

# MICROFILM DIVIDER

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ROLL NUMBER

DESCRIPTION

1197

2001 HOUSE APPROPRIATIONS  
HB 1197

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1197

House Appropriations Committee

Conference Committee

Hearing Date January 19, 2001

Tape Number	Side A	Side B	Meter #
1	0 - 2892		HB1197
	2892-3850		HB1026
Committee Clerk Signature <i>Z Z Danke</i>			

Minutes:

**Chairman M. Timm, Vice-Chair F. Wald, Rep. Aarsvold, Rep. Boehm, Rep. Byerly, Rep. Carlisle, Rep. Delzer, Rep. Glasshelm, Rep. Gulleson, Rep. Heuther, Rep. Kempenich, Rep. Kerzman, Rep. Kliniske, Rep. Koppleman, Rep. Martinson, Rep. Monson, Rep. Skarphol, Rep. Svedjan, Rep. Thoreson, Rep. Warner, Rep. Wentz**

**Rep. Mike Timm:** Called the Appropriations Committee to order at 08:00 a.m.

Clerk Called the Roll.

**Rep. Mike Timm:** We have H1197 scheduled before the full committee this morning.

I will have the clerk read the title to the bill.

**Rep. Mike Timm:** There is a fiscal note on this, but I don't think everybody has a copy of the fiscal note. Rep. Timm then read the fiscal note to the committee. Then called upon Joe Morrissette of the Legislative Council to explain the bill.

Joe Morrisette: This bill is recommended by interim legislative compensation commission and I was the staff person for that commission. The 3 bills that are recommended by the commission two of them deal legislative compensation directly and this one deals with the mileage reimbursement that's paid to legislators and other state employees when their using their own vehicle for travel this bill increases the state mileage rate 25 cents to 31 cents. The mileage rate was last increased in 1995 to the 25 cents per mile amount. The legislative commission reviewed some information that was prepared by the national council of state legislatures which compares legislative compensation reimbursement rates in other states, and in reviewing that they felt that the 25 cent per mile rate was low in North Dakota, and we received comments from various legislators on an individual basis and as a committee they met with the legislative management committee to get their input on issues of concern regarding legislative compensation rates for reimbursement. In their discussions the issue of mileage reimbursements at a time when fuel costs were increasing was noted as an issue of concern. When this bill was introduced, even though it is broader in scope than just the legislative assembly, it deals with all state employees. When the committee did some research to try to determine what type of an impact the bill might have in reviewing the changes that were made in 1995 when the rate was increased from 20 cents per mile to 25 cents per mile, it was determined that the budgets of state agencies were not increased, so the appropriation amounts weren't changed even though it was recognized that the bill would have a cost but it would increase travel expenses that the agencies had to pay to their employees in the event they used their own vehicles. I should point out that it only effects travel by state employees or legislators using their own vehicles. If a state employee is traveling and they are using the motor pool their is no cost associated with this bill because its only mileage reimbursement for personal vehicle travel. When were dealing with the changes made in 1995

the state agency bills were not adjusted to reflect that. It does note that on the fiscal note which was prepared by OMB and they indicate that although this will have the effect that's listed on the bill of \$184,000 from the general fund and \$177,000 from other funds, its not anticipated that all agency budgets would be increased to reflect that, so although that's the cost it will most likely result in a shifting within budgets and not an increase in appropriation unless the legislative assembly decides to make that adjustment specifically in each agency budget, as I said hasn't been the case in the past.

**Rep. Rex Byerly:** Is there any particular reason why the rates didn't go up for the other vehicle types or at least be equal? Is there a logical explanation for that?

**Response:** The commission did discuss that and they felt that the their charge as legislative compensation to specifically address legislative compensation issues and those other rates deal directly with rates that are paid to legislators. At the time this was being introduced or being considered by the commission a bill was being drafted that would also increase state mileage reimbursement rates. But I don't believe that bill was ever introduced.

**Rep. Mike Timm:** Is a pickup considered a truck?

**Response:** No, a pickup driven by a state employee in state related travel would be reimbursed as a passenger vehicle.

**Rep. Bob Skarphol:** Is it the intention to take care of mileage during the legislative session, and if so, don't we need an emergency clause?

**Response:** That would be correct. There is no emergency clause in the bill and this would not take effect until August 1st.

**Rep. Francis Wald:** I move a do pass with an emergency clause.

**Rep. Mike Timm:** We have other people that want to testify yet, and I won't accept that motion yet.

**Rep. Rex Byerly:** The other question that I wanted to ask you is, the person that deals with out of state travel, did they discuss that at all? It seems rather odd to me that if this circumstance arose if we had state governments meeting in Mpls and I got 25 cents a mile to Fargo and from there on I got 18 cents a mile, it just seems that there would be that break in there. Did they discuss that?

**Response:** It was discussed briefly, and I think the feeling was that most travel is instate for legislators, but maybe that is an issue and probably should be an increase for that travel as well.

**Rep. Mike Timm:** Is there any other testimony in favor of HB1197? Any opposition to HB1197? Any other comments or questions by the committee members? If not, the hearing will be closed on HB1197. And we have HB1197 before us.

**Rep. Bob Skarphol:** I move that HB1197 be amended to include an emergency clause.

**Rep. Mike Timm:** There is a motion to amend the bill to put an emergency clause on this bill. Is there a second. Seconded by Rep. Kempenich. Any discussion?

**Rep. Ron Carlisle:** A question for Joe. Did the compensation commission ask why the emergency clause did not go in at that time?

**Response:** That was discussed in relation to this bill and the legislative compensation bill which were introduced without an emergency clause and the commission agreed that if legislative assembly wished to enact those without an emergency clause that they could do so but they would just introduce the concept of increasing the mileage rate and increasing the legislative compensation rates and leave the effective dates up to the rest of the assembly to address.

**Rep. Mike Timm:** Any other discussion on the amendment?

**Rep. Jeff Delzer:** I don't know that its a major deal, but I guess I am not going to go along with emergency clause, because I think this would be good enough to take effect on August 1st.

**Rep. Mike Timm:** All those in favor of the motion to amend the bill to include the emergency Clause say aye. Voice vote was taken. Aye's and Nay's. Clerk will take a roll call on the motion to amend. Roll call vote taken (11) yes (9) no. Motion to amend to include emergency clause has passed.

**Rep. Rex Byerly:** I would move to amend page 2 line 20 from 18 cents to 31 cents.

**Rep. Mike Timm:** Is there a second to that motion? Seconded by Rep. Monson. And the effect of your amendment would be to increase the mileage traveling out of state. Response was yes. Any discussion on that motion?

**Rep. Jeff Delzer:** Is there somewhere in this bill that says that makes sure we will not pay mileage over and above what the airfare would be?

Joe Morrisette: I believe that's in a different section of the code, I don't believe its addressed in that section. I think that's a section that deals with legislative compensation and reimbursement and if travel was by air it has to be reimbursed at the coach rate and can't exceed some factor of the ground mileage reimbursement that would otherwise be paid.

**Rep. Keith Kempeneh:** Had a question on something on page two, but is inaudible on the tape.

**Rep. Mike Timm:** This amendment would just raise the bar on that reimbursement. Any other discussion? We have a motion to amend too raise the 18 cents to 31 cents on page 2, line 20. All in favor of that motion say aye. No voice vote at this time pending a question by Rep. Aarsvold.

**Rep. Ole Aarsvold:** The 150 miles that is referred too would not be a factor then, would it? Should that be deleted then as well?

**Joe Morrisette response:** In the past there has been that differential of 25 cents for instate and once your beyond 150 miles it drops to 18 cents , without that differential between instate and out of state mileage we would probably make some other changes in the bill to make that read better. We would make amendments consistent with the intent to make 31 cents the mileage reimbursement rate for instate and out of state travel if that amendment is passed.

**Rep. Robert Heuther:** If I were to attend a conference in San Diego which is close to 2000 miles a 4000 mile round trip, I would sure feel guilty drawing that 31 cents a mile. Maybe we should have something in the bill that would limit it to the maximum end of a coach fare price even if I drove my car ?

**Rep. Mike Timm:** All we have to do is defeat the motion to amend.

**Rep. Bob Martinson:** I thought the motion was just to change the 18 cents to 31 cents, so the 150 mile limit would still be in there.

**Rep. Mike Timm:** The 150 mile limit was questioned as to why we need that and Joe says they would make the amendment to be more compatible.

**Rep. Bob Martinson:** The motion was merely to change the 18 cents to 31 cents it doesn't have anything to do with the 150 miles. Rep. Timm, Yes that is the motion.

**Joe Morrisette:** The way the law reads now is that you are reimbursed 25 cents per mile for instate and the first 150 miles beyond the state border, after that the mileage reimbursement rate drops to 18 cents per mile, so what the amendment would be doing is saying that whether your in state or 150 miles beyond the border or 1000 miles beyond the border your reimbursed at 31 cents per mile. That would be the effect of the amendment.

**Rep. Delzer:** Is there anybody here that can give me some history why this was setup this way? Was it to encourage airfare instead of road travel?



**Rep. Martinson:** I was in state government for a long time and it was put in there basically so that if somebody did have a conference in Los Angeles that they wouldn't take their family to Disneyland for a vacation, because when you put the mileage to it, per mile vs. the airfare you could come out better. The problem with it is the short distances I think are more important than the long ones. I think it would be great if it was changed to 31 cents but I think it would be nice to have a limit of 500 mile radius or something.

**Joe Morrisette:** I found that section 54-03-20 which is not addressing this bill and it deals with compensation and expense reimbursement for members of the legislative assembly and the reimbursement at coach fare limitation says that if your reimbursed for travel by common carrier can only be at the cost of coach fare with the limit the it can only exceed 1 1/2 times the amount you would have gotten for mileage by motor vehicle. So that's where that limitation comes in, there is not limitation regarding your paid mileage that it has to limited to what you would have gotten for airfare. It's the other way around, your airfare reimbursement is limited to what you would have got for mileage.

**Rep. Ole Aarsvold:** If in fact it is our intent to go to 31 cents across the board then that section could just as well be deleted it seems to me and clarifying language to put in that first section that make it clear that this applies to both in state and out of state travel.

**Rep. Rex Byerly:** I would withdraw my motion for the 31 cents in this context if I can make a new motion that would just extend the boundary at 31 cents.

**Rep. Mike Timm:** Motion has been withdrawn.

**Rep. Rex Byerly:** I make a new motion to amend page 2 line 20 to go from 18 cents to 31 cents and the two references that speak of 150 miles, to change those to 300 miles. My motion is to

amend this section to say that for 300 outside of the borders of North Dakota we get 31 cents and anything beyond that we get 18 cents.

**Rep. Mike Timm:** That motion is made by Rep. Byerly , seconded by Rep. Aarsvold. So extended the boundary out to 300 miles is what were doing and were leaving the 18 cents as it is.

**Rep. Martinson:** May I ask a question for the purpose of the record, and I hope the answer will be recorded. Do you mean that the 300 miles is each way? Or just 300 total? Because OMB has interpreted that as 150 miles total.

**Rep. Rex Byerly:** I would expect if they interpreted that to be 150 miles total, I'm saying 300 miles one way.

**Rep. Rex Byerly:** We seem to have a semantics problem here, what my motion is, is that we are paid 31 cents a mile anytime we go outside of the borders of the State of North Dakota to a total of 300 geographic miles, but mileage is paid going to or from. Does that solve the problem?

**Rep. Aarsvold:** Joe, maybe you could answer this. What are the motor pool costs for that same trip for instance.

**Joe Morrisette:** No, I do not know.

**Rep. Mike Timm:** We have a motion now to extend the boundary to 300 miles. Does everyone understand that? Voice vote was taken: Aye's and Nay's. Motion Passed. Now we have the bill as amended before us. We have two amendments on the bill. I need a motion for a Do Pass or Do Not Pass. Rep. Kempenich moves for a Do Pass, seconded by Rep Wentz. Any discussion? Roll Call vote will be taken as amended. Aye (17) Nay (3) Motion is passed. Rep. Wald will carry bill to the floor.

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**Rep. Mike Timm:** Everyone should have a copy of a motion we have to make (Attachment A). Its a headline for House Appropriation Committee, and its a motion that we have to make to approve the action by where Rep. Byerly's Committee held a hearing on block grants yesterday and we just have to get this in the record. Rep. Byerly makes the motion to approve the insertion of the language into the minutes of the Appropriations Committee. Seconded by Rep. Carlisle.  
Any Discussion ?

**Rep. Gulleon:** Why wasn't it an official part of the record.

**Rep. Rex Byerly:** Under Federal Law the community service block grant program has to have a public hearing before the legislature of each state. We had that hearing yesterday upstairs in the Government Subsection of Appropriations and these words are mandated in federal law that we had that hearing.

**Rep. Mike Timm:** Any other discussion on the motion? Roll Call vote will be taken.

Aye (20) Nay (0) Absent (1) Motion is passed.

