

**2017 HOUSE GOVERNMENT AND VETERANS AFFAIRS**

**HB 1031**

# 2017 HOUSE STANDING COMMITTEE MINUTES

Government and Veterans Affairs Committee  
Fort Union, State Capitol

HB 1031  
1/5/2017  
26591

- Subcommittee  
 Conference Committee

Committee Clerk Signature

*Carmen Hart*

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

Relating to authorization to purchase or lease aircraft

### Minutes:

Attachment 1

**Note: Sound was very poor.**

**Chairman Kasper** opened the hearing on 1031.

**Rep. Jeff Delzer** introduced the bill. He summarized the history as to why this bill came forward. He brought an amendment. Attachment 1. He felt he had three options: kill the bill which leaves it the way it is in the budget section, pass the bill as it is, or pass it as shown on the attached amendment. The bigger issues for the budget section is approving buildings.

**Rep. B. Koppelman:** If that scenario happened, do you think it needs legislative oversight at all?

**Rep. Delzer:** I think the legislature should certainly be aware of it because of existing cost. We need to have something in place so that we ...

**Rep. Schneider:** Do you know how many planes are owned by the state?

**Rep. Delzer:** I have a list from 2012. The Aeronautics' Commission has two, maybe one. The Attorney General has one. Game and Fish has two. Transportation at that time had three. Two of them were sold and .... The University System and the Highway Patrol ...

**Rep. Olson:** Authority...

**Rep. Delzer:** I don't know I can't answer that. I guess they have the authority to sell them. I think it would have to be turned back money.

**Rep. Rohr:** Inaudible

**Rep. Delzer:** Yes. I know there was some consternation about the issue when that particular agency bought that plane. If we repealed the whole section, that is what it would go back to.

**Chairman Kasper:** ...appropriation...

**Rep. Delzer:** I was talking about a bill that deals with Higher Ed. buildings.

**No Opposition**

**Neutral**

**Alex Cronquist,** Fiscal Analyst, Legislative Council, appeared in a neutral position. I staffed the interim Government and Finance Committee.

**Rep. Rohr:** Would you support the amendment?

**Alex Cronquist:** Legislative Council holds a neutral position.

**Chairman Kasper** closed the hearing.

**Rep. Laning** made a suggested change in a statement on the bill.

**Rep. Olson** wanted to modify some language.

**Rep. Steiner** thought you may want to add to be paid equal to the insurance proceeds.

**Chairman Kasper** asked Rep. Laning, Rep. Steiner, and Rep. Olson to get together to discuss a proposed amendment.

# 2017 HOUSE STANDING COMMITTEE MINUTES

Government and Veterans Affairs Committee  
Fort Union, State Capitol

HB 1031 (PM)  
1/5/2017  
26627

- Subcommittee  
 Conference Committee

Committee Clerk Signature

*Carmen Hart*

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

Relating to authorization to purchase or lease aircraft

## Minutes:

Attachment 1

**Chairman Kasper** opened the meeting on discussion of HB 1031.

**Greg Wilz**, Department of Emergency Services, gave some additional information. The FAA has now defined aircraft to include drones. I had given a proposed amendment (Attachment 1) this morning. In the bill there is an unintended consequence here that would preclude agencies from buying a small drone.

**Chairman Kasper:** This is exempting the Adjutant General and University of ND Aviation School?

**Greg Wilz:** Those are in the original bill.

**Chairman Kasper:** The addition is the definition under Title 14?

**Greg Wilz:** Correct.

**Chairman Kasper:** Did you say there is generally a limit on poundage, or is it common knowledge that they are small drones?

**Greg Wilz:** Small drones are considered aircraft by the FAA. Part 107 is for drones that I believe are 54 pounds. This language is authorizing agencies, that feel the need, to purchase drones as long as they are within Part 107 of regulations of Title 14.

**Rep. P. Anderson:** Do we have a drone policy in state government?

**Greg Wilz:** Last session there were a number of laws that came forth and some passed that provided some level of restriction on drones. There is not much of a general policy. That would be more an agency responsibility.

**Rep. Olson:** I think there is an issue to incorporate by reference.

**Chairman Kasper:** Where is the incorporation of the reference?

**Rep. Olson:** Referring to Title 14 of Part 107 of US Code of Federal Regulations.

**Chairman Kasper:** You are saying it is prohibited under ND statute?

**Rep. Olson:** I believe so.

**Rep. B. Koppelman:** I believe what is prohibited is having something that is referring to in a way that it can be ongoing change. You might just say Title 14 as is.

**Chairman Kasper:** We will check out the style if there should be an addition to the bill or not based upon Rep. Olson's concern. We will discuss this tomorrow.

The meeting was closed.

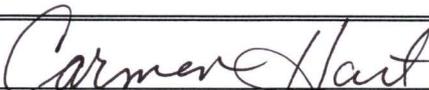
# 2017 HOUSE STANDING COMMITTEE MINUTES

Government and Veterans Affairs Committee  
Fort Union, State Capitol

HB 1031  
1/6/2017  
26657

- Subcommittee  
 Conference Committee

Committee Clerk Signature



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

Relating to authorization to purchase or lease aircraft

## Minutes:

Attachments 1-2

**Chairman Kasper** opened the meeting on HB 1031.

**Rep. Olson** explained the bill and proposed amendments. Attachments 1-2. (1:32-4:02) He made a motion for a DO PASS on the amendment 17.0195.01002.

**Rep. Karls** seconded the motion.

**Rep. Schneider:** Is it realistic to think that you would get insurance proceeds that would actually replace a plane?

**Chairman Kasper:** There are two types of policies that can be purchased. One would be the depreciated value of the plane. Another would be the replacement value. If they had a replacement value policy, then they probably could.

**Rep. Olson:** We had considered allowing them to go above that. Rep. Steiner and I spoke to Rep. Delzer about that idea, and he said that would not be in the spirit of what they were attempting to accomplish and so we deferred to Rep. Delzer's wishes.

**Rep. Laning:** Rep. Delzer also mentioned they would probably still have the option to lease an aircraft on a short-term basis, so they wouldn't necessarily have to be without if there were a critical need.

A roll call vote was taken. 14 Yeas, 0 Nays, 0 Absent. Amendment 17.0195.01002 was adopted.

**Rep. Olson:** After explaining Attachment 2 he made a motion for a DO PASS on amendment 17.0195.01001. (7:17-9:16)

**Rep. Laning** seconded the motion.

**Rep. B. Koppelman:** Would it be appropriate for us to be attaching a label?

**Chairman Kasper:** Rep. Olson, do you have any research on that matter?

**Rep. Olson:** I did speak to Legislative Council about the need to do something like that when incorporating by reference, because I know there are rules with regard to that. They said it was okay to put it in the way it is.

**Chairman Kasper:** If that title is amended with ten words in the next two years, we are in bad shape. We will have another session in two years, Rep. Koppelman. I would be reluctant putting in a date.

**Rep. B. Koppelman:** We are trying to exempt the drones which is the purpose of the amendment. I am always reluctant to join us at the hip with federal rules and regulations that can change by administration, etc. I was trying to exercise that caution here, but I do see your point.

**Rep. Olson:** Part 107 is specifically for small unmanned operators.

A roll call vote was taken. 14 Yeas, 0 Nays, 0 Absent. Amendment 17.0195.01001 was adopted.

**Rep. Olson** made a motion for a DO PASS AS AMENDED on HB 1031.

**Rep. Steiner** seconded the motion.

A roll call vote was taken. 14 Yeas, 0 Nays, 0 Absent.

**Rep. Olson** will carry the bill.

# 2017 HOUSE STANDING COMMITTEE MINUTES

Government and Veterans Affairs Committee  
Fort Union, State Capitol

HB 1031  
1/12/2017  
26849

- Subcommittee  
 Conference Committee

Committee Clerk Signature

*Carmen Hart*

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

Relating to authorization to purchase or lease aircraft

## Minutes:

Attachment 1

**Chairman Kasper** opened the meeting on HB 1031. This bill was sent back to committee from the floor asking us to do more work. We had put two amendments on this bill. I think there may be some unintended consequences on the second part of the amendment. Attachment 1.

**Rep. Delzer** appeared to further explain what was intended in this bill. I like what you did with the first part of the amendment. When you added those last lines, we did not have any discussion about that. The way I read that is that opens it up for any agency to do what they want with drones without any notification of the legislative assembly. I ask that the committee reconsider the bill and take the last 2 ½ lines off the bill.

**Rep. P. Anderson:** Is there any other agency that might want to purchase a drone outside of the School of Aviation? You would have to wait until the next legislative session?

**Rep. Delzer:** The way the budget works the purchase would be in their operating line. They certainly have money enough to do that. I could see Highway Patrol and Game and Fish wanting to have those.

**Greg Wilz**, Deputy Director, Department of Emergency Services, appeared. The reality is the drone technology is evolving. We were only looking at the fact that you can buy a very effective drone for \$1,000. We do not have problems dropping this and taking it up in another bill or at another time. We thought it was an opportunity.

**Chairman Kasper:** Any agency could buy a drone?

**Greg Wilz:** If we strike that out, I don't think they have the authority. The FAA has redefined aircraft to include all aircraft including drones.

**Rep. Olson** and **Rep. Laning** made a motion and a second to take out the last 2 ½ lines off.

**Rep. Delzer:** I do believe you need to reconsider the action where you put a do pass as amended on it and then you can further amend.

**Rep. Olson** and **Rep. Laning** withdrew their previous motions.

**Rep. P. Anderson:** If we strike this, this means there isn't any state agency that can lease or purchase a drone until next legislative assembly?

**Chairman Kasper:** The ones that are exempted can. If you look at Lines 15 and 16, those agencies are exempted.

**Rep. P. Anderson:** If the Ag Department wants to buy a drone, it can't in the next two years?

**Chairman Kasper:** Not under this bill.

**Rep. Delzer:** If they think they want to do it, all they have to do is talk to the Budget Committee and put a line in there saying possibility buying drones for X amount of dollars.

**Rep. Schneider** made a motion to RECONSIDER THE DO PASS AS AMENDED previously undertaken by this committee.

**Rep. Olson** seconded the motion.

A voice vote was taken. Motion carried.

**Rep. Olson** made a motion to amend HB 1031 to strike the text beginning with the word or in Line 16 through Line 18 and restore it to the single amendment, Lines 10-14.

**Rep. Laning** seconded the motion.

A voice vote was taken. Motion carried and the AMENDMENT WAS ADOPTED.

**Rep. Steiner** made a motion for a DO PASS AS AMENDED on HB 1031.

**Rep. Olson** seconded the motion.

A roll call vote was taken. 14 Yeas, 0 Nays, 0 Absent.

**Rep. Olson** will carry the bill.

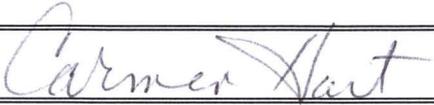
# 2017 HOUSE STANDING COMMITTEE MINUTES

Government and Veterans Affairs Committee  
Fort Union, State Capitol

HB 1031  
1/13/2017  
26861

- Subcommittee  
 Conference Committee

Committee Clerk Signature



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

Relating to authorization to purchase or lease aircraft

Minutes:

**Chairman Kasper** opened the meeting on committee work. The majority of discussion was on HB 1031. (1:48-5:30)

(1:48) **Rep. P. Anderson:** I am still a little bothered by the whole drone bill. Does one of us have to do something to make sure within two years, an agency could buy a drone?

**Chairman Kasper:** You mean where we would look at it again?

**Rep. P. Anderson:** If an agency wants to buy a drone and if they have to wait two years to buy a drone, are we okay with that?

**Chairman Kasper:** They could go to the Budget Section during the interim and ask for the authority to do so.

**Rep. P. Anderson:** Didn't we take that out of the bill? I was wondering if we should put that back in just for the small drones.

**Rep. Olson:** I think the right thing to do if we want them to do that is introduce a bill so that it can actually have a hearing and discuss that as a policy matter. That is what Rep. Delzer's case was--that adding that amendment in is a pretty significant policy change that wasn't really germane to his bill. He felt, and we agreed, that rather than amending his bill which was for one specific purpose if we want to consider that, we have a couple days to introduce a bill that would allow them to do that.

**Chairman Kasper:** You could call Legislative Council this morning and refer to the bill we passed out yesterday asking them to draft a bill giving the other agencies the authority to purchase a drone up to a certain dollar amount.

**Rep. P. Anderson:** Could I get this committee's direction on dollar amount?

**Chairman Kasper:** Didn't one of the testifiers say that you can buy a pretty neat drone for \$1,000 and a super drone for \$2,000? Use your own judgement.

**Rep. P. Anderson:** It is not a big deal as far as dollar amount, but if by statute, they can't even spend that because it is defined as an aircraft.

**Rep. Laning:** Last session there was quite a bit of discussion about drones as far as possible invasion of privacy issues.

**Rep. P. Anderson:** Any individual can buy a drone, and I guess I would trust our agency to do the right thing versus my neighbor. (5:30)

The meeting was adjourned.

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1031

Page 1, line 10, after the period insert "If an existing aircraft has been destroyed or otherwise rendered inoperable, a state agency or other entity of state government may use insurance proceeds received to replace the existing aircraft that has been destroyed or rendered inoperable, subject to the approval of the legislative assembly or the budget section of the legislative management if the legislative assembly is not in session."

Renumber accordingly

17.0195.01001  
Title.

Prepared by the Legislative Council staff for  
Representative Olson  
January 5, 2017

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1031

Page 1, line 11, overstrike the second "or" and insert immediately thereafter a comma

Page 1, line 12, after "aviation" insert ", or to aircraft as defined by and whose operation is regulated under title 14, Code of Federal Regulations, part 107, pertaining to small unmanned aircraft systems"

Re-number accordingly

AO  
1/9/17  
10/1

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1031

Page 1, line 10, after the period insert "If an existing aircraft has been destroyed or otherwise rendered inoperable, a state agency or other entity of state government may use insurance proceeds received to replace the existing aircraft that has been destroyed or rendered inoperable, subject to the approval of the legislative assembly or the budget section of the legislative management if the legislative assembly is not in session."

Page 1, line 12, after "aviation" insert "or to aircraft as defined by and the operation of which is regulated under title 14, Code of Federal Regulations, part 107, pertaining to small unmanned aircraft systems"

Renumber accordingly

1/13/17 DH

17.0195.01004  
Title.03000

Adopted by the House Government and  
Veterans Affairs Committee  
January 13, 2017

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1031

Page 1, line 10, after the period insert "If an existing aircraft has been destroyed or otherwise rendered inoperable, a state agency or other entity of state government may use insurance proceeds received to replace the existing aircraft that has been destroyed or rendered inoperable, subject to the approval of the legislative assembly or the budget section of the legislative management if the legislative assembly is not in session."

Renumber accordingly

Date: 1-6-17  
 Roll Call Vote #: 1

**2017 HOUSE STANDING COMMITTEE  
 ROLL CALL VOTES  
 BILL/RESOLUTION NO. 1031**

House Government and Veterans Affairs Committee

Subcommittee

Amendment LC# or Description: 17.0195.01002

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 Olson Seconded By Karls

Representatives	Yes	No	Representatives	Yes	No
Jim Kasper-Chairman	x		Pamela Anderson	x	
Scott Louser-Vice Chairman	x		Mary Schneider	x	
Jason Dockter	x				
Craig A. Johnson	x				
Daniel Johnston	x				
Karen Karls	x				
Ben Koppelman	x				
Vernon Laning	x				
Christopher D. Olson	x				
Karen M. Rohr	x				
Vicky Steiner	x				
Steve Vetter	x				

Total (Yes) 14 No 0

Absent 0

Floor Assignment \_\_\_\_\_

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

Date: 1-6-17  
Roll Call Vote #: 2

2017 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1031

House Government and Veterans Affairs Committee

Subcommittee

Amendment LC# or Description: 17.0195.01001

- 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 Olson    Seconded By Laning

Representatives	Yes	No	Representatives	Yes	No
Jim Kasper-Chairman	X		Pamela Anderson	X	
Scott Louser-Vice Chairman	X		Mary Schneider	X	
Jason Dockter	X				
Craig A. Johnson	X				
Daniel Johnston	X				
Karen Karls	X				
Ben Koppelman	X				
Vernon Laning	X				
Christopher D. Olson	X				
Karen M. Rohr	X				
Vicky Steiner	X				
Steve Vetter	X				

Total (Yes) 14 No 0

Absent 0

Floor Assignment \_\_\_\_\_

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

Date: 1-6-17  
Roll Call Vote #: 3

2017 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1031

House 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 Olson Seconded By Steiner

Representatives	Yes	No	Representatives	Yes	No
Jim Kasper-Chairman	X		Pamela Anderson	X	
Scott Louser-Vice Chairman	X		Mary Schneider	X	
Jason Dockter	X				
Craig A. Johnson	X				
Daniel Johnston	X				
Karen Karls	X				
Ben Koppelman	X				
Vernon Laning	X				
Christopher D. Olson	X				
Karen M. Rohr	X				
Vicky Steiner	X				
Steve Vetter	X				

Total (Yes) 14 No 0

Absent 0

Floor Assignment Olson

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

Date: 1-12-17  
 Roll Call Vote #: 1

**2017 HOUSE STANDING COMMITTEE  
 ROLL CALL VOTES  
 BILL/RESOLUTION NO. 1031**

House 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 Schneider Seconded By Olson

Representatives	Yes	No	Representatives	Yes	No
Jim Kasper-Chairman			Pamela Anderson		
Scott Louser-Vice Chairman			Mary Schneider		
Jason Dockter					
Craig A. Johnson					
Daniel Johnston					
Karen Karls					
Ben Koppelman					
Vernon Laning					
Christopher D. Olson					
Karen M. Rohr					
Vicky Steiner					
Steve Vetter					

Total (Yes) \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

*voice vote  
 unanimous  
 motion carried*

Date: 1-12-17  
 Roll Call Vote #: 2

**2017 HOUSE STANDING COMMITTEE  
 ROLL CALL VOTES  
 BILL/RESOLUTION NO. 1031**

House Government and Veterans Affairs Committee

Subcommittee

Amendment LC# or Description: 17.0195.01004

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 Olson Seconded By Laning

Representatives	Yes	No	Representatives	Yes	No
Jim Kasper-Chairman			Pamela Anderson		
Scott Louser-Vice Chairman			Mary Schneider		
Jason Dockter					
Craig A. Johnson					
Daniel Johnston					
Karen Karls					
Ben Koppelman					
Vernon Laning					
Christopher D. Olson					
Karen M. Rohr					
Vicky Steiner					
Steve Vetter					

*voice vote unanimous motion carried*

Total (Yes) \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

Date: 1-12-17  
 Roll Call Vote #: 3

**2017 HOUSE STANDING COMMITTEE  
 ROLL CALL VOTES  
 BILL/RESOLUTION NO. 1031**

House 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 Steiner Seconded By Olson

Representatives	Yes	No	Representatives	Yes	No
Jim Kasper-Chairman	X		Pamela Anderson	X	
Scott Louser-Vice Chairman	X		Mary Schneider	X	
Jason Dockter	X				
Craig A. Johnson	X				
Daniel Johnston	X				
Karen Karls	X				
Ben Koppelman	X				
Vernon Laning	X				
Christopher D. Olson	X				
Karen M. Rohr	X				
Vicky Steiner	X				
Steve Vetter	X				

Total (Yes) 14 No 0

Absent 0

Floor Assignment Olson

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

**REPORT OF STANDING COMMITTEE**

**HB 1031: Government and Veterans Affairs Committee (Rep. Kasper, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1031 was placed on the Sixth order on the calendar.

Page 1, line 10, after the period insert "If an existing aircraft has been destroyed or otherwise rendered inoperable, a state agency or other entity of state government may use insurance proceeds received to replace the existing aircraft that has been destroyed or rendered inoperable, subject to the approval of the legislative assembly or the budget section of the legislative management if the legislative assembly is not in session."

Page 1, line 12, after "aviation" insert "or to aircraft as defined by and the operation of which is regulated under title 14, Code of Federal Regulations, part 107, pertaining to small unmanned aircraft systems"

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**HB 1031: Government and Veterans Affairs Committee (Rep. Kasper, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1031 was placed on the Sixth order on the calendar.

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Renumber accordingly

**2017 SENATE GOVERNMENT AND VETERANS AFFAIRS**

**HB 1031**

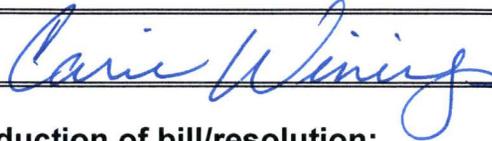
# 2017 SENATE STANDING COMMITTEE MINUTES

Government and Veterans Affairs Committee  
Sheyenne River Room, State Capitol

HB 1031  
3/10/2017  
Job Number 29009

- Subcommittee  
 Conference Committee

Committee Clerk Signature



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

A BILL for an Act to amend and reenact section 54-06-37 of the North Dakota Century Code, relating to authorization to purchase or lease aircraft.

## Minutes:

Attachments: 1

**Chairman Poolman:** Opened the hearing on HB 1031.

**Alex Cronquist, Fiscal Analyst, Legislative Council:** Testified to explain the bill. (See Attachment #1 for copy of the bill with changes highlighted.) This bill came out of the Interim Government Finance Committee and I was the legislative council staff assigned to that committee. This bill just removes the language "or the budget section of the legislative management if the legislative assembly is not in session". It eliminates authority of the budget section to authorize the purchase or lease of an aircraft. Any purchase or lease of an aircraft would have to be authorized by the full legislative assembly. The House GVA added lines 11-14. It eliminates the authority of the budget section to approve the replacement or purchase of aircraft except when it is replacing an already existing aircraft that has been destroyed or rendered inoperable.

**(2:15) Vice Chairman Davison:** If someone has an airplane and there are no more parts for the engine, is that rendered inoperable?

**Alex Cronquist:** Right now, the way that it is written, they can only use insurance proceeds to replace it. So, there could be an argument to that. If they do not have insurance proceeds, they cannot actually replace it.

**Vice Chairman Davison:** How many aircraft do we own in the state?

**Alex Cronquist:** I am not sure on that I can get that number for you.

**Vice Chairman Davison:** This section does not apply to the Adjutant General or to the University of North Dakota. The National Guard would be exempt.

**Senator Meyer:** Do you know how often we purchase new aircraft?

**Alex Cronquist:** I am not sure on that.

**Chairman Poolman:** How often does budget section meet?

**Alex Cronquist:** It typically meets quarterly.

**Vice Chairman Davison:** What was the problem that we are trying to solve?

**Alex Cronquist:** Several sessions ago, the Attorney General purchased an aircraft and it caused concern among the legislature that they were using their capital funds to purchase aircraft. That is how the original law was put in place. How came up in Government Finance Committee, they were doing a study of budget section duties, and this was one of the duties of the budget section and there was concern about whether this should be under the authority of the budget section or whether they would like the entire legislature to have to approve.

**Vice Chairman Davison:** When the Attorney General's office purchased the plane they had to have approval through the budget section correct?

**Alex Cronquist:** Back when this law was originally put in place, they did not have to have approval. That is why they put in the law to have to have approval from the budget section or the entire legislative assembly.

**(5:50) Kyle Wanner, Director, North Dakota Aeronautics Commission, and Member, Unmanned Aircraft Systems Test Site Authority:** Testified in neutral capacity on the bill. Our test site authority met about a month ago and we at one point thought there was going to be some language that would exempt unmanned aircraft from this language. There was discussion, as you can see from the last sentence in this bill, this was one of the amendments proposed and we thought it was going through. I am not sure why it wasn't. I would recommend that this committee would visit with the House as to why it was not included, and I recommend that it would be included. We do have agencies that are purchasing unmanned aircraft for legal operations. The federal government has regulations in place to oversee that. To limit state agencies from having to wait until legislative session to purchase a 2lb unmanned aircraft, or a \$600 piece of equipment to improve their operations, is just something that we still allow agencies to do if need be without having to come to legislative session. I understand if legislators want control for whatever reason, but it would severely limit our state agencies from pursuing opportunities and efficiencies that would be allowed from the unmanned aircraft industry.

**(7:55) Chairman Poolman:** No further testimony was present. Closed the hearing on HB 1031. We will hold on to this to see if Representative Delzer would like to testify on his bill. I will talk to the House GVA chair about the amendment in question. It does not seem like it should have been left off.

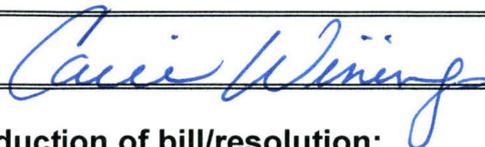
# 2017 SENATE STANDING COMMITTEE MINUTES

Government and Veterans Affairs Committee  
Sheyenne River Room, State Capitol

HB 1031  
3/10/2017  
Job Number 29013

- Subcommittee  
 Conference Committee

Committee Clerk Signature



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

A BILL for an Act to amend and reenact section 54-06-37 of the North Dakota Century Code, relating to authorization to purchase or lease aircraft.

## Minutes:

No Attachments

**Chairman Poolman:** Reopened the hearing on HB 1031.

**Representative Delzer:** Testifies as sponsor of the bill. One of the jobs that we had in the Government Finance Committee was to look at the duties of the budget section. A number of years ago we decided to allow the state to trade in a couple of airplanes and buy another King Air. When we did that, we put language in there that the budget section had to approve that. We were going to offer a bill or section to take that out so that it would have to come before the whole assembly. We thought about it and if we remember back in 2001 or 2003 the AG's office purchased a plane without any authority at all and we did not like that either so we left it in here. The House amended it so that you could use insurance money to repurchase when necessary with budget section approval. Any other airplane bought would have to come before the whole assembly. One of the issues that came before the House committee was when it was attempted to amend it to not pertain to any small unmanned aircraft. That was taken off.

**(2:30) Chairman Poolman:** Would you be opposed to us adding that amendment?

**Representative Delzer:** Yes. Very much so. Currently, this section does not apply to aircraft purchased or leased for the office of the Adjutant General or the University School of Aviation. They added a line that pertained to any small unmanned aircraft for any agency and that is too wide open.

**Chairman Poolman:** We can't let them buy a little drone?

**Representative Delzer:** It is not just a little drone. They go clear up to 4500 pounds. It is an issue that the whole legislature should vote on.

**Chairman Poolman:** Do we do this for all the other things that agencies purchase?

**Representative Delzer:** Not everything. The 3000 version is the way that it should be. I should not have mentioned the other part because they probably haven't brought it before you.

**Chairman Poolman:** They already have.

**Representative Delzer:** It was discussed very well. I think the House GVA very much agreed that it should be limited the way that it is.

**Chairman Poolman:** So if the Highway Patrol or any of our other agencies want to purchase a drone?

**Representative Delzer:** The agencies can just lease them. This don't cover that. They still have that option for things that they want to do.

**Chairman Poolman:** But, if they want to buy a \$350 drone, then they would have to come before the whole legislature?

**Representative Delzer:** Yes. It certainly should go through the budgeting system before they do it. It needs to be in their budget so we can see what they are doing.

**Chairman Poolman:** The bill as it reads now, says purchase or lease.

**Representative Delzer:** It says aircraft; drones are not considered aircraft.

**Chairman Poolman:** They are considered aircraft; according to the federal government.

**Representative Delzer:** You can put it on and we will go to conference committee. There was a strong discussion about it. It was put on and then taken back off.

**Senator Meyer:** the exemption for University of North Dakota Aviation, does that also include the unmanned aviation for them?

**Representative Delzer:** It does.

**Chairman Poolman:** Closed the hearing on HB 1031.

# 2017 SENATE STANDING COMMITTEE MINUTES

Government and Veterans Affairs Committee  
Sheyenne River Room, State Capitol

HB 1031  
3/16/2017  
Job Number 29316

- Subcommittee  
 Conference Committee

Committee Clerk Signature



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

A BILL for an Act to amend and reenact section 54-06-37 of the North Dakota Century Code, relating to authorization to purchase or lease aircraft.

## Minutes:

No Attachments

**Chairman Poolman:** Opened HB 1031 for committee discussion. Representative Delzer was here to talk about this. He wants us to have to approve when an aircraft has been destroyed and insurance proceeds have been given to replace that airplane.

**Senator Vedaa:** Do we need an amendment on this one?

**Senator Meyer:** It was Kyle Wanner that was talking about a possible amendment.

**Chairman Poolman:** If we like this bill then we would want to amend it. Is there someone who would want to get those amendments drafted?

**Vice Chairman Davison:** I would do that. I am not sure that I am in favor or the bill even if we amend it. I certainly can prepare that amendment. I have some concern that our state department should be able to buy some drones, and the fact that Representative Delzer believed that this legislation did not allow for those departments to buy drones. There was testimony that this amendment should be added in to give that flexibility. I think it needs consideration if the bill has a chance to pass.

**Senator Bekkedahl:** I did some research on the amendment from before. If you remember the prime sponsor talked about aircraft definition of drones being up to 5500 lbs. Title 14 Code of Federal Regulations, Part 1 of 7, really gives a definition of the size of the aircraft based on weight. I think addresses Representative Delzer's concern. I would agree that the amendment presented by Mr. Wanner should be pursued by the committee before we act.

**Chairman Poolman:** We will work on that amendment and come back to that bill another day. Closed the committee discussion.

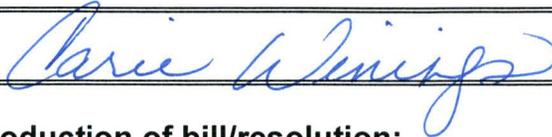
# 2017 SENATE STANDING COMMITTEE MINUTES

Government and Veterans Affairs Committee  
Sheyenne River Room, State Capitol

HB 1031  
3/24/2017  
Job Number 29681

- Subcommittee  
 Conference Committee

Committee Clerk Signature



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

A BILL for an Act to amend and reenact section 54-06-37 of the North Dakota Century Code, relating to authorization to purchase or lease aircraft.

## Minutes:

No Attachments

**Chairman Poolman:** Opened HB 1031 for committee discussion. Representative Delzer came in and talked to us about this. This was about the restrictions on aircraft purchasing even if you have gotten the insurance proceeds.

**Vice Chairman Davison:** I have been working with one of the House members. There was an amendment that was presented to the House by Kyle, and I believe they did not accept that amendment. Representative Delzer stated that they would not accept the amendment and it would end up in conference committee because it is not acceptable. The amendment was about unmanned aircraft, and the other question was whether we should have them go to the budget section for that. At the end of the day, I decided not to bring any amendments forward.

**Vice Chairman Davison:** Moved a Do Not Pass.

**Senator Bekkedahl:** Seconded.

**Senator Bekkedahl:** If the bill dies, what is the status of the purchases going forward. Would it stay how they are currently purchased now?

**Vice Chairman Davison:** It would be how it is now. They can go through the budget section for all of them. The purpose of the bill was to have those big purchases through the legislature to vote on. The aircraft piece of it happened to be the topic, but the purpose was to start that process. When you visit with Kyle, his comment is that we would be able to save some money by purchasing some of these unmanned aircraft and they do not want to have to wait for each legislative assembly to go and do that. At the very least, if we kill the bill, they will still be able to go to budget section committee to do that and to buy the bigger aircraft.

**Senator Bekkedahl:** My estimation is that if these go through the budget section as they currently do, the budget section still has the ability to deny these and then they have to bring them to the legislative assembly. I would support the do not pass.

**Senator Marcellais:** During the interim I sat on this committee and I do not recall Kyle coming to the committee when we discussed this bill.

**Chairman Poolman:** I would guess that he did not know that you were discussing it.

**Senator Marcellais:** I will have to oppose the do not pass because I sat on the committee during the interim.

**Chairman Poolman:** I will support the do not pass because it seems to be such a micromanaging thing. If we try and put that amendment on there to say they can go through the budget section, you are not making any improvement in the situation and you are going to cause all sorts of angst with a conference committee in trying to do that. I think the best way to move forward is to keep it going as it is currently working.

**Vice Chairman Davison:** You can see in the title that they cross out "or budget section approval", so they are trying to limit those purchases. I had the description of what an aircraft is and the unmanned aircraft fall under that purchasing. If this bill passed, it would limit the purchase of unmanned aircrafts for agencies.

**Chairman Poolman:** Even more than it already does without it.

**Senator Vedaa:** The gentleman that was here mentioned that it flew in under his radar and he did not see it. I will support the do not pass.

**A Roll Call Vote Was Taken: 5 yeas, 1 nay, 0 absent.**

**Motion Carried.**

**Vice Chairman Davison will carry the bill.**

2017 SENATE STANDING COMMITTEE  
 ROLL CALL VOTES  
 BILL/RESOLUTION NO. 1031

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 Davison Seconded By Bekkedahl

Senators	Yes	No	Senators	Yes	No
Chairman Poolman	✓		Senator Marcellais		✓
Vice Chairman Davison	✓				
Senator Bekkedahl	✓				
Senator Meyer	✓				
Senator Vedaa	✓				

Total (Yes) 5 No 1

Absent 0

Floor Assignment Davison

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

**REPORT OF STANDING COMMITTEE**

**HB 1031, as engrossed: Government and Veterans Affairs Committee (Sen. Poolman, Chairman) recommends DO NOT PASS (5 YEAS, 1 NAYS, 0 ABSENT AND NOT VOTING).** Engrossed HB 1031 was placed on the Fourteenth order on the calendar.

2017 TESTIMONY

HB 1031

17.0195.01000

Sixty-fifth  
Legislative Assembly  
of North Dakota

HOUSE BILL NO. 1031

Attachment,  
1031  
1-5-17

Introduced by

Legislative Management

(Government Finance Committee)

1 A BILL for an Act to amend and reenact section 54-06-37 of the North Dakota Century Code, relating to  
2 authorization to purchase or lease aircraft.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. AMENDMENT.** Section 54-06-37 of the North Dakota Century Code is amended and  
reenacted as follows:

6 **54-06-37. Authorization to purchase or lease aircraft - Legislative assembly or budget**  
7 **section approval.**

8 A state agency or other entity of state government may not purchase or lease an aircraft without  
9 specific authorization from the legislative assembly ~~or the budget section of legislative management if~~  
10 ~~the legislative assembly is not in session.~~ This section does not apply to aircraft purchased or leased by  
11 the office of the adjutant general, ~~or the university of North Dakota school of aviation,~~ or to aircraft as  
12 defined by and whose operation is regulated under Title 14 United States Code of Federal Regulations  
13 Part 107 pertaining to small unmanned aircraft systems.

17.0195.01000

Sixty-fifth  
Legislative Assembly  
of North Dakota

HOUSE BILL NO. 1031

Attachment 1  
1031  
1-5-17 (PM)

Introduced by

Legislative Management

(Government Finance Committee)

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12 defined by and whose operation is regulated under Title 14 United States Code of Federal Regulations  
13 Part 107 pertaining to small unmanned aircraft systems.

17.0195.01002  
Title.

Prepared by the Legislative Council staff for  
Representative Olson  
January 5, 2017

Attach 1  
1031  
1-6-17

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1031

Page 1, line 10, after the period insert "If an existing aircraft has been destroyed or otherwise rendered inoperable, a state agency or other entity of state government may use insurance proceeds received to replace the existing aircraft that has been destroyed or rendered inoperable, subject to the approval of the legislative assembly or the budget section of the legislative management if the legislative assembly is not in session."

Renumber accordingly

17.0195.01001  
Title.

Prepared by the Legislative Council staff for  
Representative Olson  
January 5, 2017

Attach 2  
1031  
1-6-17

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1031

Page 1, line 11, overstrike the second "or" and insert immediately thereafter a comma

Page 1, line 12, after "aviation" insert ", or to aircraft as defined by and whose operation is regulated under title 14, Code of Federal Regulations, part 107, pertaining to small unmanned aircraft systems"

Renumber accordingly

Attachment 1  
1031  
1-12-17

17.0195.02000

FIRST ENGROSSMENT

Sixty-fifth  
Legislative Assembly  
of North Dakota

ENGROSSED HOUSE BILL NO. 1031

Introduced by

Legislative Management

(Government Finance Committee)

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10 ~~legislative management if the legislative assembly is not in session.~~ If an existing aircraft has  
11 been destroyed or otherwise rendered inoperable, a state agency or other entity of state  
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13 destroyed or rendered inoperable, subject to the approval of the legislative assembly or the  
14 budget section of the legislative management if the legislative assembly is not in session. This  
15 section does not apply to aircraft purchased or leased by the office of the adjutant general or  
16 the university of North Dakota school of aviation or to aircraft as defined by and the operation of  
17 which is regulated under title 14, Code of Federal Regulations, part 107, pertaining to small  
18 unmanned aircraft systems.

17.0195.01003  
Title.02000

Adopted by the House Government and  
Veterans Affairs Committee  
January 6, 2017

P. 2

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1031

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Page 1, line 12, after "aviation" insert "or to aircraft as defined by and the operation of which is regulated under title 14, Code of Federal Regulations, part 107, pertaining to small unmanned aircraft systems"

Renumber accordingly

17.0195.01003

Sixty-fifth  
Legislative Assembly  
of North Dakota

HOUSE BILL NO. 1031

Introduced by

Legislative Management

(Government Finance Committee)

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