

2015 HOUSE TRANSPORTATION

HB 1093

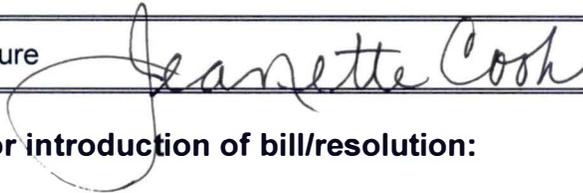
2015 HOUSE STANDING COMMITTEE MINUTES

Transportation Committee
Fort Totten Room, State Capitol

HB 1093
1/22/2015
#22362

Subcommittee
Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A bill relating to allocation and distribution of the highway tax distribution fund.

Minutes:

Attachment #1

Chairman Dan Ruby opened the hearing on HB1093.

Ryan Skor, Director of Finance, Office of State Treasurer, introduced HB 1093. See attachment #1. (Audio missing)

Chairman Dan Ruby: On Page 3 where it switches from Subdivision A to Paragraph 1, is that changing the language in the formula itself above the Subdivision A, or is it still referring to Subdivision A in just a different way?

Ryan Skor: That actual portion of this correction was a left over error from the previous code. The code was amended a couple of bienniums ago to change... It used to be numbers and then they switched to paragraphs. That section that used to refer up to Subdivision A, it was changed to... That is part of the confusion that is in the code. It was referring to a paragraph that was no longer the intended paragraph. So, the last time the code was amended, that portion didn't get amended to reflect the change from paragraphs to subdivisions. That is part of the correction now.

Chairman Dan Ruby: Okay.

Ryan Skor: What it did before was it added that Subparagraph A. What that did in the previous code was shifted everything over, so instead of having a Subparagraph A, it was having a Paragraph 1. That is why instead of referring back up to Subdivision A, it is referring up to Paragraph 1. It was just poorly worded.

Chairman Dan Ruby: For the committee's understanding there is no change in how the distribution is going to go. There is no change in what cities within those counties will receive. It is just a clean-up. This will not be able to be interpreted in 4 different ways, just one.

Ryan Skor: That is correct. During our audit it was brought up by the State Auditor's Office that this could be interpreted in multiple ways, so they asked for some clarification. We also asked for an Attorney General's opinion on whether or not it should continue to be interpreted the way that it has been. They came back and told us to do it the way that it was intended and to get it clarified at the next legislative session.

Chairman Dan Ruby: You are just saying this is the way that this has always been interpreted, it was legislative intent, and we are just clarifying the code?

Ryan Skor: Yes.

Representative Marvin Nelson: I am wondering about Line 21. It says the remaining county allocation amount must be transferred into the county Highway Tax Distribution Fund. I'm not sure my county even has a county Highway Tax Distribution Fund. Wouldn't that just be the county Road Fund?

Ryan Skor: I am not sure. The intent is for the money to go into whatever account they use to build roads.

There was no further support for HB 1093.
There was no opposition to HB 1093.

Representative Marvin Nelson: I would like to clarify that on Line 21 by changing the Highway Tax Distribution to Road Construction. Then it doesn't sound like such a specific fund. I'm sure different counties have different names in their systems. I would just like to say Road Construction Fund.

Aaron Burst, Associations of Counties in North Dakota: Regarding that language, I can see no harm one way or the other. The counties put that money to the road funds. That is correct, that they probably don't have a Highway Distribution Fund in the counties. It is just grammatical; we take no position on that.

Chairman Dan Ruby: It would be difficult to come up with a term specific to each county.

Aaron Burst: It could just say "to the roads". That is the intent, and that is what we will try to implement.

Chairman Dan Ruby: Do we have an amendment?

Representative Marvin Nelson: If we could, I would just say County Roads Fund. I would move to substitute the word "Roads" for "Highway Tax Distribution".

Chairman Dan Ruby: Who drafted this, Kelly?

Kelly Schmidt, OST: We drafted it in collaboration with Legislative Council using language that was proposed by Auditor and the Attorney General's office. I'm sure the intent here is to make sure the dollars don't go to the county General Fund.

Representative Marvin Nelson withdrew his motion.

Vice Chairman Lisa Meier moved a **DO PASS** on **HB 1093**.
Rep. Mark Owens seconded the bill.

There was not further discussion.

A roll call vote was taken on HB 1093. Aye 13 Nay 0 Absent 1
The motion carried.

Representative Robert Frantzvog will carry **HB 1093**.

**2015 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. HB1093**

House Transportation 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 Vice Chairman Lisa Meier Seconded By Rep. Mark Owens

Representatives	Yes	No	Representatives	Yes	No
Chairman Ruby	X		Rep. Delmore	X	
Vice Chairman Meier	X		Rep. Hanson	X	
Rep. Rick Becker	X		Rep. Nelson	X	
Rep. Frantzvog	X				
Rep. Hawken	A				
Rep. Olson	X				
Rep. Owens	X				
Rep. Paur	X				
Rep. Schatz	X				
Rep. Sukut	X				
Rep. Weisz	X				

Total (Yes) 13 No 0

Absent 1

Floor Assignment Representative Robert Frantzvog

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

REPORT OF STANDING COMMITTEE

HB 1093: Transportation Committee (Rep. Ruby, Chairman) recommends **DO PASS**
(13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1093 was placed on the
Eleventh order on the calendar.

2015 SENATE APPROPRIATIONS

HB 1093

2015 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

HB 1093
3/10/2015
Job # 24591

Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to amend and reenact NDCC, relating to allocation and distribution of highway tax distribution funds

Minutes:

Attachment # 1

V. Chairman Krebsbach called the committee to order on Tuesday, March 10, 2015, at 2:00 pm in regards to HB 1093. All committee members were present except Senator Holmberg, who was testifying in another bill. Becky Keller, OMB and Brady Larson, Legislative Council, were also present.

Ryan Skor, Finance Director, Office of State Treasurer testified in favor of HB 1093 and provided written Testimony Attached # 1 - relating to distribution of highway funds to counties and cities. What this bill does is to clarify the current method of distribution with the counties that have no city with a population greater than 10,000. I ask for a Do Pass recommendation. (1.26)

Senator Mathern: Is the underlying formula really accurate, for example if there's a town close to a county border and there could be potential unfairness who gets the money. Have you ever thought of that in terms of a change the formula?

Mr. Skor: We haven't really looked at the fairness of it. We've just been trying to distribute the way the law has been written and that's what we want to do. When this issue was brought up we looked at what would happen if it was distributed under the other interpretation, and with that other interpretation, there was a pretty dramatic decrease in the city amounts in those counties that are less than 10,000 in population. We haven't done any evaluating if the city is right next to Cass County and that's one way the current law is preventing that from happening. In those situations, those cities are sharing with their county in 27% of that county's share, and then the smaller cities in the big county, they're getting a higher percentage because there's a factor in there. We could look at that if you wanted us to, but it is not part of the bill.

V.Chairman Bowman: I think part of that could be handled in the surge funds when we included those outlying towns that weren't getting money but we know there was an impact

so we tried to take them into consideration when we sent out that surge funding which I think they really appreciated. Hopefully part of that got corrected when we did that.

V. Chairman Krebsbach: this is basically the bill we had before, however, you're just clarifying the population within the cities or in the counties for those cities, is that correct?

Mr. Skor: Yes, all it does is clarify how we've been distributing to those counties, the cities and counties that don't have a city within it greater than 10,000 population, other than the 6 cities that do.

V. Chairman Krebsbach: Is anyone else here to testify in support, in neutral, or in opposition of the bill? Seeing none, the hearing was closed on HB 1093.

2015 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

HB 1093
3/11/2015
Job # 24646

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to amend and reenact section 54-27-19 of the North Dakota Century Code, relating to allocation and distribution of the highway tax distribution fund.

Minutes:

Legislative Council - Sean Smith
OMB - Lori Laschkewitsch

Chairman Holmberg: This was to clarify the current method of distribution to counties. It said no cities with the population of 10,000 or over.

Senator Mathern moved Do Pass on 1093.
Senator Heckaman seconded.

A Roll Call vote was taken. Yea: 13 Nay: 0 Absent: 0

Senator O'Connell will carry the bill on the floor.

Date: 3-11-15
 Roll Call Vote #: 1

**2015 SENATE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 1093**

Senate Appropriations 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 Mathern Seconded By Heckaman

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Heckaman	✓	
Senator Bowman	✓		Senator Mathern	✓	
Senator Krebsbach	✓		Senator O'Connell	✓	
Senator Carlisle	✓		Senator Robinson	✓	
Senator Sorvaag	✓				
Senator G. Lee	✓				
Senator Kilzer	✓				
Senator Erbele	✓				
Senator Wanzek	✓				

Total (Yes) 13 No 0

Absent 0

Floor Assignment O'Connell

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

REPORT OF STANDING COMMITTEE

HB 1093: Appropriations Committee (Sen. Holmberg, Chairman) recommends DO PASS (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1093 was placed on the Fourteenth order on the calendar.

2015 TESTIMONY

HB 1093

HB 1093
1-22-15

1 of 1



#1

STATE OF NORTH DAKOTA
OFFICE OF STATE TREASURER
Kelly L. Schmidt, State Treasurer

House Bill 1093
Testimony in Support
Committee: House Transportation
Date: January 22, 2015
Ryan Skor, Dir. of Finance
Office of State Treasurer

Mr. Chairman, members of the committee:

For the record, I am Ryan Skor, Director of Finance for the Office of State Treasurer. I am here in support of HB 1093 relating to distribution of highway funds to counties and cities.

During our most recent audit, it was determined that a portion of North Dakota Century Code dealing with the highway tax distribution formula could potentially be interpreted differently than it is currently being administered. The State Auditor's Office has asked that we clarify the language of North Dakota Century Code 54-27-19.

This bill clarifies the current method of distribution to counties having no cities with a population of 10,000 or greater. This proposed clarification supplies the language that reflects the current method of distribution.

We respectfully ask this committee for a DO PASS on this clarification.

Thank you.



STATE OF NORTH DAKOTA
OFFICE OF STATE TREASURER
Kelly L. Schmidt, State Treasurer

3-10-15

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HB 1093

House Bill 1093
Testimony in Support
Committee: Senate Appropriations
Date: March 10, 2015
Ryan Skor, Dir. of Finance
Office of State Treasurer

Mr. Chairman, members of the committee:

For the record, I am Ryan Skor, Director of Finance for the Office of State Treasurer. I am here in support of HB 1093 relating to distribution of highway funds to counties and cities.

During our most recent agency audit, it was determined that a portion of North Dakota Century Code dealing with the highway tax distribution formula could potentially be interpreted differently than it is currently being administered. The State Auditor's Office has asked that we clarify the language of North Dakota Century Code 54-27-19.

This bill clarifies the current method of distribution to counties which have no cities with a population of 10,000 or greater. This proposed clarification supplies the language that reflects the current method of distribution. This clarification would have zero fiscal impact as the current method of distributing highway tax dollars would continue.

We respectfully ask this committee for a DO PASS on this clarification.

Thank you.