

NORTH DAKOTA LEGISLATIVE COUNCIL

Minutes of the

ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

Thursday, September 25, 2003
Harvest Room, State Capitol
Bismarck, North Dakota

Representative Scot Kelsh, Chairman, called the meeting to order at 9:10 a.m.

Members present: Representatives Scot Kelsh, Andrew Maragos; Senator Bill L. Bowman; Citizen Members Ron Anderson, Randy Bina, Bob Frantsvog, Donny Malcomb, Mike Montplaisir, Bev Nielson, Devra Smestad

Members absent: Senator Michael Polovitz; Governor John Hoeven

Others present: Wade Williams, North Dakota Association of Counties, Jamestown

Sheila Dalen, Ward County Recorder, Minot

Ann Johnsrud, McKenzie County Recorder, Watford City

Terry Traynor, North Dakota Association of Counties, Bismarck

Jerry Hjelmstad, North Dakota League of Cities, Bismarck

Linda Wurtz, American Association of Retired Persons, Bismarck

At the request of Chairman Kelsh, Mr. John D. Olsrud, Director, Legislative Council, reviewed the *Supplementary Rules of Operation and Procedure of the North Dakota Legislative Council*. Mr. Olsrud said unlike a traditional Legislative Council interim committee, the Advisory Commission on Intergovernmental Relations is a statutory commission for which the Legislative Council appoints a chairman and offers services. He said the commission reports to the Legislative Council in the same manner as a traditional interim committee.

Chairman Kelsh welcomed the members of the commission and requested that each of the members present briefly introduce him or her self. Senator Bill L. Bowman introduced himself and stated he is interested in issues relating to the public sector and serving on the commission allows him to pursue this interest. Citizen Member Bev Nielson, North Dakota School Boards Association, introduced herself and stated that government relations is part of her portfolio at the North Dakota School Boards Association and she recognizes that school issues are very related to issues of other political subdivisions. Representative Andrew Maragos introduced himself and stated the commission is very valuable to political subdivisions and is of particular interest to him. Citizen Member Donny Malcomb, Township Officers Association,

introduced himself and stated he looks forward to the information shared at this venue. Citizen Member Mike Montplaisir, North Dakota Association of Counties, introduced himself and stated there are a number of issues that would make it easier for political subdivisions to work better with each other. Citizen Member Ron Anderson, North Dakota Association of Counties, introduced himself and stated his background includes serving as a state legislator as well as working with the North Dakota Association of Counties. Citizen Member Randy Bina, Recreation and Park Association, introduced himself and stated he has been a member of the commission since its inception and he recognizes that partnerships with local governments are very critical. Citizen Member Bob Frantsvog, North Dakota League of Cities, introduced himself and stated this is his third opportunity to serve on the commission and he values the discussions that take place with the commission. Citizen Member Devra Smestad, North Dakota League of Cities, introduced herself and stated political subdivisions are very interrelated and what might affect one political subdivision also affects others. Chairman Kelsh introduced himself and stated that increased communication results in better government, and that this communication is an integral part of the role of the Advisory Commission on Intergovernmental Relations.

At the request of Chairman Kelsh, commission counsel presented the *Advisory Commission on Intergovernmental Relations - Background Memorandum*. Commission counsel reviewed the statutory membership and the powers and duties of the Advisory Commission on Intergovernmental Relations. She said at this time the commission has not been charged with any other studies. She said that in establishing the topics of study the commission wishes to pursue, the commission members may want to consider reviewing the studies assigned to other committees this interim and the areas studied by the commission during past interims.

Chairman Kelsh invited commission discussion regarding areas of interest the commission members may wish to study during the interim.

Citizen Member Frantsvog said in establishing the topics of study, the commission members may want to consider receiving updates on the state's status

relating to homeland security. He said these updates may include the areas of cooperative agreements as well as the possible availability of grants.

Citizen Member Smestad said an area of study the commission may wish to consider includes wind energy and the issues relating to transmission lines. Chairman Kelsh stated the interim Electric Industry Competition Committee is also charged with studying issues related to wind energy development in this state.

Representative Maragos asked whether the commission might be interested in making inquiries relating to "allocation of state and local resources" as provided for under North Dakota Century Code Section 54-35.2-02(2)(d). Senator Bowman said the Appropriations Committees review this issue of allocation of state and local resources and receive testimony. However, he said, the activities of the Appropriations Committees do not preclude commission discussion and a possible topic within this area of discussion may be the issue of the percentage of revenues the state should take from political subdivisions and the impact this has on political subdivisions if the state takes more than the political subdivisions collect. Chairman Kelsh stated that during the 1999-2000 interim, the commission did study the history of revenue sharing and personal property tax replacement.

Representative Maragos said the commission may be interested in studying issues relating to the lottery, such as how the state may choose to deal with lottery revenues. Representative Kelsh said the lottery is an interesting, new issue.

Citizen Member Anderson stated he would be interested in having the commission look at adding revenues to counties.

Citizen Member Nielson stated the North Dakota School Boards Association would be interested in having the commission look at the topic of education passthrough money, and issues that arise when that money does not actually get to the schools.

Citizen Member Malcomb stated the Township Officers Association is frequently asked by townships where those townships can go to access funds for projects. He said, for example, whether there may be a possibility of townships accessing funds through private banks, the Bank of North Dakota, or counties. Senator Bowman said it is important that any changes recommended by the commission not open the flood-gates such that the demand by townships would be too great. He said allowing townships access to additional funds would be an important issue to constituents because the constituents may not want to incur debt such that they are essentially living beyond their means. In response to a question from Citizen Member Nielson, Citizen Member Malcomb said townships do not have bonding authority. Citizen Member Montplaisir said townships have the authority

to set a certain amount of money aside for roads; however, townships do not have the authority to levy for an emergency fund.

Chairman Kelsh called on Mr. Wade Williams, North Dakota Association of Counties, for comments regarding suggested commission study issues. Mr. Williams distributed a handout listing the following for suggested study issues--motor vehicle pilot project, sunset of the records preservation fee, consolidated levy under 2003 House Bill No. 1024, and indigent defense and guardians ad litem.

Mr. Williams stated the motor vehicle pilot project has been a very successful program and he would like to offer a status report to the commission as well as discuss the possibility of expanding or continuing the program.

Mr. Williams said the indigent defense and guardians ad litem issue relates to the fact that currently the state pays for indigent defense and the counties pay for guardians ad litem services for mental health. He said the counties would like to move the fiscal responsibility for the guardians ad litem for mental health from the county to the state.

In response to a question from Representative Kelsh, Mr. Williams said he is not sure of the status of use of 2003 House Bill No. 1024, which provided for optional consolidation of county mill levies. Citizen Member Montplaisir said the commission may need to revisit House Bill No. 1024 and make some adjustments relating to issues such as consolidated book-keeping and data tracking.

Chairman Kelsh called on Mr. Jerry Hjelmstad, North Dakota League of Cities, for comments of possible areas of commission study. Mr. Hjelmstad thanked the commission for its work over the past interims, including 2003 House Bill No. 1025 regarding state aid distribution and also the work that has been done to increase the budgeting flexibility for political subdivisions. He said he is available to provide information for the commission, including possible survey information the commission may find helpful.

Chairman Kelsh stated he is interested in holding future commission meetings at different locations around the state.

No further business appearing, Chairman Kelsh adjourned the meeting at 10:00 a.m.

Jennifer S. N. Clark
Commission Counsel

John D. Olsrud
Director