

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1391

2001 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1391

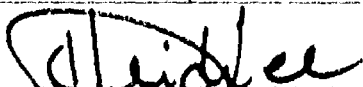
2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1391

House Industry, Business and Labor Committee

Conference Committee

Hearing Date Feb. 6, 2001

Tape Number	Side A	Side B	Meter #
2	X		36.37
		X	-39.54
Committee Clerk Signature 			

Minutes: Chairman R. Berg, Vice-Chair G. Keiser, Rep. M. Ekstrom, Rep. R. Froelich, Rep. G. Froseth, Rep. R. Jensen, Rep. N. Johnson, Rep. J. Kasper, Rep. M. Klein, Rep. Koppang, Rep. D. Lemieux, Rep. B. Pietsch, Rep. D. Ruby, Rep. D. Severson, Rep. E. Thorpe.

Rep Frank Wald: Sponsoring bill.

Rep Ole Aarsvold: Cosponsor and support amendments.

Calvin Rolfson: *ND Petroleum Marketers Assoc.* **Written testimony in support.**

Chuck Johnson: *ND Insurance Dept.* **Written testimony in support with amendments.**

Chairman Berg: Can you walk use through the procedure?

Johnson: First there's a spill. Then you apply to the administration. That can be appealed to the board and the board turn the plea and their suggestion to the Commissioner who has final auth.

Matt Bjornson: *NDPMA* I support the bill. Private insurance is only available for brand new tanks. We'll pay the coverage to stay in compliance. This doesn't put a risk on the fund.

Francis Schwind: *ND Health Dept.* Propose an amendment.

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House Industry, Business and Labor Committee
Bill/Resolution Number HB 1391
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Art Purdue: *Cenex of Minot* We do need coverages and I support this bill.

Chairman Berg: We'll close the hearing and take up again later on.


2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1391(B)

House Industry, Business and Labor Committee

Conference Committee

Hearing Date Feb. 14, 2001

Tape Number	Side A	Side B	Meter #
2	X		38
		X	-0.98
Committee Clerk Signature 			

Minutes: Chairman R. Berg, Vice-Chair G. Keiser, Rep. M. Ekstrom, Rep. R. Froelich, Rep. G. Froseth, Rep. R. Jensen, Rep. N. Johnson, Rep. J. Kasper, Rep. M. Klein, Rep. Koppang, Rep. D. Lemieux, Rep. B. Pietsch, Rep. D. Ruby, Rep. D. Severson, Rep. E. Thorpe.

Rep Jensen: Amendments supplied and explained. Move to adopt.

Rep Kasper: Second.

Rep Jensen: More amendmends by the health dept. Move to adopt.

Rep M. Klein: Second.

Rep Keiser: Move a do pass as amended.

Rep M. Klein: Second.

14 yea, 0 nay, 1 absent Carrier Rep Jensen

FISCAL NOTE

Requested by Legislative Council
03/20/2001

Bill/Resolution No.:

Amendment to: Engrossed
 HB 1391

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$900	\$0	\$900	\$0
Appropriations	\$0	\$0	\$900	\$0	\$900	\$0

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

1. General Fund

This bill increases the Petroleum Tank Board from three to five members. Assuming the board meets the minimum number of meetings (two per year or four per biennium), the additional meeting cost at \$62.50 per day per diem is \$500 (2 x 4 x \$62.50). We estimate additional mileage and meals at \$400 for a total impact of \$900 on the General Fund.

2. Petroleum Tank Fund

Engrossed House Bill No. 1391 appears to address the concerns of the Insurance Department with the original House Bill No. 1391, so that the potential impact to the Fund is no longer \$500,000 per biennium, but rather is now \$0.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

\$900 increase in General Fund expenditures per biennium.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

\$900 increase in General Fund operating expense appropriation per biennium.

Name:	Charles E. Johnson	Agency:	Insurance Department
Phone Number:	328-2440	Date Prepared:	03/20/2001

FISCAL NOTE

Requested by Legislative Council

02/20/2001

REVISION

Bill/Resolution No.:

Amendment to: HB 1391

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$900	\$0	\$900	\$0
Appropriations	\$0	\$0	\$900	\$0	\$900	\$0

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

1. General Fund

This bill increases the Petroleum Tank Board from three to five members. Assuming the board meets the minimum number of meetings (two per year or four per biennium), the additional meeting cost at \$62.50 per day per diem is \$500 (2 x 4 x \$62.50). We estimate additional mileage and meals at \$400 for a total impact of \$900 on the General Fund.

2. Petroleum Tank Fund

Engrossed House Bill No. 1391 appears to address the concerns of the Insurance Department with the original House Bill No. 1391, so that the potential impact to the Fund is no longer \$500,000 per biennium, but rather is now \$0.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

\$900 increase in General Fund expenditures per biennium.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

\$900 increase in General Fund operating expense appropriation per biennium.

Name:	Charles E. Johnson	Agency:	Insurance Department
Phone Number:	328-2440	Date Prepared:	02/20/2001

FISCAL NOTE
 Requested by Legislative Council
 2/20/2001

Bill/Resolution No.:

Amendment to: HB 1391

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$3,200	\$0	\$3,200	\$0
Appropriations	\$0	\$0	\$3,200	\$0	\$3,200	\$0

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

1. General Fund

This bill increases the Petroleum Tank Board from three to five members and allows for an increase in the daily meeting per diem from \$62 to an amount set by the Commissioner of Insurance by rule. Assuming that the Commissioner will increase the per diem to \$100 per day, which may or may not happen, the projected increase in meeting cost is \$400 per meeting to cover the \$38 per diem increase per member and additional travel and lodging expense and per diem for the two additional members. The board is expected to meet quarterly over the biennium so the projected impact is \$3,200 (\$400 x 8 meetings).

2. Petroleum Tank Fund

Engrossed House Bill No. 1391 appears to address the concerns of the Insurance Department with the original House Bill No. 1391, so that the potential impact to the Fund is no longer \$500,000 per biennium, but rather is now \$0.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each*

agency, line item, and fund affected and the number of FTE positions affected.

\$3,200 increase in General Fund expenditures per biennium.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

\$3,200 increase in General Fund operating expense appropriation per biennium.

Name:	Charles E. Johnson	Agency:	Insurance Department
Phone Number:	328-2440	Date Prepared:	02/20/2001

FISCAL NOTE

Requested by Legislative Council

02/01/2001

REVISION

Bill/Resolution No.: HB 1391

Amendment to:

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$3,200	\$500,000	\$3,200	\$500,000
Appropriations	\$0	\$0	\$3,200	\$500,000	\$3,200	\$0

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

1. General Fund

This bill increases the Petroleum Tank Board from three to five members and allows for an increase in the daily meeting per diem from \$62 to an amount set by the Commissioner of Insurance by rule. Assuming that the Commissioner will increase the per diem to \$100 per day, which may or may not happen, the projected increase in meeting cost is \$400 per meeting to cover the \$38 per diem increase per member and additional travel and lodging expense and per diem for the two additional members. The board will meet quarterly over the biennium so the projected impact is \$3,200 (\$400 x 8 meetings).

2. Petroleum Tank Fund

This bill changes the coverage provided by the Fund for petroleum tank owners. At present, the Fund reimburses tank owners for the cost of remedial action of a petroleum spill as determined by the Health Department. The Health Department requires cleanup as required to satisfy public health and safety concerns. This bill will change the Fund's obligation to require that the Fund restore the affected property to its fair market value. This significantly

increases the risk to the Fund. It is estimated that cleanup costs necessary to restore fair market value will be many times greater than cleanup necessary to protect the public health and safety. The impact to the Fund is impossible to quantify without an extensive actuarial risk assessment. Increasing the risk to the Fund without properly increasing the Tank Fund revenues will jeopardize the solvency of the Fund. This bill will have a serious impact on the Fund and should not be passed until an actuarial assessment is completed. The impact on the Fund could vary from \$0 to \$1 million per biennium. For our response to No. 1A, we are using an amount in the middle.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*
A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

\$3,200 - Increase in General Fund expenditures per biennium and an estimated \$500,000 increase in Petroleum Tank Fund expenses per biennium.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

\$3,200 increase in General Fund operating expense appropriation per biennium.

Name:	Charles E. Johnson	Agency:	North Dakota Insurance Department
Phone Number:	328-2440	Date Prepared:	02/02/2001

