

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2333

2007 SENATE POLITICAL SUBDIVISIONS

SB 2333

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. **SB 2333**

Senate Political Subdivisions Committee

Check here for Conference Committee

Hearing Date: **January 25, 2007**

Recorder Job Number: **1879**

Committee Clerk Signature

Shirley Borg

Minutes:

Chairman Cook called the committee to order. All members (5) present.

Chairman Cook opened the hearing on SB 2333 relating to a housing finance agency program to bridge the financing gap of new residential construction in rural communities.

Senator Nick Hacker, District 42, Grand Forks, ND. introduced SB 2333. This bill addresses an issue which we are seeing in certain rural areas through out the state of North Dakota.

There is a gap between the constructed value or cost of a house and the appraisal value. This would help assist local entities as well as the individuals that want to build a new house in rural North Dakota. The bill works in a few different ways. It addresses cities of 20,000 people or fewer and it excludes the big four plus West Fargo. It would only apply to cities that have a housing gap, which is a gap between the constructed value and appraised value. It excludes mobile homes but does not exclude manufactured housing. The state will only commit up to 45% of the gap. It provides flexibility to the housing finance authority which is on the industrial commission. It is a pilot program which is only good for four years.

Representative Monson, District 10, Northeastern ND, appeared in support of SB 2333. I think the bill is something our small towns could use and it makes some sense.

Representative Onstad, District 4, Parshall, ND, testified in support of SB 2333. This bill addresses a need that has been a problem in rural areas. I built a home in 1997 and when the appraisal came in it was 65% of what it cost me actually to build my home. I believe this bill has a lot of merit and is functional the way it is.

Michael Anderson, Executive Director, ND Housing Finance Agency, testified in support of SB 2333 and offered some amendments to be addressed. (See attachment #1) I would like to answer some questions about the 20,000 population. The position of ND Housing is that by definition of the financial gap, it is self limiting. Whether that community is 20,000 or 10,000 if there is a gap that is what you are trying to address.

Chairman Cook asked how the gap exists and who determines the gap.

Michael Anderson said he would envision that it would be done with the appraisal process.

That is typically where you identify the gap. The biggest need will be in cities where the land cost is not going to be that great.

Senator Olafson asked if this will be a reduced interest rate or will the interest rates be comparable to regular financing?

Michael Anderson answered that this will be a grant. The low interest loan that I referred to earlier would be providing for the development of the housing not the financing.

Becky Meidinger, Development Specialist for Cooperstown Community Development, representing the Economic Development Association of ND, testified in support of SB 2333. (See attachment #2)

Senator Christmann, District 33, testified in support of SB 2333. The bill is very important for rural North Dakota. In his area where there is a lot of industry they face a very big hurdle as the people who got the industry going are now reaching retirement age and they like it there

and are not wanting to leave. So as they are recruiting young new workers, the workers don't have the kind of the investment they need to build a new home, so it is needed in this area.

Paul Rechlin, Executive Director Communityworks of ND, testified in support of SB 2333.

(See attachment #3)

Sherry Arenz, Chief Lender, Communityworks of ND, has worked with Fanny May on the appraisal gap. There are a variety of different reasons that happens. The secondary market will not purchase typically more than 97% and we have worked with Fanny May, ND Housing, Bank of ND and other secondary markets to set up a special program to handle that. They will never go above 100% of the appraised value but they will allow us because of our program guidelines to provide in addition 20%. There are a lot of guide lines, it is not an easy thing to do, we have done in the last several years about a dozen. It is a large variety of different financing and it depends upon what fits the situation.

Senator Warner In my area a good share of the housing which is created will eventually be converted into trust land and will go off of the tax rolls forever. This creates a real resistance for local participation requirements. Local governments are not willing to put money into land which they will never recoup any property tax from. Do you see that as an impediment to this legislation?

Shirley Dykshoorn, Fanny May, North Dakota, answered that anytime you are dealing with trust land and in particular tribal trust land, the tribe has to enact certain tribally accepted requirements if it is something that is going to be sold, we have to have an agreement with the tribe with the requirements in terms of the trust land. I think that at the same time you are looking at this legislation we have to be working with the tribal government to make sure that what they have adopted is consistent as to what we can accept and at the same time our office

in housing finance has to be working with Communityworks to make sure you don't have additional bumps along the road. Every situation is unique.

Senator Holmberg, District 17, was asked to be a co-sponsor of this bill and he would have if he wasn't Chairman of Appropriations. He thinks the bill has great potential in rural North Dakota.

Mike Marshel, private developer, appeared in support of SB 2333. As a multi unit developer, the problem they have as private developers is they have an income gap or rental gap and they also have an appraisal gap. The problem is as a developer we have to finance with their money the difference between providing that housing and getting the 120% of debt service coverage to work and to be able to get the construction cost to work. We need tools to help us to evade some of the risks with multi unit property. It is important that this is not debt. We have too many debt programs in ND.

Doreen Redmann, ND Association of Builders offered support to SB 2333. We think it is a really good idea. We do get contacts often from the rural areas.

Duke Rosendahl, Developer Director, Hazen, ND appeared in support of SB 2333. The gap issues have always been a part of the problem in economic development. We have some good programs for housing but they are not being filled because of those gaps. I think that this bill is an awesome way to take a look at it.

John Mahoney, Center ND appeared in support of the SB 2333. There is a serious gap in getting homes. In Center we are on the verge of getting some developments on the edge of town, because we are having a lot of activity up there, but people are having a real hard time getting financing to build a home and we are losing those people to the bigger towns. It is a real good tool.

Mel Heilman, City Council, and Housing Authority Board, City of Center appeared in support of SB 2333. This type of a program would be a great savings in our community.

Michael Anderson offered to work with the committee if they feel some additional changes need to be made with the bill. A couple of things you need to be aware of in terms of what you put into the bill so you don't become too restrictive. We are aware of abusing and creating an additional gap when it is not necessary. Be real careful on how you place those limitations on the amount of assistance you get. There are secondary financing for them but you have to work to get special programs.

Senator Hacker asked if he could explain the design of housing and finance and who it is responsible too.

Michael Anderson answered that the Housing Finance Agency is a member of the Industry Commission and they are our governing body. All the programs that we create and administer are through the advice and guidance of a six member advisory board that we have and then finding Industrial Commission approval. Any rules and procedures that we would put into place with this program would require us to take that in front of the Industrial Commission.

Chairman Cook closed the hearing On SB 2333

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. **SB 2333**

Senate Political Subdivisions Committee

Check here for Conference Committee

Hearing Date: January 26, 2007 (Committee Work)

Recorder Job Number: 2056

Committee Clerk Signature

Shirley Borg

Minutes:

Chairman Cook asked for committee work on SB 2333.

Senator Hacker passed out amendments on SB 2333. (Attachment # 1)

The committee will study the amendments over the weekend.

Chairman Cook adjourned the Senate Political Subdivisions Committee.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. **SB 2333**

Senate Political Subdivisions Committee

Check here for Conference Committee

Hearing Date: **February 1, 2007**

Recorder Job Number: **2660**

Committee Clerk Signature

Shirley Borg

Minutes:

Chairman Cook called the committee to order. All members (5) present.

Senator Hacker handed out amendments and explained them along with a letter from Mike Anderson (attachments #1, #2, and #3)

Senator Hacker moved the Amendments

Senator Anderson seconded that motion

Voice vote: All members in favor.

Senator Warner made a motion for a Do Pass as amended and be re-referred to Appropriations.

Senator Anderson seconded the motion

Roll Call: Yes 3 No 2 Absent 0

Carrier: **Senator Hacker**

JH
1 of 2
2-2-7

PROPOSED AMENDMENTS TO SENATE BILL NO. 2333

Page 1, line 1, after "new" insert "subsection to" and replace "to chapter 54-17" with "54-17-07.3"

Page 1, line 3, after the first semicolon insert "to provide for a report to the legislative council;"

Page 1, line 6, after "new" insert "subsection to" and replace "to chapter 54-17" with "54-17-07.3"

Page 1, replace lines 8 and 9 with "A"

Page 1, line 10, remove "shall establish and administer a"

Page 1, line 16, replace "2." with "a.", replace "commission's" with "commission shall establish the eligibility criteria and", and replace "financial assistance under" with "the"

Page 1, line 17, remove "this", after "program" insert "which at a minimum", and remove "provide"

Page 1, replace lines 18 through 23 with:

(1) Require a local grant match from private or public funding or in-kind contributions which may not exceed forty-five percent of the gap between the cost of construction and the appraised value of the new construction;

(2) Provide that the local grant match may not include state funds; and

(3) Require an application for assistance under this program to include evidence of community support for the new construction project.

b. The maximum assistance provided to any person or family under this program may not exceed forty-five percent of the gap between the cost of the construction and the appraised value of the new construction. Assistance provided under this program may be provided to a person or family of low to moderate income or to any other person or family in a developing community in the state to address an unmet housing need or to alleviate a housing shortage.

Page 2, remove lines 1 through 9

Page 2, line 10, replace "3." with "c."

Page 2, line 18, after the period insert "The housing finance agency may not be construed to be a general fund agency because of the appropriation made by this section."

SECTION 3. EXPIRATION DATE. Section 1 of this Act is effective through July 31, 2011, and after that date is ineffective."

Renumber accordingly

2 of 2

7

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

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. SB 2333

Senate Political Subdivisions Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass as Amended and Referred to Appropriation

Motion Made By Senate Warner Seconded By Senate Anderson

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

Total Yes 3 No 2

Absent 0

Floor Assignment Sen. Hacker

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

REPORT OF STANDING COMMITTEE

SB 2333: Political Subdivisions Committee (Sen. Cook, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (3 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). SB 2333 was placed on the Sixth order on the calendar.

Page 1, line 1, after "new" insert "subsection to" and replace "to chapter 54-17" with "54-17-07.3"

Page 1, line 3, after the first semicolon insert "to provide for a report to the legislative council;"

Page 1, line 6, after "new" insert "subsection to" and replace "to chapter 54-17" with "54-17-07.3"

Page 1, replace lines 8 and 9 with "A"

Page 1, line 10, remove "shall establish and administer a"

Page 1, line 16, replace "2." with "a.", replace "commission's" with "commission shall establish the eligibility criteria and", and replace "financial assistance under" with "the"

Page 1, line 17, remove "this", after "program" insert "which at a minimum", and remove "provide"

Page 1, replace lines 18 through 23 with:

"(1) Require a local grant match from private or public funding or in-kind contributions which may not exceed forty-five percent of the gap between the cost of construction and the appraised value of the new construction;

(2) Provide that the local grant match may not include state funds; and

(3) Require an application for assistance under this program to include evidence of community support for the new construction project.

b. The maximum assistance provided to any person or family under this program may not exceed forty-five percent of the gap between the cost of the construction and the appraised value of the new construction. Assistance provided under this program may be provided to a person or family of low to moderate income or to any other person or family in a developing community in the state to address an unmet housing need or to alleviate a housing shortage."

Page 2, remove lines 1 through 9

Page 2, line 10, replace "3." with "c."

Page 2, line 18, after the period insert "The housing finance agency may not be construed to be a general fund agency because of the appropriation made by this section."

SECTION 3. EXPIRATION DATE. Section 1 of this Act is effective through July 31, 2011, and after that date is ineffective."

Renumber accordingly

2007 SENATE APPROPRIATIONS

SB 2333

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2333

Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: 02-13-07

Recorder Job Number: 3470

Committee Clerk Signature



Minutes:

Chairman Holmberg opened the hearing on SB 2333.

Senator Nicholas Hacker, District 2, Grand Forks, presented written testimony (1) introduced SB 2333 testifying in support of the bill indicating it is a development bill to address new residential construction financing. He described how the financing would work for rural communities.

Mike Anderson, Executive Director for the North Dakota Housing Finance Agency, presented written testimony (2) and testified in support of SB 2333 indicating the state would be investing in rural economic development. He described how the program would work.

Rick Clayburg, President, ND Bankers Association, testified on behalf of the ND Bankers Association indicating they are supporting SB 2333 because it will be helpful to economic development in the rural community.

Claus Lembke, ND Realtors, Jamestown, testified on SB 2333, indicating the funding goes to the bankers and the communities discussed she felt were prosperous communities. In one section it indicates community support must sign off on the application, who does that mean. She sees this as competition with local bankers as well as the elimination certain types of housing.

Senator Fischer moved a do pass on the amendment, Senator Christmann seconded.

An oral vote was taken and the amendment passed.

Senator Christmann moved a do pass on SB 2333 as amended, Senator Bowman seconded. A roll call vote was taken resulting in 13 yes, 0 no and 1 absent. The motion carried and Senator Hacker will carry the bill.

Chairman Holmberg closed the hearing on SB 2333.

Date: 2/13/07
Roll Call Vote #:

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2333..

Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken do amend the Bill

Motion Made By Fischer Seconded By Christmann

Senators	Yes	No	Senators	Yes	No
Senator Ray Holmberg, Chrm			Senator Aaron Krauter		
Senator Bill Bowman, V Chrm			Senator Elroy N. Lindaas		
Senator Tony Grindberg, V Chrm			Senator Tim Mathern		
Senator Randel Christmann			Senator Larry J. Robinson		
Senator Tom Fischer			Senator Tom Seymour		
Senator Ralph L. Kilzer			Senator Harvey Tallackson		
Senator Karen K. Krebsbach					
Senator Rich Wardner					

Total (Yes) all No _____

Absent _____

Floor Assignment _____

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

Date: 2/13/07
Roll Call Vote #:

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2333

Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken do pass as amended

Motion Made By Christmann Seconded By Bowman

Senators	Yes	No	Senators	Yes	No
Senator Ray Holmberg, Chrm	✓		Senator Aaron Krauter	✓	
Senator Bill Bowman, V Chrm	✓		Senator Elroy N. Lindaas	✓	
Senator Tony Grindberg, V Chrm	✓		Senator Tim Mathern	✓	
Senator Randel Christmann	✓		Senator Larry J. Robinson	✓	
Senator Tom Fischer	✓		Senator Tom Seymour	✓	
Senator Ralph L. Kilzer			Senator Harvey Tallackson	✓	
Senator Karen K. Krebsbach	✓				
Senator Rich Wardner	✓				

Total (Yes) 13 No 0

Absent 1

Floor Assignment policialSubs

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

Hucker

REPORT OF STANDING COMMITTEE

SB 2333, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman)
recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends
DO PASS (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed SB 2333
was placed on the Sixth order on the calendar.

Page 2, line 10, replace "\$5,000,000" with "\$2,215,000"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment decreases the general fund appropriation for the program to bridge the financing gap of new residential construction in rural communities by \$2,785,000, from \$5,000,000 to \$2,215,000.

2007 HOUSE POLITICAL SUBDIVISIONS

SB 2333

2007 HOUSE STANDING COMMITTEE MINUTES

Bill No. SB 2333

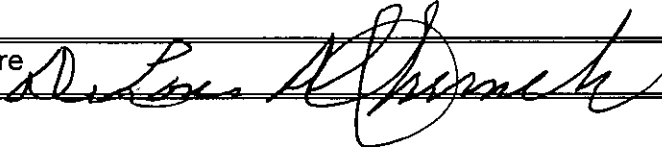
House Political Subdivisions Committee

Check here for Conference Committee

Hearing Date: March 8, 2007

Recorder Job Number: 4659, 4715

Committee Clerk Signature



Minutes:

Chairman Herbel opened the hearing on SB 2333.

Senator Hacker: (see testimony #1).

Rep. Lawrence Klemin: I can think of maybe four cities that this would not be covered in North Dakota. By census West Fargo would be covered under this too; by current population it would not be. So basically this covered all of North Dakota except the four major population areas. Why 20,000?

Chairman Hacker: It is only communities that are experiencing the gap problem. Casselton does not have a gap problem or any city close to the larger communities. The cost of construction vs. the appraised value that is all we are addressing. We are not addressing anything below the appraised value. That is the responsibility of the home buyer or builder so they are still going to have their down payment.

Rep. Lawrence Klemin: I am pretty familiar with the appraisal process and I know that allot of times the appraisal you get depends on the appraiser you get. I have seen properties that have had three appraisers with three different values. Maybe the problem isn't in the construction, but in the appraiser process? There is more than one way to appraise property and comparable sales is one of those, but have you ever gone to the city and say my structure

isn't worth as much as you say it is in tax purposes, they won't look at comparable sales, they will look at replacement costs. Replacement cost is almost always more than comparable sales so I am wondering if maybe the problem is not so much in the gap; it may be created by appraisers. Would this possibly result in every one trying to find the most favorable appraiser to get them the evaluation so they get the paper gap?

Senator Hacker: You mentioned commercial property. This bill does not apply to commercial property. The appropriate way to appraise homes is comparable sales. Appraisers provide an estimate of value. When we started to draft this bill we tried to address income and other things in the bill but we were creating a mess. It was almost impossible to write a program into legislation so to provide only finance liability.

Rep. Lawrence Klemin: You said local grant money. Can the home owner contribute to that local grant money?

Senator Hacker: I believe they could. A lot of communities are not going to be willing to use copy cat dollars to help some bodies' neighbor build a home. Those dollars will come from employer.

Rep. Lawrence Klemin: The employee could also contribute to that. Let's give an example. If you build a \$120,000 house and it cost \$120,000 to build; the appraised value is \$80,000 so we would have a \$40,000 gap here. The maximum that can be contributed under this is 45% which of that \$40,000 would be \$13,000. So if the homeowner contributes the other \$22,000 and the state kicks in the \$18,000; now you have basically assisted with the down payment.

Senator Hacker: I think we would assist with the down payment. The home owner would have \$22,000 plus the \$8,000 down that they need; it cost them about 10% on an \$80,000 loan so we are talking \$30,000. You take the \$120,000 home in Fargo or some of these other areas; what is his down payment, \$12,000.

Rep. Lawrence Klemin: What is the city going to value that property for tax purposes; \$12,000?

Senator Hacker: They will assess the property.

Rep. Kim Koppelman: I would like to explore a couple things I see with your concept. 1) It exempts farmsteads and there are a whole lot of empty farmsteads. I assume the reason you do that is because of the assessed value on property if zero because taxes aren't paid on them. Is that right?

Senator Hacker: That is part of it; it is also the farm homestead law that assists.

Rep. Kim Koppelman: You don't like mobile homes either.

Senator Hacker: Mobile homes are moveable and there is no benefit for the community when they are moved. It does not exempt manufactured homes.

Rep. Kim Koppelman: We have done a lot of things in this legislature over the years to try to assist whether it is developing rugged areas like the renaissance zone in cities of all sizes are making use of that in a good way. It is not a subsidy and we had another bill last week in our committee that is a continuation of a program that we began last session to help construction of apartments and multi dwellings in small communities. This is yet another approach but what concern me is though the disparities that I see. One of the problems you are spot lighting here is depressed property values in our small towns. Now my concern that if we have a number of existing homes in a small town. We already as a legislature said we are going to subsidize the building of apartment buildings so you come into a small town and you want to rent and you are a private property owner; if his property was not constructed under this government program it has created immediately a competitive disadvantage because he does not have that advantage and now we are going to put, if he wants to sell his house, we are putting him at

rather an additional disadvantage it seems to me because you are giving him tremendous subsidy's to you to build a house in that town vs. buying it.

Senator Hacker: To drive property values up in any area you have to have activity.

Rep. Kim Koppelman: I understand that, but you are trying to do that through an artificial means through a government subsidy. In other words taxpayer dollars paying to build you a house. Don't you trust the free market forces to create a system where it works for someone? I see small towns where houses are being built and there is a gap you are talking about with appraised value vs. cost of building and apparently some people are deciding that is OK. There are other reasons they want to live there; taxes are low, there is no crime and the schools are good.

Senator Hacker: The government and the state of ND, which I know, allot of legislation within the free market. This bill will help some of those communities that are really struggling and there is a list of them. The cost of getting in is too much. If we can provide a tool to allow some young family to come into a small local community this will add to the local economy. It is for folks who could not possible afford to put all that money down. The idea is we have a rural demise going on in the State of ND and if we could provide a tool that would allow some young families out there to come to local communities that would be great. This would just stir the pot a little bit.

Rep. Chris Griffin: Did you think about putting a cap on how much money could be appropriated from the state for a single dwelling home?

Senator Hacker: No we did not. With working with housing and finance; different things started coming up and they said let us have the ability to say yes or no to projects so they could buy one or not. So we put a 45% cap on there so the state or local community is not being assessed for anything more than that. It is up to 45% at the discretion of housing and

finance. If this bill to provide million dollar homes; absolutely not. Housing and finance will have that ability. If you put a cap on there of maybe \$150,000-\$175,000 for the constructed value of the home and a rural community is planning to give back to the local parent. Trying to get a doctor to live in the smaller town vs. living in a larger community; they can use that to encourage them to live in the smaller town.

Rep. Steve Zaiser: to follow up with Rep. Chris Griffin question, do you think it is appropriate for tax payers in the state of North Dakota to subsidizing for someone who has the potential to earn a whole lot of money and probably is making a whole lot of money.

Senator Hacker: We subsidize all sorts of things here whether it is private industry through different economic development initiatives and things like that. It is simply an economic development tool. We are saying this is our problem and this is what we need to address. Discussed the fact that a lot of people travel in and out of Bismarck to work.

Rep. Louis Pinkerton: I applaud your effort because of this gap of appraisals in construction costs. What happens when you make this grant of 45% and then the home owner turns and sells the property in two years? Many of these homes are being built lots of time with allot of sweat from the owner. We get into a situation where a carpenter moves to Westhope, ND where there is a big gap and they get their 45%. Then they sell that home in two years does the state recapture that money?

Senator Hacker: We talked about some of the ways they could recap some of those dollars if that situation would come up. If that home sold, the program gives you the comparable sale that we were looking for. I do understand that someone that builds his own house and then sold it he would have made money.

Rep. Lawrence Klemin: I am trying to work through the logic on this comparable sale. If you had a \$120,000 home that appraised at \$80,000 and sold the house and again it appraised at \$80,000 how would that bring up the value?

Senator Hacker: I would hope that house would sell for \$90,000 or \$100,000 there is no comparable sale.

Rep. Lawrence Klemin: but you constructed this \$120,000 home that appraised at \$80,000 two years ago and now the same appraiser comes in and looks at it and says it is still an \$80,000; you really haven't increased the value of the home along with the other people in town because the comparable sale is still the same.

Senator Hacker: I will try to answer your question again. We hope this will provide value to homes so the appraisal of two years ago will not be the same as before. The program completely fails if the sales appraisal comes in at \$70,000 and the home sold at \$70,000. That is not what we intend. Once we move in the direction of the constructed value starts to erode the gap.

Rep. Lawrence Klemin: If it works the way you hope it does here it would have the affect of bringing up the values of the other houses in town and that would increase their property taxes too.

Senator Hacker: I would say that is on those folks at the local level of government to lower their mills so that the property tax doesn't increase but it would add a new home onto the rolls.

Rep. Kari Conrad: Isn't one of the problems you have is you have all this old housing and so when you try and sell a new house you don't being compared to the sale of new houses because nothing else is comparable. Discussed fact that no one else has built new comes in some small rural towns for 15 years.

Senator Hacker: That is the problem we are trying to address.