

**FISCAL NOTE**  
**Requested by Legislative Council**  
**01/08/2015**

Amendment to: HB 1158

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures				\$111,209		\$(14,672)
Appropriations				\$111,209		\$(14,672)

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

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties			
Cities			
School Districts			
Townships			

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

The bill amends sections of the NDCC relating to the issuance of game and fish licenses; and provides an effective date. This bill would remove the mandate of county auditors to issue game and fish licenses and to appoint agents.

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

The department would need to hire one new FTE and would have increased on-going operating costs and a one-time programming cost. This bill would also eliminate the cost of commissions paid to county auditors, which is currently a standing and continuing appropriation from the game and fish fund. After the first year, it would result in a slight decrease of our expenditures.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

None anticipated.

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The department would need to hire one new FTE, effective July 1, 2015. Currently county auditors are responsible for appointing the agents, bonding them, collecting revenue, issuing them license tags and guides, and answering questions. The 53 county auditors manage approx. 400 agents across the state. If county auditors no longer sell Game and Fish licenses and manage the agents, this entire responsibility would be on the department's licensing section which only consists of 4 Licensing Specialists. It would not be possible for Game and Fish to manage approx. 400 agents, at the current staffing level, to provide the necessary fiscal management, training of the online system, monthly correspondence, daily questions, etc. A new FTE would cost the department approximately \$108,028 salary/benefits (salary data taken from the Governor's compensation package), \$8,800 operating costs

and \$9,500 travel per biennium.

While the effective date of this bill is for the next licensing season (April 1, 2016), the new FTE would need to be hired by July 1, 2015 to allow for an orderly transition of taking over managing the agents and getting them online to issue licenses; currently there are approx. 71 agents online. This hire date only allows for approx. 8 months to put procedures in place, to have all agents bonded, and to perform online training of approx. 300 of the 400 agents. The department would want agents online for a month before the new license season begins April 1, 2016.

The proposed bill would also require one-time programming costs, in 2015-17, to our Game and Fish online licensing system of \$55,381 per a quote from ITD. This programming will setup an ACH payment collection that will sweep the agent's accounts twice a month and deposit money into the Game & Fish fund.

This bill also would decrease our expenditures by approx. \$70,500 per year because it eliminates the cost of commissions paid to county auditors. These commissions are based on license sales, so they fluctuate from year to year. The above amount is the average of the past two years of commissions paid to county auditors.

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

This bill would require an additional FTE (Licensing Specialist II) in the amount of \$108,028 for salaries and benefits and \$18,300 in additional on-going operating costs totaling \$126,328 for the biennium. Plus an additional one-time expenditure in 2015-17 for programming costs for the licensing system of \$55,381. It would eliminate the commissions paid to county auditors for the issuance of licenses which is approximately \$70,500 for one year. Since the bill would not take effect until April 1, 2016 there would only be one year of savings of not paying county auditor commissions in 2015-17. After the first year, this bill would result in a slight decrease of our expenditures.

15-17:  $108,028 + 18,300 + 55,381 - 70,500 = 111,209$

17-19:  $108,028 + 18,300 - 141,000 = (14,672)$  Expenditure savings

**Name:** Kim Kary

**Agency:** ND Game and Fish Dept.

**Telephone:** 328-6605

**Date Prepared:** 01/21/2015

**FISCAL NOTE**  
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**01/08/2015**

Bill/Resolution No.: HB 1158

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**Date Prepared:** 01/21/2015

**2015 HOUSE ENERGY AND NATURAL RESOURCES**

**HB 1158**

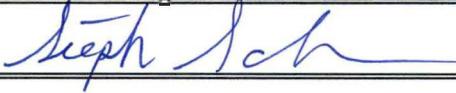
# 2015 HOUSE STANDING COMMITTEE MINUTES

## Energy and Natural Resources Committee Pioneer Room, State Capitol

HB 1158  
1/22/2015  
22391

- Subcommittee  
 Conference Committee

Committee Clerk Signature



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

Relating to the issuance of game and fish licenses; and to provide an effective date.

### Minutes:

**Chairman Porter** opens hearing.

Attachments #2

### Testimony in Support:

#### **Representative Jim Schmidt, District 31**

This Bill is brought forth by the North Dakota Association of Counties and North Dakota Game and Fish. I've had several meetings with them and I fully support this Bill. This Bill removes the mandate that county auditors issue Game and Fish licenses and provides them with the opportunity to participate if they wish. If you are one of the western counties and you wish not to participate, you can opt-out. If you are another county and you wish to do this you can opt-in. As such, it does place more responsibility on the Game and Fish to conduct this activity. With that I would direct your questions to Kim and Donnell. They can provide you with far better information on this than I can.

**Rep. Mike Nathe:** You being in appropriations, it says that the department would have to hire one new FTE, is that why the fiscal note is the way it is?

**Representative Schmidt:** Yes, it is. We took the responsibility back from the counties and the counties that were putting hourly time into that effort. The counties were paying for it before and now we will give that to the Game and Fish. For the tax payer it's a wash, it's going from the county to the state.

**Denelle Preskey, North Dakota Association of Counties, Executive Director of County Auditors and Treasurers** (Written testimony #1)

**Rep. Bill Devlin:** Can you explain further on the reimbursements on the chart on the bottom of page 2.

**Preskey:** I received the reimbursement numbers to counties from Game and Fish they may be able to elaborate on that. From what I understand of the reimbursement, the number of licenses is also part of that. But, Game and Fish should clarify that question.

**Rep. Bob Hunsakor:** For Counties that opt not to issue licenses, Game and Fish takes over. The folks that live in those counties who do not access to working online what would the plan be to make it accessible to them?

**Preskey:** Game and Fish is assuming the responsibility of what the 53 county auditors do, in working with the venders that are supplying the Game and Fish licenses. You will still be able to go to a business and get your license. The difference is that the county auditor is no longer the middle man.

**Kim Kary, Chief Administrative Services Division, North Dakota Game and Fish Department** (Written testimony #2)

**Chairman Porter:** In side of your budget, how many new FTEs are in your budget in the Senate?

**Kary:** Currently, in the governor's recommended budget, we have four.

**Chairman Porter:** Are any of them in this department?

**Kary:** No.

**Rep. Bill Devlin:** I understand that the reimbursement to the counties, are the commissions, is there anything else that they are reimbursed in any way for?

**Kary:** Yes, if you read the law it's broken out into types of schedules. It's a different fee for non-residents etc. The amounts we pay them are the commissions that they earn.

**Mike Rud, North Dakota Petroleum Marketers and Retail Association**

We represent a large majority of the folks who sell the licenses across the state. We stand in support of HB 1158. It's not only been a burden for the county auditors, it has been a burden for our members as well. Our labor has shrunk and we are doing more and more with less and less. In the work force, we've run into some training issues with the paper licenses. The marketer who's selling those licenses is financially liable. If you lose one of those books, its 35 dollars a license, that's 350 dollars. If a marketer can't find a book they are out 350 dollars. We have wanted it for a long time, to take that burden off of our people. In the world we live in now, with the online situation it shouldn't be too much of a problem for folks to get their licenses. It a marketer wants to set up a computer in their shop there are still able to do that and sell a license right there. With that I would ask for your support of HB 1158.

**Opposition:** None

**Chairman Porter** closes hearing.

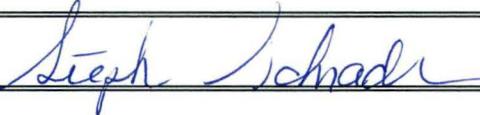
# 2015 HOUSE STANDING COMMITTEE MINUTES

Energy and Natural Resources Committee  
Pioneer Room, State Capitol

1158  
1/22/2015  
22398

- Subcommittee  
 Conference Committee

Committee Clerk Signature



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

Relating to the issuance of game and fish licenses; and to provide an effective date.

## Minutes:

Attachments #0

**Chairman Porter** opens the hearing.

**Chairman Porter:** This Bill, if passed, will need in the motion a rereferral to appropriations. Because it does have one FTE component in the Bill.

**Rep. Bill Devlin** Moves a do pass with a rereferral to appropriations.

**Rep. Dick Anderson:** Second.

**Chairman Porter:** discussion? Seeing no discussion the clerk will call a roll for do pass and rereferral to appropriations on HB 1158.

**Vote:** Yes 12, No 0, Absent 1

**Carrier:** Rep. Bill Devlin

Date: 1/22/2015  
Roll Call Vote #: 1

2015 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. HB 1158

House Energy and Natural Resources Committee

Subcommittee

Amendment LC# or Description: N/A

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. Devlin Seconded By Rep. D. Anderson

Representatives	Yes	No	Representatives	Yes	No
Chairman Porter	✓		Rep Hunsakor	✓	
Vice Chairman Damschen	✓		Rep Mock		A
Rep D Anderson	✓		Rep Muscha	✓	
Rep Brabandt	✓				
Rep Devlin	✓				
Rep Froseth	✓				
Rep Hofstad	✓				
Rep Keiser	✓				
Rep Lefor	✓				
Rep Nathe	✓				

Total (Yes) 12 No 0

Absent 1

Floor Assignment Rep Devlin

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

N/A

**REPORT OF STANDING COMMITTEE**

**HB 1158: Energy and Natural Resources Committee (Rep. Porter, Chairman) recommends DO PASS and BE REREFERRED to the Appropriations Committee (12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1158 was rereferred to the Appropriations Committee.**

**2015 HOUSE APPROPRIATIONS**

**HB 1158**

# 2015 HOUSE STANDING COMMITTEE MINUTES

**Appropriations Committee**  
Roughrider Room, State Capitol

HB 1158  
2/11/2015  
23690

- Subcommittee  
 Conference Committee



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

Relating to the issuance of game and fish licenses; and to provide an effective date.

**Minutes:**



**Chairman Jeff Delzer** opened the meeting.

**Representative Todd Porter, District 34, Mandan:** spoke as Chairman of the Energy and Natural Resources Committee (where bill originated). This bill takes the county auditor out of the requirements dealing with the selling of game and fish licenses.

**Chairman Jeff Delzer**

But with an FTE, costs would not settle back down; costs would continue.

**Porter:** So would the responsibilities of being the one issuing the books. And the responsibilities we are taking from the auditor's; we would move it to game and fish.

**Chairman Jeff Delzer**

Frankly this bill does not give an FTE, but that's what the fiscal note says would be required. We'll have the game and fish budget the second half. Whatever we do, we won't put an FTE in the bill. We will worry about that when we come to the second half.

# 2015 HOUSE STANDING COMMITTEE MINUTES

**Appropriations Committee**  
Roughrider Room, State Capitol

HB 1158  
2/16/2015  
23937

- Subcommittee  
 Conference Committee

*Rayann Bold*

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

Relating to the issuance of game and fish licenses; and to provide an effective date.

**Minutes:**

**Chairman Jeff Delzer**

Shows the fiscal impact of this year; we don't have the Game and Fish budget until the second half. This came out of Natural Resources; 12 - 0 do pass.

Motion for a Do Pass by **Representative Schmidt**  
Seconded by **Representative Boe**

**Representative Monson**

Have had comments about smaller rural vendors that have fewer and fewer opportunities to sell licenses; so what is the impact??

**Representative Schmidt**

It has none. Puts the responsibility on licensing back on the Game and Fish the ...position and look at what was being paid by Game and Fish; that equals the one full time equivalent (FTE).

**Chairman Jeff Delzer**

The main street vendors...

**Representative Schmidt**

Computer system

**Chairman Jeff Delzer**

They still have the paper licenses and stuff they can give out there, right?

**Representative Schmidt**

Think so

**Representative Boe**

Last time it saw a book was a long time ago.

And this is in code that the county auditor doesn't have a choice and if they don't have the staff.

Motion made for a DP made by **Representative Schmidt**

Second by **Representative Boe**

Yes: 21, No 2, Absent 0

Carrier: Representative Devlin

Hearing closed.



**REPORT OF STANDING COMMITTEE**

**HB 1158: Appropriations Committee (Rep. Delzer, Chairman) recommends DO PASS**  
(21 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). HB 1158 was placed on the  
Eleventh order on the calendar.

**2015 SENATE ENERGY AND NATURAL RESOURCES**

**HB 1158**

# 2015 SENATE STANDING COMMITTEE MINUTES

Energy and Natural Resources  
Fort Lincoln Room, State Capitol

HB 1158  
3/13/2015  
24813

- Subcommittee  
 Conference Committee

Committee Clerk Signature

*Katie Oliver*

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

Relating to the issuance of game and fish licenses

## Minutes:

3 Attachments

Representative Jim Schmidt: This bill comes to us from the County auditors via the North Dakota Association of Counties. HB 1158 relates to the issuance of game and fish licenses and currently county auditors are responsible for appointing the agents, bonding them, collecting revenue, issuing them license tags, guides and answering questions. The 53 county auditors manage 400 agents across the state with the added workload of auditors, especially in the west, they have requested that this be an optional duty. This would remove the mandate of county auditors to issue game and fish licenses and to appoint agents, this give the auditors to opt in or opt out of doing this activity. With this there is a fiscal note; I believe that there is someone here from game and fish that would be more suited to explain that than I would. There is also some timelines in this bill that deals with computerized fishing and hunting licenses.

Chairman Schaible: They are currently required to do this and this bill would make it optional?

Representative Schmidt: Yes. Some counties will continue and some will be able to opt out.  
Chairman Schaible: Is it necessary?

Kim Kary: Chief Administrative Services Division of the North Dakota Game and Fish Department. See attachment #1. (2:54-8:06)

Senator Murphy: You have dealt with the county auditors for years, do you see any holes in the state, rural areas that don't have a county auditor is it easy to find people to see theses?

Kim Kary: There is a possibility that in a county they may be fewer vendors to sell licenses but we are also selling them online. We are thinking that the world will be going that way, there are auditors that are understaffed but they have set up a computer and they can buy their license that way. We will adjust and try to recruit as it goes forward.

Chairman Schaible: Going online having vendors and such helps in that endeavor?

Kim Kary: That is a good question; a lot of people forget to buy it before they leave for the hunt.

Donell Preskey: North Dakota Association of Counties. See attachment #2. (12:36-15:10)

Jeff Bitz: Special Funds Administrator, North Dakota Insurance Department. See attachment #3. (16:06-18:14)

Senator Triplett: The bill has a delayed implementation so you would keep the agents through 2016?

Jeff Bitz: Yes, that is correct.

Chairman Schaible then closed the public hearing on HB 1158.

Senator Laffen made a motion to adopt the amendment with a second by Senator Murphy.

Kim Kary: We were hoping that you would hold this bill until we could get a chance with House Appropriations to put the FTE in our appropriation. This would need to get re-referred to Senate Appropriations.

Senator Hogue: What typically is the cash they accumulate?

Kim Kary: It could in 5 or 6 figures

Senator Triplett: Go you like Mr. Bitz's amendment?

Kim Kary: When we were looking at all the laws that this affected we happened to not notice that one and yes, it would track with what we are doing and we are in agreement with it.

Roll was taken, the motion passed on a 7-0-0 vote count. They committee then held the amended bill from any more action.

# 2015 SENATE STANDING COMMITTEE MINUTES

## Energy and Natural Resources Fort Lincoln Room, State Capitol

HB 1158  
3/19/2015  
25106

- Subcommittee  
 Conference Committee

Committee Clerk Signature

*Katie Oliver*

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

Relating to the issuance of game and fish licenses

### Minutes:

Chairman Schaible called the committee to order and opened committee work on HB 1158.

Senator Triplett: My notes on this bill say that we passed an amendment at the request of game and fish until the House acts on the FTE request, has that been done do you know?

Robert Timian: Chief Game Warden for the North Dakota Game and Fish Department.

Senator Triplett: The fiscal note on this bill says that game and fish would need to hire one more full time employee. Did they grant the FTE?

Robert Timian: To my understanding yes, the original bill does not include an FTE but we would need an FTE and it would be paid for the money generated by taking over for the auditors but we did need to put that into our appropriation bill which is currently in process.

Senator Armstrong: This is going to get re referred so they can hold it on the appropriations side.

A motion was then made by Senator Armstrong for a do pass as amended with a re referral to appropriations, a second by Vice Chair Unruh, there was no further discussion, roll was taken and the motion passed 6-0-1 and Senator Armstrong carrying the bill to the floor.

March 19, 2015

APR  
3/19/15

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1158

Page 1, line 1, remove the second "and"

Page 1, line 2, after "20.1-03-20" insert ", and 26.1-21-09.1"

Page 3, after line 30, insert:

**"SECTION 5. AMENDMENT.** Section 26.1-21-09.1 of the North Dakota Century Code is amended and reenacted as follows:

**26.1-21-09.1. Bonds of agents appointed to distribute hunting and fishing licenses or stamps - Premiums - Determination of eligibility.**

The annual premium for a bond of an agent appointed by ~~a county auditor~~ the director of the game and fish department to distribute hunting and fishing licenses or stamps pursuant to section 20.1-03-17 is ten dollars. The premium must be paid to the fund pursuant to rules adopted by the commissioner. The commissioner shall deposit the premiums with the state treasurer to the credit of the fund. The commissioner may reduce or waive the premium if it is determined that funds received pursuant to this section are sufficient to cover potential claims on the bonds of agents appointed to distribute hunting and fishing licenses or stamps. The commissioner shall determine the conditions and qualifications of agents bonded under this section. The amount of coverage afforded under this section is fifteen thousand dollars per agent per year."

Page 3, line 31, after "effective" insert "on"

Renumber accordingly





REPORT OF STANDING COMMITTEE

HB 1158: Energy and Natural Resources Committee (Sen. Schaible, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (6 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1158 was placed on the Sixth order on the calendar.

Page 1, line 1, remove the second "and"

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Page 3, after line 30, insert:

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**2015 SENATE APPROPRIATIONS**

**HB 1158**

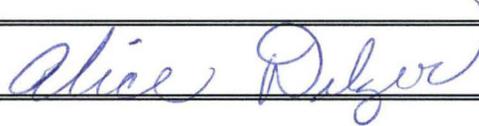
# 2015 SENATE STANDING COMMITTEE MINUTES

## Appropriations Committee Harvest Room, State Capitol

HB 1158  
3/30/2015  
Job # 25571

- Subcommittee  
 Conference Committee

Committee Clerk Signature



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

A BILL for an Act to amend and reenact sections of NDCC, relating to the issuance of game and fish licenses; and to provide an effective date. (Do Pass)

### Minutes:

Testimony #1 -2

**Chairman Holmberg** called the committee to order on Monday, March 30, 2015, at 9:00 am in regards to HB 1158. All committee members were present. Chris Kadrmas, Legislative Council and Becky Deichert, OMB were also present. Lori Laschkewitsch, OMB, also was present.

**Chairman Holmberg:** I had a meeting in the leader's office, regarding capital construction projects that the House passed over to us without discussion. They took them all out. And the questions was there were those who felt we should do is not do anything and let OMB make the determination as to what to do if anything. Both Majority Leader Wardner and myself were very uncomfortable turning over to essentially 4 people or 6 people to determine the directions we should go. The most disconcerting part of that is you would not have input, and what would happen is they would be handed to you the last day of the session, and you could not do any division or discussion; it was take it or leave it. So what we are going do in the Senate is the bills we have that have particular capital construction projects in them, we will do our own prioritizing. We will put them in the budgets, and then they will at least that gives everyone the opportunity to weigh in, and again, we have practically all I of capital construction projects in our budgets. We have Industrial Commission, we have Commerce, we have the University System, so we will, in the subcommittee, we will be working on that and that will be our position that we feel that the Senate should weigh in. That seemed a little fairer than asking Wardner and I. You say you are looking for advice, but you're looking for accomplices. This way we will have accomplices in whatever we do so that is what we are going to do. (21.37)

**Chairman Holmberg** opened the hearing on HB 1158 and stated this one does have a fiscal note and we won't hold the bill if there are no questions.

**Kim Kary, Chief of Administrative Services Division of ND Game & Fish Department** testified in support of HB 1158 and provided written Testimony Attached # 1, This bill

relates to the county auditors selling licenses. It's important that this FTE gets added. We had a hearing last week that this will come up in conference. We would respectfully request that this is an important FTE and ask your consideration for that in this matter.

**Senator Carlisle:** This is one new FTE. That was confirmed.

**Ms. Kary:** this was not in the original bill.

**Senator Robinson** asked if there is no impact on the vendors.

**Ms. Kary:** No impact, they have to have a computer, and have a line connection. Other than that there is no cost.

**Senator Robinson:** What do they get?

**Ms. Kary:** They get .50 cents per license that they can tack on for their expenses.

**Senator Robinson:** Many do benefit from having them purchase a license at these vendors and perhaps buy merchandise there, hunting supplies and such.

**Senator Kilzer:** Why wouldn't you put an amendment on the original bill?

**Ms. Kary:** This bill came in later.

**Senator Kilzer:** Are you testifying in favor of the bill. He was told yes.

**V. Chairman Krebsbach** Did I hear you say it was optional for the county auditors to retain it?

**Ms. Kary:** We met with all the county auditors. They wanted to still sell licenses. I do not know how many want to stay in, that is why we left it that way, if they want to they can.

**Senator Wanzek:** Are you seeing more individuals going on line?

**Ms. Kary:** Each year, now that we have a mobile app for the smart phone. A lot of non-residences they seem to like to come to the bait shops, we are seeing an increase of online sales, we still need vendors across the state.

**Senator Erbele:** But if the auditors still want to do it, you would have to reimburse them?

**Ms. Kary:** They would do it as a vendor. They would be just like Scheels and Wall Mart.

**Senator Heckaman:** Who assumes the responsibility when there are discrepancies about the licenses sold and the money collected. I know one District had that issue come up.

**Ms. Kary:** The county auditors are responsible for those vendors. And they have to keep the law, and they are the ones that are bonding. By law they are in charge of the vendors.

**Senator Heckaman:** Do you get into the investigating of these cases?

**Ms. Kary:** This incidence, yes. The Association of Counties are counting the county auditors like a middle man.

Senator O'Connell: I buy my license on line and the SS # is still on there.

**Ms. Kary:** That was taken care of. Only the last 4 of the social security number is seen on there. We are working for the future; you wouldn't use your full social. We are working on a standardized ID.

**Donnell Preskey, ND Association of Counties** testified in favor of HB 1158 and provided written Testimony Attached # 2, this bill is a policy change and it only makes sense to transfer this state responsibility to the state. There was a question what auditors wanted to stay, I heard from Bottineau County and Sioux County that they wanted to continue.

**Chairman Holmberg** closed the Hearing

**Senator Carlisle moved a Do Pass. Senator Robinson seconded the Do Pass.**

**Chairman Holmberg:** Call the roll on a do pass on HB 1158.

A Roll Call vote was taken. Yea: 13; Nay: 0; Absent: 0. The carrier goes back to Natural Resources. Senator Armstrong will carry the bill. The hearing was closed on HB 1158.

Date: 3-30-15  
 Roll Call Vote #: 1

**2015 SENATE STANDING COMMITTEE  
 ROLL CALL VOTES  
 BILL/RESOLUTION NO. 1158**

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 Carlisle    Seconded By Robinson

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 Energy + Natural Resources - Ben Armstrong

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

**REPORT OF STANDING COMMITTEE**

**HB 1158, as amended: Appropriations Committee (Sen. Holmberg, Chairman)**  
recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).  
HB 1158, as amended, was placed on the Fourteenth order on the calendar.

**2015 TESTIMONY**

**HB 1158**

#1

1/22/15  
HB 1158

Testimony to the  
**House Energy & Natural Resources Committee**  
January 22, 2015  
By the North Dakota Association of Counties

### **HB 1158: Relating to Issuance of Game & Fish Licenses**

Good Morning Chairman Porter and committee members, I'm Donnell Preskey with the North Dakota Association of Counties, I also serve as Executive Director of the County Auditor & Treasurer Associations. Our county members strongly support this bill and they were instrumental in moving this concept forward. This has been a priority item for county auditors for years and after working in cooperation with the North Dakota Game & Fish we have HB 1158 before you today.

Let me give you some background on auditor's involvement in Game & Fish licenses:

When I go to Landers Conoco in Bismarck to buy my combination license to fish and hunt, I pay \$50, show my hunters education registration, get my license and I'm on my way to get my big muley buck or walleye – or in a good year both. It's our county auditors who play a major role behind the scenes making sure those licenses are distributed around the state. They essentially are the "middle man" in this business. Our 53 auditors distribute licenses and guides to 400 vendors. It's also their job to manage those agents and collect the revenue. County auditors keep the license applications on file and all the stubs of licenses issued along with reports of license sales. It is the county auditors who are personally liable for all the money collected or received by vendors. It's a responsibility county auditors say is not worth their time.

Under current law, county auditors receive some compensation from the North Dakota Game & Fish. However, as you can see by the table included at the end of my testimony, the reimbursements are nowhere near what it costs auditors in time and resources. I surveyed 14 counties, asking them how many hours they spend on Game & Fish licensing - what that translates to in terms of dollars and any other expenses they have in travel and supplies.

The table shows the Game & Fish reimbursement to those same 14 counties so you can see how inequitable this is for some counties.

The bill does allow county auditors, upon request, to continue to serve as an agent to distribute hunting and fishing licenses. And there are some who have said they do wish to continue selling. They recognize that in some rural areas of the state, the courthouse may be the nearest option for outdoorsmen and women to get a license.

Auditors are in support of the proposed timeline North Dakota Game & Fish says is needed to make this transition. NDACo and the Auditors Association also support the Game & Fish budget. We know that budget is outside of this bill but it includes an FTE to assume the duties of the 53 Auditors.

### ND Game & Fish Licensing Costs vs. Reimbursements

**Cost to Counties**

	Costs	Hours
Adams	\$4,500	300
Barnes	\$1,400	70
Benson	\$2,000	60
Bottineau	\$2,500	80
Burleigh	\$7,500	500
Cass	\$2,000	80
McHenry	\$4,000	80
McLean	\$6,000	200
Nelson	\$1,000	35
Oliver	\$1,200	50
Ramsey	\$3,840	120
Ransom	\$1,200	30
Renville	\$1,200	40
Stutsman	\$5,000	150
Total from 14 co.	<b>\$43,340</b>	1795
Statewide County Average	<b>\$3,100</b>	128
Average x 53 Counties	<b>\$164,300</b>	6,784 hours

**Reimbursement to Counties**

Adams	\$291
Barnes	\$1,028
Benson	\$937
Bottineau	\$880
Burleigh	\$6,829
Cass	\$9,459
McHenry	\$432
McLean	\$1,525
Nelson	\$491
Oliver	\$138
Ramsey	\$5,078
Ransom	\$476
Renville	\$216
Stutsman	\$2,786
Total from 14 co.	<b>\$30,566</b>
Statewide TOTAL	<b>\$68,811</b>

1/22/15  
HB 1158



#2

House Energy and Natural Resources Committee

Testimony on HB 1158

Kim Kary, Chief Administrative Services Division

North Dakota Game and Fish Department

January 22, 2015

Chairman Porter and members of the House Energy and Natural Resources committee, my name is Kim Kary, Chief of Administrative Services Division of the North Dakota Game and Fish Department and I am testifying in support of HB 1158.

The department has worked in conjunction with the ND Association of Counties to draft this bill which would eliminate the mandate for county auditors to issue game and fish licenses and to appoint agents and transfer that responsibility to the department effective April 1, 2016. This bill would also allow county auditors to sell licenses as an agent if they choose and require all agents to sell licenses electronically by April 1, 2016. Currently county auditors are responsible for appointing the agents, bonding them, collecting revenue, issuing them license tags and guides, and answering questions. The 53 county auditors manage approx. 400 agents across the state. If county auditors no longer issue Game and Fish licenses and manage the agents, the entire responsibility would be on the department's licensing section which only consists of 4 Licensing Specialists. The auditor currently is the primary contact for phone calls from agents regarding what license to issue, how to issue a specific license, how to correct wrong information, how to void a license, etc., with the department licensing section also receiving some of these calls. Calls to the licensing section will significantly increase once the department is solely responsible for the agents. It would not be possible for Game and Fish, at the current staffing level, to provide the necessary fiscal management, training of the online system, monthly correspondence, daily questions, etc.

In order to implement this bill, the department would need to hire one new FTE, effective July 1, 2015. The cost of this FTE to the department would be approx. \$108,028 salary/benefits (salary data taken from the Governor's compensation package), \$8,800 operating costs and \$9,500 travel per biennium.

While the effective date of this bill is for the next licensing season (April 1, 2016), the new FTE would need to be hired by July 1, 2015 to allow for an orderly transition of taking over

managing the agents and getting them online to issue licenses; currently there are approx. 71 agents online. This hire date only allows for approx. 8 months to put procedures in place, to have all agents bonded, and to perform online training of approx. 300 of the 400 agents. The department would want agents online for a month before the new license season begins April 1, 2016. Once the agents are issuing licenses using the department's online system, there will be on-going questions regarding the online system, training on new updates, resolving user errors, information on season dates, etc., for which staff support will be needed.

The proposed bill would also require one-time programming costs to our Game and Fish online licensing system of \$55,381 per a quote from ITD. This programming will setup an ACH payment collection that will sweep the agent's accounts twice a month and deposit money into the Game & Fish fund. The new FTE, in addition to previously stated duties, will monitor all ACH transactions, verify them with licensing records, and reconcile any differences with supporting documentation for audit purposes.

This bill also would decrease our expenditures by approx. \$70,500 per year because it eliminates the cost of commissions paid to county auditors, which is currently a standing and continuing appropriation from the Game and Fish fund. These commissions, are currently set in code and are based on license sales, so they fluctuate year to year. The above amount is the average of the past two years of commissions paid to county auditors.

As previously stated, the department would need one new FTE (Licensing Specialist II) in the amount of \$108,028 for salaries and benefits and \$18,300 in additional on-going operating costs, totaling \$126,328 for the biennium. Plus an additional one-time expenditure in 2015-17 for programming costs for the licensing system of \$55,381. It would eliminate the commissions paid to county auditors for the issuance of licenses which is approximately \$70,500 for one year. After the first year, this bill would result in a slight decrease of our expenditures.

- 15-17:  $\$108,028 + 18,300 + 55,381 - 70,500 = \$111,209$
- 17-19:  $\$108,028 + 18,300 - 141,000 = (\$14,672)$  Expenditure savings

For the previously stated reasons, the FTE and the corresponding increase in appropriation is critical to this bill.

This concludes my testimony. I would be happy to answer any questions.



## Senate Energy and Natural Resources Committee

### Testimony on HB 1158

Kim Kary, Chief Administrative Services Division

North Dakota Game and Fish Department

March 13, 2015

Chairman Schaible and members of the Senate Energy and Natural Resources committee, my name is Kim Kary, Chief of Administrative Services Division of the North Dakota Game and Fish Department and I am testifying in support of HB 1158.

The department has worked in conjunction with the ND Association of Counties to draft this bill which would eliminate the mandate for county auditors to issue game and fish licenses and to appoint agents and transfer that responsibility to the department effective April 1, 2016. This bill would also allow county auditors to sell licenses as an agent if they choose and require all agents to sell licenses electronically by April 1, 2016. Currently county auditors are responsible for appointing the agents, bonding them, collecting revenue, issuing them license tags and guides, and answering questions. The 53 county auditors manage approx. 400 agents across the state. If county auditors no longer issue Game and Fish licenses and manage the agents, the entire responsibility would be on the department's licensing section which only consists of 4 Licensing Specialists. The auditor currently is the primary contact for phone calls from agents regarding what license to issue, how to issue a specific license, how to correct wrong information, how to void a license, etc., with the department licensing section also receiving some of these calls. Calls to the licensing section will significantly increase once the department is solely responsible for the agents. It would not be possible for Game and Fish, at the current staffing level, to provide the necessary fiscal management, training of the online system, monthly correspondence, daily questions, etc.

In order to implement this bill, the department would need to hire one new FTE, effective July 1, 2015. The cost of this FTE to the department would be approx. \$108,028 salary/benefits (salary data taken from the Governor's compensation package), \$8,800 operating costs and \$9,500 travel per biennium.

While the effective date of this bill is for the next licensing season (April 1, 2016), the new FTE would need to be hired by July 1, 2015 to allow for an orderly transition of taking over

managing the agents and getting them online to issue licenses; currently there are approx. 71 agents online. This hire date only allows for approx. 8 months to put procedures in place, to have all agents bonded, and to perform online training of approx. 300 of the 400 agents. The department would want agents online for a month before the new license season begins April 1, 2016. Once the agents are issuing licenses using the department's online system, there will be on-going questions regarding the online system, training on new updates, resolving user errors, information on season dates, etc., for which staff support will be needed.

The proposed bill would also require one-time programming costs to our Game and Fish online licensing system of \$55,381 per a quote from ITD. This programming will setup an ACH payment collection that will sweep the agent's accounts twice a month and deposit money into the Game & Fish fund. The new FTE, in addition to previously stated duties, will monitor all ACH transactions, verify them with licensing records, and reconcile any differences with supporting documentation for audit purposes.

It is important to note that this bill would decrease our expenditures by approx. \$70,500 per year (\$141,000/biennium) because it eliminates the cost of commissions paid to county auditors, which is currently a standing and continuing appropriation from the Game and Fish fund. These commissions, are currently set in code and are based on license sales, so they fluctuate year to year. The above amount is the average of the past two years of commissions paid to county auditors. After the first biennium, the decrease of commissions paid to county auditors will offset the increase of an FTE and corresponding operating costs as shown below.

In 2017-19, this bill would result in a net decrease of approx. \$15,000 of expenditures:

- 15-17:  $\$108,028 + 18,300 + 55,381 - 70,500 = \$111,209$
- 17-19:  $\$108,028 + 18,300 - 141,000 = (\$14,672)$  Expenditure Savings

As stated above and as reflected in the fiscal note, the addition of one new FTE and the corresponding increase to salaries and operating costs to our 2015-17 appropriation is critical to this bill.

This concludes my testimony. I would be happy to answer any questions.

Testimony to the  
**Senate Energy & Natural Resources**  
March 13th, 2015  
By the North Dakota Association of Counties

### **HB 1158: Relating to Issuance of Game & Fish Licenses**

Chairman Schaible and committee members, I'm Donnell Preskey with the North Dakota Association of Counties, I also serve as Executive Director of the County Auditor & Treasurer Associations. Our county members strongly support this bill and they were instrumental in moving this concept forward. This has been a priority item for county auditors for years. We have worked in cooperation with the North Dakota Game & Fish Department to get this bill before you this session.

The auditors are essentially the "middle man" in the Game & Fish license business. The 53 county auditors distribute licenses to businesses in their county who are otherwise known as the "agents". There are 400 agents statewide. It's also the auditors' responsibility to collect the revenue from the vendors for all sold licenses. County auditors keep the license applications on file and all the stubs of licenses issued along with reports of license sales. According to Century Code, it is the county auditors who are personally liable for all the money collected or received by vendors. It's a responsibility county auditors believe could be performed much more efficiently by the Game and Fish Department.

Under current law, county auditors receive some compensation from the North Dakota Game & Fish. However, as you can see by the table included at the end of my testimony, the reimbursements in most cases are nowhere near what it costs auditors in time and resources. I surveyed 14 counties, asking them how many hours they spend on Game & Fish licensing, what that translates to in terms of dollars and any other expenses they have in travel and supplies. The second table shows the Game & Fish reimbursement to those same 14 counties so you can see how inequitable this is for some counties.



**HOUSE BILL NO. 1158**

3

**Presented by:** Jeff Bitz  
Special Funds Administrator  
North Dakota Insurance Department

**Before:** Senate Energy and Natural Resources  
Senator Donald Schaible, Chairman

**Date:** March 13, 2015

**TESTIMONY**

Mr. Chairman and members of the committee, I appear before you today in support of House Bill No. 1158. My name is Jeff Bitz, I am the Director of the Special Funds Division of the North Dakota Insurance Department.

The State Bonding Fund provides fidelity bond coverage to the State of North Dakota and its political subdivisions, including counties, townships, cities, park districts and school districts. The bond covers public officials and employees for theft of money and property.

Established by the Legislature in 1919, no premium has been charged the State of North Dakota and its political subdivisions for this coverage since 1953. The State Bonding Fund serves 2,991 bondholders with a combined insured value of approximately \$704 million. House Bill No. 1158 does not increase the risk to the Fund and would not increase Fund workload.

The Fund also provides bonds of agents appointed by county auditors to distribute hunting and fishing licenses or stamps pursuant to N.D.C.C. § 20.1-03.17. The Fund charges \$10 for each agent bonded. The amount of coverage afforded under this section is \$15,000 per agent per year.

We offer the attached amendment to N.D.C.C. § 26.1-21-09.1 in the State Bonding Fund chapter to make it consistent with what is proposed in House Bill No. 1158. Our amendment removes the reference to county auditor and replaces it with the director of the game and fish department. This amendment is needed to align the new structure for game and fish licenses as it is addressed in the Bonding Fund chapter.

I am happy to take any questions.

**PROPOSED AMENDMENTS TO HOUSE BILL NO. 1158**

Page 1, line 1, remove the second "and"

Page 1, line 2, after "20.1-03-20" insert ", and 26.1-21-09.1"

Page 3, after line 30, insert:

**"SECTION 5. AMENDMENT.** Section 26.1-21-09.1 of the North Dakota Century Code is amended and reenacted as follows:

**26.1-21-09.1. Bonds of agents appointed to distribute hunting and fishing licenses or stamps - Premiums - Determination of eligibility.** The annual premium for a bond of an agent appointed by ~~a county auditor~~ the director of the game and fish department to distribute hunting and fishing licenses or stamps pursuant to section 20.1-03-17 is ten dollars. The premium must be paid to the fund pursuant to rules adopted by the commissioner. The commissioner shall deposit the premiums with the state treasurer to the credit of the fund. The commissioner may reduce or waive the premium if it is determined that funds received pursuant to this section are sufficient to cover potential claims on the bonds of agents appointed to distribute hunting and fishing licenses or stamps. The commissioner shall determine the conditions and qualifications of agents bonded under this section. The amount of coverage afforded under this section is fifteen thousand dollars per agent per year."4

Renumber accordingly



# 1  
3-30-15  
HB 1158

Senate Appropriations Committee

Testimony on HB 1158

Kim Kary, Chief Administrative Services Division

North Dakota Game and Fish Department

March 30, 2015

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The department has worked in conjunction with the ND Association of Counties to draft this bill which would eliminate the mandate for county auditors to issue game and fish licenses and to appoint agents and transfer that responsibility to the department effective April 1, 2016. This bill would also allow county auditors to sell licenses as an agent if they choose and require all agents to sell licenses electronically by April 1, 2016. Currently county auditors are responsible for appointing the agents, bonding them, collecting revenue, issuing them license tags and guides, and answering questions. The 53 county auditors manage approx. 400 agents across the state. If county auditors no longer issue Game and Fish licenses and manage the agents, the entire responsibility would be on the department's licensing section which only consists of 4 Licensing Specialists. The auditor currently is the primary contact for phone calls from agents regarding what license to issue, how to issue a specific license, how to correct wrong information, how to void a license, etc., with the department licensing section also receiving some of these calls. Calls to the licensing section will significantly increase once the department is solely responsible for the agents. It would not be possible for Game and Fish, at the current staffing level, to provide the necessary fiscal management, training of the online system, monthly correspondence, daily questions, etc.

In order to implement this bill, the department would need to hire one new FTE, effective July 1, 2015. The cost of this FTE to the department would be approx. \$108,028 salary/benefits (salary data taken from the Governor's compensation package), \$8,800 operating costs and \$9,500 travel per biennium.

While the effective date of this bill is for the next licensing season (April 1, 2016), the new FTE would need to be hired by July 1, 2015 to allow for an orderly transition of taking over

1.1

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This concludes my testimony. I would be happy to answer any questions.

#2  
HB 1158  
3-30-15

Testimony to the  
**Senate Appropriations**  
March 30th, 2015  
By the North Dakota Association of Counties

## **HB 1158: Relating to Issuance of Game & Fish Licenses**

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