

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1103

2007 HOUSE POLITICAL SUBDIVISIONS

HB 1103

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1103

House Political Subdivisions Committee

Check here for Conference Committee

Hearing Date: January 12, 2007

Recorder Job Number: 984, 986

Committee Clerk Signature



Minutes:

Chairman Herbel called the meeting to order on HB 1103.

Following people testified in support of HB 1103:

Rep. Meyer: (See attached testimony #1)

Doris Ott, State Librarian of ND: (See attached testimony #2)

Rep. Vonnie Pietsch: Asked which one it would leave out since the change in the law will make 103 out of 104 public library taxing entities eligible for State Aid. I am concerned if it is mine.

Doris Ott: We believe it will be Nelson County that will be ineligible. They have to maintain an average the last three years of a dollar amount that they are to receive; if they fell below that average it makes them ineligible.

Rep. Kim Koppelman asked how libraries were funded and Doris explained it is a formula set by state law. Does it increase all the time or how does that work.

Doris Ott: It started out at full funding, but at the last session they had increased it to a One Million dollars package. So not only did the formula change so it became an 18% increase. It doesn't automatically go up.

Rep. Kim Koppelman: Discussed change that would make it more and more state funding over time. You now budget for every library over the state so if this bill is passes; as long as the local entity, where city or county, over time the local stays the same the difference will probably be made up by the state. Therefore more cost for the libraries is being funded by the state.

Doris Ott: The formula deals with mill levy and also with general fund dollars so local areas could make more of it up from the general fund. The appropriations at the beginning began at 1 million dollars at its inception; over the years it has also decreased. Last session was the very first time there was any increase and it was simply restored to the level at which it started 20 some years ago. So the state does not continue to increase. This bill is trying to make it more equitable so more libraries can qualify.

Kelly Steckler, Legislative Chair for the ND Library Association. (See attached testimony #3).

Beth Postema, Interim Director of the Fargo Public Library: (See attached testimony #4)

Rep. William Kretschmar: How much in dollars did the Fargo library get last year?

Beth Postema: It got approximately \$100,000 and \$204,000 and we typically got \$51,000 or \$52,000.

Bonnie Krenz, Library Director for Griggs County Public Library: (See attached testimony #5)

Jerry Kaup, Minot Public Library Board: (See attached testimony #6).

Rep. Kim Koppelman: On the second item of the bill; lines 14-18 under section 1 it appears by reading that some cities may still be under that and you could go through the vote of the people to change the mill levy. More discussion on mill levy.

Kirsten Baesler, President of the Mandan Public Library board of Trustees: (See attached testimony #7).

Tom Jones, Director, Bismarck Veterans Memorial Public Library: (See attached testimony #8). Want rural areas to get aid to keep those libraries.

No testimony in opposition: None

No other testimony.

Hearing Closed.

Chairman Herbel reopened the hearing on HB 1103 Job #986

Do Pass Motion Made By Rep. Dwight Wrangham; Seconded By Rep. Kari Conrad

Discussion:

Rep. Pat Hatlestad: Rep. Kim Koppelman has some concern about the amount of money had some concern about the amount of money the local entities were putting into the pot. That determines whether they would be eligible for this or not. I really don't think it is a concern. When it talked about these dollars, it talked about the dollars derived from the mill levy; not dollars put in from other sources. With that I will probably support the bill.

Chairman Herbel I think it is also very noble that people who are getting excess funds because the others weren't eligible to come in and testify and say we are willing to give up these funds. It doesn't work that way in education. I am going to support it.

12 Yes 0 No 2 Absent Carried: Rep. Pat Hatlestad

Closed

FISCAL NOTE
 Requested by Legislative Council
 12/28/2006

Bill/Resolution No.: HB 1103

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.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

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

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Funding for State Aid to Public Libraries has been in the ND State Library's budget since 1980. This bill will not increase or decrease the existing funding, or affect the amount in any way, but it will re-distribute the money from 57 public libraries to 103 public libraries.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

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.*

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

Name:	Cynthia C. Larson	Agency:	North Dakota State Library
Phone Number:	701-328-2492	Date Prepared:	12/28/2006

Date: 1-12-07
Roll Call Vote #:

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1103

House Political Subdivisions Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do PASS

Motion Made By Rep. Dwight Wrangham Seconded By Rep. Kari Conrad

Representatives	Yes	No	Representatives	Yes	No
Rep. Gil Herbel-Chairman	X		Rep. Kari Conrad	X	
Rep. Dwight Wrangham-V. Chair	X		Rep. Chris Griffin	X	
Rep. Donald Dietrich	X		Rep. Lee Kaldor	X	
Rep. Patrick Hatlestad	X		Rep. Louis Pinkerton	X	
Rep. Nancy Johnson	X		Rep. Steve Zaiser	X	
Rep. Lawrence Klemin					
Rep. Kim Koppelman					
Rep. William Kretschmar	X				
Rep. Vonnie Pietsch	X				

Total (Yes) 12 No 0

Absent 2

Floor Assignment Rep. Pat Hatlestad

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

REPORT OF STANDING COMMITTEE

HB 1103: Political Subdivisions Committee (Rep. Herbel, Chairman) recommends DO PASS (12 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1103 was placed on the Eleventh order on the calendar.

2007 SENATE POLITICAL SUBDIVISIONS

HB 1103

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1103

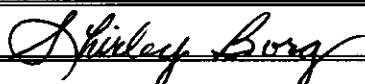
Senate Political Subdivisions Committee

Check here for Conference Committee

Hearing Date: February 23, 2007

Recorder Job Number: 3746

Committee Clerk Signature



Minutes:

Chairman Cook called the committee to order. Four members present and one missing.

Chairman Cook opened the hearing on HB 1103 relating to public libraries' maintenance of local effort in order to receive state aid/relating to public libraries' maintenance of local effort in order to receive state aid.

Representative Shirley Meyer, District 36, Dickinson, ND introduced and testified in support of HB 1103. (Attachment #1) This bill changes the maintenance of effort part of the state aid to public libraries' law. It changes the requirement of the public library from having their mill levy be equal to or greater than the average in the last three years to having their appropriation in dollars derived from that mill levy equal or greater than the average of the last three years.

The purpose of this law is to make local communities maintain their support for library services. If a community is maintaining their dollars for their library they are meeting this purpose. The maintenance of efforts part of this law has been interpreted this way since its conception in 1979 to 2005. In 2006 the state auditor and the attorney general ruled that the law was being misinterpreted and as a result in 2006 only fifty seven public libraries were eligible for grants under this new interpretation. HB 1103 will change the law back to how it was previously

interpreted making most of the public libraries once again eligible for the state aid public library grant.

Doris Ott, State Librarian of ND testified in support of HB 1103. (Attachment # 2)

Kelly Steckler, Legislative Chair for the North Dakota Library Association and Director of the Mandan Public Library testified in support of HB1103. (Attachment #3)

Kirsten Baesler, President of the Morton Mandan Public Library Board of Trustees, testified in support of HB 1103 which changes the maintenance of local efforts part of the state aid to libraries. (Attachment #4)

Jerry Kaup, Director of the Minot Public Library, testified in support of HB 1103. (Attachment #5)

Tom Jones, Director of Bismarck Veterans Memorial Public Library testified in support of HB 1103. (attachment # 6)

No further testimony in support, opposed or neutral to HB 1103.

Chairman Cook closed the hearing on HB 1103.

Senator Hacker moved a Do Pass on HB 1103

Senator Anderson Seconded the motion.

Roll call vote: 4 Yes 0 No 1 Absent

Carrier: **Senator Anderson**

Date: 2-23-07
Roll Call Vote #: 1

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1103

Senate Political Subdivisions Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Hacker Seconded By Anderson

Senators	Yes	No	Senators	Yes	No
Senator Dwight Cook, Chairman	✓		Senator Arden C. Anderson	✓	
Senator Curtis Olafson, ViceChair	✓		Senator John M. Warner	NP	
Senator Nicholas P. Hacker	✓				

Total Yes 4 No 0

Absent 1

Floor Assignment Anderson

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

REPORT OF STANDING COMMITTEE

HB 1103: Political Subdivisions Committee (Sen. Cook, Chairman) recommends DO PASS (4 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1103 was placed on the Fourteenth order on the calendar.

2007 TESTIMONY

HB 1103

#1

HB 1103

State Aid to Public Libraries Testimony of Representative Shirley Meyer

Mr. Chairman, members of the committee, for the record I am Shirley Meyer, District 36 State Representative.

HB 1103 changes the Maintenance of Effort part of the State aid to Public Libraries law. It changes the requirement of the Public Library from having their mill levy being equal to, or greater than the average of the last three years, to having their appropriation, in dollars, derived from the mill levy equal or greater than the average of the last three years.

The purpose of this law is to make local communities maintain their support for library services. If a community is maintaining the dollars for their library they are meeting this purpose.

The Maintenance of Effort part of this law has been interpreted this way since its inception in 1979 to 2005. In 2006, the State Auditor and the Attorney General ruled that the law was being misinterpreted, and as a result in 2006 only 57 public libraries were eligible for grants under this new interpretation.

HB 1103 will change the law back to how it was being previously interpreted, making 104 out of 105 public libraries once again eligible for the State Aid to Public Libraries grants.

An emergency clause has been added so if passed it will go into effect for 2007 and make 104 Public Libraries eligible for this years grants.

I would urge you to vote yes on HB 1103

**TESTIMONY ON HB 1103
POLITICAL SUBDIVISIONS COMMITTEE**

January 12, 2007
Doris Ott, State Librarian
North Dakota State Library
328-2492

Mr. Chairman and Members of the Committee:

My name is Doris Ott and I am the State Librarian of North Dakota. I am here in support of HB 1103.

HB 1103 changes the Maintenance of Effort part of the State Aid to Public Libraries law 54-24.2-02.2. It changes the requirement of the public library from having their mill levy being equal to or greater than the average of the last three years to having their appropriation, in dollars, derived from the mill levy equal to or greater than the average of the last three years.

The purpose of this section of the law is to make local communities maintain their support for library services. If a community is maintaining the dollars for their library they are meeting this purpose.

This change in the law will make 103 out of 104 public library taxing entities eligible for State Aid to Public Library grants. The Maintenance of Effort part of the law has been interpreted this way from its inception in 1979 to 2005. In 2006 the State Auditor and the Attorney General ruled that the law was being misinterpreted, and as a result in 2006 only 57 public libraries were eligible under the new interpretation. An emergency clause will make this law, if passed, go into effect in 2007 and make 103 public libraries eligible again this year.

The State Library supports this change in law and would appreciate your consideration of this change in law.

**TESTIMONY ON HB1103
POLITICAL SUBDIVISIONS COMMITTEE**

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January 12, 2007
~~Kelly Steckler~~, NDLA Legislative Chair
North Dakota Library Association
c/o Mandan Public Library
667-5365

Dear Chairperson and Members of the Committee:

My name is Kelly Steckler and I am the Legislative Chair for the North Dakota Library Association. I am also Director of the Mandan Public Library. I am here in support of HB1103, which changes the Maintenance of Local Effort part of the State Aid to Public Libraries law 54-24.2-02.2.

At its annual conference in September, the North Dakota Library Association drafted a resolution supporting this change in law. It reads:

WHEREAS, ND public libraries serve local citizens throughout the state;

WHEREAS, Public Library State Aid dollars are an essential part of the financial support of local library budgets;

NOW THEREFORE, BE IT RESOLVED: that NDLA strongly support legislation to reinstate an equitable State Aid formula, worded correctly to distribute state dollars in accordance with the original intent of the legislation.

Public libraries across the state use these dollars to continue to purchase print materials. The cost of print material has increased dramatically at a higher rate than overall cost of living

**TESTIMONY ON HB1103
POLITICAL SUBDIVISIONS COMMITTEE**

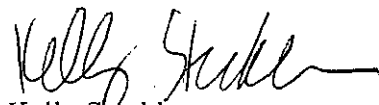
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expenses. Therefore, every State Aid dollar is essential in the financial plan.

The Mandan Public Library moved in to a new location three years ago. Since that move, library usage has increased dramatically. We are proud to state that our patron count has doubled since the move and our circulation of print materials has increased by a rate of 25%. This means that our citizens are utilizing our library and we must maintain financial support in order to serve them at such a capacity.

NDLA would appreciate your consideration of this change in law, which would restore necessary funding.

Sincerely,



Kelly Steckler
NDLA Legislative Chair



North Dakota Library Association
Established 1906

#4

Testimony in support of HB1103
Political Subdivisions Committee Hearing
Friday, January 12, 2007

Mr. Chairman and Members of the Committee:

My name is Beth Postema and I am the Interim Director of the Fargo Public Library, and I also currently serve as the President of the North Dakota Library Association. In both of these roles, I fully support the passage of House Bill 1103.

On behalf of the entire membership of the North Dakota Library Association, I would like to take this opportunity to convey the membership's full support of this bill. The North Dakota Library Association celebrated its centennial this past September. Throughout its first century and as it enters its second, the North Dakota Library Association's mission is to support and promote library services and librarianship throughout North Dakota. NDLA's membership, which includes over 300 individuals from all types of libraries, unanimously passed a resolution endorsing legislation that would address the situation that the State Librarian has outlined. House Bill 1103 which lies before you does just what NDLA's resolution supports. It reinstates a more equitable method of distributing the current State Aid appropriation. You will hear more from other librarians on just how important the State Aid dollars are to the communities they serve and how deep the impact was in this past year when libraries in 47 communities were declared ineligible for State Aid funds. The library community throughout the state is fully behind House Bill 1103.

In my other role as director of the Fargo Public Library, I also support this bill. Last year, the Fargo Public Library received additional State Aid dollars in comparison with previous years due to so many public libraries being declared ineligible. However, this is not a situation that the Fargo Public Library Board of Directors and administration wish to have continued. It is in the best interest of our library to have healthy, vital libraries throughout the state of North Dakota.

House Bill 1103 will assist in maintaining vital libraries across North Dakota. It recognizes that those communities, which despite tough financial circumstances have maintained a commitment to their local libraries in either real dollars or in maintaining the mill levy, are deserving of state support. I urge you to support its passage.

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**TESTIMONY ON HB1103
POLITICAL SUBDIVISIONS COMMITTEE**

Page 1

January 12, 2007
Bonnie Krenz, Library Director
Griggs County Public Library
PO Box 546
Cooperstown, ND 58425
797-2214

Dear Chairperson and Members of the Committee:

My name is Bonnie Krenz and I am the Library Director for the Griggs County Public Library, a small rural library in Cooperstown. I am here in support of HB1103.

State Aid to Public Libraries changes dramatically this year due to a new interpretation of the State Aid Maintenance of Local Effort Law, NDCC 54-24.2-04 by the North Dakota Auditor's Office and the Attorney General's office. HB 1103 will allow State Aid to be distributed to libraries that maintain either their mill levy or the number of dollars generated by that mill above their three year average, instead of the present requirement of maintaining both their mill levy and the number of dollars generated by that mill levy.

Without the dollars our library receives through State Aid, programs or services would need to be removed. State Aid is approximately 10% of our tax-generated funds. If the law is not changed the Griggs County Public Library would not receive their State Aid this year, as our mill levy of 4.07 is lower than the three year average while the actually dollars we were levied was above our three year average.

The 10% cut in revenue would cause the Griggs County Public Library to cut back in many areas, while causing extreme hardship in two areas of service within our library. The first area would be in the audio books supply. The cost of books has risen in the past

**TESTIMONY ON HB1103
POLITICAL SUBDIVISIONS COMMITTEE**

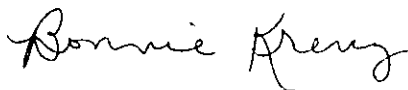
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years faster than the increase we have received in our budget dollars which does not allow us to expand our purchasing power. It is through the State Aid dollars that we are able to provide our patrons with audio material. The use of audio material has increased by 35% over this last year while the use of books by all facets of our community has remained level. Those who need to commute to other towns for work, those who are exercising, and our aging members who now find it harder to read are using audio books. There are patrons who were not readers but have now become readers as well as listeners. We also supply audio books for children to help improve their reading ability. Teachers from our school system have thanked the library for offering this service as they have seen a improvement in their students reading ability. Without the State Aid dollars this area of service would be cut back.

The second use of State Aid dollars is to expand funds for the children's programs in our library such as story time and a mommy and me program during the school year for children ages 5 and under and during the summer months reading programs for children in grades 1 through 8.

The Griggs County Public Library patrons would appreciate your consideration of this change in law, which will distribute the State Aid dollar to libraries in accordance with the original intent of the legislation.

Sincerely,



Bonnie Krenz
Griggs County Public Library Director



MINOT PUBLIC LIBRARY

516 SECOND AVE. SW • MINOT, NORTH DAKOTA 58701-3792 • PHONE 701-852-1045 • FAX 701-852-2595

Mr. Chairman and Committee Members:

My name is Jerry Kaup from Minot representing the Minot Public Library Board.

For 26 years the Minot Public Library was eligible for State Aid because State Aid to Public Libraries was awarded based on the meeting one of the following criteria:

- The Library mill levy on the taxable valuation below the average of the preceding fiscal years; or
- Appropriation for public library services below an amount equal to the revenue derived from the maximum mill levy for public library services under section 40-38-02.

When the legislation was developed for submission to the 1979 Legislature it was the intent of those developing the statute that a public library would have to meet just one of the criteria and not both. If the value of a mill increases by 8 – 10% it is very likely that the mill would go down since the budget would not increase in a like amount.

As the result of the Attorney General's interpretation that a public library had to meet both criteria, the Minot Public Library was ineligible even though the dollars appropriated increased 6% each year in 2005 and 2006. The shortfall in funding was \$26,000 each year. In order to avoid depleting the cash fund the Library reduced its 2006 budget accounts for books, online databases and equipment by \$33,000.

The Minot Public Library Board supports the proposed changes in the Maintenance of Local Effort part of State Aid to Public Libraries 54-24.2-02.2 and encourages passage so that 47 libraries will have state aid restored. Thank you for your consideration.

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**TESTIMONY ON HB1103
POLITICAL SUBDIVISIONS COMMITTEE**

Page 1

January 12, 2007
Kirsten Baesler
President, Mandan Public Library Board of Trustees
667-5365

Dear Chairperson and Members of the Committee:

My name is Kirsten Baesler and I am the President of the Mandan Public Library Board of Trustees. I am here in support of HB1103, which changes the Maintenance of Local Effort part of the State Aid to Public Libraries law 54-24.2-02.2.

This past year, our Board took it upon ourselves to resolve a thirty-year discussion of merging libraries. In November, a vote of the citizens of Mandan and Morton County overwhelmingly supported a merger of the two libraries. Mandan Public Library and Morton County Library will become the Morton Mandan Public Library by July.

State Aid to Public Libraries significantly affects both of our libraries. By combining resources in to one joint library, we are making better use of our dollars. However, as a combined library, we will be ineligible for over \$20,000 if the Maintenance of Local Effort is not changed back to its original format. State Aid dollars are essential in providing print materials, online licenses in order to offer credible Internet resources which are not free of charge, kids' programming, and bookmobile services for rural residents.

**TESTIMONY ON HB1103
POLITICAL SUBDIVISIONS COMMITTEE**

Page 2

Mandan Public Library would appreciate your consideration of this change in law, which would restore necessary funding.

Sincerely,

Kirsten Baesler

Kirsten Baesler, President
Mandan Public Library Board of Trustees

**BISMARCK
PUBLIC
LIBRARY**

515 North Fifth Street
Bismarck, North Dakota 58501-4081

January 12, 2007

To: House Political Subdivisions Committee

From: Tom Jones, Director, Bismarck Veterans Memorial Public Library
222-6403 t.jones@mail.infolynx.org

Re: **H.B. 1103 *Public libraries' maintenance of effort to receive state aid***

Mr. Chairman:
Members of the Committee:

I urge support of this bill which amends the original statute.

Bismarck Veterans Memorial Public Library, serving Bismarck and Burleigh County, was not eligible to receive the city-portion of state aid dollars (about \$40,000) in fiscal year 2006. While local dollars appropriated for the Library had increased, the actual mill levy had been reduced (due to growth in mill valuation).

By addressing dollars appropriated for library service, instead of mills levied, this proposed change would enable the State Library to distribute state aid dollars to eligible local public libraries as has been done for the past 25 years. This bill will address the concern raised by the State Auditor and the Attorney General.

Thank you.

HB 1103

State Aid to Public Libraries Testimony of Representative Shirley Meyer

Mr. Chairman, members of the committee, for the record I am Shirley Meyer, District 36 State Representative.

HB 1103 changes the Maintenance of Effort part of the State aid to Public Libraries law. It changes the requirement of the Public Library from having their mill levy being equal to, or greater than the average of the last three years, to having their appropriation, in dollars, derived from that mill levy equal or greater than the average of the last three years.

The purpose of this law is to make local communities maintain their support for library services. If a community is maintaining the dollars for their library they are meeting this purpose.

The Maintenance of Effort part of this law has been interpreted this way since its inception in 1979 to 2005. In 2006, the State Auditor and the Attorney General ruled that the law was being misinterpreted, and as a result in 2006 only 57 (out of 105) public libraries were eligible for grants under this new interpretation.

HB 1103 will change the law back to how it was being previously interpreted, making most of the public libraries once again eligible for the State Aid to Public Libraries grants.

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An emergency clause has been added so if passed it will go into effect for 2007 and make most Public Libraries eligible for this years grants.

I would urge you to vote yes on HB 1103

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