

**House Industry, Business, and Labor  
Chairman – Representative Mike Lefor  
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**Testimony**

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**HB 1260**

Good morning Chairman and Committee members. My name is Shaun Sipma, and I am the Mayor of Minot. I am representing Minot today in opposition to House Bill 1260.

HB 1260 is triggered by emergency declaration at the state or local level. I will be focusing on the impacts at a local level.

At the local city level, the bill would sanction a moratorium on a select group of employees who are NOT employed by the State of North Dakota. In our opinion, this would be a significant overreach of power by the state and create a substantial void in necessary leadership during emergency situations.

Essentially, what this short bill does is force an employee to work without pay. As the language read, it applies a pay moratorium not only to elected officials, but also the “head of every department and agency” of a city with a salary greater than \$125,000 per year.

In Minot there are only a handful of employees that would actually be affected by this; however, these employees are the ones who are most essential during an emergency. The proposed legislation would punish this select group of unelected city employees for decisions and policies of the elected officials to whom they report.

The bill would also create legal liability for contracted employees. A moratorium on pay for a contracted employee would lead to a breach of contract claim, thus putting communities in a legal predicament that likely would lead to even more financial loss to taxpayers.

I invite you to give substantial consideration to the following question as you consider this bill: Would losing your more tenured, seasoned, and valuable employees in the most critical of times be prudent because a state law forbid you from paying them in a time of crisis?

You should also note that not one single elected Mayor in North Dakota makes even half the salary threshold highlighted in this bill. For complete transparency, the Mayor of Minot’s annual salary is \$18,000.

I understand this proposed bill is a reaction to the events of COVID-19 in 2020. But consider this: during the 2011 flood that devastated Minot, the emergency conditions in our city lasted 4-5 months. We had many businesses that had to be closed due to the flood, and if the proposed legislation had been law then, it would have stopped all pay for the majority of department

directors and the City Manager for months. I cannot think of a worse time to have your department leads distracted or sidelined with financial concerns.

During the 2011 flood, travel was restricted in Minot with our major north/south roads closed. Our city was split in two. Many businesses were closed or isolated to patrons on one side of town.

Our current public works director was assistant public works director at the time of the flood. He was working 12-18+ hours per day, 7 days per week. To expect that someone in that position will provide that level of service, unpaid, is not reasonable.

Putting a political subdivision in a position where its highest paid employees are unpaid during states of emergency is simply dangerous. They may choose not to work, setting the political subdivision up to fail in a crisis.

I understand this is an effort to pressure elected officials from taking action in an emergency that could have adverse impacts on the financial condition of its businesses and citizens. However, this bill would actually result in an adverse effect on the community itself—on its ability to respond to an emergency when targeted employees with the highest level of capability quit because they are not getting paid.

Finally, you should carefully consider what labor laws might be triggered when an employee is expected to step up in a time of crisis without pay.

Please consider a “do not pass” recommendation on this bill. Thank you for your time and your consideration.