2015 HOUSE FINANCE AND TAXATION

HB 1056

2015 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
Fort Totten Room, State Capitol

HB 1056
1/12/2015
#21833
Subcommittee
☐ Conference Committee

Committee Clerk Signature Mary Brucker

Explanation or reason for introduction of bill/resolution:

A Bill relating to mail ballot elections for rural fire protection district increased levy approval.

Minutes: Attachment #1

Chairman Headland: Opened hearing on HB 1056.

John Walstad, Legal Director, Legislative Council: Introduced bill. This bill simply relates to rural fire protection and increased levy authority. It allows a rural fire protection unit, upon a petition signed by 20% of the electors in the district, to increase its maximum levy from five mills to thirteen. The petition process is also unique rather than an election. For obvious reasons is that rural fire protection district boundaries don't really match up with other political subdivisions' boundaries per purposes of holding an election. The committee examining this couldn't really figure out how to address the issue but was concerned about a minority determining how much can be levied. It was suggested that rather than the petition process a mail ballot election process could be substituted. It is patterned after water resources districts mail ballot election. I think it would be appropriate if this bill was to pass that it adds section 57.1526.3 could be repealed.

Vice Chairman Owens: Without 57.1526.3, are you saying that we're eliminating the 20% by doing the mail ballot but you're recommendation is to repeal that section anyway or would that 20% still be in effect?

John Walstad: It comes down to a question of legal interpretation. That language would still be sitting in 26.3 but this would no longer refer to it and would instead say the rate limit is five mills. And it grandfathers in any increased rates already in place under the current provision. Otherwise this sets a different method of providing for an increase.

Chairman Headland: Any further questions? Further support for 1056? Any opposition?

Brian Paulson, Assistant Chief of the Jamestown Fire Department: Opposition. We feel there is a current practice in place that is handled quite well. We didn't feel that getting our board into an election process is favorable. A good majority of the fire departments in Stutsman County are at the five mills; there is one or two over that. The dollar amounts you're talking about in these smaller departments just aren't that large. The cost alone in trying to have that special election to mail out ballots would be high.

Chairman Headland: You are aware there is a lot of conversation on how large these property tax bills are getting? Fire protection districts are part of that problem. You really don't believe that asking for just a majority of the people within the district to support an increased levy is unfair, do you?

Brian Paulson: No. We advertise our quarterly meetings for the districts and one annual meeting that provides all the financial statements. In the 15 years that I've been involved with the district there wasn't many that came in questioning.

Chairman Headland: Would you be okay with the school district or the county being able to ask for excess levy authority with 20% of the people signing the petition?

Brian Paulson: That's a different situation. They operate off more of a mill than we do. My tax statement at home is over 100 and some mills.

Chairman Headland: Any questions for Mr. Paulson?

Vice Chairman Owens: How many people are in this rural fire district? How many would it take to sign a petition for 20 percent in your estimation?

Brian Paulson: I believe we are at 4,000 so at 20% it would be 800. For an example, the Gackle Fire District wanted to raise their mill levy temporarily so they could build a new fire house and they did. They went out and got signatures in their district by going house to house.

Vice Chairman Owens: So they went door to door and I'm assuming that when they got 20% they went forward?

Brian Paulson: I wouldn't know.

Representative Haak: In the 15 years you've been doing this have you been contacted in other ways other than the open meetings you had?

Brian Paulson: No.

Chairman Headland: Any further questions? Further opposition?

Rob Knuth, Assistant Chief of the Minot Rural Fire Protection District: In 1985 Minot Rural was attempting to purchase a new updated station. At the time we were working out of a Quonset. We increased our mills and we are sitting at 13 mills right now. In this bill it states every five years the fire protection district will have to conduct a mail in ballot vote to continue the current mill levy, if we don't it will automatically drop to five mills. One of our concerns is the cost to conduct these mail orders. The last three pages are exactly how we are to run the mail ballot election. We have newspaper ads, self-addressed envelopes, and so on. Our district board is concerned of the cost added to our normal operating budget. In regards to the comment made earlier, Minot Rural Fire Protection District we have eight townships represented. Each township elects a representative on the board for each of

their townships. We feel they are being represented. The district board determines our annual budget. Minot Rural Fire Protection District is authorized 13 mills. I can't tell you the last time we actually pulled 13 mills. Every year our chief and our district board submits our budget that we require to maintain the current level at which we are operating. Once that request goes in the county auditor looks over what the taxable valuation is and determines our budget. We don't know what's going to happen next year. We need to have what we're going to maintain where we're at right now and if the taxable valuation is in excess of five mills that will put us in a position where we won't be able to continue operating at that level and will have to make some cuts somewhere else.

Chairman Headland: I can understand the cost of mailing out a ballot election process but is it anything less than fair to ask for at least a simple majority to agree with the fire taxing district members that the money is needed?

Rob Knuth: I totally understand and it's not too much to ask. But they are afforded the opportunity as well by electing their representatives to the board then those individuals are the ones putting together how much it costs and what level of service is needed. We provide them with how much it's going to cost then they approve that budget. They are already giving us the approval to spend that money. Even though we are authorized to spend 13 mills we are only pulling the amount of mills we need to maintain where we are at and what has been approved by the district.

Representative Strinden: To your knowledge is there a reason why it has to be a mail ballot and can't be included in the general election?

Rob Knuth: As far as I know I think they were trying to make it as easy as possible.

Representative Strinden: But it could already be scheduled on an election?

Rob Knuth: I'm not an expert but I believe it could be possible but that would probably have to come from another office.

Chairman Headland: I'm assuming the timing of budgets and those things would prevent that from occurring.

Representative Schneider: When you raised your mill levy to 13 is there a trigger to bring that back down at a certain point in time?

Rob Knuth: To my knowledge there is no trigger. It was set in 1985 but I wasn't a member then so I can't tell you exactly what that ballot read. All I know is that it's been at 13 since 1985.

Representative Froseth: I think what we're seeing here is a division of sides. Minot Rural Fire District is a standalone agency. You don't share any services with the city of Minot Fire Department, do you?

Rob Knuth: We have a mutual aid agreement. If they require assistance, manpower, equipment, or water supply and things like that then we would fill in. We have a few

properties that have a mutual place such as the state fairgrounds and the elevator. The city of Minot funds their fire department and Minot Rural Fire District is a standalone other than the mutual aid agreement.

Representative Froseth: In Kenmare we have a local fire department and they share just about all their services with the rural fire department. I think it's a little more difficult for the rural townships to conduct an election when they don't have a principle place in the fire district to hold an election. All the township elections are held in someone's home. A mail ballot election seemed like the easiest thing to do in the rural district. I think we have a divide here based on populations and locations.

Vice Chairman Owens: I just want to clarify: there are eight townships and there is a township officer for your board elected in each township? And the election is done at a township meeting on a ballot?

Rob Knuth: I'm unsure how each of the representatives from each township is elected or selected. All we know is when there is an opening in a township the fire department sends a notification to the township president stating there is an open seat then we are notified the name of the representative to the fire district.

Chairman Headland: Currently there is a cap of 5 mills. Somewhere along the line this must have been deemed an appropriate revenue stream for a fire protection district. We know what's happening with taxable value and how the value of a mill has increased. Do you not think it's fair to have at least a majority of the people be able to express their opinion that they don't believe excess levy is no longer needed? Or at least have a majority of the people within a fire district say they believe they want to continue with excess levy? There is no mechanism today.

Rob Knuth: I'm in total agreement with you that it is only right that if you're going to tax an individual they should have a say in the matter. We're saying that through our budgets we've proven it takes x number of dollars to operate at the current level and that comes out to 8.9% like it did this time then we're going back down to a five percent. It's going to be devastating for a lot of fire departments. Minot Rural has one station on the south side of Minot and our district is growing east and north. We have to go around the city of Minot to get to the rest of our district. We're trying to acquire some more land to have a northeast station to accompany the expansion in that direction. We only have one paid employee and that's our chief. It is difficult for our volunteer employees to get away during the work day so we are asking for some part time employees to cover the work days. This would cause us to put these plans on hold. We're trying to provide the best support we can to the members of our district.

Chairman Headland: I want to thank you for your testimony and I want to thank you for what you do. I think all of us realize how important it is to have fire protection and how difficult it is to have this fire protection. We agree that the budget concerns you're expressing are valid however this bill doesn't really address the budget; it addresses the process in which you ask for increased levy authority and that's what this committee is going to be focusing on.

Rob Knuth: In Minot Rural Fire District we have 40 members. I'm the only member that actually lives in our district, the rest live in the city of Minot. Every year I look at my tax statement. My property value is approximately $300,000 and I pay $168 for fire protection a year.

Chairman Headland: Further testimony in opposition?

Allan Klein, Chief of Bismarck Rural Fire Department: Provided written testimony in opposition. See attachment #1.

Chairman Headland: Could you briefly explain to the committee what qualifies a fire district as a rural fire district? It seems to me that if you have 18,000 people you're taking care of you're not really rural.

Allan Klein: When a rural fire district was formed the local landowners got together and formed an area where they wanted a fire district and followed a process to get it. Over time as population continues to grow people are moving out into the country and building their homes.

Chairman Headland: It does in some respects but the way you're funded is completely different I would assume.

Allan Klein: The way we are funded is as Mr. Knuth explained. We write up a budget and submit it to the county auditor. I'm not sure how the city budgets are funded.

Chairman Headland: Any questions for Mr. Klein?

Representative Schneider: Is there an association or group position of any kind that has an opinion on this bill?

Allan Klein: I only found out about this bill on Saturday. There are two main fire groups in North Dakota; North Dakota Fire Chiefs Association and North Dakota Firefighters Association. These groups have not met to discuss the bill. I think the fire districts represented in this room are against it.

Representative Haak: Do you know how many rural fire departments have full time firefighters similar to yours?

Allan Klein: I would be guessing but I think about six. They have a combination of some paid and some volunteer. There may be more but I know there are at least six.

Vice Chairman Owens: Can you tell me how your board of directors is made up and how do you become a director?

Allan Klein: Our board of directors serves the township that they own property in and live in. At the annual rural fire district meeting they are nominated and elected from people in their township. The entire board votes on this.

Chairman Headland: Any other questions for Mr. Klein? Further opposition?

Rex Weltikol, Fire Chief for Minot Rural Fire Department: We cover about 7,000 in our district. When we have to cover calls for other departments it raises our costs. I have to send my guys and trucks out as every fifth fire is someone else's call. This would be detrimental to my department. We need to have another station and we need to hire people. I am in opposition of this bill.

Chairman Headland: Do you believe the people who reside in your fire district would be opposed to paying for their protection which is really what they would be doing in allowing an extra levy authority. Shouldn't they have a say?

Rex Weltikol: They should have a say however, most of those people are just happy to have fire protection. If this wouldn't pass we would probably end up having to charge the customer.

Representative Froseth: I think one of the problems that brought this bill forward is the low threshold of 20 percent. Do you think your department would be opposed to increasing that to 50% approval on the election?

Rex Weltikol: I myself would. It is all driven by the questions I'm asked about mill levies, and things like that. Most people don't understand what you're asking for nor do a lot of people actually want to participate unless they are needed. Once I tell people to look at their tax statement to see what they're paying they don't think it's so bad.

Representative Haak: You said you would have to pass the cost on to the customer. What would it cost a customer for you to come out and put out the fire in their house?

Rex Weltikol: It depends. You're average engine nowadays cost about $300,000 without the equipment on it. Ladder trucks are close to a million dollars. It would be very difficult to determine the cost. Fire protection is cheap insurance.

Representative Strinden: Right now you would need 20% of the people to sign the petition, if you had a mail in ballot what percentage of the people living in your district would send in that ballot?

Rex Weltikol: I don't think I could really answer that. I'm in the fire service so I know I'm going to answer that ballot. A lot of the people in that area aren't even home; they are working in the oil field.

Representative Hatlestad: First I want to thank you for what you do. You're at a maximum of 13 mills? Should the people at some point in time have the opportunity to review and see what you do to deserve to continue to get those 13 mills?

Rex Weltikol: I can't speak for all the departments. In my fire department we've talked about that. We've talked about dropping some of our mills. We are only asking for 8.9 for this next budget, we are just allowed up to 13 so I'm not just asking for 13 mills. If my

operating cost went down the mill levy would also go down because I would no longer need that much money.

Chairman Headland: Is there any other opposition? Seeing none we will close the hearing on HB 1056.

2015 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
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HB 1056
1/14/2015
21949

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature Mary Brucker

Explanation or reason for introduction of bill/resolution:

A Bill relating to mail ballot elections for rural fire protection district increased levy approval.

Minutes:

Chairman Headland: This is the bill that deals with the rural fire protection districts. What direction does the committee want to go?

Representative Dockter: Through all testimony the question was asked if they think it's unfair to have a majority vote and every one of them said that it's fair. That's what this bill is requiring of them; to be able to go up to 13 mills. I don't see it as a problem.

Representative Strinden: I agree with Representative Dockter but I believe that the mail in ballots every five years is kind of a burden on the small departments. I don't know if we want to change it at all or change it to every five years or take that part out and leave the 50% majority.

Representative Hatlestad: I agree that we need the 50% or the 50% plus one. The five year issue is an issue. Allow it to remain in effect until someone petitions to call for an election. Once it's there it stays until someone petitions to bring it down.

Chairman Headland: I don't think we can do that or there's no sense in having the bill today because that's what they do today. They have their extended levy and they haven't had to address it. It takes away the whole meaning of the bill if we're going to allow for that. I don't think that's an option. Does anybody believe that having an election where you have people with a poll is less of a burden?

Representative Hatlestad: I still think frequency is an issue. Every five might be too much or too soon.

Chairman Headland: Does anybody recall what we've done with extending levy for other taxing districts? Have we allowed more than five years? Is there anyone who wants to work on this further? I'm ready to pass this out if nobody has any ideas to bring in the form of an amendment.

Representative Steiner: John Walstad said it was patterned after water election districts. One of my concerns is that our rural districts around me are stressed out for volunteers right now. I'm really nervous saying the state is going to change the rules for them and find a person to mail out all those ballets. I don't want to stress them anymore than what they are now. I don't really see a problem. If the taxpayers aren't up in arms over this then why are we going to stress these districts out? Has anybody else heard if there's a problem?

Chairman Headland: I think there may be a couple cases of a problem where it's viewed that they have access to the extended levy and they were able to do it by 20% petition and now they refuse to address and they continue to upgrade equipment spending a lot of money. Taxes for a piece of property are also very large. I don't believe it's more than 20-25 that even have extended levies.

Representative Dockter: If they want the extra money they should have to go through a process in order to inform and get the approval by the taxpayers. If they choose not to and keep the five then there is no stress to their district.

Representative Mitskog: I asked Mr. Walstad how much of a problem this is and he said it's happening more than you think. They are raising those levies and staying there no matter if they need it or not. The pressure now is going to be on mill consolidation and bringing down mills so across the board every taxing entity is going to have to be looking inward to see if they really need to be taxing the full amount. Its needs versus wants.

Chairman Headland: I agree with you and that is one of the areas of reform that taxpayers are demanding. They want the ability to have some say. Today in a fire district they don't. The other thing we need to remember is that last session we appropriated all the money from the insurance reserve fund to the rural fire districts. That's a lot more state money they are going to receive than they have in the past. I understand how hard it is to recruit volunteers. I think we've tried to do some things in the past that have helped in that area.

Representative Hatlestad: I think it was the one in Minot that said they had 13 mill authorizations but only spent 8.9 so I don't have a problem with spending that.

Representative Schneider: I didn't find anyone in support of this and I had four people strong in opposition. Is that irregular?

Chairman Headland: That is not irregular in a case like this. You're not going to get opposition except from property taxpayers. I wouldn't expect we would see a lot of individuals protesting that their fire department is taking too much money from them.

Representative Mitskog: I think there is some disparity and I don't know if we can treat them all the same based on the size of the departments and such.

Chairman Headland: It almost seems that rural fire protection district does not fit for the rural district when you talk about 18,000 people within a district. However, when you think

about the amount of property associated with that many people you see what their mills generate; it's a lot of money.

Representative Haak: I have a question on the bill. Do they need a majority of the people in the district to turn in the mail to levy the additional levies? They have to have a 50% turnout or more?

Chairman Headland: That's the way I understand it. I think we need to dig into this to make sure it's correct. Or it could be 50% of the people who vote.

Representative Haak: Because otherwise for the people elected in 2014, 47% turned out so none of them would be elected.

Representative Haak: I think it would be a majority of the ones turned back in and not a majority of the electors because we can't control who votes and who doesn't. I would be willing to work on an amendment to address that.

Chairman Headland: You can certainly do that.

Representative Trottier: It appears there is not a real problem now. If people have a problem then why don't they just go to their board meetings and address it there? Legislation is trying to take over what locals can take care of themselves.

Chairman Headland: In reality they can't take care of it themselves. There is no mechanism in century code today that allows for a discussion on extended levy. The only people that can do that are the people who are appointed to the fire districts board. There really isn't a process other than an appointment by the township for that.

Representative Trottier: Can locals go their board and demand change?

Chairman Headland: They can but that doesn't always mean they get what they ask for.

Representative Haak: They could run for the board themselves, couldn't they?

Chairman Headland: I suppose they could. The reality is there's a problem that hasn't been sufficiently addressed and it was brought to us to do something and the interim committee brought this to us. You can work on the amendment or maybe our intern could draft this amendment for us.

Representative Hatlestad: If 20% of the electorate can sign the petition to raise it then why can't 20% petition to lower it?

Chairman Headland: In theory I think they could but I don't know if that's written in code. That's not what we're addressing here. We could allow for that amendment if you want to address that in here.

Representative Hatlestad: I would like to see at least half, 50% plus one, to make the decision whether you're going up or down.

Chairman Headland: In most situations now if it's modeled after water, it's written into that request for extended levy. For a five year period I don't think they're allowed to change their mind. They would have to ask for that extension otherwise they would go back down to the five mills.

Vice Chairman Owens: We are bouncing around two sections of the law. What happens when we create 181007 about 50% then they go to 5715263 and sees that five mills and they can do it on 20% of the elector? If we don't repeal that or change that in conjunction with this...

Chairman Headland: We should have someone from the tax department explain this to the committee.

Chairman Headland: Asked Dan Rouse, Legal Counsel for Tax Commissioner to come to the podium. Vice Chairman Owens is questioning the way the bill is drafted.

Vice Chairman Owens: Asked why some of the language was eliminated in the bill. If we don't repeal 57 then it says that a rural fire district may level a tax in accordance with 1810 which now we've changed the rules. There are two pieces of law that says how you can raise it.

Representative Froseth: I don't know which testifier it was that suggested we add repeal to this bill section.

Vice Chairman Owens: That's what I'm saying; we either have to repeal something or we have to change something.

Dan Rouse, Legal Counsel for Tax Commissioner: I think it's still a work in progress. It's going to have to be clarified before you continue. I can carry that message back to John Walstad as this was one of his products.

Chairman Headland: Vice Chairman Owens, do you want to take care of this?

Vice Chairman Owens: Yes Mr. Chairman.

Representative Schneider: Are we sure the five years is connected to something that we don't want to deviate from or can we inquire on whether it can be ten years for instance? I share concern for volunteers here. I would feel differently if there was some support on the issue or if the five years was in line with something else.

Chairman Headland: You're free to draft an amendment that addresses that if you choose, or have one drafted. It looks like we need to continue work on this bill. Have your amendments drafted.

2015 HOUSE STANDING COMMITTEE MINUTES

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HB 1056
1/20/2015
22238

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Explanation or reason for introduction of bill/resolution:

A Bill relating to mail ballot elections for rural fire protection district increased levy approval.

Minutes: Attachment #1

Chairman Headland: Representative Haak was going to offer us an amendment.

Representative Haak: Distributed proposed amendments 15.0147.01006. See attachment #1. The first amendment for the committee to consider makes a few changes. On page 1 line 22 it changes it from five taxable years to ten taxable years.

Chairman Headland: We have another amendment that is very similar. Is that all your amendment does Representative Owens? He was just repealing the same section 571526.3 that you were. Does everybody understand Representative Haak's first amendment?

Representative Dockter: I also have amendments that would be different. Do you want me to pass them out or just wait?

Chairman Headland: Are they exactly the same or similar?

Representative Hatlestad: I'm not sure that we want to repeal section 571526 because that sets the base of five mills.

Chairman Headland: That's what we're here to discuss. We're open to discussion on Representative Haak's amendment. 571526.3 gets rid of the five mills?

Representative Haak: I asked John Walstad to get me an amendment to change it from five to ten and this is what he gave me.

Vice Chairman Owens: Just to clarify, 571526 is in conflict with this law right here if we vote this bill through because it identifies the five mills but it also talks about the board of director and that's where the 20% of qualified electrics are. We have to delete this and put this bill in. I knew there was a catch to it. I thought the same thing, Representative

Hatlestad. We would create a conflict in law if we don't repeal it because we have one section that says you have to mail out ballots and the other section says you need 20% by petition. If we're going to do something new we have to repeal this one.

Chairman Headland: Do we have amendments that are dealing specifically with 571526.3 in and of itself. If we're going to look at changing the process on how you get extended levy like this bill does maybe we need to address that first because that seems to be the center of the change in this bill.

Vice Chairman Owens: I had asked for two amendments; one that just did that and one for an alternative. I got two alternatives so I didn't get one of the amendments I had asked for. It was just to repeal 571526 in case that's all we wanted to do.

Chairman Headland: It makes it difficult for us to move forward when the amendments before us are not exactly what we had offered. Representative Haak, does your amendment do what you wanted it to do?

Representative Haak: I would like my amendment to change it from five taxable years to ten taxable years.

Chairman Headland: Did you also want to repeal the section of code that deals with the petitions and allow for a vote by mail?

Representative Haak: Yes, Mr. Chairman.

Chairman Headland: We can vote on Representative Haak's amendment, 01006. Discussion?

Representative Steiner: (inaudible as microphone wasn't on)

Representative Hatlestad: I think what it says is that the approval by a majority of electors voting in the mail ballot. If 20 people vote and 11 of them actually vote then you have a majority.

Chairman Headland: What lines are you reading that on?

Representative Hatlestad: Lines 22 and 23 on page one.

Chairman Headland: It appears it's a simple majority of those who mail in there ballot.

Representative Klein: After seeing how simple this is, why are we moving it from five to ten?

Chairman Headland: We haven't voted to move that amendment yet. That is one representative's offering. We are here to discuss it so now is your time to offer up a rejection to that particular language if that's what you wish.

Representative Strinden: It was my understanding that the people who came and testified and people who emailed me were concerned with the amount of work because it's not just about tallying the votes; they would have to send out a ballot to every single person in the district. Some of the districts are shared between two counties so they would probably have to get the secretary of state's office involved to make sure that everybody who's voting is qualified to vote. It seems that it is pretty labor intensive to do the mail in ballot. Some of us feel that five years is maybe too short. I heard seven or ten being whispered and I think that's where this amendment comes from.

Chairman Headland: You're right. The problem is that within a fire district when you cross into multiple counties it's hard to put together a time when it doesn't add cost to have a poll open then too and that's why the reason for a mail in vote in the same ways as they set up for a water district.

Representative Froseth: I think the main contention from the fire districts was the cost of conducting a mail ballot. I'm not sure how that petition method works. I presume someone has to get signatures on the petition. I think it would be less onerous for the fire department to get a bunch of volunteers and contact the people to get them to sign the petition rather than a mail out ballot which would cost more. I don't think I would support anything with a mail in ballot. I would just change the number of signatures on the ballot that has to come back.

Representative Mitskog: Is it ever appropriate to go to the departments that have the expertise, like the secretary of state's office?

Chairman Headland: I think it is always appropriate to get the answers to your questions no matter what they may be or who you get the answers from. It appears to me that there's a lot of work to do on this bill yet before we start talking about amendments. We are all over the board now. I would prefer that if we can get together and come to some kind of consensus or ideas. Some of us would prefer to stick with a mail in ballot; some would prefer to stick with gathering signatures on a petition process.

Representative Haak: I thought about this a long time and I know some prefer the mail ballots and some prefer the petitions. I have an amendment that would give them the option of mail in or petition by a majority. The fire department could make that decision on what they prefer.

Representative Trottier: What is the real problem we're dealing with here? Is it a real simple one or a matter of one or two things we're trying to address?

Chairman Headland: Do people believe that it is unfair to allow 20% of the electorate that reside within the fire district to sign a petition that would increase the tax over what the cap is for an extended period of time? If everybody on this committee believe it is fine that this small amount of people should be able to do it then maybe we should just kill the bill but if people believe that it should take more than 20% then we need to do that. I really don't care. I have a problem with a small number like 20% being able to increase my taxes without me having a say in it. I think that's where this bill started in the interim. This bill is not in very good shape; at least not in its original version.

Representative Froseth: I think we should probably keep the bill alive. I kind of like the suggestion from Representative Haak to leave both options in the bill and send it to the senate that way then maybe we would have a conference committee with a good discussion. I would work on an amendment to do that. I would probably leave the provisions of the mail ballot and change the provisions of a petition to 40 or 50 percent.

Vice Chairman Owens: We heard it was about getting taxed and not getting a say and only 20% getting to do it. That was the main complaint about this bill. It seemed like to me the simple way out was to change 20% to a majority and let them keep doing the petition because they have a system. If we wanted to do the and/or then let them do it but I still think a majority of the petition is still required.

Representative Strinden: I like the idea of putting both in. A lot of these fire departments don't have enough help especially during the week days. I think that by giving them the option is a great solution. I really think that five years is too short of a time. I feel that continually forcing them to ask people for what they've already said yes to seems like a lot of work to make them do but if they had to do it every ten years then I'd be okay with that.

Representative Kading: In Arizona you have to get a private company to cover your fire service and to get that it costs between $400-1,000 per year depending on the size of your house. Minot Rural Fire said it costs $168 per house which seems pretty cheap compared to some other jurisdictions.

Chairman Headland: Would you feel that way if you had 20 parcels of property?

Representative Schneider: A majority seems pretty high. We could tie it to a percentage of the people who voted in the last election. We actually have the minority deciding for us all the time because people don't vote all the time.

Representative Hatlestad: I think we're looking at an excess mill levy. They already have five guaranteed and they're asking for up to thirteen. Does that make a difference in length of time or numbers?

Chairman Headland: That's for this committee to decide.

Representative Dockter: I would be in favor of a majority. In testimony all the rural fire departments agreed that it should be a majority but we need to decide how we're going to do it; either by mail or petition?

Chairman Headland: I agree with you. I would not support anything less than a majority for passing excess tax levy. I'm wondering if we can agree to address the two issues of concern through amendments; the length we're going to allow for extended levy and the process of how you get extended levy. Would the committee agree that those are our points of contention? We need to start over with amendments and have them focus on one area instead of putting all the issues in one amendment. Those interested in moving forward with amendments should get going with that.

Vice Chairman Owens: If we are in agreement that it's going to be an either or situation then we have to repeal that older section because you're moving everything over into eighteen.

Chairman Headland: Do you want a sub-committee to work on this?

Representative Trottier: I really feel we're addressing a problem that is not there. I would **move for a Do Not Pass.**

Representative Steiner: Seconded.

Chairman Headland: I'm going to reject the Do Not Pass motion because I served on the interim tax committee. I believe there are issues across the state in certain fire districts that need attention.

Representative Steiner: I'd like to see what the specifics of that would be because I didn't have the opportunity to serve on the interim tax committee but I have yet to have any complaints from anybody who says their fire district has taken advantage of them or they feel their mill is too high. Maybe there are one or two but I'd like to see where the outrage is.

Chairman Headland: You're correct; they didn't show up here for the hearing.

Vice Chairman Owens: During the interim I served on this committee and I don't recall other than legislators saying what they encountered. I don't remember anyone appearing on this for testimony. I supported it coming out because of the 20% issue. I'll have to resist this motion because I strongly believe the 20% shouldn't make the decision but I agree that there is little to no problem out there.

Representative Mitskog: I remain very supportive of rural fire districts; they serve a very valuable and difficult service. I think the taxpayers need some kind of opportunity to weigh in. I wonder if the overall goal is to allow more input from taxpayers and trying to attempt to get our property taxes lowered.

Chairman Headland: I agree with you and I think it's premature to kill this bill. I'm hopeful the committee will follow the chairman on this particular vote and vote against a do not pass.

Roll call vote: 8 yes 6 no 0 absent
Motion carries for Do Not pass.

Representative Trottier will carry this bill.

Chairman Headland would like to hold on to this Do Not Pass for further discussion from the committee.

2015 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
Fort Totten Room, State Capitol

HB 1056
1/21/2015
22319

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature	Mary Brucker

Explanation or reason for introduction of bill/resolution:

A Bill relating to mail ballot elections for rural fire protection district increased levy approval.

Minutes: No attachments.

Representative Trottier: Made a motion to reconsider our actions from January 20, 2015.

Representative Steiner: Seconded.

Motion carries.

Representative Froseth: I'm having an amendment drafted but it isn't ready yet. The amendment will make it optional for the rural fire districts to have a mail ballot for a state primary or general election and instead of five taxable years it will be eight taxable years.

Chairman Headland: I think that it's important that we address this issue. There really is no ability from a property taxpayers' perspective to ever remove the excess levy whether it's needed or not.

Representative Froseth: One other thing I included was that it needed a majority vote, not a 20% threshold they have now with the petition process.

Vice Chairman Owens: Is it your intent to change this section of 181007 to do it that way?

Representative Froseth: I believe that's right. It would take out section 181007 which is the section that calls for the mail ballot. That might stay in; it might just be revised.

Vice Chairman Owens: That was my only point. That's fine if it stays in here but then you have to repeal 571526.3. That was the whole point. If you don't we're in conflict between the two sections.

Representative Froseth: John Walstad is preparing an amendment. I'm sure he'll put that in the amendment.

Representative Schneider: When you're talking about majority, you're talking about the majority of the people voting?

Representative Froseth: I believe that's the way any majority vote works unless it specifically states that it's a majority of those eligible to vote.

Representative Hatlestad: Is there a petition required to put the excess levy on the ballot or is it just authorized by the board of directors?

Chairman Headland: I think the petition is required to allow the authorization by the board of directors. That will be changed in what we're talking about.

Representative Froseth: I think that would work like any school board election; if the school board wants to put an issue on the ballot for an increased mill levy that can be done by a decision of the school board or the city council as far as I know.

Chairman Headland: Let's just set this bill aside and wait for the amendment.

2015 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
Fort Totten Room, State Capitol

HB 1056
1/26/2015
22549

☒ Subcommittee
☐ Conference Committee

Committee Clerk Signature Mary Brucker

Explanation or reason for introduction of bill/resolution:

A Bill relating to mail ballot elections for rural fire protection district increased levy approval.

Minutes: Attached amendments #1

Chairman Headland: We have this bill back in committee. Representative Froseth has an amendment.

Representative Froseth: Distributed amendments 15.0147.01007. See attachment #1. This amendment gives rural fire districts the option of either holding a mail ballot or putting the issue on a primary or general state-wide ballot. It will require a majority vote to pass. It will still give the smaller fire districts the option of using a mail ballot.

Representative Klein: You changed the five years to eight years.

Representative Froseth: Yes. If they have an election for an increased mill levy that increase will be in place for eight years rather than five.

Representative Schneider: We've had quite a bit of opposition on this bill. Was there any move by you or others to get the input from the fire departments or others who were opposing this bill?

Representative Froseth: No, not really.

Representative Schneider: Is there any harm into getting some input or some simpler way to find out what the fire departments think about this?

Chairman Headland: This bill will cross the hall and these people will have ample opportunity to make their case to the senate committee if this bill were to pass the floor of the house. I think this is one of the reforms that was discussed in the interim and when it was brought to our attention there was absolutely no option for a taxpayer that once 20% of the people signed the position to discuss and object to excess levy by a fire district. I think this is a good amendment and would ease the burden of a mail in ballot election for a rural fire district that has a lot of people. I'm going to support it.

Representative Klein: Made a motion to Adopt Amendments 01007.

Representative Toman: Seconded.

Voice vote: Motion carries.

Chairman Headland: We have amended bill 1056 before us.

Representative Froseth: Made a motion for a Do Pass As Amended.

Representative Klein: Seconded.

Representative Schneider: Is it really necessary after these being set for so long to rush this through without being able to get input from people who oppose this? We get the amendments and have a couple minutes to read them but we have no opportunity to get input from the taxpayers or other people who are affected by them. Perhaps we could have an amendment in a day then vote on it or have some notice that we're voting on the bill so we can act appropriately. I came here to represent people, not just to act on my own accord especially with my experience.

Chairman Headland: We've got 80 days to do a lot of work and if we held every amendment that was offered that allowed the public to come in and express their opinion on every amendment we wouldn't ever get done. That's not how the process has worked around here in the past. They will have an opportunity to address this amended version of the bill in the senate if it was to pass the house floor and that is the process that is in place. We have to be able to move on. You're going to have to make your decision based on the information you know on whether you're going to support the bill or not.

Representative Schneider: With all due respect, Mr. Chairman, this bill has been sitting in the file for quite some time and I don't think it's unreasonable to ask that we be able to have some contact with people who are knowledgeable about the very significant change in this. I'm sure Representative Froseth is absolutely right that it's a good change but I think there are ways to accommodate both the needs to move ahead quickly and the needs to be able to get the correct information to make good decisions which is something I think we all want.

Chairman Headland: You're objection in moving this forward is noted in the record.

Representative Mitskog: This is a unique situation. (Inaudible as microphone was not on) Our local officials who are in charge of elections have stated there are difficulties because of the boundaries that are crossed to try and capture that vote. I have questions for the secretary of state that would be relevant to that. I want to do what is right. I don't want to hand strap these rural fire districts because of the service they provide. I haven't heard good information of what is the correct way for citizens to be able to express their opinions on this very important tax policy.

Chairman Headland: My response would be that this committee has so much time to work on these bills. There is an opportunity for the public to come and express their opinions in a senate hearing that will be held in another month on this bill. That will give them ample time to go to the attorney general and seek any information they need to seek out. It will give the public reasonable time. For those of us who have been here I think we've grown accustom to understanding the need to move things along. I understand that you just got the amendment; we just got it as well. I would be more than happy if you want to make some phone calls. You can ask the person who made the motion to withdraw and hold it another day but we just can't hold onto some of these bills any longer. We're going to move this bill out one way or another in the next day or so.

Representative Froseth: Withdrew motion for Do Pass As Amended.

Representative Klein: Withdrew second.

Representative Froseth: This is one of the bills that came through the finance and taxation committees in the interim and was heard several times. When we move a bill forward through the interim committee it has to have two reveals before we take action on it. I agree that the departments didn't have time to look at this amendment but that happens all the time. If the senate amends it again and we don't agree with it then it will go into a conference committee. They would have the opportunity to come to that conference committee and submit more testimony.

Representative Mitskog: I fully agree with the intentions of the interim tax committee; it's about transparency. All these groups need to do their part but I'm not sure what the right method is for rural fire departments because they are unique. I will ask some questions of the secretary of state and our local groups and will bring back that information tomorrow.

Representative Froseth: Property taxes are tough for everybody. I believe one of the first issues is that property taxes were meant for fire protection and things of that sort. It's a basic use of people's property. The people that are paying the tax should have the opportunity to decide how much tax they want to levy. I don't think that petition system was very fair to the taxpayer.

Chairman Headland: We will set this one aside until tomorrow.

2015 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
Fort Totten Room, State Capitol

HB 1056
1/28/2015
22755

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature	Mary Brucker

Explanation or reason for introduction of bill/resolution:

A Bill relating to mail ballot elections for rural fire protection district increased levy approval.

Minutes: Attachment #1

Representative Froseth: Have we made all the proper motions to reconsider the bill and the amendments?

Chairman Headland: Yes we did.

Representative Froseth: We had a Do Pass As Amended and I withdrew the Do Pass but I don't know if we completed the entire process to take back the amendments also.

Chairman Headland: I believe we did. We have it on record that you withdrew your motions and so did Representative Klein. Mr. Walstad, Representative Mitskog has an amendment.

Representative Mitskog: Distributed proposed amendments. See attachment #1. This is difficult to figure out what is the best way for our fire district if there is going to be an increase in the levy. I had discussions with some local people, the secretary of state and Mr. Walstad. My amendment gives the rural fire district the option of notifying their taxpayers, qualified voters, of an increase either through the mail or through a notification in the newspaper. It would then require them to hold a meeting in addition to their annual meeting but specifically to go over their budget and explain the increase in the mills. At that time they could hold an election at that meeting. They could distribute paper ballots and have an election then have a majority. I don't want to set rural fire departments up to fail. I think we want to try and give those citizens and taxpayers an opportunity to express their concerns. Maybe people will show up for it but I think it's a doable process.

Chairman Headland: I think if nobody shows up for the meeting you'll have two or three people making the decision for excess levy authority and I think that's even worse than the 20% requirement of the qualified electors. I will resist this amendment.

Representative Kading: Could you clarify if they have to do the 20% petition and this meeting?

Representative Mitskog: Just the meeting.

Representative Klein: If you only get a small percentage showing up at the meeting it would make it worse.

Representative Mitskog: Maybe. I think the concern with 20% of the petition is that they would be hand selecting. In this process everybody would be notified so everybody would have an opportunity to show up. I think this would help the rural fire districts be more prepared and be transparent in sharing their budget.

Representative Froseth: In all reality it wouldn't be any different than any other election. If you had a mill levy increase for the school board and you called a meeting by notice the same way you're doing here and if 100 people show up then those 100 people dictate what the whole school district is going to do.

Representative Mitskog: We have to bring some uniformity to this process and stop treating certain entities different the rest of the political subs.

Chairman Headland: I think that's an argument in this bill; we're allowing notification either through a mail out notification or it to be placed in the newspaper. A lot of people probably don't get the newspaper. I think this is making it easier for small majority to exercise levy authority on the larger majority. I'm going to oppose this.

Representative Hatlestad: I would like to see the entire fire district have the opportunity to vote at a general election. I think the board of directors could put the proposal on the board of the increase then everyone would have an opportunity to vote.

Representative Mitskog: The secretary of state said it could be done but in the local level it's going to be difficult to verify the qualified voters. Rural fire district boundaries are so irregular and often cross multiple counties.

Chairman Headland: It was withdrawn because of the protest that some thought it wouldn't be workable. I think it would be workable. I think that county auditors can work together when fire districts cross county lines.

Representative Strinden: I think it might be easier to get a yes vote at a general election. At a general election you have more of a sample. I don't like or dislike this bill but I think that a general election tends to get more yes votes for tax raises than a special meeting like this might.

Chairman Headland: When people vote they are heard and sometimes people don't always like the result of the vote but I don't think they really question the vote when everybody gets that opportunity. We have an amendment before us. What are your wishes?

Representative Mitskog: Reality is that I'm trying to find something the rural fire departments can work with. **I will make a motion to Adopt the Amendment 15.0147.01009.**

Representative Strinden: Seconded.

Representative Steiner: I agree that it's good to have notice to the public but I'm concerned that if people don't show up there's such a small number voting. I'm going to resist this.

Vice Chairman Owens: I think this is taking this bill in the opposite direction of where we wanted to go. I appreciate the focus on uniformity but I don't think I can go in this direction.

Voice vote: Motion Failed.

Chairman Headland: In the effort in moving this along I would like to have the discussion on keeping the proposed signature requirement except changing the level. Let's have discussion to increasing the 50% level.

Representative Strinden: I'm not sure if that fixes the problem either because they could go to 50% of their constituents but never talk to the other 50% so there are other people who didn't have a say in it.

Vice Chairman Owens: But once you have 50% saying yes then it really doesn't matter anymore.

Representative Strinden: But if you have 50% in an election everybody knew that they could come and have their input. If you just go to 50% of the houses and talk to 50% of the people then you're only getting 50% of the people the chance to have a say.

Representative Froseth: I'm so confused on this bill now I don't even know where we're at. The way the bill came to us changes it to a mail ballot election. Do we now have to eliminate section two?

Chairman Headland: It would take more than that because the bill has been drafted where that section is repealed or supposed to be repealed.

Vice Chairman Owens: The reference Representative Froseth is looking for is on page 1 lines 17 that says 20% of the qualified electorates residing in the district is where the petition came from. When that was lined out it created this whole thing about mail in ballots and what not and never repealed that section. If we amended it we would have to amend to repeal that. All our amendments had the repeal on the back end. If we just want to change that we could just hog house this and change this section.

Representative Klein: According to my notes we had approved the amendments the Representative Froseth brought and then we didn't take final action on it.

Chairman Headland: They are not because you and Representative Froseth both withdrew your motions.

Representative Froseth: I would like us to make that change and get it out of here. We can't find any middle ground. We can just change the petition process to 50% or 40% or whatever and let it go.

Chairman Headland: Will you get the amendment drafted?

Representative Toman: I think part of the problem was excess taxation and perpetuity with the 20% petition so if we raise the petition to 50% we are still raising excess taxes in perpetuity with no way to go back.

Chairman Headland: That's a point but it would have been in what I suggested the language taking a petition in five years.

Representative Froseth: Mr. Walstad, will you draft that amendment as we discussed? To go back to the original law we have now and just change the 20% to majority.

John Walstad, Legislative Counsel: No you wouldn't sign the petition if you were against it. The people on the petition have to number a majority of the known qualified electors residing in the district. To know that number would be complicated too.

Representative Froseth: Twenty percent would be complicated too.

Representative Trottier: What do they currently do? The board meets and they have a limit of 13 mills then the board acts on it?

Chairman Headland: No they have a limit of five mills. They have to put a request for extended levy authority.

John Walstad: I'm not sure how they get those petitions circulated.

Representative Hatlestad: The auditors send out tax notices to everybody so you should have a list there already. Wouldn't that take care of it?

John Walstad: Not necessarily. You don't know how many qualified electors are at that residence.

Representative Mitskog: There's a lot of out of state property owners who could care a less about fire protection because they own cropland and whatever. Who verifies the qualified electors?

Chairman Headland: For purposes of trying to move this bill along, what would the committee think if we kept it at 20% requirement and put in a requirement that they have to do this every couple years?

Representative Dockter: I think we need to make it simple majority. It's working at 20%, it can work with simple majority. It's simple math; it's 20 to 50 plus one.

Representative Toman: Can I make a motion to amend the current statute in a hog house amendment to make it simple majority every five years and not change the petition process?

Chairman Headland: I think before you move that we should get the amendments drafted. We can't send a bill to floor without having the amendment drafted. If you don't want to wait and you feel comfortable doing it you can vote but it's easier to vote on something when you know what's in it. Representative Toman, get that amendment in quickly.

2015 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
Fort Totten Room, State Capitol

HB 1056
2/2/2015
22978

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature	Mary Brucker

Explanation or reason for introduction of bill/resolution:

A Bill relating to mail ballot elections for rural fire protection district increased levy approval.

Minutes:

Attached amendment #1

Chairman Headland: It's been brought to my attention that we have to take action to pull off Representative Froseth's amendments.

Representative Froseth: MADE A MOTION TO RECONSIDER ACTIONS AND TAKE OFF AMENDMENTS DATED JANUARY 21, 2015.

Vice Chairman Owens: SECONDED.

VOICE VOTE: MOTION CARRIED.

Representative Toman: Distributed amendments 15.0147.01010. See attachment #1. This amendment is to use the current section of law which is a 20% petition and change it to a majority for five years. This isn't perfect for me but it's more palatable.

Chairman Headland: It expands the petitions to a simple majority of the electors within the fire district and then it limits it to any excess levy to five years.

Representative Klein: MADE A MOTION TO ADOPT THE AMENDMENT.

Representative Dockter: SECONDED.

Representative Kading: My amendment is the same exact thing so I'm open to what the committee wants to do. If we accept this amendment my amendment won't be relevant.

Chairman Headland: Do we think it needs to be higher than 20% and go to a majority or do you think that 20% is workable.

Representative Dockter: I think we have to have simple majority.

VOICE VOTE: MOTION CARRIES TO ADOPT AMENDMENT .01010.

Vice Chairman Owens: MADE A MOTION FOR DO PASS AS AMENDED.

Representative Toman: SECONDED.

Representative Haak: I'm going to resist the do pass. Every fire department we heard from said five years is not enough time. I would like to further amend to either eight years or ten years, whatever the committee would be willing to look at.

Vice Chairman Owens: WITHDREW MOTION OF DO PASS AS AMENDED to allow for discussion of the new amendment.

Representative Toman: WITHDREW MOTION.

VOICE VOTE: MOTION CARRIED.

Representative Haak: MADE A MOTION TO ADOPT AMENDMENT CHANGING IT FROM FIVE TAXABLE YEARS TO EIGHT TAXABLE YEARS.

Representative Froseth: SECONDED.

VOICE VOTE: MOTION CARRIED TO ADOPT THE AMENDMENT.

Representative Kading: MADE A MOTION TO FURTHER AMEND CHANGING THE SIMPLE MAJORITY TO 35% OF QUALIFIED ELECTORS.

Representative Mitskog: SECONDED.

VOICE VOTE: MOTION FAILED.

Representative Klein: MADE A MOTION FOR A DO PASS AS AMENDED.

Vice Chairman Owens: SECONDED.

Representative Schneider: Does the approval of the qualified electors include a vote so we could have either the petition or the vote?

Chairman Headland: I believe it says receipt of a petition by a majority of qualified electors. That would limit it to a petition I believe.

Representative Schneider: I'm guessing that most of us in this room were not elected by a majority of the electors in our district. I'm for the concept but I think it's a pretty high bar.

Chairman Headland: I think you'd be correct in saying that it will take one more than half the people that live there.

Vice Chairman Owens: With this last amendment we've completely wiped out the mail out ballot or going to the polls; we've returned it back to its original form, petition. All we've done is saying you can't do it off of 20% you have to have a majority. Once they get a majority of the people saying yes they don't need to go on. Now its eight years instead of five years so it's even longer. Right now there is no time limit on it so once they get it approved its indefinite and that was the problem.

Representative Mitskog: How do these larger areas do this and get the majority?

Chairman Headland: The beauty of this is that if it passes the floor they will have the opportunity to go to the senate.

ROLL CALL VOTE FOR DO PASS AS AMENDED: 9 YES 4 NO 1 ABSENT

Representative Haak will carry this bill.

15.0147.01007
Title.

Prepared by the Legislative Council staff for
Representative Froseth
January 21, 2015

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1056

Page 1, line 4, after the semicolon insert "to repeal section 57-15-26.3 of the North Dakota Century Code, relating to rural fire protection district increased levy approval;"

Page 1, line 8, after "**levy**" insert "**- Conduct of election**"

Page 1, line 22, replace "five" with "eight"

Page 1, line 23, after the first "in" insert "an election held in conjunction with a primary or general election or in"

Page 2, line 2, replace "five" with "eight"

Page 2, after line 18, insert:

"If the board of directors chooses to place a levy increase authorization or reauthorization question on the ballot at an election held in conjunction with a primary or general election, the board of directors shall enter an agreement with the governing body of the county or counties in which the district lies concerning the use of a single canvassing board, the sharing of election personnel, the printing of election materials, the publishing of legal notices, and the apportioning of election expenses. When a district enters into an agreement with the county to hold the district election in conjunction with the county election, the deadline for giving notice of the district election may be adjusted to meet the publishing requirements of the county. Each district board of directors that enters into an agreement with the county must notify the county auditor, in writing, immediately after the filing deadline on the sixty-fourth day before the election of any measure to appear on the ballot."

Page 3, after line 30, insert:

"**SECTION 3. REPEAL.** Section 57-15-26.3 of the North Dakota Century Code is repealed."

Renumber accordingly

15.0147.01009
Title.

Prepared by the Legislative Council staff for
Representative Mitskog
January 27, 2015

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1056

Page 1, line 1, remove "to create and enact section 18-10-07.1 of the North Dakota Century Code,"

Page 1, line 2, remove "relating to mail ballot elections for rural fire protection district increased levy approval;"

Page 1, line 4, remove "increased"

Page 1, line 4, after the semicolon insert "to repeal section 57-15-26.3 of the North Dakota Century Code, relating to rural fire protection district levy limits;"

Page 1, after line 19, insert:

"The board of directors may be authorized to increase its levy to a tax rate not exceeding thirteen mills per dollar of the taxable valuation of property in the district for a period not exceeding five taxable years by majority vote of qualified electors in attendance at a meeting called to consider authorizing such an increase and for which, at least fifteen days before the meeting, the secretary of the board of directors has either mailed notice of the time and place of the meeting and the amount of the mill rate increase to be considered to each qualified elector known by the secretary to be residing in the district or caused publication of a notice of the time and place of the meeting and the amount of the mill rate increase to be considered in the newspaper or newspapers of general circulation where the district is located and in the official newspaper of each county in which the district is located. The secretary of the board of directors shall prepare and distribute paper ballots to conduct the election on the question of increased levy authority and three election judges to count the ballots must be selected by nominations by qualified electors in attendance."

Page 1, line 19, after "authority" insert "for a levy exceeding five mills"

Page 1, line 22, remove "Upon approval or reauthorization by a majority of electors of the district"

Page 1, remove line 23

Page 2, remove line 1

Page 2, line 2, remove "in the district for a period not exceeding five taxable years."

Page 2, line 2, overstrike "The" and insert immediately thereafter "Any"

Page 2, line 2, after "tax" insert "levied under this section"

Page 2, remove lines 19 through 31

Page 3, replace lines 1 through 30 with:

"**SECTION 2. REPEAL.** Section 57-15-26.3 of the North Dakota Century Code is repealed."

Renumber accordingly

Prepared by the Legislative Council staff for
Representative Toman
January 29, 2015

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1056

Page 1, line 1, remove "to create and enact section 18-10-07.1 of the North Dakota Century Code,"

Page 2, line 2, remove "relating to mail ballot elections for rural fire protection district increased levy approval;"

Page 1, line 4, after the semicolon insert "to repeal section 57-15-26.3 of the North Dakota Century Code, relating to the levy limit for rural fire protection districts;"

Page 1, line 18, after "district" insert "except upon resolution adopted by the board of directors after receipt of a petition by a majority of the qualified electors residing within the district, the levy may be made in an amount not exceeding thirteen mills. After July 31, 2015, approval or reauthorization by petition of electors of increased levy authority under this section may not be effective for more than five taxable years"

Page 1, line 18, remove the overstrike over "~~No signature on the petition may be considered valid if made~~"

Page 1, line 19, remove the overstrike over "~~more than ninety days prior to receipt of the petition.~~"

Page 1, line 20, after "directors" insert "after petition of electors"

Page 1, line 22, remove "Upon approval or reauthorization by a majority of electors of the district"

Page 1, remove line 23

Page 2, remove line 1

Page 2, line 2, remove "in the district for a period not exceeding five taxable years."

Page 2, remove lines 19 through 31

Page 3, replace lines 1 through 30 with:

"**SECTION 2. REPEAL.** Section 57-15-26.3 of the North Dakota Century Code is repealed."

Renumber accordingly

15.0147.01012
Title.02000

Adopted by the Finance and Taxation Committee

February 2, 2015

SK 2-2-15

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1056

Page 1, line 1, remove "to create and enact section 18-10-07.1 of the North Dakota Century Code,

Page 1, line 2, remove "relating to mail ballot elections for rural fire protection district increased levy approval;"

Page 1, line 4, after the semicolon insert "to repeal section 57-15-26.3 of the North Dakota Century Code, relating to the levy limit for rural fire protection districts;"

Page 1, line 18, after "district" insert "except upon resolution adopted by the board of directors after receipt of a petition by a majority of the qualified electors residing within the district, the levy may be made in an amount not exceeding thirteen mills. After July 31, 2015, approval or reauthorization by petition of electors of increased levy authority under this section may not be effective for more than eight taxable years"

Page 1, line 18, remove the overstrike over "~~No signature on the petition may be considered valid if made~~"

Page 1, line 19, remove the overstrike over "~~more than ninety days prior to receipt of the petition.~~"

Page 1, line 20, after "directors" insert "after petition of electors"

Page 1, line 22, remove ". Upon approval or reauthorization by a majority of electors of the district"

Page 1, remove line 23

Page 2, remove line 1

Page 2, line 2, remove "in the district for a period not exceeding five taxable years"

Page 2, remove lines 19 through 31

Page 3, replace lines 1 through 30 with:

"**SECTION 2. REPEAL.** Section 57-15-26.3 of the North Dakota Century Code is repealed."

Renumber accordingly

Date: 1-20-15
Roll Call Vote #: 1

2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1056

House Finance and Taxation Committee

☐ Subcommittee

Amendment LC# or Description:

Recommendation:
☐ Adopt Amendment
☐ Do Pass ☒ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐

Motion Made By Rep. Trottier Seconded By Rep. Steiner

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN HEADLAND		✓	REP HAAK	✓	
VICE CHAIRMAN OWENS		✓	REP STRINDEN	✓	
REP DOCKTER		✓	REP MITSKOG		✓
REP TOMAN		✓	REP SCHNEIDER	✓	
REP FROSETH	✓				
REP STEINER	✓				
REP HATLESTAD		✓			
REP KLEIN	✓				
REP KADING	✓				
REP TROTTIER	✓				

Total (Yes) 8 No 6

Absent 0

Floor Assignment Rep. Trottier

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

* HOLD per chairman.

Date: 1-21-15
Roll Call Vote #: 1

2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1056

House Finance and Taxation Committee

☐ Subcommittee

Amendment LC# or Description: _____

Recommendation: ☐ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☒ Reconsider ☐ _____

Motion Made By Rep. Trottier Seconded By Rep. Steiner

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN HEADLAND			REP HAAK		
VICE CHAIRMAN OWENS			REP STRINDEN		
REP DOCKTER			REP MITSKOG		
REP TOMAN			REP SCHNEIDER		
REP FROSETH					
REP STEINER					
REP HATLESTAD					
REP KLEIN					
REP KADING					
REP TROTTIER					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Voice Vote = Motion carries

Date: 1-26-15
Roll Call Vote #: 1

2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1056

House Finance and Taxation Committee

☐ Subcommittee

Amendment LC# or Description: 15.0147.01007

Recommendation: ☒ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐

Motion Made By Rep. Klein Seconded By Rep. Toman

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN HEADLAND			REP HAAK		
VICE CHAIRMAN OWENS			REP STRINDEN		
REP DOCKTER			REP MITSKOG		
REP TOMAN			REP SCHNEIDER		
REP FROSETH					
REP STEINER					
REP HATLESTAD					
REP KLEIN					
REP KADING					
REP TROTTIER					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Aye – Motion carries.

Date: 1-28-15
Roll Call Vote #: 1

2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1056

House Finance and Taxation Committee

☐ Subcommittee

Amendment LC# or Description: 15.0147.01009

Recommendation: ☒ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐

Motion Made By Rep. Mitskog Seconded By Rep. Strinden

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN HEADLAND			REP HAAK		
VICE CHAIRMAN OWENS			REP STRINDEN		
REP DOCKTER			REP MITSKOG		
REP TOMAN			REP SCHNEIDER		
REP FROSETH					
REP STEINER					
REP HATLESTAD					
REP KLEIN					
REP KADING					
REP TROTTIER					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Voice vote = Motion failed.

Date: 2-2-15
Roll Call Vote #: 1

2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. D56

House Finance and Taxation Committee

☐ Subcommittee

Amendment LC# or Description: Rep. Froseth
Take off amendments

Recommendation: ☐ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☒ Reconsider ☐

Motion Made By Rep. Froseth Seconded By Rep. Owens

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN HEADLAND			REP HAAK		
VICE CHAIRMAN OWENS			REP STRINDEN		
REP DOCKTER			REP MITSKOG		
REP TOMAN			REP SCHNEIDER		
REP FROSETH					
REP STEINER					
REP HATLESTAD					
REP KLEIN					
REP KADING					
REP TROTTIER					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Voice vote: Motion carries

Date: 2-2-15
Roll Call Vote #: 2

2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1056

House Finance and Taxation Committee

☐ Subcommittee

Amendment LC# or Description: 15.0147.01010 (Rep. Toman's)

Recommendation: ☒ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Rep. Klein Seconded By Rep. Dockter

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN HEADLAND			REP HAAK		
VICE CHAIRMAN OWENS			REP STRINDEN		
REP DOCKTER			REP MITSKOG		
REP TOMAN			REP SCHNEIDER		
REP FROSETH					
REP STEINER					
REP HATLESTAD					
REP KLEIN					
REP KADING					
REP TROTTIER					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Voice Vote = Motion carries

Date: 2-2-15
Roll Call Vote #: 3

2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1056

House Finance and Taxation Committee

☐ Subcommittee

Amendment LC# or Description: 5 taxable years to 8 taxable years

Recommendation: ☒ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Rep. Haak Seconded By Rep. Froseth

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN HEADLAND			REP HAAK		
VICE CHAIRMAN OWENS			REP STRINDEN		
REP DOCKTER			REP MITSKOG		
REP TOMAN			REP SCHNEIDER		
REP FROSETH					
REP STEINER					
REP HATLESTAD					
REP KLEIN					
REP KADING					
REP TROTTIER					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Voice vote = Motion carries.

Date: 2-2-15
Roll Call Vote #: 4

2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1056

House Finance and Taxation Committee

☐ Subcommittee

Amendment LC# or Description: Rep. Kading 35% of qualified electors

Recommendation: ☒ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Rep. Kading Seconded By Rep. Mitskog

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN HEADLAND			REP HAAK		
VICE CHAIRMAN OWENS			REP STRINDEN		
REP DOCKTER			REP MITSKOG		
REP TOMAN			REP SCHNEIDER		
REP FROSETH					
REP STEINER					
REP HATLESTAD					
REP KLEIN					
REP KADING					
REP TROTTIER					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Voice vote = Motion FAILED.

Date: 2-2-15
Roll Call Vote #: 5

2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1056

House Finance and Taxation Committee

☐ Subcommittee

Amendment LC# or Description: 15.0147.01010 Rep. Toman's

Recommendation:
☐ Adopt Amendment
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☒ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐

Motion Made By Rep. Klein Seconded By Rep. Owens

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN HEADLAND	✓		REP HAAK	✓	
VICE CHAIRMAN OWENS	✓		REP STRINDEN	AB	
REP DOCKTER	✓		REP MITSKOG		✓
REP TOMAN	✓		REP SCHNEIDER		✓
REP FROSETH	✓				
REP STEINER	✓				
REP HATLESTAD	✓				
REP KLEIN	✓				
REP KADING		✓			
REP TROTTIER		✓			

Total (Yes) 9 No 4

Absent 1

Floor Assignment Rep. Haak

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

REPORT OF STANDING COMMITTEE

HB 1056: Finance and Taxation Committee (Rep. Headland, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (9 YEAS, 4 NAYS, 1 ABSENT AND NOT VOTING). HB 1056 was placed on the Sixth order on the calendar.

Page 1, line 1, remove "to create and enact section 18-10-07.1 of the North Dakota Century Code,

Page 1, line 2, remove "relating to mail ballot elections for rural fire protection district increased levy approval;"

Page 1, line 4, after the semicolon insert "to repeal section 57-15-26.3 of the North Dakota Century Code, relating to the levy limit for rural fire protection districts;"

Page 1, line 18, after "district" insert "except upon resolution adopted by the board of directors after receipt of a petition by a majority of the qualified electors residing within the district, the levy may be made in an amount not exceeding thirteen mills. After July 31, 2015, approval or reauthorization by petition of electors of increased levy authority under this section may not be effective for more than eight taxable years"

Page 1, line 18, remove the overstrike over "~~No signature on the petition may be considered valid if made~~"

Page 1, line 19, remove the overstrike over "~~more than ninety days prior to receipt of the petition.~~"

Page 1, line 20, after "directors" insert "after petition of electors"

Page 1, line 22, remove ". Upon approval or reauthorization by a majority of electors of the district"

Page 1, remove line 23

Page 2, remove line 1

Page 2, line 2, remove "in the district for a period not exceeding five taxable years"

Page 2, remove lines 19 through 31

Page 3, replace lines 1 through 30 with:

"**SECTION 2. REPEAL.** Section 57-15-26.3 of the North Dakota Century Code is repealed."

Renumber accordingly

2015 SENATE FINANCE AND TAXATION

HB 1056

2015 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
Lewis and Clark Room, State Capitol

HB1056
3/11/2015
Job #24632

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature	Alice Grove

Explanation or reason for introduction of bill/resolution:

Relating to rural fire protection district increased levy approval; relating to the levy limit for rural fire protection district; and to provide an effective date.

Minutes: Attachment #1, #2

Vice Chairman Laffen opened the hearing on HB1056. All committee members present, except Sen. Cook.

Emily Thompson, Legislative Council Staff Atty., testifying in a neutral capacity and to explain the provisions of HB1056. This was one of the bills brought forward by the interim taxation committee. This bill relates to rural fire protection districts ability to levy excess mills. This bill arose after the interim taxation committee's review of testimony received both by the property tax task force regarding its broad review of the various levy limitations as well as discussion surrounding levies requesting by unelected governing bodies. (Emily reviews the bill, meter 1:30-5:44).

Opposed testimony:
Robert Knuth, Asst. Rural Chief, Minot Rural Fire Dept.-- (Attachment #1) (meter 6:30-**11:30)**

Sen Cook -- What is the mill levy of your fire district right now?

Robert Knuth -- Our budget was approved to pull 11.65. The board of directors determines the level of service they want us to provide. We provide them the cost. They develop their budget based off of that and submit it to the county auditor. The county auditor then tells us how many mills we are actually going to be pulling to meet that budget.

Sen Cook -- At some point you had a petition of 20% of the voters to raise your mills above the 5 mill cap?

Robert Knuth -- Yes, it was back in1985 when we had our new station built and it was petitioned then.

Sen. Cook -- Did you bond for that station?

Robert Knuth -- Not sure how it was actually done.

Sen. Cook -- When you get your property tax statement, does the 11.65 rural fire district mill levy show up on your statement or is it included in the county?

Robert Knuth -- When I receive my tax statement, as a resident, I pay $168/year for fire protection from the Minot Rural Fire Protection and it tells me the mills.

Sen. Cook -- And that is an individual line on your tax statement?

Robert Knuth -- In Ward County, yes it is.

Sen. Dotzenrod -- It seems to me that one of the points that you are trying to make here is that the requirements that the legislature seem to want to impose here is to either have a signed petition or to have a mail-in ballot, you are feeling that if you comply with the laws that are currently there for you to meet, that since you have elected people there they should have the authority to be able to adjust that mill levy.

Robert Knuth -- Yes, in accordance with our current approved mill levy. I'm not saying that a fire protection district should have ultimate say in pulling 13, if they are currently authorized 8. If we have to petition and don't get 51% required, that's a concern. With a mail order ballot, our concern is the cost and will people respond. (meter 16:15-16:50).

Sen Dotzenrod -- I was under the impression that it was 50% of the ballots that were returned.

Robert Knuth -- The way we read it is 51% of the registered qualified electors.

Sen. Cook -- You are talking about the petition language. That petition language as the bill is right now requires 51% of your residents. But the mail ballot would only require a majority of those that voted. If that was clear, would you be for a mail ballot instead of this?

Robert Knuth -- If 1056 passes and we had to choose, one or the other, it would be a huge administrative cost to most of the fire departments, but as far as time, personally, I'd go with the mail order version. Our volunteers are strapped now.

Sen.Triplett -- A third option: when you send out the notice for the annual meeting that you would notice the annual meeting as the time for an election. That could be the polling place, and provide an option for those not attending to mail in their vote. Would that be an option?

Robert Knuth -- Absolutely, it would. If this bill passes, it would be a better option.

Sen. Triplett -- My idea was that it would combine the option, since the law already requires you to have an annual meeting.

Robert Knuth -- My bottom line concern is that no matter how the vote is done, what if those fire department districts do not receive the required 50%? (meter 20:44- 22:24)

Sen.Triplett -- Do you think the local fire departments would be responsible if we just said that all volunteer fire departments have the opportunity to levy up to 13 mills? Would those that don't need it be responsible?

Robert Knuth -- I can't speak for all of the fire departments. Our budget at Minot Rural is based off our needs and our district board takes the tax hit on their residents seriously. (Meter 23:36-24:08)

Sen. Triplett -- At these annual meetings, do you explain the value that they are receiving to the people attending?

Robert Knuth -- Our annual meeting, it takes 30 days to prep for it. We print out the number of volunteer hours spent in fire suppression, training, responding to calls. Our station is opened up. We have demonstrations on the services we provide.

Robert Wetzler, active member Minot Rural Fire Department for 29 years. (Attachment #2)
Urge a do not pass.

Sen. Cook -- The risk that you speak of would be zero risk unless the voters don't approve it. Is there a legitimate fear in your fire district that the voters would not approve this?

Robert Wetzler -- I think there is a legitimate fear that people, if asked, or petitioned to raise a mill levy, they will probably say no. If they have a mill levy that they are already working with, like a city or county does, you don't always vote on the mill levies that a council passes every year. I elect my representatives but I don't vote for the mill levy.

Sen. Cook -- But every local government has a cap. If they want to go over the cap they have to go to the people to get permission. And that is what we are talking about: the cap.

Robert Wetzler -- The current mechanism for that cap is in place. This is a change. (Meter 30:17-30:53)

Sen. Unruh -- I was born in I984, If I were living in that fire district, don't you think it would be appropriate that I would have the opportunity to vote on whether or not I feel it is appropriate for my rural fire district to be levying that 13 mills rather than the 5?

Robert Wetzler -- I'd say that it wouldn't be unusual for you to want to do that but if you were receiving good service, would there be a need for that?

Larry Kotchman, State Forester for North Dakota -- While I have the utmost respect for legislation that comes out of the interim taxation committee, I did express concerns about anything that might hamper the ability of our rural fire protection districts to provide service across North Dakota. I wanted to point out that their efforts depend greatly on the support

that they get from the rural levels with taxation but also from federal grants and other kinds of funding sources. The North Dakota Forest Service has provided funding to the rural fire protection districts for many years and we just received information the other day from the U.S. Forest Service that we may experience an 83% cut in volunteer fire assistance. Each year that makes possible about 75-100 grants that go out on a 50/50 cost share basis for buying equipment and training for rural fire protection districts. We would encourage you to do what you can to be supportive of the excellent work that they do.

Sen. Cook -- Did you say you were going to receive an 83% cut or that you may receive?

Larry Kotchman -- At this point it said that we were going to receive an 83% cut but we are going to be visiting with the appropriators at the federal level about that and expressing our concerns.

Sen. Cook -- It's in a piece of legislation?

Larry Kotchman -- In a change of funding formula, as well.

Sen. Triplett -- How much are the grants currently, statewide?

Larry Kotchman -- This past year in FY14, we received $391,000 for volunteer fire assistance.

Glen Lueck, Lidgerwood Rural Fire Protection District, Past President of ND Fire Fighters Association --
My fire district is located in southwestern part of Richland County and southeastern part of Sargent County. The bill as it states now means our fire fighter have to take extra time from their jobs to get a petition signed, mail out ballots, whatever. Our district is similar to many other small districts located throughout the state. We presently operate on 11.1 for tax purposes. This brings in approximately $83,000 to $85,000. Fire districts cannot bill for fire runs. (meter 35:26-39:32) We think this is a bad bill.

Sen. Oehlke -- Your district is a multi-county area, how many multi-county districts in the state?

Glen Lueck -- I don't know.

Sen. Oehlke -- Your district is big, Do you feel that there is any area of your district that is not represented on your fire department by a volunteer fire fighter? Do you think there is anybody out there that doesn't understand what you do and what you are spending?

Glen Lueck -- Yes, one of the larger. We cover approximately 280 sq. miles. We have elected officials from each township in our district. We have fire fighters from most, not all. Our district is very open about what we take in and what we spend.

Sen.Dotzenrod -- Should this bill be amended to make this vote be at the annual meeting whether or not to extend for 8 years? Would that be ok?

Glen Lueck -- We typically find that we have not many people attend our annual meetings. They trust that the first district board is doing their job.

Sen. Cook -- What is your current mill levy?

Glen Lueck -- 11.1

Paul Tijum, Buffalo Fire Chief -- Our district consists of the city of Buffalo and 6 townships circumventing Buffalo. (meter 43:24-44:15) We have 9 miles of BNSF rail running right through our district, right through the village of Buffalo. (meter 44:25-46:51) Our budget is 9.72 mills. Right now, a mill levy in Cass County is worth $5,145. That gives us a total budget of about $50,000/year. (meter 47:13-52:38)

Sen Cook -- We need to understand the issue that is before us: that is whether or not the voters should have a right to voice their opinion as to whether or not an excess mill levy should still be levied. That is the only issue. Every political subdivision that has this, it's changing for them.

Sen. Triplett -- You mentioned needing to be NFPA compliant, does that relate to the ISO rating that the previous speaker spoke to? And, what is that relationship?

Paul Tijum -- Yes, it does. The ISO is out of Chicago and it's the Insurance Services Office. Every department in the country has to report to them to get an insurance rating. They look at your water supply, your members, how you are dispatched, your equipment, your apparatus, your miles consumed in your district and they make a determination 1-9 where they rate you.

Larry Severson, North Dakota Township Officers Assoc. -- I have to agree that a 50% petition would be an impossible goal. I would recommend that you use something like our excess levy at the annual meeting.

Rex Weltikol, President N.D. Fire Chiefs Assoc. and Minot Rural Fire Department Fire Chief -- (meter 54:50-55:18) The people have a say every year at the annual meeting. The board will take into consideration the thoughts of the people. Out of the 376 fire departments, I see maybe 50 of them drawing 13 mills.

Sen. Dotzenrod -- Part of the logic is the idea that you could establish a mill levy and it would never go away. That's part of the problem we are trying to solve. Most mill levies have an expiration date. I'm hearing that the fire departments would like to have authority to get to a certain mill levy and never have the voters have a chance to express their opinion to change that. Is that what I'm hearing?

Rex Weltikol -- I don't believe so because the voters all have a say at the annual meeting. They can come and state their opinion to the boards that they have elected to that position.

Casey Rogstad, full-time officer with a rural fire protection district -- I'm here to speak in opposition as a concerned citizen and not on behalf of my fire department. HB105 will negatively affect public safety. (meter 58:50-1:03:33)

Sen.Oehlke -- Insurance has been mentioned several times, you also get an insurance distribution from the state of ND. How much was your distribution this year?

Casey Rogstad -- I don't know what it was for this year. Around $160,000.

Sen. Oehlke -- A couple of years ago that distribution was changed so you got significantly more dollars. Was that figured into a reduction in the mills necessary to keep you alive or was it just added in? I think a lot of departments felt like we should have been getting this anyway for a long time. Was that your feeling?

Casey Rogstad -- I believe that was the feeling.

Brandon Fitterer and I am a career fire lieutenant for a rural fire protection district. I come before you today not as a representative of my fire department but as a concerned citizen. (meter 1:04:56-1:08:20)

Sen. Cook -- Where is your fire district?

Brandon Fitterer -- I work for Bismarck Rural Fire Department.

Sen. Dotzenrod -- You talked a lot about having to reduce spending, but the current law provides a maximum of 13 mills; the provisions of this bill call for a maximum of 13 mills, so whether you use the new law or the old law, it's the same. Are you suggesting that the public doesn't support the work that you do?

Brandon Fitterer -- No, that's not what I'm saying. The point I want to get across is that there's been a lot of talk, and especially from Sen. Triplett here, on how to obtain the votes necessary to do that. It's not that I'm against the thought of obtaining the votes but the process. The idea of going door to door, 5800 housing units, we don't have the time. And then there's the mail-in ballot. That's almost 6000 homes.

Sen. Dotzenrod -- You are okay with the bill with the 13 mills, it's just the process to get to the 13 mills. If we did what's been suggested, to have the vote at your annual meeting, you would be in favor of the bill?

Brandon Fitterer -- Absolutely.

Chairman Cook -- An hour and 10 minutes and we finally get to something.

Sen. Laffen - Do you finance any of your buildings or equipment or do you save up money and pay cash?

Brandon Fitterer -- As of right now, I don't believe that anything is financed, but I can only speak personally.

Chairman Cook closed the hearing on 1056.

2015 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
Lewis and Clark Room, State Capitol

HB1056
3/16/2015
Job #24905

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature	Alice Grove

Explanation or reason for introduction of bill/resolution:

Committee work

Minutes:

Chairman Cook opened the committee work on HB1056

Sen. Dotzenrod -- Based on the hearing we had here the other day, I was thinking that we would allow them to have a vote at their annual meeting with the understanding that maybe it needs to be clarified that the notices that they are required to have in the paper, that notice would have to include reference to the mill levy under consideration and that would be voted on at that meeting. The two choices that are in the bill right now are to either do the 51% sign-up on a petition or to do the mail-in ballot. Based on the hearing, I didn't think we want to put those fire departments in the position where they are spending a terrific amount of time trying to get this mill levy in place and then having it expire and then having to do it over again. Is the committee okay with 8 years, or more or less?

Sen Laffen -- I don't believe rural fire departments can actually bond for equipment. So the way they buy equipment and buildings is through their operating levy which is the one that we are talking about. I don't know how you cut that off at some point, if they've got debt. I'm struggling with that issue.

Sen. Dotzenrod -- I think there is a separate section that deals with the purchases of road maintenance equipment by townships where we, in code, specify the period of time over which they finance. I think there is a limit in the law in statute of 7 or 8 years. We could maybe consider something like that that if they obligate themselves for payment of a new piece of machinery that we set a time period in there. If we set it at 10 years and made the mill levy good for 10 years that might be one way to do it. (meter3:14-3:50)

Sen. Cook -- Remember, the only question here is whether or not once they get the extra mill levy authority, should they go back to the people that pay the tax and get permission to keep going. That is the only question.

Sen. Laffen -- I think they should go back. The problem, though, is that when they say "no" and they are financed with that fire truck for three more years, than what do they do?

Sen. Cook -- I think they should go back too. I think that the taxpayers probably would take that into consideration. It could be a problem now if there is some existing debt that's going to be financed for more than 8 years. In the future I don't think they can get financing for more 8 years.

Sen. Laffen -- They won't finance it for longer than 8 years but if you are into the 6th year and you have anything that needs 3 or 4 years, you can't even attempt to finance now because you've got that vote coming in a couple years.

Sen Dotzenrod -- Maybe we could allow them to, after some period of time, they need to have assurance that it's going to be available and they have the option. I think if you just said 8 years or sooner.

Sen. Cook -- We'll talk to Walstad.

Sen. Unruh -- I am still thinking that I don't mind the mail ballot requirement. I'm still not convinced that all of the electors are going to actually go to the actual meeting. I like mail ballots. I may support it without a mail ballot option but Sen. Triplett and a group of us were talking that the rural fire district in her area already sent out a notice for an annual meeting. They could easily include a mail-in ballot in there. I know the fire fighters aren't a big fan of that but I think that is a good opportunity for all of the electors voices to be heard.

Sen. Cook -- I favor a mail ballot over anything else. Thinking back to this interim, what just came to my mind when we're having this discussion is how difficult it was to find anybody who could to the committee and speak on behalf of rural fire fighters. We had the state fire marshal come. There is no organization. We couldn't find anyone to reach out to. Now the mail ballot has flushed some people out. The House changed it to a majority of the people and that flushed some more people out.

Sen. Bekkedahl -- To follow up, is some of the trepidation out there on the mail ballot that people will mail back a response without being present at the meeting where there is a better explanation of the need, or what is the trepidation with the mail ballot?

Sen. Cook -- Expense. The problem is two-fold: one is it only took 20% of the taxpayers to impose a tax; and number two, once it was imposed there was absolutely no means to ever get it off. You could leave it on perpetual. You work on that amendment. I would hope that if you go down that road, ballot is secret, no show of hands. And that there is a time certain on the day of their annual meeting where maybe somebody could vote not just that evening at the meeting but come in during the day. You want to make it easy for voters to vote.

Committee work closed.

2015 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
Lewis and Clark Room, State Capitol

HB1056
3/24/2015
Job #25303

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature	Alice Grove

Explanation or reason for introduction of bill/resolution:

Committee work

Minutes:

Chairman Cook opened the committee work on HB1056. All committee members present.

Committee work closed.

2015 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
Lewis and Clark Room, State Capitol

HB1056
3/24/2015
Job #25321

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature	Alice Grove

Explanation or reason for introduction of bill/resolution:

Committee work

Minutes: Attachment #1

Chairman Cook opened the committee work on HB1056.

Sen. Dotzenrod -- The amendments are the top one and they are stapled to the Christmas tree version. **(Attachment #1)**

Sen. Laffen -- Explain how the voting happens on lines 17-20. The voting is still a majority of the qualified electors, which is everybody, and it has to be at an annual meeting or a special meeting. So they have to get half of the people to come to a meeting?

Sen. Dotzenrod -- I thought that we had written this so that it was 51% of the ballots cast but it says the majority of the qualified electors residing. That's not right.

Sen. Laffen -- I would suggest that they would never get that many people at a meeting.

Sen. Dotzenrod -- No, they would never. That needs to be changed. That's a quick catch there, Sen. Laffen. What John Walstad did was he took the petition language out and left the rest of the sentence that was associated with the petition and it should be by the majority of those in attendance as we said on line 10, of page 2. The language on page 2 says majority of qualified electors in attendance. That language should be on line 19.

Sen. Triplett -- Since you are talking about hours during which ballots may be cast, it may be better not to have the attendance on page 1, line 19, just to say and approved by a majority of the qualified voters voting on the question. You just delete residing within the district but don't add anything about attendance.

Sen. Dotzenrod -- Majority of the qualified voters?

Sen. Triplett -- The qualified electors. On page 1, the end of line 19, strike residing and on line 20, strike within the district. So then it would say approval by a majority of the qualified electors voting on the question.

Sen. Laffen -- I would suggest that with that kind of language, the rural fire departments are going to be able to round up enough people who have an interest to vote any way they want.

Sen. Cook -- I would also argue, though, that if there were some people there that thought they were abusing the 13 mill levies that they could round up enough people who agreed with them to, and that is what we're doing it for.

Sen. Triplett -- To that point, the concern that was expressed by some of the fire fighters here that maybe they would lose an election and then be dropped back to the 5 mills, one of the things that I was going to check on was what the minimum now is and maybe we should change that 5. If we've let this slide for 30 years, maybe the 5 is just way too low. Maybe we should set the default at 7 or 8 or something higher. Did you check into that Sen. Dotzenrod?

On page 1, line 17, the tax may not exceed a tax rate of 5 mills.

Sen. Dotzenrod -- I think 5 is a little low. (meter 8:39-9:33)

Sen. Laffen -- I can agree that 5 might be low but why do we think that airports can get by on 4, when a rural fire department needs 5? An airport has a full blown fire department with gear that is way more expensive than a rural fire department. I have always wondered why in North Dakota we are keeping the big 6 airports…

Sen. Cook -- They have other sources of revenue though.

Sen. Laffen -- They do. They have a lot of FAA grants that do a lot of their stuff.

Sen. Triplett -- 4 mills for a city raises a heck of a lot more money than 4 mills in a rural district, in terms of the valuation of the area from which they are gathering.

Sen. Laffen -- A rural fire department serves a much smaller area. And a lot of people outside of that city that don't pay those 4 mills.

Sen. Dotzenrod -- The only comment I would make is, if you look at the rural fire departments they do get some other income, they get a share of fire insurance premiums. Their roster of income sources is pretty short. What we heard in the testimony is their equipment, what they are using for many of them is pretty minimal and a lot of older equipment. And airports at 4 seems low too.

Sen. Laffen -- Recently saw some numbers that Bismarck is staring at a new runway which about 6 or 7 years ago was a $10 million project. It is now a $60 million project. The federal government used to fund those at a 90-10 match or even a 95-5. Those days are gone. The new Bismarck runway is now looking at a 50% match on a $60 million project.

The airports are dramatically changing from what they used to be. We are going to have start thinking of some way to fund them.

Sen. Cook -- What are you finding there, Sen. Unruh? Nobody has come here looking for an increase in their 5 mills. I tend to think that maybe we do this and if we're going to raise the 5 mills that's another bill for another day.

Sen. Triplett -- Sometimes people who testify aren't as creative. They didn't have paid lobbyist and if they had they would have thought of it. They did ask for it in their fear of: if they ever lost an election.

Sen. Unruh -- I've got rural fire protection mill levy amounts for 2012 here. They are all over 5.

Sen. Triplett -- Can you see what the lowest one is on the list?

Sen. Unruh -- 5.03 Mandan.

Sen. Cook -- Morton County?

Sen. Unruh -- Rural fire protection mill levy. Oh, these are just districts levying more than 5 mills for the general fund. That's why they are all over 5. There must be some that I don't have. It ranges from 5.03 up to 13. There are 6 that levy 13. The rest are below that. They are all listed as cities, not counties or areas.

Sen. Cook -- We've got to make some changes to this. Do we have any more changes? Did you just come up with that one? Should there be a certain amount of hours that the poll has to be open on that one day?

Sen. Unruh -- I was leaning towards that we should give them some type of timeframe because I think it is very important to make voting available for an extended period of time rather than just for the 2 hours at the meeting.

Sen. Dotzenrod -- Would that be like 9 to 5=8 hours? Most will open at 9.

Sen. Cook -- I don't want them open from 7 to 9. 1 to 8.

Sen. Unruh -- Should we set a minimum of 5 hours?

Sen. Cook -- 6 hours.

Sen. Bekkedahl -- It looks to me on page 2, line 4 may be the place for that definition.

Sen. Dotzenrod -- Yes, that's what I was looking at too, on line 4.

Sen. Cook -- Cole or Emily can do the wordsmithing.

Sen. Dotzenrod -- We're thinking 6?

Sen. Cook -- I'm happy with 6. Anybody else want a change?

Sen. Laffen -- I'm still nervous about the financing they would be able to do on buildings or apparatus. It's a 10 year renewal, so you go to vote and they ask for an increase in the levy for another 10 years, are we suggesting that any of their financing almost has to be done around that date so they don't put themselves in danger of losing their financing? (meter 17:50-18:20)

Sen. Cook -- I was hoping that there should be an opportunity for, on year 6, for example, to go back to a vote.

Sen. Laffen -- Just to extend it, though, not to stop the previous one?

Sen. Dotzenrod -- It would start a new time-clock.

Sen. Laffen -- They don't have the ability to petition and revert and go back to the 5 at any time? Once you put the increase in place, it's good for 10 years and there is no way of going back?

Sen. Dotzenrod -- Yes, that's my understanding.

Sen. Laffen -- So these rural fire districts are just going to have to time their equipment needs to time-out with this. They've got to make sure that they have the increase levy in place for that window that they are going to finance something.

Sen. Dotzenod -- And as far as the buildings go, they would have to use section 21-03, the bonding authority in century code, they still have that available to them for longer term projects. That would require voter approval?

Sen. Laffen -- That would require separate voter approval from this, so that would be unaffected then? If they vote on that and it's a 30 year bond that's in place and can't be taken out?

Sen. Dotzenrod -- Yes. I was at a spaghetti feed for Lidgerwood and I had a talk with their fire chief and he said that they had a fairly large expense back in the late 90's and they thought they better go to voters and get voter approval. They got this bonding election set up and they were in 2 counties and it was done during the general election in November and they got voter approval for the bonding. I asked John Walstad about that on Monday, and he said they can do that and these bills do not affect that.

Sen. Cook -- Can we doctor up this amendment? You've got 2 fixed to it?

Sen. Dotzenrod -- I'd like to have Cole work on the amendments. I'm thinking on line 19, to overstrike the word residing and on line 20 overstrike within the district, and on page 2, line 4, to include after the word, hours, a minimum of 6 hours.

One of the thoughts I had as I was working on this was that it seems you want to try to create a system that is fairly workable for the rural fire districts. (meter 21:59-22:56)

Sen Laffen -- I think the purpose of this bill was to say that these are not permanent mill levies.

Sen. Cook -- That's the only purpose.

Sen. Laffen -- I think everybody can agree to that. My concerns have always been to make it workable.

Sen. Cook -- We are going to stop there. We will come back briefly this afternoon to kick this one out.

2015 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
Lewis and Clark Room, State Capitol

HB1056
3/24/2015
Job #25356

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature	Alice Grove

Explanation or reason for introduction of bill/resolution:

Committee work

Minutes: Attachment #1

Chairman Cook opened the committee work on HB1056.

Sen. Dotzenrod -- You are not amending the Christmas tree version? Your amendments go on 2002.

Sen. Cook -- Do you want to hand them out?

Sen. Dotzenrod -- It looks to get the 6 hours, he just inserted an entire new sentence. **(Attachment #1)** He didn't just put a comma and some extra language.

Sen. Cook -- Page 1, line 19, took out residing within the district. I'm real comfortable.

Sen. Triplett -- I will move the amendment labeled 15.0147.02002.

Sen. Bekkedahl -- Seconded.

Sen. Cook -- No further discussion. All in favor signify by saying aye. Carried.
We have before us HB1056, as amended.

Sen. Bekkedahl -- I move a do pass on engrossed HB1056, as amended.

Sen. Dotzenrod -- Seconded.

Sen. Oehlke -- We will probably have just about every rural fire department in the state doing a special election in the next year, won't we? Because most of them probably have 10 years under their belt.

Sen. Cook -- Taxable years beginning after December 31, 2014.

Sen. Oehlke -- Are you saying they wouldn't have to have a vote until 2024?

Sen Unruh -- On the original bill, line 20, page 1, after July 31, 2015, approval or reauthorization by petition of increased levy authority may not be effective for more than 8 taxable years.

Sen. Cook -- We didn't change that, did we? 2025 would be the earliest they would have to have an election then?

Sen. Dotzenrod -- I see 5 taxable years on page 2, line 22.

Sen. Cook -- No. Page 1 of the original bill, line 20.

Sen. Dotzenrod -- I'm looking at the top of page 2, line 2.

Sen. Bekkedahl -- If you start on line 23 on page 1, carry it to line 24 and then go to page 2, I think that is the language Sen. Dotzenrod is referring to. It would put it at elections in 2020. Five years.

Sen. Dotzenrod -- Five taxable years.

Sen. Cook -- You are talking about the bill when you are talking about your lines?

Sen. Bekkedahl & Dotzenrod -- Yes, the original bill.

Sen. Cook -- I'm looking at the original bill and you are talking what line on page 1?

Sen. Bekkedahl -- Page 1, line 23. Additional levy authority authorized, after petition of electors before August 1, 2015 remains in effect under the provisions of law at the time the levy was authorized for the time period authorized by electors but not exceeding five taxable years.

Sen. Dotzenrod -- It would be 2020. And to clear up something that came up earlier in our discussion, if they get some additional authority and are several years into it and they want a new 10 years authorization, they can do that anytime.

Sen. Cook -- They could do in 2015.

Sen. Dotzenrod -- Right.

Sen. Cook -- Does that answer your question, Sen. Oehlke?

Sen. Oehlke -- I think it does.

Sen. Laffen -- I'd like to just ask a question along the same exact lines, just to make sure that I understand it. Or, does that line say that they 5 years from when the additional levy was authorized? I'm not sure I'm understanding how that is worded.

Sen. Oehlke -- Additional levy over…

Sen. Laffen -- At the time the levy was authorized, which could be 20 years ago.

Sen. Bekkedahl -- To me, that refers to any additional levy authority already in place, remains in effect. I understand where you are coming from, Sen. Laffen.

Sen. Oehlke -- I just don't want Sen. Unruh to be so old when she gets a chance to vote on this stuff.

Sen. Laffen -- If you continue reading that, it would be for the time period authorized by the electors which would have been unlimited.

Sen. Triplett -- That was going to be my point, it may be that some of these folks did an unlimited one so they may be limited by a term of years and in that case it would expire when it is set to expire which may be prior to 5 years, but if not then, at least at the end of 5 years.

Sen. Laffen -- That's not how I read it, though.

Sen. Cook -- That's how I read it.

Sen. Laffen -- Let's say 10 years ago they authorized one for 8 years.

Sen. Cook -- It's already expired.

Sen. Dotzenrod -- I'm going to guess that virtually none of the mill levy authority requested had an expiration date. (meter 10:30-10:43)

Sen. Cook -- This question came up that there could be some on there and what we are also trying to get around that there is some degree of desire that they could even name a time certain today yet. In other words, they could pass an increased mill levy tomorrow and the voters approve it for 20 years and then that would last for 20 years. That's not what the bill says here. I'm not concerned with that language, Sen. Laffen. If there is one out there that was passed for a time certain of 20 years, they've got 20 years left or whatever is left on the clock.

Sen. Laffen --But then it says it remains in effect, under the provisions of law, at the time the levy was authorized for the time period authorized by the electors but not exceeding 5 taxable years. Which means it would now be expired.

Sen. Cook -- Yeah, that's what it means.

Sen. Laffen -- If you had voted 10 years ago on a 20 year deal, this is going to make it zero.

Sen. Cook -- If you voted 10 years ago, you are going to get 5 more years, or 15.

Sen. Bekkedahl -- Not to confuse the issue, but does some of this also tie in with, didn't we have time period like this in 2144?

Sen. Cook -- That's all coming out.

Sen. Bekkedahl -- Oh, okay.

Sen. Cook -- Would you feel comfortable having John or Emily down here just to walk through this language?

Sen. Unruh -- I'm okay.

Sen. Cook -- I'm okay with the bill.

Sen. Oehlke -- We will be back in 2 years if we need to fix it, we can.

Sen. Cook -- It will be in a conference. We will have to explain it to them, what we were thinking.

We have a do pass, as amended. Any other discussion? Roll call 7-0-0.

Carrier: Sen. Unruh.

Sen. Dotzenrod -- I think that most of us probably know that this may end up in conference but, I think from the standpoint of the first departments, if this bill died they would be okay. Their position is this is something that they can live with. It is pretty easy for them to comply with this but what they've got now is even easier.

Sen. Cook -- They don't want this bill to die.

Sen. Dotzenrod -- They don't?

Sen. Cook -- We don't. I think they will live with this. From their point of view if this bill died, it would be alright.

Sen. Laffen -- I would never predict what they will think over there.

15.0147.02002
Title.03000

Prepared by the Legislative Council staff for
Senate Finance and Taxation Committee
March 24, 2015

TD
3/24/15

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1056

Page 1, line 19, replace "after receipt of a petition" with "and approval"

Page 1, line 19, replace "residing within the district" with "voting on the question at an annual or special meeting of electors called by the board of directors"

Page 1, line 20, after the underscored period insert "If an election to approve or reauthorize an excess levy will be held at an annual or special meeting of electors of the district called by the board of directors, notice of the meeting and the proposed excess levy election must be provided by at least one publication in the official newspaper of each county in which the district is located at least seven days, but not more than fourteen days, before the date of the public meeting. The published notice must include the amount of the proposed tax rate increase in mills and the duration for which elector approval of the increase is sought and must include the location where, and hours during which, ballots may be cast.

Votes to approve or disapprove the levy increase must be cast on the date of the meeting. The polling place must remain open for at least six hours on the date of the meeting. The secretary-treasurer of the district shall prepare and distribute to qualified electors paper ballots to conduct the election on the question of increased levy authority. Three election judges to receive and count the ballots must be selected by approval of a majority of qualified electors in attendance. A marked ballot must be delivered to one of the judges, folded to conceal its contents, and the judge shall deposit it in the ballot box and another judge shall enter the name of the elector who cast the ballot in the poll book. When the election is closed, the judges shall count the ballots and announce the result. Results of the election must be certified to the county auditor within ten days after the election. The certificate must include a statement of the question as it appeared on the ballot, together with the total number of votes cast in favor, and the number of votes cast against, authorizing the excess levy."

Page 1, line 21, remove "petition of"

Page 1, line 22, replace "eight" with "ten"

Page 1, line 22, overstrike "No signature on the petition may be considered valid"

Page 1, line 23, overstrike "if made more than ninety days prior to receipt of the petition."

Renumber accordingly

Date: 3-24-15

Roll Call Vote #: 1

2015 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO HB 1056

Senate Finance and Taxation Committee

☐ Subcommittee

Amendment LC# or Description: 15.0147.02002

Recommendation: ☑ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐

Motion Made By Sen Triplett Seconded By Sen Bekkedahl

Voice vote aye. Carried

Senators	Yes	No	Senators	Yes	No
Chairman Dwight Cook			Senator Jim Dotzenrod		
Vice Chairman Lonnie Laffen			Senator Connie Triplett		
Senator Brad Bekkedahl					
Senator Dave Oehlke					
Senator Jessica Unruh					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Date: 3-24-15

Roll Call Vote #: 2

2015 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1056

Senate Finance and Taxation Committee

☐ Subcommittee

Amendment LC# or Description: 15.0147.02002 Title .03000

Recommendation: ☐ Adopt Amendment
☑ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☑ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐

Motion Made By Sen. Bekkedahl Seconded By Sen. Dotzenrod

Senators	Yes	No	Senators	Yes	No
Chairman Dwight Cook	✓		Senator Jim Dotzenrod	✓	
Vice Chairman Lonnie Laffen	✓		Senator Connie Triplett	✓	
Senator Brad Bekkedahl	✓				
Senator Dave Oehlke	✓				
Senator Jessica Unruh	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Sen. Unruh.

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

REPORT OF STANDING COMMITTEE

HB 1056, as engrossed: Finance and Taxation Committee (Sen. Cook, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1056 was placed on the Sixth order on the calendar.

Page 1, line 19, replace "after receipt of a petition" with "and approval"

Page 1, line 19, replace "residing within the district" with "voting on the question at an annual or special meeting of electors called by the board of directors"

Page 1, line 20, after the underscored period insert "If an election to approve or reauthorize an excess levy will be held at an annual or special meeting of electors of the district called by the board of directors, notice of the meeting and the proposed excess levy election must be provided by at least one publication in the official newspaper of each county in which the district is located at least seven days, but not more than fourteen days, before the date of the public meeting. The published notice must include the amount of the proposed tax rate increase in mills and the duration for which elector approval of the increase is sought and must include the location where, and hours during which, ballots may be cast.

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Page 1, line 21, remove "petition of"

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Page 1, line 22, overstrike "No signature on the petition may be considered valid"

Page 1, line 23, overstrike "if made more than ninety days prior to receipt of the petition."

Renumber accordingly

2015 CONFERENCE COMMITTEE

HB 1056

2015 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
Fort Totten Room, State Capitol

HB 1056
4/6/2015
25831

☐ Subcommittee
☒ Conference Committee

Committee Clerk Signature Mary Brucker

Explanation or reason for introduction of bill/resolution:

A bill relating to mail ballot elections for rural fire protection district increased levy approval; relating to rural fire protection district increased levy approval.

Minutes: Attachment #1

Chairman Owens: Opened hearing. The house didn't concur in order to take this opportunity to talk to the senate about two issues; to make sure that HB 1056 matched the changes in other bills, primarily SB 2144. An issue came up at the end dealing with bonding for the fire districts. We came up with an amendment that takes care of those issues. Proposed amendment 15.0147.02004 was distributed; see attachment #1. The house accedes to the senate amendments and further amends by adding on page two line two, change "five" to "ten", the reauthorization portion. On page two line two after the word "years" insert "or the period of time necessary for repayment of indebtedness incurred which was intended to be repaid from the increased levy, whichever expires later." I would entertain a motion for discussion purposes.

Senator Unruh: I took the liberty of printing off the section of SB 2144 that dealt with the fire protection districts. The language on your amendment is reflective of the amendment we had added to that section in SB 2144 that addressed fire protection districts. I want to be clear that the fire protection language was removed from SB 2144 and this is just to make up for that language, is that correct?

Chairman Owens: The last conversation I had with the sponsor of SB 2144 was they were removing quite a bit of that language. I haven't seen it yet though to be able to answer your question. That, along with the airport authority, was being removed but we're doing that in two separate bills which is why we took this approach.

Representative Haak: Made a motion to accede to senate amendments and further amend with 15.0147.02004.

Representative Dockter: Second.

Senator Cook: Is this amendment going on to the 3000 version of the bill?

Chairman Owens: No, it goes on the original bill. It is added to the senate amendments.

Senator Cook: Are you going to the 2000 version?

Chairman Owens: I further amended line 22, not line two. If you're looking at version 3000 then it's in line twenty-three.

Senator Cook: I find the word "five" on line two page two. That's not what your amendment says; it says you're amending page two line two changing "five" to "ten". On the 2000 version I found the word "five" on page two line two. It will go with the 2000 version.

Chairman Owens: Yes, you're correct. They specifically said they would be adding our amendment to your amendment.

Senator Cook: Yes.

Chairman Owens: Is there any further discussion on the amendment?

Roll call vote: 6 yes 0 no 0 absent

Motion carries to accede to senate amendments and further amend.

2015 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
Fort Totten Room, State Capitol

HB 1056
4/8/2015
25912

☐ Subcommittee
☒ Conference Committee

Committee Clerk Signature	Mary Brucker

Explanation or reason for introduction of bill/resolution:

A bill relating to mail ballot elections for rural fire protection district increased levy approval.

Minutes: No attachments

Chairman Owens: Senate, thank you very much for coming back down. There seemed to be a question I forgot to ask last time we met and that is as far as the annual meeting and the vote there. When the bill came over to you with a petition at 50% and you changed it, was there a reason you didn't like the petition or you didn't like 50% or something else?

Senator Unruh: We looked at the 50% petition language and we didn't think it was appropriate to direct firemen to be spending their time going door to door collecting signatures. We looked at a voting option that wouldn't be too burdensome on the rural fire districts but would still require the check and balance system of requiring them to take a look and get voter approval on the increased levy authority over five mills up to thirteen.

Chairman Owens: Based on that and what you did with the bill it wasn't about the 50% even though the current process is 20% with a petition. You were looking to change the petition process altogether?

Senator Unruh: Yes. We spent a lot of time in committee talking about it and got a lot of feedback from the fire districts. We thought the language we came up with struck a good balance between making sure the voters have a say in what's going on but is also not too burdensome on the rural fire districts.

Chairman Owens: That was the one thing that I left over and wanted to discuss with you. At this point I would invite any other comments if there is any. The senate is not interested in any type of petition the way it is currently done?

Senator Cook: I think we did real good work with the conference committee in what we did. You pointed out a good correction that we needed to put on there and we appreciate it. I think we have a real good bill.

Chairman Owens: I apologize to the senate for wasting their time in asking this question that I forgot to bring up the other day.

Senator Cook: This has been a work in progress from the interim. We ultimately ended up with three different ways to try and address the issue of 13 mills that are put on with no chance of ever coming off from the mail ballot to the majority petition to this. I don't know if this is the best one but I think this is the closest one for everyone to agree on. If we watch it we will see what happens in the future.

Chairman Owens: In all fairness to the process it started in the interim committee where someone didn't know their taxes were going to go up. We have in there the notices now and we have the meeting. I was impressed with the fire districts that even when they got the 13 mill access in many cases they only levied what they needed. That said a lot to me about the fire districts themselves.

Senator Cook: Back in the interim we couldn't find anybody to come to committee and speak on behalf of rural fire districts.

Chairman Owens: I remember that also, we didn't have anybody come to committee. In the house we had a few but when it got to the senate they had a lot. I guess we'll just have the house floor decide. With that we will adjourn.

2015 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
Fort Totten Room, State Capitol

HB 1056
4/14/2015
26098

☐ Subcommittee
☒ Conference Committee

Committee Clerk Signature	Mary Brucker

Minutes: Attachment #1, 2

Chairman Owens: We will invite our guests to go first and explain their amendments.

Senator Unruh: Distributed proposed amendments 15.0147.02005 and explained; see attachment #1. This is a study that came out of the interim. It takes a look at all the references to political subdivisions in the code and whether or not their governing body is elected or appointed. The study didn't make it through both chambers. I should have introduced it into the political subs committee and I don't think anyone was there to introduce it so it didn't get the fairest of hearings because of my lack of follow through. I would propose this amendment.

Chairman Owens: I believe Representative Dockter has an amendment and it is based on receding and amending so this could be added on top of that. We could do yours after Representative Dockter explains his amendments.

Representative Dockter: Distributed proposed amendments 15.0147.02007 and explained; see attachment #2. We had to insert the bonding issue language that up to August 1 was okay and any bonding after August 1 would also be okay for bonding.

Chairman Owens: The bonding change we had done before only corrected one but didn't add it to the other part?

Representative Dockter: Correct, so we had to add it to the other. Otherwise they would have just been able to bond up to August 1 then couldn't after that. In the second paragraph of page one we felt we needed to let them levy the maximum of 13 mills. It would have to be ten percent of the qualified electors in attendance who would have to be at the meeting then the majority of those electors would have to vote in order to make any changes to a mill levy increase.

Senator Unruh: Ten percent of the electors have to attend the meeting or ten percent of them have to vote?

Representative Dockter: Ten percent have to attend the meeting then the majority of those electors can vote for an increase in a mill levy.

Senator Cook: It says all they have to do is vote.

Representative Dockter: Yes. They have six hours to come to the polling to vote. I'm for the mail ballot but I thought this would be another alternative. I still believe 20% is too low when they have the authority to increase the mills. The other two amendments for the bonding issue will have to go on.

Chairman Owens: They still have to advertise the annual meeting seven days out, there will be an excess levy, the proposed tax increase and the duration to the electorate. The electorate has six hours to show up and at least 10% of the qualifying electors vote then the majority of the 10% approving it. Rather than a 20% petition we go down to five percent of the district.

Representative Dockter: That's correct.

Chairman Owens: Then we change the eight years to ten years on the carry over for that one and add in the bonding issue both before and after this law become effective.

Representative Dockter: That's correct.

Senator Cook: I don't have any problem. I prefer the mail ballot also. We might have a majority of the conference down here that likes the mail ballot but I don't think we have the majority upstairs.

Chairman Owens: I tend to agree with you. All we heard about the mail ballot is that it was too onerous, it crossed political subdivision lines, costs too much, they didn't know if they could send it out to the right people, it would take too long, and on and on. The house said that was fine and they could keep their petition but they need at least 51% but now it feels like we're going in the opposite direction at five percent of the entire district. If we just left the petition in place at least they would need 20 percent.

Senator Triplett: I don't see the benefit of putting the minimum number in like that. If people are notified properly and they don't choose to come that is essentially an affirmative vote. We don't put minimums on any other kind of voting that I'm aware of. People just don't get out to vote. I would resist that part of the amendment.

Chairman Owens: I don't disagree with you. Representative Dockter was trying to find something that the house would pass. I still liked what we had before, I liked the mail ballot, and I liked the 50 percent. Last time we met the senate expressed that the petition thing was a little too onerous on the firemen so we took that to heart in trying to find an option here. I agree that ruling out 10% is different than anything we've ever done before and it puts an additional burden on it. I thought the six hours would help. It was an option for us to at least discuss.

Senator Cook: This has one flaw in it. What happens if this vote is for the reauthorization of an excess bill levy of 13 mills and you don't have 10% there? What is the consequence? For the election to be valid does that mean they no longer have excess mill levy authority or does that mean they have to have another election?

Chairman Owens: I didn't ask that question specifically. I assumed it meant if the election was not qualified then you would have to have another.

Senator Cook: I can understand that if you were trying to get permission to levy the excess mill levy. I suppose it would mean they would have to have another election.

Chairman Owens: That's what I would assume. The only part of HB 1056 that's been a problem since the beginning is this part up top; the elector and making sure the information gets out to everybody. In our committee they wanted a representative fashion of the people in the fire district understanding what's at stake and having a voice in it. The issue during the hearing was one gentleman didn't know they went around and collected the 20% because there was never a notice of the 20% that they were doing it; it just showed up on his tax bill. To me, getting the notice out and everything is good enough but that didn't clear the house so I'm looking for something else.

Senator Triplett: How about if you congratulate them on not passing it before because of missing the double part of the bond issue and tell them we've clarified it and fixed it so it's a better bill and we've added the study.

Chairman Owens: I wish it were that simple.

Senator Cook: When this bill came out of the interim it was a mail ballot then when it came out of the house you turned it into 51% of the residents. What happened to the mail ballot? What was the opposition?

Chairman Owens: The opposition was it costs too much, it's too much work, and so on. What really flipped the committee on deciding to change it was the fact that the fire districts crossed so many political subdivisions.

Senator Cook: But the mail ballot separates that.

Chairman Owens: No, they claim that was still a problem.

Senator Cook: The idea of the mail ballot was copied so we're not inventing this.

Chairman Owens: I have no problem putting the mail ballot back in here and letting the body decide.

Senator Triplett: We could also bring it back up and kill the bill.

Senator Cook: No.

Chairman Owens: Technically we could but that doesn't solve the problem of the taxpayer being aware that something is about to happen.

Senator Cook: The problem we need to correct here is that once these 13 mills are put on there is no recourse to take it off. We need to find a solution for that.

Senator Unruh: That's why I resisted the mail ballot. I think the voters need to have a say in the increased levy. I think we can find a way to do that rather than just sending it up to the floor knowing it's going to die with the mail ballot.

Chairman Owens: It wasn't my hope this bill would die they would just kill the conference committee report and we'd be back at it if they didn't want it. The issue is taxpayer notification and being aware it happens. The issue is also being able to get rid of it if they want to in some recurring fashion where they have a say in relieving themselves of the excess levy. I think we'll just keep these amendments in bay right now. Put on your thinking caps to see what we can do. We have the notification in here. We have it set up for an annual or special meeting. Do we want to put some type of mail ballot in here or go back to a petition?

Representative Dockter: If we went back to the petition at 20% how would the senate feel at 40 percent?

Senator Triplett: The people we heard from were really adamant. These fire fighters are volunteers and they do this as a public service for no pay. On top of that they have to stay certified and go to training. They don't think it's part of their job to run around the community getting petitions signed. Our goal after hearing from a roomful of them was to try and make it procedurally as easy as possible to accomplish and yet provide the notice to the taxpayers. I think we accomplished that and I don't think we should move away from that level of respect for them as well as respecting the taxpayers by giving them adequate notice. I don't think we have to tell the voters whether they should vote or not, that is their choice.

Chairman Owens: I was just going over the options. When we had the hearing we didn't hear them object to the petition. We heard them say that's what they do. They didn't like the idea of the mail in ballot. I don't think they got to testify on putting in a general or primary election because it became somewhat difficult to know which parts of counties you could put it on and which parts you couldn't put it on. That idea fell down without much discussion. I'm still down to either a mail ballot, vote like this, or doing something with a petition like they do now because if we kill it they are back to the 20% petition anyway. There's no notification and there's no way to repeal it. Let's all put on our thinking caps and we'll meet again.

2015 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
Fort Totten Room, State Capitol

HB 1056
4/16/2015
26173

☐ Subcommittee
☒ Conference Committee

Committee Clerk Signature	Mary Brucker

Minutes: Attachment #1

Chairman Owens: Opened the conference committee. We gave everybody a day to think of some options. Representative Dockter has some amendments he'd like to distribute.

Representative Dockter: Distributed proposed amendments 15.0147.02009 and explained; see attachment #1. We talked about having to have those two sections in the bill so the bonding could be up to August 1 and any bonding after. On the second page of this new amendment you have the management study that Senator Unruh wanted. The final amendment was the mail ballot with the majority elector as the threshold. On page two line two it says, "Upon approval or reauthorization by a majority of electors of the district voting in a mail ballot election conducted as provided in section 18-10-07.1. That covers the bonding up to August 1 or any bonding after August 1 so we didn't need to have it in both spots like we did the previous amendment.

Senator Unruh: Is this similar to the mail ballot election to what was in the property tax reform bill when it first came out?

Chairman Owens: I believe it's identical.

Representative Dockter: I believe it's identical also.

Senator Cook: No it's not. I've got the bill as introduced that came out of the interim committee and the biggest difference is going from five to ten years.

Chairman Owens: If you're referring to page two line two where it's replacing five with ten, that's what we did the other day.

Senator Cook: There's a difference here. The bill that came out of the interim committee indicates they would have had a mail ballot election every five years and what you're amending now has it every ten years. You have a requirement to put a newspaper notice in. Why would we have to have a newspaper notice if it's a mail ballot? I don't see any need for that.

Chairman Owens: I agree with you. I think that was a holdover from what we did before and it was left in the amendment.

Representative Dockter: Yes. I have no problem with striking that out.

Senator Unruh: I have the original proposed language from 2144 and that was the first stab at the mail ballot. It has the publication in there as well as the mail ballot.

Chairman Owens: I agree with Senator Cook that if you get the mail ballot in the mail just like they do with the water districts that it's not needed.

Senator Cook: Yes I see it now, it is in there.

Representative Dockter: I don't know if that is something in statute that it is a requirement and they have to have it or if they took that language from the water districts.

Senator Cook: I believe the intent during the interim was to draft this so it mirrors what the water districts did because we have a very successful practice in the state for a very similar taxing district.

Representative Haak: Who is verifying the mail in ballots? How do they do it for the water districts? Do they select the judges and determine who can vote?

Chairman Owens: They had to set up an election board and they had to publicly open and canvas the ballots so people can show up if they want to and watch them do this.

Representative Haak: How does this work with the new voter identification law where you have to have the number on there to verify that you're a voter in North Dakota?

Chairman Owens: I can't answer that. We'd have to get someone down here to answer that.

Representative Haak: I called my county auditor and he said they first send out a card then they send out a ballot to let them know that it's coming.

Chairman Owens: That's how they do it with the absentee votes but do they do that with the water board ballots?

Representative Haak: I don't know. I tried to figure out what it costs because Stutsman County has about 18,000 and that's the biggest rural water district.

Chairman Owens: We have 18,000 around here between Lincoln and Burleigh County. The whole premise here is that they seem to get their tax statements out to them so you would think they would know who and where they are so they are able to identify who is in the fire district.

Representative Haak: But with the voter identification you would have to have the updated information.

Chairman Owens: I think we could find out the answer to that.

Senator Cook: We will have to pursue the question from Representative Haak. When the interim bill came before the house you had testimony from rural fire districts regarding the cost of doing the mail ballot. That was their basic objection that it was going to cost money so you amended the bill to require 51% majority. Then they testified in front of us and said it was a burden to do that so we settled on an annual election at the annual meeting. Now we are looking at the mail ballot again but it's going to be half as expensive because instead of every five years it will be every ten years. I would think the expense argument goes away. I think we should pursue changing this and taking out the newspaper requirement. We have to get our questions answered about the election. We need to give the fire districts an opportunity to weigh in with the emails as I know they will.

Chairman Owens: If the voter identification is copied from the water board I want to find out if there is a requirement for the newspaper before we strike it out. We can notify the fire districts of this.

Representative Dockter: We need to make sure the people who can answer our questions are here for the next conference committee meeting.

Senator Cook: I think all of us recognize that we have something here that needs to be fixed.

Senator Triplett: I don't support mail ballots but if that's the way this is going to go I would like it to be right. I don't think we should be expecting a majority of electors to do the approval, I think it should be a majority of those returning the ballots.

Chairman Owens: That's what I thought it was and that was my expectation as well. What are we going to do if 50% don't mail it back in?

Senator Triplett: On page two line two, "upon approval or reauthorization by a majority of electors of the district voting in a mail ballot."

Chairman Owens: Yes, 50% of those voting. If we would require 50% of the people to agree in every election we'd be doing elections over and over again all over the place. We are going to focus on the newspaper requirement and if it's a requirement for having mail in ballots or elections, voter identification, and the cost of mail ballots.

Representative Haak: I talked to my county auditor and he said with the publication requirements and sending out the card and the ballot he would charge $30,000 for a mail ballot without charging for regular staff time pay. He thought it would cost between $10,000 and 20,000 at least to mail everything out without staff time.

Chairman Owens: I would be interested in seeing what the experience for the water boards have been for cost.

Darrel Francis, Fire Chief from Des Lacs: We are still opposed to the mail ballot election. The publication is what we do the end of February or the first part of March because we have our annual meetings and that's when we get our people to come in and see what we do. In Ward County there are eight or nine districts; we are just 120 square miles between Berthold and Minot. Our budget is only $16,000 a year and we are at 6.9 mills. There are some organizations at 13 mills but our district is small. We don't have a list of residents. We would have to go through the courthouse to get their addresses and who lives in our district. We are volunteers; 97% of the firefighters in North Dakota are volunteers. I'm still in favor of the annual meeting because that is our biggest push for information and for any changes we need to make in our budget and everything else.

Representative Haak: How are you collecting taxes if you don't know if they're in your district?

Darrel Francis: That's up to the county. They have the fire protection district and the ambulance district so they would have all those names.

Representative Haak: How many people attend your annual meeting?

Darrel Francis: We have about 50 people. Some other districts only have 10-20 people.

Senator Unruh: When you receive a call for a fire does the 911 dispatcher direct those calls to the right fire district?

Darrel Francis: It's called Enhanced 911 (E911). They have all the addresses so your phone number comes in just like caller identification.

Senator Unruh: I think that takes care of the list concerns. So it just boils down to the cost of the mail ballot.

Darrel Francis: Right. The biggest concern is our cost. We don't have that kind of money. We're not a water district. We are basically operating on five to seven mills.

Senator Unruh: I know some rural fire districts mail out a notice for their annual meeting to the residents which I would assume would be the same kind of cost as a mail in ballot, probably a little bit more to do the mail ballot.

Darrel Francis: For the annual meeting we do a publication in the newspaper two to three times. We'll do a little bigger ad and we also put the notices up in the schools, post office, and places like that. As chief I do personal mailing to a lot of the residents in the area as well. The annual meeting is our key point here because it's needed to change our mill levy situation.

Senator Unruh: What is your advertising budget on a yearly basis?

Daryl Francis: $300.

Representative Dockter: How many residents do you have in your district?

Darrel Francis: I have about 800 residents in our district.

Chairman Owens: The problem is that right now you go and petition 20% and then you can do excess levy. There is no requirement to advertise or notify the other 80% as long as you get 20 percent. The residents need to know there is a potential for a tax increase and they have a voice. You don't like an increased petition, you don't like a mail ballot, and we can't get the annual or special meetings passed. We are still searching for a solution. I invite you to notify everybody and ask them what is the lesser of the two evils because it has to be one of them.

Darrel Francis: I appreciate that and I will notify the rest.

Chairman Owens: We will adjourn for now. We will get further information.

Darrel Francis: The five years to ten years helps a lot.

Chairman Owens: Certainly. Meeting adjourned.

2015 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
Fort Totten Room, State Capitol

HB 1056
4/17/2015
#26229

☐ Subcommittee
☒ Conference Committee

Committee Clerk Signature Jeanette Cook

Minutes:

Chairman Owens: Opened conference committee. We had two main issues that we wanted to get information for. One was the Water Boards, who have the authority to mail out ballots, to get costs. The other was getting the Secretary of State's Office to talk to us about the voter ID issue that was brought up dealing with mail ballots.

Jim Silrum, Deputy Secretary of State: My staff and I put together some rough numbers as to the cost, and I can address that after you ask me your questions about voter ID.

Representative Haak: With the new voter ID law, do you have to put in your ID number, or how do you track that a person is a verified actual voter when they mail in their ballot?

Jim Silrum: On the application form it has a space for a person to enter their ID number. If they are using a state issued ID, then their driver's license number or their non-drivers ID would go in there. If they are using a tribal ID, that number would go in there.

Representative Haak: Who has that information, if a fire district does a mail in ballot, gets them back, and has to verify that these are actual voters? Is it the county?

Jim Silrum: It would be dependent on the fire districts to query the counties for the creation of poll books for the fire district, because within the Central Voter File, we do have the driver's license and non-driver's ID numbers, so that they could verify that. The fire district themselves would not have that.

Representative Haak: Because fire districts can cross county lines, would they have to go to various counties to get all of the information?

Jim Silrum: We have that in our office. It is typically for the administration of an election. It is the local election administrator, the county auditor, who does that. Poll books are generally created by them. If there is a requirement for us to do that, we are going to have to work in tandem with them to make sure that the district boundaries are put within the Central Voter File, so we know who is in and who is out. That would let us create a poll

book. In the creation of that because of the way that this Central Voter File is set up with 53 separate but combined databases. We would have to organize them by county. Then, if a fire district encompasses more than one county, there may be more than one poll book.

Representative Haak: Since they are not broken down by fire district now, would you require a fiscal note for staff time to put that together, or would you have budget to do that if it is needed for the rural fire districts?

Jim Silrum: It is the goal of the Secretary of State's Office in working with the 53 counties to make sure that all jurisdictional boundary lines are put into the Central Voter File at some point in the near future. We intend to get there, but we are not there right now.

Senator Cook: What role does the Secretary of State play today in mail ballots by water districts?

Jim Silrum: Absolutely nothing.

Senator Cook: So, how do they do it without the involvement of the Secretary of State? I think that we need someone from the water district to tell us how that is being done today. If we are going to have mail ballots, how are we going to know how many individuals over 18 live at a residence? I'm assuming that a letter goes out with a ballot in it, and it says return the ballot.

Chairman Owens: That was my assumption initially, and then as Jim was testifying it led me to believe that in order to do this right there would need to be an application. The person's eligibility would need to be verified, and then we would need to send the ballot out.

Senator Cook: The most positive thing I heard Jim say is that they have a goal to get all jurisdictions, eventually, brought into the Central Voter's File.

Representative Haak: Do they have to request an absentee ballot?

Jim Silrum: Whether it's vote by mail or an absentee ballot request, it must be made by everyone who wishes to vote. So, if this is to be different, it would be different than any other election that we currently run in the state. This would be far more like what occurs in the state of Washington and Oregon, where if you happen to be on the roles, you are just automatically sent a ballot, you don't need to request one.

Senator Cook: It is obvious to me that there is an election in the state of North Dakota that the Secretary of State is not involved in. Did you know that?

Jim Silrum: In all fairness, township elections are also held without our involvement. There are a number of elections that occur in the state that should have our involvement, and we wish the questions would come to us. (cities and schools)

Chairman Owens: We are interested in hearing your cost estimate.

Jim Silrum: These are rough estimates. When I spoke with Representative Dockter before this meeting today he said to base it off of 800 voters. From our perspective the cost of sending out an application would be a first class stamp (49 cents), which would be $392.00. The cost of mailing the ballot might be just a stamp, but in most situations, because the ballot itself has to be in a secrecy envelope and a return envelope nested in the envelope itself, it would be about a dollar to send out. That could be from $392 to $800. According to the Newspaper Association a twenty line notice is $15.00, but that is an average. There would also be the publishing of the notice of the election results. Some charge as little as $100 and Cass County pays as much as $4500 for that to be published in the paper. When we publish the statewide abstract, for example, we spend about $5000 every time an election is over. The secrecy envelopes are 23 cents apiece, and so are the return envelopes and mail envelopes. That is 184 X 23 cent. If you are going to pay poll workers, state law says you must pay at least minimum wage which is $7.50. Current state law requires that there be 5 workers. It would be a minimum of $217.50 if the polls are open for 6 hours. Maybe there would be no polling location if it is only vote by mail. The ballots would still have to be tabulated, 5 individuals X $7.50 an hour X at least two hours. A rough calculation would be a minimum of $1500 to do this, but it could be twice that.

Representative Dockter: I gave Jim the 800 figure because the person that testified yesterday gave that for an average. Burleigh County has 18,000, and Cass County and Grand Forks County would be larger, but this would be a typical rural one.

Senator Cook: I supported a mail ballot as it came out of the interim committee, but my love for mail ballots is rapidly going down.

Senator Triplett: There are hundreds of relatively small rural fire districts around the state (360+), but there are far fewer water boards, and they generally have full time paid staff to do this kind of work. The rural fire districts don't usually have people that do office work. Most don't have any full time paid employees. They are volunteers that have to put in more volunteer time that they don't have, or they have to pay for someone else to do it with money that they don't have.

Chairman Owens: I did think about that. I want to find out how many water boards there are in comparison to fire districts. I also thought about the fact that the water board has user fees.

Linda Leadbetter, State Supervisor of Assessments: We look at the fire district elections to establish mill levies. The elections that are held for water research districts are not held to have a mill levy authority across an entire area. The elections define a very specific drain assessment area. They have the borders defined and know exactly who is involved based on all the land ownership records that they are able to receive. Their vote by mail is determined because they know exactly who is part of that area where they would propose a drain. It is an election that is based on Drain # 2 in Steele County, for example. The drain is defined and the people in there are the voters. It is not the same as a vote that is cast to determine a mill levy vote.

Chairman Owens: They could be sending out a vote to 12 people?

Linda Leadbetter: They could, depending on how large the area of impact is. The elections that the water resource districts hold are specifically to define whether to approve a special assessment district.

Chairman Owens: So, none of their elections deal with levy, access levy, levy increases, or taxation?

Linda Leadbetter: Their levies would, of course, have a cost to them because the individuals that would vote to approve to have a special assessment district will know that they are going to have something attached to their property tax for x number of years because they have approved a legal drain. Drain assessments will be applied to their property tax.

Senator Cook: That means just one vote for property, too?

Linda Leadbetter: I would not know that for certain, but I believe that it is based on the number of acres involved.

Senator Cook: It is not how many people live at the residence?

Linda Leadbetter: Correct.

Chairman Owens: Any additional thoughts?

Representative Dockter: I think we have to find a way to get more accountability.

Chairman Owens: We have another meeting scheduled for Monday. The meeting was adjourned.

2015 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
Fort Totten Room, State Capitol

HB 1056
4/20/2015
#26282

☐ Subcommittee
☒ Conference Committee

Committee Clerk Signature	Jeanette Cook

Explanation or reason for introduction of bill/resolution:

Minutes: Attachment #1

Chairman Owens: Senator Cook has an amendment for this bill.

Senator Cook: Distributed proposed amendments 15.0147.02011. See attachment #1. He stated that there is a study on the amendment that he believes is a good study, but he doesn't want it to jeopardize the bill.

Representative Dockter: I have no problems with the study, and I don't believe that it will jeopardize the bill.

Senator Unruh made a motion that the Senate recede from Senate amendments and amend as follows: 15.0147.02011.
Senator Cook seconded the motion.

A roll call vote was taken:
Senate- Aye 3
House - Aye 3
The motion carried.

The meeting was adjourned.

15.0147.02004
Title.04000

Prepared by the Legislative Council staff for
Representative Owens
April 2, 2015

4/10/15

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1056

That the House accede to the Senate amendments as printed on pages 1218 and 1219 of the House Journal and pages 922 and 933 of the Senate Journal and that Engrossed House Bill No. 1056 be further amended as follows:

Page 2, line 2, replace "five" with "ten"

Page 2, line 2, after "years" insert "or the period of time necessary for repayment of indebtedness incurred which was intended to be repaid from the increased levy, whichever expires later"

Renumber accordingly

SC 4/20/15 1/8

15.0147.02011
Title.05000

Prepared by the Legislative Council staff for
Senator Cook

April 20, 2015

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1056

That the Senate recede from its amendments as printed on pages 1218 and 1219 of the House Journal and pages 922 and 923 of the Senate Journal and that Engrossed House Bill No. 1056 be amended as follows:

Page 1, line 3, after the semicolon insert "to provide for a legislative management study of the consolidation of elections and a legislative management study of statutory references to political subdivisions;"

Page 1, line 19, replace "after receipt of a petition" with "and approval"

Page 1, line 19, replace "residing within the district" with "voting on the question at an annual or special meeting of electors called by the board of directors"

Page 1, line 20, after the underscored period insert "If an election to approve or reauthorize an excess levy will be held at an annual or special meeting of electors of the district called by the board of directors, notice of the meeting and the proposed excess levy election must be provided by at least one publication in the official newspaper of each county in which the district is located at least seven days, but not more than fourteen days, before the date of the public meeting. The published notice must include the amount of the proposed tax rate increase in mills and the duration for which elector approval of the increase is sought and must include the location where, and hours during which, ballots may be cast.

Votes to approve or disapprove the levy increase must be cast on the date of the meeting. The polling place must remain open for at least six hours on the date of the meeting. The secretary-treasurer of the district shall prepare and distribute to qualified electors at the polling place paper ballots to conduct the election on the question of increased levy authority. Three election judges to receive and count the ballots, who are qualified electors of the district but not members of the board, must be selected at least seven days before the meeting by approval of a majority of the members of the board. A marked ballot must be delivered to one of the judges, folded to conceal its contents, the judge shall deposit it in the ballot box, and another judge shall enter the name of the elector who cast the ballot in the poll book. When the election is closed, the judges shall count the ballots and announce the result. Results of the election must be certified by the secretary-treasurer of the district and each of the election judges to the tax commissioner and to the county auditor of each county in which the district is located within ten days after the election. The certificate must include a statement of the question as it appeared on the ballot, together with the total number of votes cast in favor, and the number of votes cast against, authorizing the excess levy."

Page 1, line 21, remove "petition of"

Page 1, line 22, replace "eight" with "ten"

Page 1, line 22, overstrike "No signature on the petition may be considered valid"

Page 1, line 23, overstrike "if made more than ninety days prior to receipt of the petition."

Page 2, after line 19, insert:

2/2

"**SECTION 3. LEGISLATIVE MANAGEMENT STUDY- CONSOLIDATION OF ELECTIONS.** During the 2015-16 interim, the legislative management shall consider studying the feasibility and desirability of consolidating all political subdivision and school district elections with the statewide primary election and the holding of all special elections on other specified dates during any year. If the legislative management conducts the study, the legislative management shall seek input and participation from the secretary of state; representatives of cities, counties, school districts, and other political subdivisions; and representatives of political parties. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

SECTION 4. LEGISLATIVE MANAGEMENT STUDY - STATUTORY REFERENCES TO POLITICAL SUBDIVISIONS. During the 2015-16 interim, the legislative management shall consider studying statutory usage of various references to political subdivisions and the feasibility of differentiating references to political subdivisions based on whether the governing body is elected or appointed. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly."

Renumber accordingly

Date: 4/6/2015
Roll Call Vote #: 1

2015 HOUSE CONFERENCE COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 1056 as (re) engrossed

House Finance and Taxation Committee

Action Taken
- ☐ **HOUSE accede to Senate Amendments**
- ☒ **HOUSE accede to Senate Amendments and further amend** 15.0147.02004
- ☐ **SENATE recede from Senate amendments**
- ☐ **SENATE recede from Senate amendments and amend as follows**

☐ **Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Rep. Haak Seconded by: Rep. Dockter

Representatives	4/6			Yes	No		Senators	4/6			Yes	No
Chairman Owens	✓			✓			Senator Unruh	✓			✓	
Representative Dockter	✓			✓			Senator Cook	✓			✓	
Representative Haak	✓			✓			Senator Triplett	✓			✓	
Total Rep. Vote							Total Senate Vote					

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier No carrier Senate Carrier No carrier

LC Number 15.0147 . 02004 of amendment

LC Number . 04000 of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Date: April 8, 2015
Roll Call Vote #: "Enter Vote #"

2015 HOUSE CONFERENCE COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 1056 as (re) engrossed

House Finance and Taxation Committee

Action Taken
- ☐ **HOUSE accede to Senate Amendments**
- ☐ **HOUSE accede to Senate Amendments and further amend**
- ☐ **SENATE recede from Senate amendments**
- ☐ **SENATE recede from Senate amendments and amend as follows**

- ☐ **Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: _____ Seconded by: _____

Representatives	4/8	4/14	4/16	Yes	No		Senators	4/8	4/14	4/16	Yes	No
Chairman Owens	✓	✓	✓				Senator Unruh	✓	✓	✓		
Representative Dockter	✓	✓	✓				Senator Cook	✓	✓	✓		
Representative Haak	✓	✓	✓				Senator Triplett	✓	✓	✓		
Total Rep. Vote							Total Senate Vote					

Vote Count Yes: _____ No: _____ Absent: _____

House Carrier _____ Senate Carrier _____

LC Number _____ . _____ of amendment

LC Number _____ . _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Date: 4-20-15
Roll Call Vote #: 1

2015 HOUSE CONFERENCE COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 1056 as (re) engrossed

House Finance and Taxation Committee

Action Taken
- ☐ **HOUSE accede to Senate Amendments**
- ☐ **HOUSE accede to Senate Amendments and further amend**
- ☐ **SENATE recede from Senate amendments**
- ☒ **SENATE recede from Senate amendments and amend as follows**
- ☐ **Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Sen. Unruh Seconded by: Senator Cook

Representatives	4/17	4/20		Yes	No	Senators	4/17	4/20		Yes	No
Chairman Owens	✓	✓		✓		Senator Unruh	✓	✓		✓	
Representative Dockter	✓	✓		✓		Senator Cook	✓	✓		✓	
Representative Haak	✓	✓		✓		Senator Triplett	✓	✓		✓	
Total Rep. Vote						Total Senate Vote					

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier No carrier Senate Carrier No carrier

LC Number 15.0147 . 02011 of amendment

LC Number . 05000 of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

REPORT OF CONFERENCE COMMITTEE

HB 1056, as engrossed: Your conference committee (Sens. Unruh, Cook, Triplett and Reps. Owens, Dockter, Haak) recommends that the **HOUSE ACCEDE** to the Senate amendments as printed on HJ pages 1218-1219, adopt further amendments as follows, and place HB 1056 on the Seventh order:

That the House accede to the Senate amendments as printed on pages 1218 and 1219 of the House Journal and pages 922 and 933 of the Senate Journal and that Engrossed House Bill No. 1056 be further amended as follows:

Page 2, line 2, replace "five" with "ten"

Page 2, line 2, after "years" insert "or the period of time necessary for repayment of indebtedness incurred which was intended to be repaid from the increased levy, whichever expires later"

Renumber accordingly

Engrossed HB 1056 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

HB 1056, as engrossed: Your conference committee (Sens. Unruh, Cook, Triplett and Reps. Owens, Dockter, Haak) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1218-1219, adopt amendments as follows, and place HB 1056 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1218 and 1219 of the House Journal and pages 922 and 923 of the Senate Journal and that Engrossed House Bill No. 1056 be amended as follows:

Page 1, line 3, after the semicolon insert "to provide for a legislative management study of the consolidation of elections and a legislative management study of statutory references to political subdivisions;"

Page 1, line 19, replace "after receipt of a petition" with "and approval"

Page 1, line 19, replace "residing within the district" with "voting on the question at an annual or special meeting of electors called by the board of directors"

Page 1, line 20, after the underscored period insert "If an election to approve or reauthorize an excess levy will be held at an annual or special meeting of electors of the district called by the board of directors, notice of the meeting and the proposed excess levy election must be provided by at least one publication in the official newspaper of each county in which the district is located at least seven days, but not more than fourteen days, before the date of the public meeting. The published notice must include the amount of the proposed tax rate increase in mills and the duration for which elector approval of the increase is sought and must include the location where, and hours during which, ballots may be cast.

Votes to approve or disapprove the levy increase must be cast on the date of the meeting. The polling place must remain open for at least six hours on the date of the meeting. The secretary-treasurer of the district shall prepare and distribute to qualified electors at the polling place paper ballots to conduct the election on the question of increased levy authority. Three election judges to receive and count the ballots, who are qualified electors of the district but not members of the board, must be selected at least seven days before the meeting by approval of a majority of the members of the board. A marked ballot must be delivered to one of the judges, folded to conceal its contents, the judge shall deposit it in the ballot box, and another judge shall enter the name of the elector who cast the ballot in the poll book. When the election is closed, the judges shall count the ballots and announce the result. Results of the election must be certified by the secretary-treasurer of the district and each of the election judges to the tax commissioner and to the county auditor of each county in which the district is located within ten days after the election. The certificate must include a statement of the question as it appeared on the ballot, together with the total number of votes cast in favor, and the number of votes cast against, authorizing the excess levy."

Page 1, line 21, remove "petition of"

Page 1, line 22, replace "eight" with "ten"

Page 1, line 22, overstrike "No signature on the petition may be considered valid"

Page 1, line 23, overstrike "if made more than ninety days prior to receipt of the petition."

Page 2, after line 19, insert:

"**SECTION 3. LEGISLATIVE MANAGEMENT STUDY- CONSOLIDATION OF ELECTIONS.** During the 2015-16 interim, the legislative management shall consider studying the feasibility and desirability of consolidating all political subdivision and school district elections with the statewide primary election and the

holding of all special elections on other specified dates during any year. If the legislative management conducts the study, the legislative management shall seek input and participation from the secretary of state; representatives of cities, counties, school districts, and other political subdivisions; and representatives of political parties. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

SECTION 4. LEGISLATIVE MANAGEMENT STUDY - STATUTORY REFERENCES TO POLITICAL SUBDIVISIONS. During the 2015-16 interim, the legislative management shall consider studying statutory usage of various references to political subdivisions and the feasibility of differentiating references to political subdivisions based on whether the governing body is elected or appointed. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly."

Renumber accordingly

Engrossed HB 1056 was placed on the Seventh order of business on the calendar.

2015 TESTIMONY

HB 1056

HB 1056
1-12-15
#1 p.1

January 12, 2015

Finance and Taxation Committee hearing of HB 1056

Chairman Headland, and Committee members, my name is Allan Klein and I am the Chief of the Bismarck Rural Fire Department. I have had the pleasure of serving in this capacity since June of 2005. Allow me to give you a short description of the makeup of our fire district. We have the surrounding area outside the city limits of Bismarck. Our district covers approximately 450 square miles and has an estimated population of 18,000. Also in our fire district is one of the fastest growing cities in North Dakota, Lincoln. If you have traveled outside the city limits of Bismarck you can see the tremendous growth that is taking place. The year I started this job we responded to 185 emergency calls for 2005. For the year 2014 we responded to 381 emergency calls. That is a more than 100% increase in 10 years.

As you might expect, when your call load increases at a rate that exceeds 100% in a ten year period, something will have to change in the way you operate.

Our Board of Directors, who has been very proactive, saw this coming in the late 90's and petitioned the electorate of our fire district and received their approval to spend up to the 13 mil level if needed to improve the services provided to them by the Bismarck Rural Fire Department. Since that time several things have happened to see service improve along with the need. First, two full time firefighters were hired. In 2005 I was hired to manage and oversee the growth of the fire department. In 2007 we hired 3 more full time firefighters and extended our hours we have personnel on duty. In 2014 the Board of Directors again saw a need to expand and voted to hire 4 more full time

firefighters which will enable us to have 24 hour coverage to allow for a quicker response for the first due unit at any emergency we are dispatched to.

House Bill 1056 if signed into law would end any proactive planning by our fire department or any other department that is currently receiving over 5 mills of funding. The uncertainty of continued funding will prohibit these districts from hiring additional personal or updating equipment with the likelihood of not getting approval from the electorate every 5 years.

In the case of Bismarck Rural Fire Department, if we would lose our 13 mills of funding and went to 5 mills, it would mean that we would have to lay off most if not all of our full time firefighters. We would then go back to the days when we operated as a volunteer department. I don't mean to put down volunteer firefighters, in fact we still rely heavily on them. In most cases, our volunteers are trained as well as the full time fighters. They are a very valuable asset to our fire department and we could not operate without them. We would still respond to all calls that we are dispatched to; we would just have a much longer response time because the responders will have to come from their homes or jobs.

I want to thank your for allowing me to speak to your committee. I am speaking for my Board of Directors and members of the Bismarck Rural Fire Department in asking you to kill HB 1056.

Thank you.

Allan Klein, Chief

Bismarck Rural Fire Department

HB 1056
1-20-15
#1

15.0147.01006
Title.

Prepared by the Legislative Council staff for
Representative Haak
January 19, 2015

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1056

Page 1, line 4, after the semicolon insert "to repeal section 57-15-26.3 of the North Dakota Century Code, relating to rural fire protection district increased levy approval;"

Page 1, line 22, replace "five" with "ten"

Page 3, after line 30, insert:

"**SECTION 3. REPEAL.** Section 57-15-26.3 of the North Dakota Century Code is repealed."

Renumber accordingly

Prepared for
The House Finance and Taxation Committee
January 19, 2015

PROPOSED AMENDMENTS TO HOUSE BILL 1056

Page 1, line 21, remove "but not exceeding"
Page 1, line 22, remove "five taxable years"
Page 2, line 1, replace "thirteen" with "ten"

15.0147.01007
Title.

Prepared by the Legislative Council staff for
Representative Froseth
January 21, 2015

HB1056
1-26-15
#1

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1056

Page 1, line 4, after the semicolon insert "to repeal section 57-15-26.3 of the North Dakota Century Code, relating to rural fire protection district increased levy approval;"

Page 1, line 8, after "**levy**" insert "**- Conduct of election**"

Page 1, line 22, replace "five" with "eight"

Page 1, line 23, after the first "in" insert "an election held in conjunction with a primary or general election or in"

Page 2, line 2, replace "five" with "eight"

Page 2, after line 18, insert:

"If the board of directors chooses to place a levy increase authorization or reauthorization question on the ballot at an election held in conjunction with a primary or general election, the board of directors shall enter an agreement with the governing body of the county or counties in which the district lies concerning the use of a single canvassing board, the sharing of election personnel, the printing of election materials, the publishing of legal notices, and the apportioning of election expenses. When a district enters into an agreement with the county to hold the district election in conjunction with the county election, the deadline for giving notice of the district election may be adjusted to meet the publishing requirements of the county. Each district board of directors that enters into an agreement with the county must notify the county auditor, in writing, immediately after the filing deadline on the sixty-fourth day before the election of any measure to appear on the ballot."

Page 3, after line 30, insert:

"**SECTION 3. REPEAL.** Section 57-15-26.3 of the North Dakota Century Code is repealed."

Renumber accordingly

HB 1056
1-28-15
#1

15.0147.01009
Title.

Prepared by the Legislative Council staff for
Representative Mitskog
January 27, 2015

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1056

Page 1, line 1, remove "to create and enact section 18-10-07.1 of the North Dakota Century Code,"

Page 1, line 2, remove "relating to mail ballot elections for rural fire protection district increased levy approval;"

Page 1, line 4, remove "increased"

Page 1, line 4, after the semicolon insert "to repeal section 57-15-26.3 of the North Dakota Century Code, relating to rural fire protection district levy limits;"

Page 1, after line 19, insert:

"The board of directors may be authorized to increase its levy to a tax rate not exceeding thirteen mills per dollar of the taxable valuation of property in the district for a period not exceeding five taxable years by majority vote of qualified electors in attendance at a meeting called to consider authorizing such an increase and for which, at least fifteen days before the meeting, the secretary of the board of directors has either mailed notice of the time and place of the meeting and the amount of the mill rate increase to be considered to each qualified elector known by the secretary to be residing in the district or caused publication of a notice of the time and place of the meeting and the amount of the mill rate increase to be considered in the newspaper or newspapers of general circulation where the district is located and in the official newspaper of each county in which the district is located. The secretary of the board of directors shall prepare and distribute paper ballots to conduct the election on the question of increased levy authority and three election judges to count the ballots must be selected by nominations by qualified electors in attendance."

Page 1, line 19, after "authority" insert "for a levy exceeding five mills"

Page 1, line 22, remove "Upon approval or reauthorization by a majority of electors of the district"

Page 1, remove line 23

Page 2, remove line 1

Page 2, line 2, remove "in the district for a period not exceeding five taxable years."

Page 2, line 2, overstrike "The" and insert immediately thereafter "Any"

Page 2, line 2, after "tax" insert "levied under this section"

Page 2, remove lines 19 through 31

Page 3, replace lines 1 through 30 with:

"**SECTION 2. REPEAL.** Section 57-15-26.3 of the North Dakota Century Code is repealed."

Renumber accordingly

HB 1056
2-2-15
#1

15.0147.01010
Title.

Prepared by the Legislative Council staff for
Representative Toman
January 29, 2015

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1056

Page 1, line 1, remove "to create and enact section 18-10-07.1 of the North Dakota Century Code,"

Page 2, line 2, remove "relating to mail ballot elections for rural fire protection district increased levy approval;"

Page 1, line 4, after the semicolon insert "to repeal section 57-15-26.3 of the North Dakota Century Code, relating to the levy limit for rural fire protection districts;"

Page 1, line 18, after "district" insert "except upon resolution adopted by the board of directors after receipt of a petition by a majority of the qualified electors residing within the district, the levy may be made in an amount not exceeding thirteen mills. After July 31, 2015, approval or reauthorization by petition of electors of increased levy authority under this section may not be effective for more than five taxable years"

Page 1, line 18, remove the overstrike over "~~No signature on the petition may be considered valid if made~~"

Page 1, line 19, remove the overstrike over "~~more than ninety days prior to receipt of the petition.~~"

Page 1, line 20, after "directors" insert "after petition of electors"

Page 1, line 22, remove "Upon approval or reauthorization by a majority of electors of the district"

Page 1, remove line 23

Page 2, remove line 1

Page 2, line 2, remove "in the district for a period not exceeding five taxable years."

Page 2, remove lines 19 through 31

Page 3, replace lines 1 through 30 with:

"**SECTION 2. REPEAL.** Section 57-15-26.3 of the North Dakota Century Code is repealed."

Renumber accordingly

Testimony on House Bill 1056 - Relating to Rural Fire Protection District Increased Levy Approval

1.
3.11.15

Robert Knuth, Assistant Chief
Minot Rural Fire Department

Mr. Chairman and members of the Senate Finance and Taxation Committee, Good Morning. My name is Rob Knuth and I am the Assistant Chief of the Minot Rural Fire Department and a resident of the Minot Rural Fire Protection District. I stand before you in opposition of bill 1056. While this bill was heard in the House it was argued that Fire Protection Districts currently only required approval of 20 percent of the residents of the district to increase the mill levy charged for Fire Protection. The committee members asked if I felt that the residents should have the right to determine their mill levy. My response then is the same one I have today. Our Fire District Board consist of one elected member from each of the 8 townships within our district. As per Century Code, article 18-10-07, these elected members shall determine a general fire protection policy for the district and shall annually estimate the probable expense for carrying out the contemplated program. At Minot Rural this process involves coordination between the Board of Directors and the senior Fire Officers. Once the policy and budget are established, we submit it to the county auditor. At that time, the amount of mills required to meet the established policy is determined by the taxable valuation of the District. Minot Rural is authorized up to 13 mills; however in 2014 we only drew 10.18 and after our 2015 budget was approved it was determined our mills would be 11.65. The amount of mills we draw is based off of the cost that would be needed to meet the level of service our district requires and has requested.

At our Annual Fire District Board Meeting, which is open to the public and advertised in accordance with the North Dakota Open Meeting Laws, District Board Members are elected and re-elected, our budget is presented to the district residents, and we report on the previous year's activities including call volume and response statistics. The point I'm trying to make is that we do have representation and district members have the opportunity to voice their opinions regularly. Concerns and questions can be expressed and addressed. There are multiple opportunities for residents to be heard and we do have a voice in determining the mill levies.

In the last 5 years, Minot Rural Fire Department's call volume has doubled. This has moved our Board of Directors to begin planning on a second station as well as the possibility of hiring additional full time personnel. We also have Mutual Aid agreements with several of our neighboring departments. Fire Departments across the state are struggling-- 96% of which are solely volunteer. Recruitment and retention, call volume increases, members with jobs which take them away from their district, and additional training needed to meet the increasing threat of hazardous materials flowing through our state have all taken their toll. Several of these small rural departments have no fire coverage during the day. If a call comes in to these towns, we currently provide assistance. If 1056 passes, Fire Protection Districts will have to add the additional burden of running a petition around to every resident in our district in hopes of receiving 51% approval. For those districts which do not receive the required numbers for approval, difficult choices will need to be made such as which service will they have to cut back on or even discontinue or even worse, which call for assistance received from a neighboring department can we afford to respond to. Each Fire Protection District should have the authority to determine the suitable level of service they require and be funded to meet those requirements. Each district is unique in their needs and is in the best position to determine what kind of funding and resources are needed for their own growing challenges.

1.2
HB1056
3.16.15

In the headlines this week, there were detailed reports on major events that volunteer fire departments responded to. An oil tank burning in Killdeer, hazardous waste dump burning south of Williston, and the fatal bus accident late last year in Larimore all took multiple departments and resources to mitigate. Responding to these types of incidents take more technical skills and require more personnel, equipment and training. There is a substantial financial impact to rural departments which respond to these occurrences that are happening more frequently. The ability to respond quickly, safely and efficiently can have long reaching implication on the loss to property and life according to each unique situation. The costs of responding to these unique situations cannot be forecasted, nor are these expenses going down. They are rising.

I would also like to point out that it was just announced by the North Dakota Forest Service that the Volunteer Firefighter's Assistance Program will be cut by 83%. This program afforded grant opportunities for Volunteer Fire Departments to receive vital wildland firefighting equipment. This is just one of many grant opportunities that have been severely cut or discontinued in the past few years.

To summarize, the costs for the specialized equipment, training and resources needed by volunteer fire departments is going up and funding opportunities are decreasing.

Thank you for the opportunity to present this information and I will answer any questions you may have.

2.
HB 1056
3.11.15

Good morning. My name is Robert Wetzler. I reside at 1517 18th St SW, Minot, ND.

I was an active member of the Minot Rural Fire Department for 29 years, from 1980 to 2009, 17 of those years as Fire Chief. Currently I hold the position of associate member.

I am here today to speak about HB 1056. As I understand it, this bill will alter the process fire protection districts use to assess tax levies. Prior to this bill, fire districts requiring a levy of more than 5 mils had to petition freeholders of the district, ***one time***. This allowed for the monies necessary to meet the needs for equipment, training, fire stations, maintenance and normal day to day operational expenses. HB 1056 would require fire districts to request ***reauthorization*** of the ***existing*** mil levy, more than 5 mils, by petition of a majority of qualified district electors ***every 8 years***.

Fire districts, specifically those in the western part of the state, have seen a large rise in emergency responses, due to the increase in population and commercial activities driven by growth in the oil industry. This bill has the potential to hamstring fire districts providing the expanded services necessary to protect those living and working in rural North Dakota. Fire districts need to have a constant with their ability to budget for current and future years. The potential loss of revenue would mean a change in the type and quality of services they provide. Many services would have to be eliminated or cut back.

Thirty five years ago when I first became a volunteer firefighter, our main job was to put out fires; prairie fires and structure fires. As with all things the mission has changed immensely. Along with putting out fire, today's firefighter responds to vehicle accidents, hazardous material calls, oil fires, train derailments and medical emergencies, to name a few The equipment they use is highly specialized and very expensive. The number of hours required for training has increased. This bill, without intention, places the additional responsibility of gathering the required signatures directly on the shoulders of already overworked volunteer firefighters.

HB 1056 poses a dangerous impact to the services fire districts provide. I strongly hope you reconsider this bill and allow fire districts and firefighters to do what they do best...provide low cost, high quality protection to the citizens of North Dakota. I am perplexed. As a firefighter we always assessed the benefit vs. risk. I do not find the benefit of this bill but can definitely see the risk if it should be passed. I urge this committee to send this forward with a recommendation of ***DO NOT PASS. It just doesn't make sense to try to fix a wheel that isn't broken.***

1.
3-24-15

15.0147.02001
Title.

Prepared by the Legislative Council staff for
Senator Dotzenrod
March 18, 2015

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1056

Page 1, line 19, replace "after receipt of a petition" with "and approval"

Page 1, line 19, after "district" insert "voting on the question at an annual or special meeting of electors called by the board of directors"

Page 1, line 20, after the underscored period insert "If an election to approve or reauthorize an excess levy will be held at an annual or special meeting of electors of the district called by the board of directors, notice of the meeting and the proposed excess levy election must be provided by at least one publication in the official newspaper of each county in which the district is located at least seven days, but not more than fourteen days, before the date of the public meeting. The published notice must include the amount of the proposed tax rate increase in mills and the duration for which elector approval of the increase is sought and must include the location where, and hours during which, ballots may be cast.

Votes to approve or disapprove the levy increase must be cast on the date of the meeting. The secretary-treasurer of the district shall prepare and distribute to qualified electors paper ballots to conduct the election on the question of increased levy authority. Three election judges to receive and count the ballots must be selected by approval of a majority of qualified electors in attendance. A marked ballot must be delivered to one of the judges, folded to conceal its contents, and the judge shall deposit it in the ballot box and another judge shall enter the name of the elector who cast the ballot in the poll book. When the election is closed, the judges shall count the ballots and announce the result. Results of the election must be certified to the county auditor within ten days after the election. The certificate must include a statement of the question as it appeared on the ballot, together with the total number of votes cast in favor, and the number of votes cast against, authorizing the excess levy."

Page 1, line 21, remove "petition of"

Page 1, line 22, replace "eight" with "ten"

Page 1, line 22, remove "No signature on the petition may be considered valid"

Page 1, line 23, remove "if made more than ninety days prior to receipt of the petition."

Renumber accordingly

1.2

3-24-15

15.0147.02001

Sixty-fourth
Legislative Assembly
of North Dakota

Introduced by

Legislative Management

(Taxation Committee)

FIRST ENGROSSMENT

ENGROSSED HOUSE BILL NO. 1056

A BILL for an Act to amend and reenact section 18-10-07 of the North Dakota Century Code, relating to rural fire protection district increased levy approval; to repeal section 57-15-26.3 of the North Dakota Century Code, relating to the levy limit for rural fire protection districts; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 18-10-07 of the North Dakota Century Code is amended and reenacted as follows:

18-10-07. Fire protection policy to be determined - Tax levy.

The board of directors shall determine a general fire protection policy for the district and shall annually estimate the probable expense for carrying out the contemplated program. The annual estimate of probable expense may include an amount determined by the board of directors to be necessary to be carried over to a future year for purchase of firefighting equipment, ambulances, or other emergency vehicles. The estimate must be certified by the president and secretary to the proper county auditor or county auditors, on or before June thirtieth of each year, who shall levy a tax upon the taxable property within the district for the maintenance of the fire protection district for the fiscal year as provided by law.

The tax may not exceed ~~the limitation in section 57-15-26.3~~a tax rate of five mills per dollar of the taxable valuation of property in the district except upon resolution adopted by the board of directors ~~after receipt of a petition~~and approval by a majority of the qualified electors residing within the district voting on the question at an annual or special meeting of electors called by the board of directors, the levy may be made in an amount not exceeding thirteen mills. If an election to approve or reauthorize an excess levy will be held at an annual or special meeting of electors of the district called by the board of directors, notice of the meeting and the proposed excess levy election must be provided by at least one publication in the official newspaper of

1.3
HB 1056
3-24-15

each county in which the district is located at least seven days, but not more than fourteen days, before the date of the public meeting. The published notice must include the amount of the proposed tax rate increase in mills and the duration for which elector approval of the increase is sought and must include the location where, and hours during which, ballots may be cast.

Votes to approve or disapprove the levy increase must be cast on the date of the meeting. The secretary-treasurer of the district shall prepare and distribute to qualified electors paper ballots to conduct the election on the question of increased levy authority. Three election judges to receive and count the ballots must be selected by approval of a majority of qualified electors in attendance. A marked ballot must be delivered to one of the judges, folded to conceal its contents, and the judge shall deposit it in the ballot box and another judge shall enter the name of the elector who cast the ballot in the poll book. When the election is closed, the judges shall count the ballots and announce the result. Results of the election must be certified to the county auditor within ten days after the election. The certificate must include a statement of the question as it appeared on the ballot, together with the total number of votes cast in favor, and the number of votes cast against, authorizing the excess levy.

After July 31, 2015, approval or reauthorization by ~~petition of~~ electors of increased levy authority under this section may not be effective for more than ~~eight~~ten taxable years. ~~No signature on the petition may be considered valid if made more than ninety days prior to receipt of the petition.~~ Additional levy authority authorized by the board of directors after petition of electors before August 1, 2015, remains in effect under the provisions of law at the time the levy was authorized for the time period authorized by the electors but not exceeding five taxable years. The tax must be:

1. Collected as other taxes are collected in the county.
2. Turned over to the secretary-treasurer of the rural fire protection district, who shall have a surety bond in the amount of at least five thousand dollars.
3. Placed to the credit of the rural fire protection district so authorizing the same by its secretary-treasurer in a state or national bank, except amounts to be carried over to a future year for purchase of firefighting equipment, ambulances, or other emergency vehicles may be invested to earn the maximum return available.

1.4
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1 4. Paid out upon warrants drawn upon the fund by authority of the board of directors of
2 the district, bearing the signature of the secretary-treasurer and the countersignature
3 of the president of the rural fire protection district.
4 The amount of tax levy may not exceed the amount of funds required to defray the expenses of
5 the district for a period of one year as embraced in the annual estimate of expense, including
6 the amount of principal and interest upon the indebtedness of the district for the ensuing year
7 and including any amount determined by the board of directors to be necessary to be carried
8 over to a future year for purchase of firefighting equipment, ambulances, or other emergency
9 vehicles.
10 **SECTION 2. REPEAL.** Section 57-15-26.3 of the North Dakota Century Code is repealed.
11 **SECTION 3. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
12 December 31, 2014.

Prepared by the Legislative Council staff for
Senate Finance and Taxation Committee
March 24, 2015

1.
3.24.15

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1056

Page 1, line 19, replace "after receipt of a petition" with "and approval"

Page 1, line 19, replace "residing within the district" with "voting on the question at an annual or special meeting of electors called by the board of directors"

Page 1, line 20, after the underscored period insert "If an election to approve or reauthorize an excess levy will be held at an annual or special meeting of electors of the district called by the board of directors, notice of the meeting and the proposed excess levy election must be provided by at least one publication in the official newspaper of each county in which the district is located at least seven days, but not more than fourteen days, before the date of the public meeting. The published notice must include the amount of the proposed tax rate increase in mills and the duration for which elector approval of the increase is sought and must include the location where, and hours during which, ballots may be cast.

Votes to approve or disapprove the levy increase must be cast on the date of the meeting. The polling place must remain open for at least six hours on the date of the meeting. The secretary-treasurer of the district shall prepare and distribute to qualified electors paper ballots to conduct the election on the question of increased levy authority. Three election judges to receive and count the ballots must be selected by approval of a majority of qualified electors in attendance. A marked ballot must be delivered to one of the judges, folded to conceal its contents, and the judge shall deposit it in the ballot box and another judge shall enter the name of the elector who cast the ballot in the poll book. When the election is closed, the judges shall count the ballots and announce the result. Results of the election must be certified to the county auditor within ten days after the election. The certificate must include a statement of the question as it appeared on the ballot, together with the total number of votes cast in favor, and the number of votes cast against, authorizing the excess levy."

Page 1, line 21, remove "petition of"

Page 1, line 22, replace "eight" with "ten"

Page 1, line 22, remove "No signature on the petition may be considered valid"

Page 1, line 23, remove "if made more than ninety days prior to receipt of the petition."

Renumber accordingly

HB 1056
4-6-15
#1

15.0147.02004
Title.

Prepared by the Legislative Council staff for
Representative Owens
April 2, 2015

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1056

That the House accede to the Senate amendments as printed on pages 1218 and 1219 of the House Journal and pages 922 and 933 of the Senate Journal and that Engrossed House Bill No. 1056 be further amended as follows:

Page 2, line 2, replace "five" with "ten"

Page 2, line 2, after "years" insert "or the period of time necessary for repayment of indebtedness incurred which was intended to be repaid from the increased levy, whichever expires later"

Renumber accordingly

HB 1056
4-14-15
#1

15.0147.02005
Title.

Prepared by the Legislative Council staff for
Senator Unruh
April 13, 2015

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1056

That the House accede to the Senate amendments as printed on pages 1218-1219 of the House Journal and pages 922-923 of the Senate Journal and that Engrossed House Bill No. 1056 be further amended as follows:

Page 1, line 3, after the semicolon insert "to provide for a legislative management study;"

Page 2, after line 19, insert:

"**SECTION 3. LEGISLATIVE MANAGEMENT STUDY - POLITICAL SUBDIVISION REFERENCES.** During the 2015-16 interim, the legislative management shall consider studying statutory usage of various references to political subdivisions and the feasibility of differentiating references to political subdivisions based on whether the governing body is elected or appointed. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement its recommendations, to the sixty-fifth legislative assembly."

Renumber accordingly

HB 1056
4-14-15
#2 p.1

15.0147.02007
Title.

Prepared by the Legislative Council staff for
Representative Dockter
April 13, 2015

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1056

That the Senate recede from its amendments as printed on pages 1218 and 1219 of the House Journal and pages 922 and 923 of the Senate Journal and that Engrossed House Bill No. 1056 be amended as follows:

Page 1, line 19, replace "after receipt of a petition" with "and approval"

Page 1, line 19, replace "residing within the district" with "voting on the question at an annual or special meeting of electors called by the board of directors"

Page 1, line 20, after the underscored period insert "For an election to be valid, at least ten percent of the qualified electors residing within the district must vote on the question at the annual or special meeting. If an election to approve or reauthorize an excess levy will be held at an annual or special meeting of electors of the district called by the board of directors, notice of the meeting and the proposed excess levy election must be provided by at least one publication in the official newspaper of each county in which the district is located at least seven days, but not more than fourteen days, before the date of the public meeting. The published notice must include the amount of the proposed tax rate increase in mills and the duration for which elector approval of the increase is sought and must include the location where, and hours during which, ballots may be cast.

Votes to approve or disapprove the levy increase must be cast on the date of the meeting. The polling place must remain open for at least six hours on the date of the meeting. The secretary-treasurer of the district shall prepare and distribute to qualified electors paper ballots to conduct the election on the question of increased levy authority. Three election judges to receive and count the ballots must be selected by approval of a majority of qualified electors in attendance. A marked ballot must be delivered to one of the judges, folded to conceal its contents, and the judge shall deposit it in the ballot box and another judge shall enter the name of the elector who cast the ballot in the pollbook. When the election is closed, the judges shall count the ballots to confirm that at least ten percent of the qualified electors residing within the district cast a ballot. If the minimum amount of required ballots were cast, the judges shall announce the result. Results of the election must be certified to the county auditor within ten days after the election. The certificate must include a statement of the question as it appeared on the ballot, together with the total number of votes cast, the number of votes cast in favor, and the number of votes cast against, authorizing the excess levy."

Page 1, line 21, remove "petition of"

Page 1, line 22, replace "eight" with "ten"

Page 1, line 22, after "years" insert "or the period of time necessary for repayment of indebtedness incurred which is intended to be repaid from the increased levy, whichever expires later"

Page 1, line 22, overstrike "No signature on the petition may be considered valid"

Page 1, line 23, overstrike "if made more than ninety days prior to receipt of the petition."

#2p.2

Page 2, line 2, replace "five" with "ten"

Page 2, line 2, after "years" insert "or the period of time necessary for repayment of indebtedness incurred which was intended to be repaid from the increased levy, whichever expires later"

Renumber accordingly

HB 1056
4-16-15
#1 p. 1

15.0147.02009
Title.

Prepared by the Legislative Council staff for
Representative Dockter
April 16, 2015

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1056

That the Senate recede from its amendments as printed on pages 1218 and 1219 of the House Journal and pages 922 and 923 of the Senate Journal and that Engrossed House Bill No. 1056 be amended as follows:

Page 1, line 1, after "to" insert "create and enact section 18-10-07.1 of the North Dakota Century Code, relating to mail ballot elections for rural fire protection district increased levy approval; to"

Page 1, line 3, after the semicolon insert "to provide for a legislative management study;"

Page 1, line 18, remove "except upon resolution adopted by the board of directors"

Page 1, remove lines 19 through 21

Page 1, line 22, remove "effective for more than eight taxable years"

Page 1, line 22, overstrike "No signature on the petition may be considered valid"

Page 1, line 23, overstrike "if made more than ninety days prior to receipt of the petition."

Page 2, line 2, replace "five" with "ten"

Page 2, line 2, after "years" insert "or the period of time necessary for repayment of indebtedness incurred which was intended to be repaid from the increased levy, whichever expires later. Upon approval or reauthorization by a majority of electors of the district voting in a mail ballot election conducted as provided in section 18-10-07.1, the tax may be increased to a tax rate not exceeding thirteen mills per dollar of the taxable valuation of property in the district for a period not exceeding ten taxable years or the period of time necessary for repayment of indebtedness incurred which is intended to be repaid from the increased levy, whichever expires later"

Page 2, after line 18, insert:

"**SECTION 2.** Section 18-10-07.1 of the North Dakota Century Code is created and enacted as follows:

18-10-07.1. Mail ballot election for excess levy approval.

The board of directors of a fire protection district may hold an election by mail ballot for consideration of elector approval of an excess levy under section 18-10-07. If the board of directors holds an election by mail ballot, the board must appoint an election board of five electors residing in the district to oversee the conduct and determine the result of the election. The members of the election board shall choose a chairman from their number.

The secretary of the board of directors shall cause publication of a notice of the mail ballot election in the newspaper or newspapers of general circulation where the district is located and in the official newspaper of each county in which the district is located. The newspaper publication must occur at least twenty-five days before and not more than thirty-five days before a mail ballot election. The notice must specify the amount of the mill levy authority to be voted upon, that the election is to be held by mail

ballot, that no polling places will be open for the election, and the name and address of the secretary of the board of directors to whom requests may be made to receive a mail ballot.

At least fifteen days before a mail ballot election in a fire protection district, the secretary shall prepare and have printed an official ballot. The ballot must be headed "Official Ballot" and state the question "Do you approve an excess levy of _____ mills for the _____ Fire Protection District?" and provide boxes for the elector to mark a yes or no vote and a line designated as being for the elector's signature.

On the fifteenth day before the election, the secretary of the board of directors shall mail an official mail ballot with a return identification envelope and instructions sufficient to describe the voting process to each elector known by the secretary to be residing in the district. The voting instructions must contain a statement informing the elector that the elector must sign the mail ballot to make it valid and that the elector is entitled to complete the mail ballot in secrecy. The secretary shall mail the ballot by first-class mail, addressed to the last-known address of the elector and placed in an envelope that is prominently marked "Do Not Forward". The return identification envelope must include an affidavit for the elector to certify that the ballot submitted represents the elector's vote. An elector may obtain a replacement ballot if a mail ballot is destroyed, spoiled, lost, or not received by the elector by signing a sworn statement that the ballot was destroyed, spoiled, lost, or not received and delivering the statement to the secretary of the district no later than four p.m. on the day before the election. An elector voting by mail ballot shall either deliver the mail ballot to the secretary of the district before five p.m. on the day of the election or mail the ballot, which must be postmarked no later than the day before the election.

Immediately after five p.m. on the day of the election, the election board publicly shall open and canvass the ballots cast and shall declare the preliminary result of the canvass, pending receipt of any ballots postmarked no later than the day before the election. A mail ballot may be counted only if the ballot is returned in the return identification envelope and is signed by the elector. The chairman of the election board shall wrap securely all lists, tally sheets, oaths and affirmations, and other documents relating to the progress of the election and shall deliver the same to the secretary of the board of directors of the district.

SECTION 3. LEGISLATIVE MANAGEMENT STUDY - POLITICAL SUBDIVISION REFERENCES. During the 2015-16 interim, the legislative management shall consider studying statutory usage of various references to political subdivisions and the feasibility of differentiating references to political subdivisions based on whether the governing body is elected or appointed. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement its recommendations, to the sixty-fifty legislative assembly."

Page 2, line 20, replace "This" with "Sections 1, 2, and 4 of this"

Page 2, line 20, replace "is" with "are"

Renumber accordingly

HB 1056
4-20-15

15.0147.02011
Title.

Prepared by the Legislative Council staff for
Senator Cook
April 20, 2015

1

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1056

That the Senate recede from its amendments as printed on pages 1218 and 1219 of the House Journal and pages 922 and 923 of the Senate Journal and that Engrossed House Bill No. 1056 be amended as follows:

Page 1, line 3, after the semicolon insert "to provide for a legislative management study of the consolidation of elections and a legislative management study of statutory references to political subdivisions;"

Page 1, line 19, replace "after receipt of a petition" with "and approval"

Page 1, line 19, replace "residing within the district" with "voting on the question at an annual or special meeting of electors called by the board of directors"

Page 1, line 20, after the underscored period insert "If an election to approve or reauthorize an excess levy will be held at an annual or special meeting of electors of the district called by the board of directors, notice of the meeting and the proposed excess levy election must be provided by at least one publication in the official newspaper of each county in which the district is located at least seven days, but not more than fourteen days, before the date of the public meeting. The published notice must include the amount of the proposed tax rate increase in mills and the duration for which elector approval of the increase is sought and must include the location where, and hours during which, ballots may be cast.

Votes to approve or disapprove the levy increase must be cast on the date of the meeting. The polling place must remain open for at least six hours on the date of the meeting. The secretary-treasurer of the district shall prepare and distribute to qualified electors at the polling place paper ballots to conduct the election on the question of increased levy authority. Three election judges to receive and count the ballots, who are qualified electors of the district but not members of the board, must be selected at least seven days before the meeting by approval of a majority of the members of the board. A marked ballot must be delivered to one of the judges, folded to conceal its contents, the judge shall deposit it in the ballot box, and another judge shall enter the name of the elector who cast the ballot in the poll book. When the election is closed, the judges shall count the ballots and announce the result. Results of the election must be certified by the secretary-treasurer of the district and each of the election judges to the tax commissioner and to the county auditor of each county in which the district is located within ten days after the election. The certificate must include a statement of the question as it appeared on the ballot, together with the total number of votes cast in favor, and the number of votes cast against, authorizing the excess levy."

Page 1, line 21, remove "petition of"

Page 1, line 22, replace "eight" with "ten"

Page 1, line 22, overstrike "No signature on the petition may be considered valid"

Page 1, line 23, overstrike "if made more than ninety days prior to receipt of the petition."

Page 2, after line 19, insert:

#1 p. 2

"**SECTION 3. LEGISLATIVE MANAGEMENT STUDY- CONSOLIDATION OF ELECTIONS.** During the 2015-16 interim, the legislative management shall consider studying the feasibility and desirability of consolidating all political subdivision and school district elections with the statewide primary election and the holding of all special elections on other specified dates during any year. If the legislative management conducts the study, the legislative management shall seek input and participation from the secretary of state; representatives of cities, counties, school districts, and other political subdivisions; and representatives of political parties. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

SECTION 4. LEGISLATIVE MANAGEMENT STUDY - STATUTORY REFERENCES TO POLITICAL SUBDIVISIONS. During the 2015-16 interim, the legislative management shall consider studying statutory usage of various references to political subdivisions and the feasibility of differentiating references to political subdivisions based on whether the governing body is elected or appointed. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly."

Renumber accordingly