

MICROFILM DIVIDER

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SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2142

2007 SENATE GOVERNMENT AND VETERANS AFFAIRS

SB2142

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2142

Senate Government and Veterans Affairs Committee

Check here for Conference Committee

Hearing Date: 1/18/07

Recorder Job Number: 1374

Committee Clerk Signature

Veronica Spaulding

Minutes:

All members of the committee were present.

Sen. Dever, Chairman, opened the hearing on SB 2142.

Senator Carolyn Nelson of District 21 introduced the bill. See attachment #1.

Senator Judy Lee asked if there was a typo on the submitted testimony. It read 34-14-10 and should read 37-14-10.

Senator Nelson answered that was true.

Support: Cathy Halgunseth, the Administrative Assistant for the Department of Veterans Affairs, spoke in favor of the bill. See attachment #2.

Senator Dever asked for clarification. Most veterans benefits are federal, this one seems to be state administered.

Cathy said it is state administered and is available only to veterans and their widowers.

Support: Colonel John L. Jacobsen, Chairman of the Legislative Committee of the North Dakota Veterans Coordinating Council, spoke in favor of the bill. See attachment #3.

Opposition: -

Neutral: -

Chairman Dever closed the hearing on SB 2142.

A do pass motion was made by Senator Horne.

The motion was seconded by Senator Marcellais.

Roll Call Vote: Yes 6 No 0 Absent 0

Carrier: Nelson

FISCAL NOTE

Requested by Legislative Council

01/05/2007

Bill/Resolution No.: SB 2142

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	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

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
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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).*

n/a

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.*

n/a

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.*

n/a

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.*

n/a

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: Cathy Halgunseth	Agency: Veterans Affairs
Phone Number: 701-239-7165	Date Prepared: 01/09/2007

Date : 1-18-07
Roll Call Vote # : 1

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2142

Senate Government and Veteran Affairs Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken do pass

Motion Made By Horne Seconded By Marcellais

Senators	Yes	No	Senators	Yes	No
Senator Dick Dever - Chairman	✓		Senator Robert Horne	✓	
Senator Dave Oehlke - VC	✓		Senator Richard Marcellais	✓	
Senator Judy Lee	✓		Senator Carolyn Nelson	✓	

Total (Yes) 6 No 0

Absent 0

Floor Assignment Nelson

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

REPORT OF STANDING COMMITTEE (410)
January 18, 2007 2:49 p.m.

Y
Module No: SR-12-0787
Carrier: Nelson
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2142: Government and Veterans Affairs Committee (Sen. Dever, Chairman)
recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2142
was placed on the Eleventh order on the calendar.

2007 HOUSE GOVERNMENT AND VETERANS AFFAIRS

SB 2142

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2142

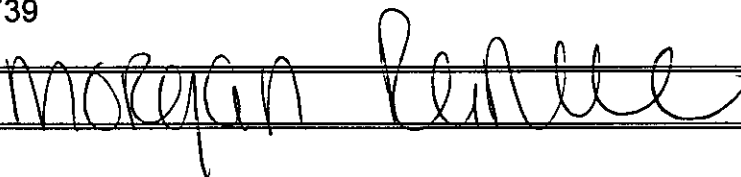
House Government and Veterans Affairs Committee

Check here for Conference Committee

Hearing Date: February 22, 2007

Recorder Job Number: 3739

Committee Clerk Signature



Minutes:

Sen. Nelson: Testimony attached.

Andrea Swiontek: Testimony attached.

Rep. Weiler: Is there a fund this money comes from?

Andrea Swiontek: Yes.

Bob Hanson: This is a special fund that has been put up many years ago.

Rep. Weiler: The fund is in good shape?

Bob Hanson: Yes, it's fine.

Rep. Haas: Is it a revolving fund?

Andrea Swiontek: Yes.

Rep. Haas: Is there additional testimony on SB 2142? Are we ready to act on this bill?

Rep. Froseth: I move a do pass.

Rep. Weiler: I second that.

Rep. Haas: Is there any further discussion? If not we will take a roll call vote on SB 2142. The do pass motion on SB 2142 passes with a vote of 12-0-1. Is there a volunteer to carry this to the floor?

Rep. Wolf: I will.

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

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. "Click here to type Bill/Resolution No."

House Government and Veterans Affairs Committee

Check here for Conference Committee

Legislative Council Amendment Number SB 2142

Action Taken DO PASS

Motion Made By Rep Froseth Seconded By Rep. Weiler

Representatives	Yes	No	Representatives	Yes	No
Rep. C. B Haas Chairman	X		Rep. Bill Amerman	X	
Rep. Bette Grande VC	X		Rep. Louise Potter	X	
Rep. Randy Boehning	X		Rep. Jasper Schneider	X	
Rep. Stacey Dahl	X		Rep. Lisa Wolf	X	
Rep. Glen Froseth	X				
Rep. Karen Karls	X				
Rep. Jim Kasper	X				
Rep. Lisa Meier	X				
Rep. Dave Weiler	X				

Total (Yes) 12 No 0

Absent _____

Floor Assignment Rep Wolf

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

REPORT OF STANDING COMMITTEE

SB 2142: Government and Veterans Affairs Committee (Rep. Haas, Chairman)
recommends **DO PASS** (12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2142
was placed on the Fourteenth order on the calendar.

2007 TESTIMONY

SB 2142

Attachment # 1



SENATE
**NORTH DAKOTA
LEGISLATIVE ASSEMBLY**



SENATOR CAROLYN NELSON
District 21
1 Second Street South, #5-402
Fargo, ND 58103-1959
cnelson@nd.gov

STATE CAPITOL
600 EAST BOULEVARD
BISMARCK, ND 58505-0360

Assistant Minority Leader
COMMITTEES:
Judiciary
Government and Veterans
Affairs

SB 2142

I am pleased to introduce SB 2142, a bill dealing with loans from the veterans' aid fund.

Current law allows a loan up to \$5000 from the veterans' aid fund. In order to obtain a subsequent loan, the first loan must be paid in full. This bill sets a composite loan limit of \$5000. Recipients must still meet the loan criteria set forth in rules under 37-14-10.

Example:

Joe Smith takes out an initial loan for \$4000, he has paid back all but \$600 and an emergency occurs. Joe would like to borrow \$4500. The veterans' aid fund can loan him up to \$4400, making the total owed \$5000. Both loans would be consolidated into one for payment purposes. Joe will have to find the other \$100 elsewhere.

I encourage an affirmative vote on SB 2142.

~~37~~-14-10. Committee may adopt rules. The administrative committee on veterans' affairs may make and promulgate such reasonable rules and regulations as may be necessary and proper to administer the provisions of this chapter relating to the veterans' aid fund. In any hearings or action taken under the provisions of this chapter, the provisions of chapter 28-32 (administrative agencies practices act) do not apply.

Testimony on SB 2142
Senate Government and Veterans Affairs
January 18, 2007

Attachment # 2
page 1

Chairman Dever and Committee Members:

My name is Cathy Halgunseth and I am the Administrative Assistant for the Department of Veterans Affairs. I am here to speak on Senate Bill 2142 relating to loans made from the veterans' aid fund.

Under an Attorney General's opinion, a loan must be paid before another loan is granted. Senate Bill 2142 will change this to allow an applicant, who meets specific criteria set by the Administrative Committee on Veterans Affairs, to receive another loan as long as the total does not exceed five thousand dollars. These loans would be consolidated into one loan.

The reason for this change is simple. The majority of our applicants are people living from paycheck to paycheck. They don't have the means to take care of large expenses when they appear unexpectedly. To them, large expenses are a new hot water heater, new furnace, or car repairs. Maybe to you or me, these are expenses we can take care of within our means and not need to borrow money but to our applicants, it forces them to make difficult choices on everyday needs. Allowing them to receive another loan would help out their financial situation and reduce the stress of unexpected financial emergencies.

While the requests for additional loans are few, the department feels we should be able to provide the help when possible. We will recommend to the Administrative Committee that a new loan application be provided, a credit report accessed, and their present loan is in current status. Even if an applicant requests an additional loan that doesn't mean will they automatically receive one.

Presently, an interest refund is given when the loan is paid in full, along with any late fees, on or before its maturity date. SB 2142 will give the Administrative Committee the ability to adapt the interest refund policy to take into consideration the consolidated loans. The question becomes, should an interest refund be given on the portion of interest paid on the first loan or should that be forfeit and any interest refund given is based solely on the consolidated loan. The department feels it is best left to the Administrative Committee to work out a fair and equitable solution to this.

We urge you to support SB 2142 and if you have any questions, I will do my best to answer them as thoroughly as possible.



Wayne Stenehjem
ATTORNEY GENERAL

STATE OF NORTH DAKOTA
OFFICE OF ATTORNEY GENERAL

STATE CAPITOL
600 E BOULEVARD AVE DEPT 125
BISMARCK, ND 58505-0040
(701) 328-2210 FAX (701) 328-2226
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Attachment # 2
page 2
DEPT. OF VETERAN AFFAIRS
RECEIVED
MAR 24 2006

MEMORANDUM

TO: Bob Hanson
FROM: Mary Kae Kelsch MKK
RE: Veterans' Aid Fund Loans
DATE: March 24, 2006

In N.D.C.C. § 37-14-04, the law states that a veteran may receive more than one loan from the veterans' aid fund if the veteran has satisfied payment requirements of a previous loan.¹ You have asked whether this language requires that a veteran pay off a loan from the veterans' aid fund before an additional loan could be made to the same veteran.

The legislative history does not refer to the number of loans a veteran may have at any one time. There is an opinion from 1965 in which this office states: "at no time can the amounts advanced to the veteran from the fund . . . exceed five hundred dollars."² The facts of that opinion indicate that, at that time, multiple loans were being given to veterans.³ However, the opinion was not analyzing N.D.C.C. § 37-14-04, rather, it was evaluating N.D.C.C. § 37-14-06, the statute that sets the monetary limit on the loan. I cannot find any opinion that analyzes N.D.C.C. § 37-14-04.

Without aid of legislative history or a previous opinion regarding N.D.C.C. § 37-14-04, I must analyze the plain meaning of the statute. The word "satisfied," in the phrase "satisfied payment requirements of a previous loan," is past-tense, indicating that satisfaction has been completed. The legal definition for the word "satisfied" is as follows:

State of being satisfied. The discharge of an obligation by paying a party what is due to him (as on a mortgage, lien, note, or contract) . . . Thus, a

¹ See N.D.C.C. § 37-14-04 (emphasis added).

² N.D.A.G. Letter to Mr. Curtis Olson (November 5, 1965) citations omitted.

³ See N.D.A.G. Letter to Mr. Curtis Olson (November 5, 1965).

Bob Hanson
March 24, 2006
Page 2

judgment is satisfied by the payment of the amount due to the party who has recovered such judgment."⁴

It appears, that by using the past-tense of the word "satisfied," the Legislature intended that the payment obligation on the loan be completed and the debt be discharged before approving another loan for the veteran. Therefore, the plain meaning of the phrase is that the payment requirements of a previous loan are complete before making another loan.

If this is contrary to the wishes of the Administrative Committee, it should consider amending the statute legislatively. If the statute is changed, and multiple loans to veterans that are allowed, it is my opinion that N.D.C.C. § 37-14-06 still caps the aggregate amount of the multiple loans at \$5,000.⁵

VKK

⁴ Black's Law Dictionary 1342 (6th ed. 1990).

⁵ See N.D.C.C. § 37-14-06 (sum of a loan not to exceed \$5,000).

North Dakota Department of Veterans Affairs Loan Program

Veterans Aid Loan Program Overview

- **The Veterans Aid Fund** is a permanent revolving fund to be used solely for the purpose of making loans to North Dakota Veterans or their widow / widowers.
- **The purpose of Veterans Aid Loan fund** is to make loans or advancements to any North Dakota veteran as defined by section 37-14 of the North Dakota Century Code and to a surviving spouse of a veteran if the spouse has not remarried and remains a North Dakota resident.

Examples:

- Furnace breaks down
- Air conditioner need for medical reasons
- Vehicle breaks down
- Unexpected dental costs
- Unexpected optical needs
- Unexpected medical
- Down payment for new home
- Home improvements, water damage, new roof, insulation, windows, etc.....
- Educational assistance for the applicant or dependents
- Temporary unemployment---surgery and cannot work for a short period of time, job available when recovered
- A qualified person may apply when waiting for relief or assistance from another agency, state or federal, or for further assistance for applicants education, or otherwise

Applicant~

- **To qualify, the applicant is required to be a:**
 - An individual who served in the armed forces of the United States on federal active duty for reasons other than training and who has been discharged under other than dishonorable conditions.
 - Un-remarried widow or widower of eligible veteran
 - A citizen and resident of North Dakota in accordance with Administrative guidelines
 - **Have the financial ability to make repayment**

- **Maximum \$5,000.00 at 8%**
 - The maximum loan amount is \$5,000.00 with 8% interest calculated monthly on the unpaid principle balance. The maximum time for payback is 48 months. One half of the interest paid will be refunded provided timely payments have been made and the loan is repaid on or before its due date.
 - **One-half of the interest paid will be refunded** provided the loan has been repaid in a timely manner and the final payment received on or before the loans due date.
 - **The Department has the right to take legal action** to collect on delinquent loans. A special assistant attorney general for the State of North Dakota has been appointed to represent the Department in legal proceedings. All filing fees, sheriff's fees, certified mail and statutory costs are paid by the Department from the interest charged on the loans.
 - **Loans are written off in cases of bankruptcy** (Release of debt from the Bankruptcy Court), death (certified copy of death certificate) and un-collectibility (three years since last activity on loan).

NORTH DAKOTA VETERANS COORDINATING COUNCIL

My name is John L. Jacobsen. I am the Chairman of the Legislative Committee of the North Dakota Veterans Coordinating Council. I am also a member of the American Legion and the Veterans of Foreign Wars.

I served in the North Dakota National Guard and the US Army Reserve for a total of 30 years. I retired in 1995 as a Colonel. I served on Active Duty in 1991 during Operation Desert Shield/Desert Storm in the Persian Gulf, stationed in the United Arab Emirates.

The Coordinating Council is made up of 15 members, 3 from each of the five Veterans Organizations in North Dakota:

- American Legion
- AMVETS
- Disabled American Veterans
- Veterans of Foreign Wars
- Vietnam Veterans of America

It is the policy of the Coordinating Council to support legislation that will benefit the welfare of the members of the Armed Forces. The committee **MUST** concur totally, that is all 15 members must agree on the legislation to be supported or else it does not get the support.

In this case, I have been instructed to recommend to this legislative committee that a "DO PASS" is supported by the Legislative Committee of the Coordinating Council.

ND VETERANS COORDINATING COUNCIL

The Coordinating Council is composed of veterans appointed from the veterans organizations and represents North Dakota veterans. The purpose of the Coordinating Council is to determine the needs of North Dakota's veterans and to propose the means to alleviate those needs so that the veteran and his family may enjoy a satisfying quality of life. It is of the utmost importance that the members of this council be willing to work hard and spend the time needed to help their fellow veterans.

The Coordinating Council, through their Legislative Committee, is responsible for introducing legislation intended to meet and/or alleviate the needs of veterans and their family. The Legislative Committee may be made up of members of the Coordinating Council or may be other veterans appointed by the members of the Council from each of the veterans organizations represented. Only the Legislative Committee will develop proposed legislative bills. If the bill is approved by the Council the members of the Legislative Committee are responsible to actively promote that legislation by lobbying members of the state legislature.

Only the members of the Coordinating Council Legislative Committee are to testify before legislative committees and meet with and lobby members of the legislature. Other members of the Coordinating Council and other veterans will not testify nor lobby members of the legislature unless specifically asked to do so by the Legislative Committee and will limit their discussions to the particular piece of legislation they have been asked to help with. The reason for this is so the legislators will not be given differing points of view about a piece of legislation but only that agreed upon by the Council and the Legislative Committee.

The Coordinating Council is responsible for providing help and support to the Administrative Committee and their two sub-committees, the Veterans Home and the Department of Veterans Affairs. The Legislative Committee in particular is charged with providing support in the hearings in legislative committees for the budgets of the Administrative Committee and it's sub-committees and any other bills they have before the legislature.

If the Administrative Committee becomes aware of an unmet need of veterans, or feels there is a need for a legislative bill, either through their sub-committees or other means, this information is to be brought to the Coordinating Council as well as any suggestions the Administrative Committee may have for meeting the need or the proposed bill. The Coordinating Council will review the information. If the suggestions of the Administrative Committee will require legislation the Coordinating Council will assign the Legislative Committee the responsibility to develop appropriate legislation. The Legislative Committee will report back to the Council and Administrative Committee with the proposed legislation for their discussion and approval.

Testimony on SB 2142
House Government and Veterans Affairs
February 23, 2007

Chairman Haas and Committee Members:

My name is Andrea Swiontek and I am the Financial Assistant for the Department of Veterans Affairs. I am here to speak on Senate Bill 2142 relating to loans made from the veterans' aid fund.

Under an Attorney General's opinion, a loan must be paid before another loan is granted. Senate Bill 2142 will change this to allow an applicant, who meets specific criteria set by the Administrative Committee on Veterans Affairs, to receive another loan as long as the total does not exceed five thousand dollars. These loans would be consolidated into one loan.

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We urge you to support SB 2142 and if you have any questions, I will do my best to answer them as thoroughly as possible.