senator Donald Schaible	✓				
Senator Nicole Poolman	✓				

Total (Yes) 4 No 0

Absent 0

Floor Assignment Senator Cook

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

**REPORT OF STANDING COMMITTEE**

**SB 2246: Government and Veterans Affairs Committee (Sen. Dever, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2246 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact subsection 1 of section 54-10-14 of the North Dakota Century Code, relating to audits.

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

**SECTION 1. AMENDMENT.** Subsection 1 of section 54-10-14 of the North Dakota Century Code is amended and reenacted as follows:

1. The state auditor shall audit the following political subdivisions once every two years, except as provided in this section or otherwise by law:
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  - k. Special education districts.
  - l. Area career and technology centers.
  - m. Correction centers.
  - n. Recreation service districts.
  - o. Weed boards.
  - p. Irrigation districts.
  - q. Rural ambulance service districts.
  - r. Southwest water authority.
  - s. Regional planning councils.
  - t. Soil conservation districts.
  - ~~u. Housing authorities not required to be audited by the federal department of housing and urban development."~~

Renumber accordingly

**2013 HOUSE POLITICAL SUBDIVISIONS**

**SB 2246**

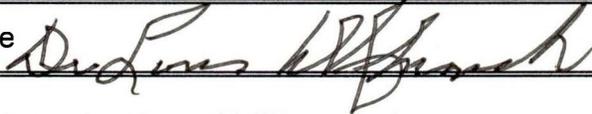
# 2013 HOUSE STANDING COMMITTEE MINUTES

House Political Subdivisions Committee  
Prairie Room, State Capitol

SB 2246  
March 14, 2013  
Job # 19945

Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

Relating to audits.

## Minutes:

**Chairman N. Johnson** opened the hearing on SB 2246.

**Senator Cook:** Introduced the bill. You may have remembered this issue from last session. We added u. on the end of the bill. Housing authorities not required to be audited by the federal department of housing and urban development was added last session to capture certain housing authorities in the state so they would be audited. We have two different types of political subdivisions in that state and they are both called housing authorities. They have two different functions. I am chairman of the Morton County Housing Authority and we have been in existence since the 70s and we administer Section 8 housing vouchers for the federal government for housing and urban development. No matter where you live in the state you will be in one of those housing authorities. In about 2005 we had legislation pass the session that created this second breed of housing authority and these are housing authorities of smaller cities in the state in the state can form their political subdivision and they were created for the sole purpose of issuing bonds and building apartment complexes and the intent was to get these apartments built in small towns so neighboring farmers probably could retire and move into them and thus stay in these small towns. The biggest incentive they offered was that they would be tax exempt. Since the creation of them we had legislation last session that dealt with bonded debt limitations of political subdivisions. We tried to find out the information on them so what we did last session we added subsection u to those political subdivisions and had created debt and they had completely gone under the radar we added subsection u and they should be audited by the State Auditor's office. I wanted to exempt those first types of housing authorities from this bill. All of those are audited by HUD. We spent about \$8000 a year having someone audit our books. I found out after the bill became law the state auditor sent us a letter saying they needed to see our audit and then they wanted \$75 from us so they could look at our audit. We have housing authorities that handle Section 8 vouchers that are pretty small so HUD does not require them to be audited. So the intent of the bill today is to make sure that they still don't have to be because the way the bill was written before State Auditor's Office wanted to go and audit them too. We created what we should have done last session; we just eliminate section u and they go up underneath cities and

when a city is audited to include any political subdivision that was created by the city and has bonding authority. That captured these other housing authorities.

**Rep. M. Klein:** You seem to be the expert in housing authorities on various areas.

**Senator Cook:** I have been chairman of the housing authority for some time.

**Rep. Kretschmar:** Under the new language would that include airport authority, child development authority; does that include them too.

**Senator Cook:** It maybe enables for an airport authority it could be audited along with a city and county to save money.

Opposition: None

Hearing closed.

Do Pass Motion Made by Rep. M. Klein: Seconded by Rep. Ben Hanson

Vote:           14   Yes                   0   No    1   Absent   Carrier: Rep. Beadle:

Closed.

Date: 3-14-13  
 Roll Call Vote #: 1

**2013 HOUSE STANDING COMMITTEE  
 ROLL CALL VOTES  
 BILL/RESOLUTION NO. 2246**

House Political Subdivisions Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt Amendment  
 Rerefer to Appropriations  Reconsider

Motion Made By Rep. M. Klein Seconded By Rep. B. Hanson

Representatives	Yes	No	Representatives	Yes	No
Chairman Nancy Johnson	✓		Rep. Ben Hanson	✓	
Vice Chairman Patrick Hatlestad	✓		Rep. Kathy Hogan	✓	
Rep. Thomas Beadle	✓		Rep. Jerry Kelsh	✓	
Rep. Matthew Klein	✓		Rep. Naomi Muscha	✓	
Rep. Lawrence Klemin	✓				
Rep Kim Koppelman	—				
Rep. William Kretschmar	✓				
Rep. Alex Looyen	✓				
Rep. Andrew Maragos	✓				
Rep. Lisa Meier	✓				
Rep. Nathan Toman	✓				

Total (Yes) 14 No 0

Absent 1

Floor Assignment Rep. T. Beadle

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

**REPORT OF STANDING COMMITTEE**

**SB 2246, as engrossed: Political Subdivisions Committee (Rep. N. Johnson, Chairman) recommends DO PASS (14 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed SB 2246 was placed on the Fourteenth order on the calendar.**

**2013 TESTIMONY**

**SB 2246**

FEBRUARY 1, 2013

PROPOSED AMENDMENT TO SENATE BILL NO 2246

Page 1, line1, replace "reenact subdivision u" with "enact paragraph (1) of subdivision b"

Page 1, line 5, replace "reenact" with "enact"

Page 1, remove line 6 through line 8

Page 1, after line 6, insert:

(1) Any political subdivisions established by a city with bonding authority.

Renumber accordingly

FEBRUARY 1, 2013

PROPOSED AMENDMENT TO SENATE BILL NO 2246

Page 1, line 1, replace "reenact subdivision u" with "enact paragraph (1) of subdivision b"

Page 1, line 5, replace "reenact" with "enact"

Page 1, overstrike line 6

Page 1, line 7, overstrike "housing and urban development"

Page 1, line 7, remove "and not authorized to file an annual report under"

Page 1, line 8, remove "subsection 3."

Page 1, after line 6, insert:

(1) Any political subdivision established by a city with bonding authority.

Renumber accordingly