

MICROFILM DIVIDER

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ROLL NUMBER

DESCRIPTION

1073

2001 HOUSE EDUCATION

HB 1073

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1073

House Education Committee

Conference Committee

Hearing Date 01/10/01

Tape Number	Side A	Side B	Meter #
Tape #1	X		3182 to 5293
		X	16 to 500
Committee Clerk Signature <i>Lisa Albertson</i>			

Minutes:

Chairman R. Kelsch, Vice-Chair T. Brusegaard, Rep. Bellew, Rep. Grumbo, Rep. Haas, Rep. Hanson, Rep. Hawken, Rep. Hunsakor, Rep. Johnson, Rep. Meier, Rep. Mueller, Rep. Nelson, Rep. Nottestad, Rep. Solberg, Rep. Thoreson

Chairman Kelsch: We will open the hearing on HB 1073 and ask the clerk to read the title.

Linda Fisher (see attached testimony): The reason this bill was introduced was to ask for the legislature's permission to allow us to have a little bit more flexibility with the way we conduct our lease auctions, and specifically, the location in which those auctions are held. I'll basically just read it from top to bottom.

Rep. Hanson: Was this bill in two years ago, and if it was, why was it killed?

Ms. Fisher: This bill was in two years ago, it was defeated because the question was asked.

'would this bill allow you to take Bowman county lessees and bring them to Bismarck?' And the answer at that time was, yes the bill would allow us to do that, realistically, there are several

Page 2
House Education Committee
Bill/Resolution Number HB1073
Hearing Date 01/10/01

reasons why we wouldn't do it. #1, we have big auctions in the western county. #2, our lessees trust us, we wouldn't do something like that to really inconvenience them, and #3 if we misbehave, you folks could take it away from us as fast as you gave it to us. It wouldn't be hard at all for any of our lessees to put in a bill that says we abused that privilege.

Rep. Hanson: Was it defeated in the House or Senate?

Ms. Fisher: I believe it was in the House

Rep. Hunsaker: Is there general support for this in counties of North Dakota? What's the feeling across the state?

Ms. Fisher: We have not talked one on one with the counties. Prior to 1995, the counties did all of the work for us, as far as clerking the auctions, certifying the results, and we did talk to the counties as that time, and they were overwhelmingly in support of that. The only difference is the use of the courthouse, and there are times when we would be in their way too, and we'll have to reschedule the auction, because they are having court.

Rep. Nelson: If this bill passes, how many changes do you anticipate in the next year, how many county seats would not have land auctions.

Ms. Fisher: There are very few counties in the West where we would combine auctions, I can think of two, probably Stark and Hettinger. In the East, we have synchronized a lot of our tracks so they come up in the same years.

Rep. Bellevue: Who do you lease the land to?

Ms. Fisher: We lease the land to ranchers and farmers for grazing and pasture services. They have a maximum of 5 years lease. We have to offer a public auction once every five years, and they come in, and we conduct an auction.

Rep. Bellew: How would passing this bill benefit those lessees.

Ms. Fisher: Passing the bill would benefit the lessees, in that, they wouldn't have to stand through an hour long auction. There would be a facility where we could go, where they could comfortably sit, sit through the auction, do their settlement process.

Rep. Hanson: How many people usually show up for those auctions?

Ms. Fisher: It totally depends on how many tracks are up for that year.

Rep. Hanson: On the average, how many people usually show up?

Ms. Fisher: I can tell you that McKenzie county, this fall, gave 187 tracks, in Stark county this fall, we have 12 tracks. It really depends on what is up, determines how many people are going to show up for the auction, and then you have a few people that are going to come there, they've never leased for much before, they want to see how it works, or they are coming to compete for a track they've never leased before.

Rep. Hanson: You still haven't given me a number

Ms. Fisher: There isn't a number

Rep. Hanson: Well, do you have 2 there or do you have 100 there, or do you need a big facility or do you need a small room?

Ms. Fisher: It depends on the year, if I have 10 tracks, I'll probably have 8 people, if I have 70 tracks, I'll probably have 60 people, and I can use a small room when I have 10 people, but when I have 60 people, I need a larger facility, so it depends on the year, completely, and the county.

Rep. Grumbo: Linda, are these leases strictly by individuals, or do we have the Grazing Association, are they also in the bidding process?

Ms. Fisher: Yes.

Wade Moser: I'm with the ND Stockmen's Association. I don't know if we necessarily oppose the bill entirely, we think that probably taking the word 'county seat' out would be beneficial. If they are doing the synchronizing of the tracks, maybe you could just move it from one side of the county to the other side. I do have to say, that I think, under Bob's administration and with Mike and Linda, we have had excellent working relationships with the Land Dept., and I think they use a lot of common sense in what they do, and their approach, but I think we also have to look at they will not be there forever, and I'm not so sure that we're willing to give that kind of confidence to the next people that follow, and we're hopeful that this auction would be put on at the convenience of producers out there as much or more than the staff at the Land Dept. As a recommendation, if you feel you would like to give them some flexibility, on Line 9, the four words that are crossed out, 'at the county seat', if you would take those out, and put 'in the county', and give them that flexibility, then I think we would probably support the bill.

Rep. Nottestad: Would you consider, in the county or contiguous county, with what you're doing, you could travel further than what she's recommending.

Mr. Moser: That is possible, in some cases, there's still a lot of pride at the county level that people don't mind staying within their county or traveling within their county, so I don't know if that would, necessarily be a problem.

Chairman R. Kelsch: We're now taking up HB1073 relating to the leasing of school trust land.

Accepting the amendment proposed by the Stockman's Association MOVED BY Rep.
Hanson and SECONDED BY Rep. Solberg

Chairman R. Kelsch: It's been moved and seconded that we accept the amendment that was offered by the ND Stockman's Association. Starting on line 8, it would read, 'the leasing must be at public auction- to the highest bidder-and must be held in the county.'

Rep. Hanson: An example is, McLean County, which is northern Burleigh County, runs all the way to New Town, so they could have an auction here in Bismarek, which is 150 miles.

Rep. Nottestad: That is very true, if we any faith in what she said, that type of thing wouldn't be happening, there are also situations in the Eastern part of the state, where you also have counties that perhaps have one or two where you can go to contiguous counties.

Rep. Mueller: If we don't buy into what Linda was saying, I don't think we have to do anything. They are going to make a good and honest effort to be in the right place at the right time. If we don't think that they're going to do that, then I don't think we ought to pass this bill. Otherwise I think we ought to leave it as they have it.

Rep. Thoreson: So, if we did have this amendment, then we would have to have one in each county. I guess I agree, if we can't trust them to do the job that they're trying to do, I don't think we should always go to the worst case scenario when we're dealing with government employees, I think we should look at the best case scenario. They've come forward with something that is probably going to make them more objective and more efficient in dealing with most all of the people out there, and I think we should do that, I think we should trust that they should do that. They've got the technology.

Chairman R. Kelsch: The question has been called on the amendment proposed by Rep. Hanson. All in favor say 'ay', all opposed say 'nay'. Motion is defeated. Any further amendments to be offered?

Page 6

House Education Committee

Bill/Resolution Number HB1073

Hearing Date 01/10/01

MOVED BY Rep. Haas and SECONDED BY Rep. Thoreson for a DO PASS on HB1073.

Motion was passed 12-3 DO PASS 0 absent Floor Assignment- Rep. Thoreson

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1073

House Education Committee

Conference Committee

Hearing Date 01/15/01

Tape Number	Side A	Side B	Meter #
#2	X		3345 to 5230
Committee Clerk Signature			

Minutes:

Chairman R. Kelsch, Vice-Chair T. Brusegaard, Rep. Bellew, Rep. Grumbo, Rep. Haas, Rep. Hanson, Rep. Hawken, Rep. Hunskor, Rep. Johnson, Rep. Meier, Rep. Mueller, Rep. Nelson, Rep. Nottestad, Rep. Solberg, Rep. Thoreson

Chairman Kelsch: We have HB1073 that was re-referred back to our committee for the purposes of an amendment, and this is the bill that we passed out last week dealing with the leasing of school trust land and when it got up to the House floor there were several people who had some real concerns with the bill, and its currently written and apparently Rep. Nelson has an amendment.

Rep. Nelson: Two years ago the Land Dept. came to the Natural Resources Committee and asked for some flexibility in this, and I think Rep. Nottestad had an amendment that we talked about last week in the hearing that I think would have satisfied their concerns to allow these land auctions to be in a more convenient spot, not only for them, but for the bidders in the land

auctions, and they wanted some flexibility to go to the next county and combine some of these auctions. The bill that we passed allowed for those people that think that they want to have the land auctions in Bismarek and make everybody come into Bismarek, I guess by the law, they could have done that, but this does stipulate. Go down to line 9. The struck language that was there in line 9, after that, the words, 'in the county or adjacent county of the land being leased' will be added. Basically, what would happen is they would either have to have the land auction in that county, not necessarily in the county seat, but in the county somewhere, or the adjacent county. That satisfies their concerns, and yet does give some local control power. In some cases they will be traveling less miles, in some cases I guess, it would cause some to travel a few miles more. I would offer that language.

Rep. Solberg: Is it county or counties?

Chairman Kelsch: It says 'in the county or adjacent counties of the land being leased'.

Rep. Solberg: Does that mean all of the surrounding counties this county?

Chairman Kelsch: That's what it would mean.

Rep. Nelson: I think what it does is that they could combine several counties.

Rep. Brusegaard: There are a few cases when we have three. It wouldn't be very often, but I suppose.

Rep. Nelson: First of all, there would have to be enough tracks, and every year a different track comes up, I think there are five year lease periods, so in every area, at least in my home county, we do have a number of state land foyers in my county, that each township has different ones coming up, so it's staggered fairly well. The concern on the floor was that the Land Dept. wanted to have these land auctions in Bismarek and not come out, and I think that there's some

benefit for the bidders if we offer some flexibility. I think this is just an attempt to try and assist the Land Dept. in doing their job and giving them more flexibility. This amendment would have a better chance of making that bill's passage.

Rep. Thoreson: This amendment seems like it would meet the needs of everybody.

Chairman Kelsch: I need to have a motion to bring the bill back.

Rep. Hawken: I move to reconsider on HB1073

Rep. Haas: Second

Chairman Kelsch: We have a motion to reconsider HB1073 that passed 12-3. All those in favor signify by saying ay. Oppose same sign. Motion carried. We now have HB1073 before us.

Rep. Nelson: I'd like to move the amendment

Rep. Nottestad: second

Rep. Hunskor: What if the locals want to have the auction in Bismarek, by what I read here, you must have it in that county or adjacent county. What if they want it further out.

Rep. Nelson: I don't think there's any case where they hold that. By law, I think it has to be dealt with the county seat. There is no provision for holding that land auction in Bismarek now.

Chairman Kelsch: That's correct, so current law has it that they have to hold it in the county seat, so they would not be able to hold it in Bismarek unless they were doing it in Burleigh County.

Rep. Hunskor: I understand that, but would there be occasion where there would be a need to hold it elsewhere other than that county.

Rep. Nelson: I can't attest to that.

Rep. Hawken: I think their main concern was the county seat language.

Chairman Kelsch: We have the amendment before us. On page 1, line 9 remove the overstrike over 'and must be held' and insert after the overstrike 'in the county or adjacent county of the land being leased'.

Rep. Mueller: I'm still a little unclear, do we need to make 'county' plural?

Rep. Thoreson: I think that was one of their concerns, if they can hold them in one county as opposed to moving, in this case, three different times, so I think that might be appropriate.

Rep. Haas: I think singular is correct, because the land that is being leased can only be in one county, so the singular form would be proper.

Rep. Hanson: I think we border about five different counties. I think if you bring it into Jamestown and have it all at the same time, that might not be very good for those people who don't want to sit down all day and wait for their lease to come up.

Rep. Nelson: I don't think that that's going to be the case, because if you go back to the testimony; it's to the advantage of the Land Dept. to have the maximum amount of people at each auction to maximize the bids that are taking place, but I just feel that by doing this, we make this bill as good as we possibly can. If you have some philosophical differences with it, then maybe you don't want this bill as good as it can get, but as far as I'm concerned, I think we make it as good as we can get it and then run it up the flag pole and see where it lands. The Land Dept. is very happy with the amendment that is offered today, and then we'll take our chances on the floor.

Chairman Kelsch: The question is on the amendment to HB1073. All those in favor, signify by saying 'ay'. Opposed same sign. Motion carried. We now have HB1073 as amended before us, what are the wishes of the committee.

Page 5

House Education Committee

Bill/Resolution Number HB1073

Hearing Date 01/15/01

Rep. Haus: I move a DO PASS AS AMENDED

Rep. Bellew: Second

The motion of DO PASS AS AMENDED passes with 13 Yes 2 No

Floor Assignment: Rep. Thoreson

Date: 1/10/01

Roll Call Vote #: 12 Do Pass 3 Do Not Pass 0 Absent

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO.

House House Education Committee

Subcommittee on _____

or

Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By HAAS Seconded By THORESON

Representatives	Yes	No	Representatives	Yes	No
Chairman-RaeAnn G. Kelsch		✓	Rep. Howard Grumbo	✓	
V. Chairman-Thomas T. Brusegaard	✓		Rep. Lyle Hanson		✓
Rep. Larry Bellow	✓		Rep. Bob Hunskor	✓	
Rep. C.B. Haas	✓		Rep. Phillip Mueller	✓	
Rep. Kathy Hawken	✓		Rep. Dorvan Solberg		✓
Rep. Dennis E. Johnson	✓				
Rep. Lisa Meler	✓				
Rep. Jon O. Nelson	✓				
Rep. Darrell D. Nottestad	✓				
Rep. Laurel Thoreson	✓				

Total (Yes) 12 Click here to type Yes Vote No 3 Click here to type No Vote

Absent 0

Floor Assignment Click here to type Floor Assignment REP THORESON

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

REPORT OF STANDING COMMITTEE (410)
January 10, 2001 2:26 p.m.

Module No: HR-02-0868
Carrier: L. Thoreson
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1073: Education Committee (Rep. R. Kelsch, Chairman) recommends DO PASS
(12 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING). HB 1073 was placed on the
Eleventh order on the calendar.

Date: 1/15/01
 Roll Call Vote #: 2

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. HR 1073

House House Education Committee

Subcommittee on _____
 or
 Conference Committee

Legislative Council Amendment Number 18087.0101

Action Taken Do Pass As Amended

Motion Made By Rep. Haas Seconded By Rep. Bellew

Representatives	Yes	No	Representatives	Yes	No
Chairman-RaeAnn G. Kelsch	✓		Rep. Howard Grumbo	✓	
V. Chairman-Thomas T. Brusegaard	✓		Rep. Lyle Hanson		✓
Rep. Larry Bellew	✓		Rep. Bob Hunsakor	✓	
Rep. C.B. Haas	✓		Rep. Phillip Mueller	✓	
Rep. Kathy Hawken	✓		Rep. Dorvan Solberg		✓
Rep. Dennis E. Johnson	✓				
Rep. Lisa Meler	✓				
Rep. Jon O. Nelson	✓				
Rep. Darrell D. Nottestad	✓				
Rep. Laurel Thoreson	✓				

Total (Yes) 13 *Click here to type Yes Vote* No 2 *Click here to type No Vote*

Absent 0

Floor Assignment *Click here to type Floor Assignment* Rep. Thoreson

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

REPORT OF STANDING COMMITTEE (410)
January 16, 2001 12:42 p.m.

Module No: HR-06-1055
Carrier: L. Thoreson
Insert LC: 18087.0101 Title: .0200

REPORT OF STANDING COMMITTEE

HB 1073, as amended, Education Committee (Rep. R. Kelsch, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). placed on the Sixth order on the calendar.

Page 1, line 9, remove the overstrike over "~~and must be held~~", after "at" insert "in", remove the overstrike over "~~the county~~", and after "~~eat~~" insert "or adjacent county of the land being leased"

Renumber accordingly

2001 TESTIMONY

HB 1073

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North Dakota
STATE LAND DEPARTMENT

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PO Box 5523
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Robert J. Olheiser
COMMISSIONER

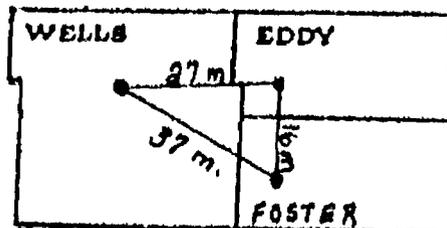
TESTIMONY OF LINDA FISHER
Leasing Coordinator

IN SUPPORT OF
HB 1073
House Education Committee

January 10, 2001

House Bill 1073 is being introduced to allow us to conduct fall surface lease auctions at locations other than the county seat.

Each year Land Department staff conducts public lease auctions to receive bids on tracts of land with expiring surface leases, as required by law. Currently, NDCC 15-04-10 also requires that the public auctions be held at the county seat of the county in which the parcels are located. This restriction on auction locations from the original (1893) leasing statute was understandable when transportation systems were poor and travel was time-consuming, but, as you can see by the following illustration, the difference between holding an auction in Foster County (Carrington) and Eddy County (New Rockford) these days is only 15 minutes of driving time. Wells County (Fessenden) is nearby as well.



In most cases, it would still make sense for us to have our auctions at the county seat, and we would continue to do so to the extent possible. However, there are times it would be beneficial for us (and our lessees as well) to have discretionary authority to change the auction location. For instance, in years where there are only a handful of expiring leases in each of three adjoining counties, it seems reasonable for us to be allowed to choose a location central to the tracts being offered. Computer mapping allows us to plot the tracts being offered and establish an appropriate centralized location. In addition to increased efficiency, there would be some minimal economic advantages as well through decreased auction costs.

Not all county seats have suitable accommodations readily available to us. For instance, in Dunn County, if we have more than a couple dozen tracts to lease, we have to hold our auctions in the county shop at Manning - no chairs and minimal heat. In another county, the Commissioners have required that we pay a fee of \$8 per tract to use the courthouse for our auctions. In the fall of 2000, use of that county courthouse would have cost us \$450 for 90 minutes time - a cost that

*HB 1073
Testimony of Linda Fisher
House Education Committee
January 10, 2001*

would be passed on to our lessees in administrative fees. The other handicapped accessible public facility in that county seat is the school, which we have been able to use for the past few years, however, scheduling around classes and basketball practice in the fall has caused some problems there as well.

Flexibility in choosing fall lease auction locations would result in time and cost savings to our staff, and provide us with options to consider convenient and comfortable auction locations for our lessees. On behalf of the Board of University and School Lands, I respectfully request your support of HB 1073.

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Robert J. Olheiser
COMMISSIONER

PROPOSED AMENDMENT TO HOUSE BILL 1073

Page 1, Line 9, remove overstrike over "~~and must be held~~", insert after "~~at the county seat~~" "in the county or adjacent county of the land being leased"

Renumber accordingly