

FISCAL NOTE
Requested by Legislative Council
01/18/2015

Bill/Resolution No.: SB 2247

- 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			\$(2,079,000)		\$2,310,000	
Appropriations			\$(2,079,000)		\$2,310,000	

- 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).*

This bill requires annual legislative sessions beginning in 2017.

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

This bill requires the Legislative Assembly to meet for up to 50 days in each odd-numbered year and for at least 30 days in each even-numbered year. The total number of legislative days would still be limited to 80 over each two-year period. The bill includes a December 1, 2016, effective date.

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

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

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

The Legislative Assembly would be limited to meet for 50 legislative days in 2017. The 2015-17 biennium budget for the Legislative Assembly includes funding for an anticipated 77 legislative day session in 2017; therefore, there would be an estimated 27 fewer legislative days during the 2015-17 biennium. Based on an estimated cost of \$77,000 per legislative day, 2015-17 biennium expenditures would be reduced by \$2,079,000. This amount anticipates the Legislative Assembly would meet for 50 consecutive business days. For the 2017-19 biennium, the Legislative Assembly would meet for at least 30 days in 2018 and up to 50 days in 2019. Expenditures in 2017-19 would increase by an estimated \$2,310,000 for costs of 80 days in the 2017-19 biennium compared to the 50 days in the 2015-17 biennium. The anticipated additional costs reflect \$231,000 for an anticipated 3 additional legislative days, from a total of 77 to 80. Again, this amount anticipates the Legislative Assembly would meet for consecutive business days to complete its work each year. If the Legislative Assembly would choose to take extended breaks between legislative days, the costs for each session could increase significantly.

- 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.*

The 2015-17 biennium appropriation could be reduced by an estimated \$2,079,000 from the general fund to reflect 27 fewer legislative days during the 2017 legislative session as explained in the expenditures section above. The 2017-19 biennium appropriation would need to increase from the adjusted 2015-17 biennium appropriation level referred to above by an estimated \$2,310,000 from the general fund in anticipation of meeting for 30 legislative days in 2018 and 50 legislative days in 2019 as explained in the expenditures section above.

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Date Prepared: 01/21/2015

2015 SENATE GOVERNMENT AND VETERANS AFFAIRS

SB 2247

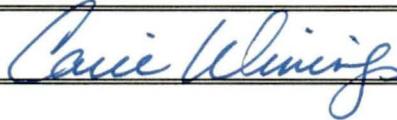
2015 SENATE STANDING COMMITTEE MINUTES

Government and Veterans Affairs Committee Missouri River Room, State Capitol

SB 2247
1/30/2015
Job # 22889

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to amend and reenact sections 54-03-02, 54-03-02.1, and 54-35-16 of the North Dakota Century Code, relating to reconvened regular sessions of the legislative assembly in even-numbered years; and to provide an effective date.

Minutes:

Attachments 1-2

Chairman Dever: Opened the hearing on SB 2247.

Senator Miller, District 10: Testified in support of the bill. I support the idea of going to annual sessions or anything that could alter the time and possibly engage more people into the process. From my own experience as a young farmer it is getting to be very difficult to be involved in the legislature simply from the fact that when we are ending in May, I am already two weeks behind. It is very difficult for me. I would like to see something where we can shorten this up or start earlier or something. We need to strongly consider a different process for how we engage the legislative body in making law.

(1:05)Chairman Dever: It seems to me that in the history of the legislature that there used to be the impression of just lawyers and farmers.

Senator Miller: And now it is all teachers that are retired. There are not many farmers left in the legislature that is for sure.

Chairman Dever: It used to be 60 days years ago.

(1:55)Senator Grabinger, District 12: See Attachment #1 for testimony in support of the bill.

(5:50)Senator Cook: What do you see that we do that would fall under the category of pomp and circumstance?

Senator Grabinger: In my opinion, the first 3 days could be put into one day. All of the addresses to the Senate could be done all in one day. Our committees could work longer each day and get a lot more done. I think that we do a lot of time wasting that could be utilized much better.

Senator Cook: I think those are things we could solve with a biennial session. I am afraid if we go to an annual session those three days will happen every year. One of the things that is unique for states that have biennial sessions is the long interim period for us to do work. We do a lot of good work in the interim. I get to visit with legislators in other state and we talk about this a lot. One of the pluses is the amount of study work we get done during the long interim.

Senator Grabinger: I don't think that we would lose that. I think we still have the opportunity to work those interim committees within that year. They would just have to be shorter. We could take up those issues much quicker that come up in the interim committees rather than waiting a long period of time for the legislature to come back in session.

Senator Cook: Have you had constituents come up to you and say that we should work annually? I have had a few ask me if we should and I tell them they don't want us to because they have certainty for two years after we go home and they agree.

Senator Grabinger: I would say that in my talks with many people about my ideas they understand why I think we should have annual sessions. I will not tell you that I have had constituents specifically tell me that. I have had fellow legislators and people that are involved with the legislature that have relayed that to me.

Senator Flakoll: If we were to take the addresses and move them all to one day. I schedule bills and I am not sure that there are enough bills to fill that schedule.

Senator Grabinger: I do not think we have to create another wheel here. Other states already do this and they perform under this. I don't think it is out of the realm that we could fit within. I think our leadership could put this together. I recognize, being on Senate Judiciary, that because we take up a lot of bills each session too. I do understand and other states are doing it and I don't see why we cannot get it done.

Senator Flakoll: Last session the 2nd, 3rd, and 4th bills were signed on day 39. We had a complaint earlier in the session that one of the bills was going too fast and they asked for delays. So, with a schedule as little as 30 days, would we have to move up the deadlines?

Senator Grabinger: If we had a session every year, a lot of those things could be addressed more quickly. We have emergency clauses and it would still work through the process as quickly as possible.

Senator Flakoll: I am not hearing people wanting this. Agencies are quite different. They view a session as the time to play defense. Agencies like knowing we have two year budgets. Do you see a budget session and a session for more policy?

Senator Grabinger: I did not include that in this bill because I think that is something our legislative leadership needs to take care of.

Senator Flakoll: Part of my concern is that sometimes it is like Groundhog Day. We keep seeing the same bills every session and now it could be every year. As a committee chair we do not have much choice but to crack them out and then the fact that in other states the

committee chairs can "pocket" a bill and they do not have to have the hearing. In North Dakota we have to have a hearing on every bill and it goes to the floor no matter what. I am trying to figure out how we can manage the number of will when we are not following some of the other states protocols.

Senator Grabinger: I understand your concern and share that. We are limited at this point on the number of bills we can bring forward and maybe that would address that issue if it needed to be changed to work within the annual sessions.

Chairman Dever: SD has a 60 day session one year and a 30 day session then next year. The 60 day session is referred to as a general day session and the 30 day session is a budget session. Would you want to narrow the focus in that regard?

Senator Grabinger: I did not narrow it to that and I was leaving it up to legislative management.

Chairman Dever: SD legislators say that they stray beyond the budget bills in the budget session. One of the other three states that is still biennial is Texas, and they have oil just as we do and deal with some pretty dramatic issues. They have 140 members in the House and 31 members in the Senate. Why would we need to do more than Texas?

Senator Grabinger: I think we could be more efficient and better off if we do this. What Texas does I really did not pay attention to that. I have seen expansion in the west and the needs out there that have not been dealt with adequately at times and we have pushed them off and we have had to try and catch up with something like the surge bill to catch up.

Chairman Dever: You stated that we need to move the state forward in your testimony. Are you seeing us now in reverse or neutral?

Senator Grabinger: When there are only four of us left doing biennial sessions, I would have to say that we are not moving forward in regards to this issue.

Chairman Dever: Some of us might think that we are number one in the country and you are asking us to be like everyone else.

(18:43) Representative Onstad, District 4: Testified in support of the bill. The concept is what I basically support. The days and so forth need to be worked out by the entire body and leadership. I agree that we should have somewhere in the biennium a few days set aside. As a member of the budget section, we hear every time we come together decisions and votes are made in the budget section and it is often stated that the whole body should be part of the vote. For that reason, I stand in support of the concept. There are times that we could set aside time for budget items.

(19:50) Senator Cook: I admit there are pros and cons to either plan. One of the pros of the annual session is that we could probably eliminate this budget section and some of the power that they have and they should not have. So you still support a biennial budget or do you think we need to go to an annual budget as well?

Representative Onstad: Yes I still support the biennial budget. As we go forward there seems to be constant changes whether it is an agency, higher ed, or something that comes up that we should discuss as a full body some major monetary values that are important to individual districts.

Senator Cook: I think we have fared well with our biennial budget. How many states have switched to an annual session in the last 10 years?

Representative Onstad: I do not know.

Senator Cook: How many pass an annual budget?

Representative Onstad: I do not know.

Chairman Dever: That is an interesting question because SD may set a budget and then just adjust it.

Senator Cook: I still would consider SD as passing a biennial budget.

Representative Onstad: There are logistics involved that have to be changed. There are ways that we can become more efficient in what is happening currently. More responsibility has been moved in the interim by a group of 25 people instead of the whole body and for that reason alone I think the idea is to keep the 80 days in the constitution and adjust this to accommodate budgetary needs. It could be 70 and 10.

Senator Flakoll: Could we not do that at the end of this session and we could be brought back, and it does not have to be time certain then, to accommodate whatever the need may be?

Representative Onstad: You are right and I think there is a push now to try and be done in 70 to 75 days and why cannot we do that every year.

Senator Flakoll: To general leadership would you perceive that the bill deadlines be moved up notably?

Representative Onstad: Those dates would have to be moved up accordingly.

Chairman Dever: When I am asked about the biennial budget by legislators from other states, I just mention that the way that it works is that we set a budget and if there is a decline in revenues the Governor has the ability to reduce it but not increase the budget. Do you see that as problematic?

Representative Onstad: No. You make adjustments with what you have in front of you and you work with that. Too much authority has been moved to the budget section and I think it is worth looking at. Either you study it or look at it. I get the same questions and I think it is time that we look at setting aside some days that we come back and review the budget. Add up all the days we spend in the interim and I think we would be surprised how many days we spend in the capitol over all.

Senator Cook: See Attachment #2 for information asked about earlier in testimony. 15 states have annual sessions but biennial budgets.

Chairman Dever: Closed the hearing on SB 2247.

Committee Discussion: The committee briefly discussed when the bill would take effect.

Senator Cook: Moved a Do Not Pass.

Senator Poolman: Seconded.

A Roll Call Vote Was Taken: 5 yeas, 2 nays, 0 absent.

Motion Carried.

Senator Cook will carry the bill.

Date: 1/30
 Roll Call Vote #: 1

**2015 SENATE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 2247**

Senate Government and Veterans Affairs 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 Cook Seconded By Poolman

Senators	Yes	No	Senators	Yes	No
Chairman Dever	✓		Senator Marcellais		✓
Vice Chairman Poolman	✓		Senator Nelson		✓
Senator Cook	✓				
Senator Davison	✓				
Senator Flakoll	✓				

Total (Yes) 5 No 2

Absent 0

Floor Assignment Cook

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

REPORT OF STANDING COMMITTEE

SB 2247: Government and Veterans Affairs Committee (Sen. Dever, Chairman)
recommends **DO NOT PASS** (5 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING).
SB 2247 was placed on the Eleventh order on the calendar.

2015 TESTIMONY

SB 2247

Good morning Chairman Dever and fellow senators, my name for the record is Sen. John Grabinger and I represent district twelve in Jamestown. SB 2247 is a bill that is very similar to several bills in the past that have not fared well regarding the desire to see this state moved to having annual legislative sessions. This bill simply requires that the legislature meet every year and that the first year of the biennium be a session that would last no more than fifty days and the second year no less than thirty days. In doing so, if passed we would still be within the maximum eighty days allowed under our constitution for the biennium. My thought process behind this is: first - I believe as legislators we owe it to our constituents too take up the concerns needing to be addressed by our state on a much more efficient and timely manner, hence get to work with much less pomp and circumstance. Second - we have in the last two biennium's heard talk of the need for calling expensive special sessions and how we have bill's like the surge bill

this session that is simply in quick response to issues that in many cases should have been dealt with by the legislature sooner, but weren't do to the desire to not call a special session. Third - annual sessions would also allow working people an opportunity to take a shorter time away from their work, although yearly, this in and of itself could spur more citizens to consider running for election.

Fourth - probably the most valid reason is the ability for our dept. heads to budget for a one year period, rather than the present two, which we have seen the forecasts on revenues for example can be as far off as a rookie weather forecaster. Hit and miss, but just maybe it will get close. Lastly, we remain one of only four states remaining that have not saw fit to move into this century and realize that with the fast paced and burgeoning economy of today, the very idea of biannual sessions is an antiquated system that very likely jeopardizes the response we take towards some sophisticated issues that arise from time to time. For example, the oil price drop right

now. If this had happened on an off year, it could be much worse. Not saying it's that good for our state anytime, but at least now we can respond quickly. Let's face it, back in the early days of our great state, say a hundred years ago, the ability for legislators to get to the capitol and do their work was much more difficult, some taking several days to reach Bismarck. Today, most of us can get here from just about anywhere in this state in less than five hours. In closing, I intentionally did not delineate the exact numbers of days required in each session, but rather left that up to our legislative leaders to decide based on the need. My intent by having a minimum of days in the second session, was simply to assure that we would be back each year to take up the needs of this state and at the same time leave enough days available to get some real work done. I heard from some within our chamber who are concerned with the number of days per session, I can respect that and I would certainly be amenable to any suggestions on what

those numbers should be. Just as long as this effort does not go beyond the eighty days allowed now. I firmly believe we can get our work done with no extra days. Folks, it's time for this change and it's time we move this state forward. Please join me in support of this effort and give this serious consideration and a do pass. Thank you

ANNUAL VERSUS BIENNIAL LEGISLATIVE SESSIONS

Legislatures continually look for ways to improve their effectiveness. One reform frequently debated is annual versus biennial sessions.

In the early 1960s, only 19 state legislatures met annually. The remaining 31 held biennial regular sessions. All but three (Kentucky, Mississippi and Virginia) held their biennial session in the odd-numbered year. By the mid-1970s, the number of states meeting annually grew tremendously—up from 19 to 41. However, several of these states used a "flexible" session format in which the total days of session time was divided between two years; these states included Minnesota, North Carolina, Tennessee and Vermont. Today, 46 state legislatures meet annually. The remaining four states—Montana, Nevada, North Dakota and Texas—hold session every other year. All of the biennial legislatures hold their regular sessions in the odd year. Oregon, Arkansas, Kentucky, New Hampshire and Washington were the last states to change from biennial to annual regular sessions; these states held their first annual sessions in 2011, 2009, 2001, 1985 and 1981, respectively.

There are several basic arguments used by the respective proponents of annual or biennial sessions. Listed below are the ones set out by political scientists, William Keefe and Morris Ogul.

For Annual Sessions

- 1. The biennial format is unsuitable for dealing with the complex and continuing problems which confront today's legislatures. The responsibilities of a legislature have become so burdensome that they can no longer be discharged on an alternate-year basis.
- 2. More frequent meetings may serve to raise the status of the legislature, thereby helping to check the flow of power to the executive branch.
- 3. Continuing legislative oversight of the administration becomes more feasible with annual sessions, and that administrative accountability for the execution of legislative policies is more easily enforced.
- 4. States may respond more rapidly to new federal laws which require state participation.
- 5. The legislature cannot operate effectively in fits and starts. Annual sessions may help make the policy-making process more timely and orderly.
- 6. Annual sessions would serve to diminish the need for special sessions.

For Biennial Sessions

- 1. There are enough laws. Biennial sessions constitute a safeguard against precipitate and unseemly legislative action.
- 2. Yearly meetings of the legislature will contribute to legislative harassment of the administration and its agencies.
- 3. The interval between sessions may be put to good advantage by individual legislators and interim study commissions, since there is never sufficient time during a session to study proposed legislation.
- 4. The biennial system affords legislators more time to renew relations with constituents, to mend political fences and to campaign for reelection.
- 5. Annual sessions inevitably lead to a spiraling of legislative costs, for the legislators and other assembly personnel are brought together twice as often.

NAVIGATE

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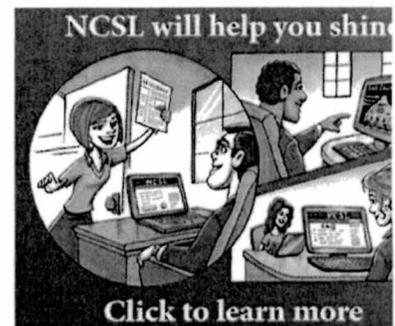
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Welcome New Legislators

Table 1 classifies states according to their budget schedules. It includes Arizona and Kansas as annual budget states based on the preponderance of their budget.

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TABLE 1. ANNUAL AND BIENNIAL BUDGETING STATES

(**Boldface** indicates the 10 most populous states in 2010.)

ANNUAL SESSION ANNUAL BUDGET (31 states)	ANNUAL SESSION BIENNIAL BUDGET (15 states)	BIENNIAL SESSION BIENNIAL BUDGET (4 states)
Arizona+	Connecticut	Montana
Alabama	Hawaii	Nevada
Alaska	Indiana	North Dakota*
Arkansas	Kentucky	Texas
California	Maine	
Colorado	Minnesota	
Delaware	Nebraska	
Florida	New Hampshire	
Georgia	North Carolina	
Idaho	Ohio	
Illinois	Oregon	
Iowa	Virginia	
Kansas+	Washington	
Louisiana	Wisconsin	
Maryland	Wyoming*	
Massachusetts		
Michigan		
Mississippi		
Missouri		
New Jersey		
New Mexico		
New York		
Oklahoma		
Pennsylvania		
Rhode Island		
South Carolina		
South Dakota		
Tennessee		
Utah		
Vermont		
West Virginia		

*Biennial budget states that enact a consolidated two-year budget. Other biennial budget states enact two annual budgets at one time.

+Annual budget states where smaller agencies receive biennial budgets.

Public Budgeting and Finance Commission, State of Arizona, 2014

As Table 1 indicates, biennial budgets are more likely to be found in the less populous states, as are biennial legislatures. Among the 10 largest states—whether measured by population or by legislative appropriations—only Ohio and Texas use biennial budgets, and only Texas has regular biennial sessions of the legislature.

These are the other questions this report examines: