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Operator's Signature

*10/2/03*  
Date

2003 HOUSE APPROPRIATIONS

HB 1103

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Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1103

House Appropriations Committee

Conference Committee

Hearing Date 01-21-03

Tape Number	Side A	Side B	Meter #
2	X		21.9

Committee Clerk Signature *[Handwritten Signature]*

Minutes:

**Chairman Svedjan** Opened Hearing

**Gary Preszler, State Lands Commission**

**Rep. Wald** Does the State Investment Board invest for you and you pay a fee?

**Preszler** No, we do that in house. Our trust finds have a much different liability opposed to retirement funds. That is why we don't.

**Preszler** Grass lease annual payment reimbursements may increase if the drought conditions continue. They are not budgeted for.

**Rep. Wald** Did you say local volunteer fire departments are putting out fires on state lands and not being reimbursed?

**Preszler** Yes, they are not directly reimbursed from the state.

**Wald** Is that fair?

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House Appropriations Committee  
Bill/Resolution Number HB 1103  
Hearing Date 01-21-03

**Preszler** It is not a matter of fairness. If the request for reimbursement is made we have to pay it. What I have before you is if requests are made, we need the ability to make the payments. There could be other services being provided that are not being reimbursed for either.

**Rep. Skarphol** Under the current practice, you don't have the ability to make these payments to these fire districts, but the cost of the lands that you manage are being deducted from the trust accounts pertinent to those lands. Is that correct.

**Preszler** We control the cost share program.

**Rep. Skarphol** What you are trying to achieve is to have the authority to make the payments in regard to continuing appropriations. Other than that, what is the change in your budget?

**Preszler** In the area of weed control and land survey costs are the only ones in the past that I would like to move under continuing appropriations.

**Rep. Skarphol** So you are looking with more budget flexibility with this legislation?

**Preszler** Flexibility is your terminology. I have to pay it one way or the other and I need to have clear authority to do that. I need to know if I need to come to you to get authority to pay it, or whether I can just deduct it from the trust.

**Rep. Monson** Where are the fees being paid from now? Will the payment from the trust fund affect money that the schools get?

**Preszler** The dollars source does not change. I can't make a payment without authority to do it even if funds are there.

**Rep. Monson** If you had a request to pay for a fire you would not have been able to make a payment.

**Preszler** Correct, unless it is budgeted for.

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House Appropriations Committee

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**Chairman Svedjan** If you did not have authority and you did not have sufficient funding in your budget, you would not be able to make a payment?

**Preszler** Correct.

**Chairman Svedjan** To carry that one step further, will this not increase the prospect for there being less money to distribute to the school?

**Preszler** The distributions would not change at all because the source of the payments would be the trusts.

**Rep. Kempenich** What are Capital Improvement Rent Credits?

**Preszler** Dams, fences, etc.

**Rep. Wald** I'm sure when you had fire around Sioux County, the rural fire departments were not reimbursed at all even after being there for several days.

**Preszler** No, there was no request for payment.

**Rep. Delzer** School lands pay no county taxes, except in section 4?

**Preszler** Correct.

**Rep. Delzer** This trust was set up for the schools, and we should not open this up. We should not do this at all.

**Rep. Monson** I think we will short someone some place with this bill.

**Preszler** The net effect is not changed. The trust gets charged either way.

**Chairman Svedjan** Under the current situation you budget in the area for payments, but your limited by your budget. It seems you are flinging the doors open for multiple unforeseen payments. Budgeting controls this. If the trust is charged for unforeseen payments, the money to schools will be shorted.

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House Appropriations Committee

Bill/Resolution Number HB 1103

Hearing Date 01-21-03

**Preszler** Yes, but how do I budget for these payments?

**Rep. Skarphol** You do have ability to go to the Emergency Commission and ask for funding.

**Preszler** I don't have the authority to go the emergency fund because I am a special fund agency.

**Rep. Skarphol** I think we can fix that.

**Rep. Aarsvold** It seems to me that whenever we have a state obligation unpaid that the adjacent land owners pick up the tab on our behalf. We should provide our correct expense to the fire departments.

**Chairman Svedjan** So if you have more requests for reimbursements than you have budgeted, your likely to carry that difference over into the next budget cycle and pay those liabilities sometime later?

**Preszler** No. By contingent liability I mean unforeseen expenditures.

**Rep. Wald** Why is that repealed section in there? It is section 10 of the bill.

**Preszler** It refers to the maintenance fund.

**Rep. Wald** So your definition of contingencies do not refer to section 10.

**Rep.. Warnke** Requested Roxanne from LC to look into the Emergency Commission issue.

**Rep. Timm** How did you manage before this bill?

**Preszler** Under section 2 of HB 1103. Payments were made as fees. The fire issue would have been funded out of the general operating expense fund.

**Hearing Closed**

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2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1103

House Appropriations Committee

Conference Committee

Hearing Date 02-05-03

Tape Number	Side A	Side B	Meter #
2	X		20.2 - 26.0
Committee Clerk Signature <i>Chris E. Nygren</i>			

Minutes:

**Chairman Svedjan** Opened HB 1103 for discussion.

**Rep. Carlson** I move a Do Pass. 2nd by Rep. Aarsvold.

**Rep. Wald** Refresh us on Section 10, line 26 and 27, the repeal on page 4. What are we repealing?

**Gary Prezler, Commissioner of State Land Department.** It refers to an outdated section on the Maintenance Fund. It is essentially what creates the special fund where we pay our budget expenses. It is just a clean up thing in the bill.

**Rep. Delzer** Is this done by the board, not by an appointed official?

**Rep. Carlson** It is by the board.

**Rep. Delzer** Tell us who is on the board.

**Rep. Carlson** The Governor, DPI, Attorney General, Secretary of State, and State Treasurer.

There are 5 members.

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House Appropriations Committee  
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Motion Carries 22-0-1. Rep. Carlson will carry this bill.

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