

**2013 SENATE INDUSTRY, BUSINESS, AND LABOR**

**SB 2289**

# 2013 SENATE STANDING COMMITTEE MINUTES

Senate Industry, Business and Labor Committee  
Roosevelt Park Room, State Capitol

SB 2289  
January 30, 2013  
Job Number 17985

Conference Committee

Committee Clerk Signature



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

Relating to the creation of the department of commerce satellite offices on Indian Reservations

## Minutes:

Testimony Attached

Chairman Klein: Opened the hearing.

Senator Marcellais: Written Testimony Attached (1). (1:00-5:58)

Senator Mathern: Said that he has been to each reservation in the state. He talks about the conditions on the reservations and the problems that they have. He believes that there is an undergirding of social injustice because of lack of investment on the reservations, lack of education and jobs, all of the things the department of commerce could help with. (7:05-12:44)

Senator Sorvaag: Said that Senator Mathern stated; it only included four of the five reservations and the fiscal note, so presuming that, but in the footnote there is still a small portion of Lake Traverse. If that was brought in, would it bring the fiscal note to four million?

Senator Mathern: Said the population level of that tribe is very low in North Dakota, so he doubts that it would be considerable services at all.

Senator Andrist: Commented that one of the reservations is experiencing unprecedented wealth and asked if he finds conditions improving there.

Senator Mathern: Said it will take generations. It takes as many years to recreate a culture as it took to destroy a culture. There was a time where the official policy was the destruction of their culture. (14:00-15:28)

Justin Dever, Department of Commerce: Said he was willing to answer any questions they may have.

Senator Murphy: Commented about people being in fear of going to the reservations and the Indians not wanting to leave the reservation. He asked if Justin sees this bill as a positive step towards helping people to integrate.

Justin: Said it is a possibility, the department of commerce role is in a support function with local economic development. The roles that they play when they assist cities or communities are to bring the right players together at the state level. They do offer some programs and what they don't do is they don't act in the capacity of the local developer. There could be some benefits of a satellite office on the reservations but it would be different than what they are currently doing with other areas of the state.

Chairman Klein: Commented on this bill being presented before and that the department of commerce said that they worked extremely close with whomever is looking for help and that they do a lot of work with the tribes. He asked if they have gone south on that.

Justin: Said no and to clarify, they do work with whoever but what he is saying is, that they don't take the place of the local economic developer, they assist them. They do have various programs from tourism, with marketing grants and working with the tribes. They do have entities on the reservations utilizing the grants. (19:20-19:50)

Senator Murphy: Asked what the department of commerce position is on the bill.

Justin: Said that they are neutral, they support the governor's budget and this is not part of the governor's budget.

There were questions on satellite offices across the state (20:29-21:58).

Chairman Klein: Closed the hearing.

# 2013 SENATE STANDING COMMITTEE MINUTES

Senate Industry, Business and Labor Committee  
Roosevelt Park Room, State Capitol

SB 2289  
February 5, 2013  
Job Number 18306

Conference Committee

Committee Clerk Signature

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

Relating to the creation of the department of commerce satellite offices on Indian Reservations

## Minutes:

Discussion and Vote

Chairman Klein: Opened the meeting. It was more apparent four years ago when Mr. Goettle was with the Department of Commerce and came to explain the department's role and what they do and how much time they do spend with anyone interested in working with them.

Senator Laffen: Moved a do not pass.

Senator Unruh: Seconded the motion.

Discussion followed on the unemployment on the reservations compared to the rest of the State (2:20-6:00).

Roll Call Vote: Yes - 6 No - 1 Absent: 0

Floor Assignment: Senator Sorvaag

**FISCAL NOTE**  
**Requested by Legislative Council**  
**01/21/2013**

Bill/Resolution No.: SB 2289

- 1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$3,372,672		\$3,372,672	
Appropriations						

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill would require the Department of Commerce to operate satellite offices on each of the Indian reservations. Each satellite office is required to have a staff member from each of the Department's four divisions.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

This bill creates a requirement that the Department of Commerce establish satellite offices on each of the Indian Reservations. These satellite offices are required to include a staff member from each of the Department's four divisions. The cost includes the salary and benefits of each of the required staff members, as well as the operating costs.

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.*

This bill would require satellite offices staffed with four people on each of the Indian reservations. We estimate that each employee would cost \$8,783 per month including salary & benefits and operating costs such as rent, travel, phones, equipment, and supplies. This equates to \$35,132 in monthly expenses per office for a total of \$843,168 per office for the biennium. Assuming this bill only applies to the four primary Indian reservations in the state, the total biennial cost would be \$3,372,672. If this bill were to include the Lake Traverse Indian Reservation, which includes a small portion in North Dakota, the total biennial cost would be \$4,215,840.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

There is not an appropriations contained in this bill, or elsewhere, to cover the expenses of operating the satellite offices required by this bill.

**Name:** Justin Dever

**Agency:** Department of Commerce

**Telephone:** 701-328-7258

**Date Prepared:** 01/23/2013

**2013 SENATE STANDING COMMITTEE  
 ROLL CALL VOTES  
 BILL/RESOLUTION NO. 2289**

Senate Industry, Business, and Labor 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 Laffen Seconded By Senator Unruh

Senators	Yes	No	Senator	Yes	No
Chairman Klein	x		Senator Murphy		x
Vice Chairman Laffen	x		Senator Sinner	x	
Senator Andrist	x				
Senator Sorvaag	x				
Senator Unruh	x				

Total (Yes) 6 No 1

Absent 0

Floor Assignment Senator Sorvaag

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

**REPORT OF STANDING COMMITTEE**

**SB 2289: Industry, Business and Labor Committee (Sen. Klein, Chairman) recommends DO NOT PASS (6 YEAS, 1 NAYS, 0 ABSENT AND NOT VOTING). SB 2289 was placed on the Eleventh order on the calendar.**

**2013 TESTIMONY**

**SB 2289**

**Testimony  
Senate Bill No. 2289 – relating to creation of department of  
commerce satellite offices on Indian Reservations  
Industry, Business, and Labor (IBL) Committee  
Senator J. Klein, Chairman  
January 30, 2013**

**Chairman Klein, members of the IBL Committee, for the record is my name is Richard Marcellais, Senator from District 9, Rolette County and former Tribal Chairman of Turtle Mountain Band of Chippewa Tribe.**

**Senate Bill 2289 would set-up satellite offices on the Indian reservations with a memorandum of understanding to assist with the economic development with the following divisions as part of the North Dakota Department of Commerce:**

**Division of Economic Development and Finance:**

**As Governor Jack Dalrymple said “We have been working hard to build a strong, responsive business climate in North Dakota to provide emerging and expanding businesses with the resources they need to grow and succeed in our state. We’ve simplified our tax system and created new tax incentives, streamlined regulatory processes, developed flexible financing programs, and readied our workforce for the high demand careers of the future”**

**Division of Community Services (DCS):**

**Goal is to provide the Native Americans of North Dakota with effective, efficient and customer oriented administration of federal and state programs for community development, energy efficiency, housing and self sufficiency. All of the programs and services are geared to improving the quality of**

life for the citizens of North Dakota and to making the State a great place in which to live, work and be in business.

**Division of Tourism:**

We are all related ring true in North Dakota You'll often see us celebrating all the things from our heritage that make us different, as well as all things that make us alike. At our American Indian powwows, we dance in a circle that honors this interweaving of cultures and the beautiful land connecting us. Whatever your heritage, come join in our circle and celebrate with us.

**Division of Workforce Development:**

The Workforce Division is responsible for monitoring local, regional, national workforce initiatives and the development and implementation of the states talent and intelligence coordination strategies. It's goal to ensure the North Dakota employers have access to a skilled talent pool to meet their workforce needs, young people remain in the state for jobs and civic engagement and volunteerism expands in the state.

Based on the above testimony on Department of Commerce, Divisions of Community Services, Economic Development, & Finance, Tourism and Workforce Development will not only help the state of North Dakota and the five Native American reservations.

Thank you very much for the opportunity to appear in support of Senate Bill # 2289. I will try an answer any questions the committee may have.