

2009 SENATE FINANCE AND TAXATION

SB 2222

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2222

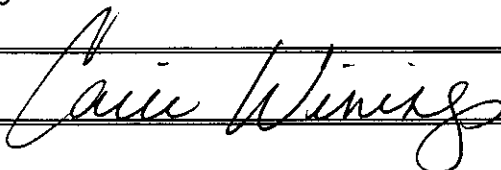
Senate Finance and Taxation Committee

Check here for Conference Committee

Hearing Date: 02/09/2009

Recorder Job Number: 8978

Committee Clerk Signature



Minutes:

Chairman Cook: Opened hearing on SB 2222.

Aaron Birst, Legal Council, North Dakota Association of Counties: See Attachment #1 for testimony in support of the bill.

3.01 **Chairman Cook:** What kind of expenses qualify for funding from emergency funds?

Aaron Birst: This has been a subject of a number of Attorney General's opinions; none this decade. The legislation itself is focused on impairment of county property that is necessary for the county to do its job, for natural emergencies, or potential court orders. The places where the Attorney General opinions we are dwelling is in the 80's in Cass County was seeking to put on an addition to their court house – which they ultimately did, but they wanted to use the emergency levy for that. The Attorney General said no. Sites another situation of putting an elevator on a courthouse for ADA compliance, and that was OK by the Attorney General's office. There is a potential judgment if it was not compliant. It is primarily used for natural disasters, such as snow emergencies, tornados, bridge wash outs, etc. This does not change any of that. It already allows for Federal matching dollars to be matched through this fund.

Chairman Cook: Only on disasters?

Aaron Birst: Yes.

Chairman Cook: In the situation with the elevator, how did the Attorney General get involved?

Aaron Birst: The states attorney of that county requested the opinion of the Attorney General.

Chairman Cook: They can do what they want to do unless someone is watching them?

Aaron Birst: I suppose that is possible, however, I would mention that the state Tax Department does audit counties and if they found that they were using the emergency funds for purposes other than true emergency they could call them out on it.

Chairman Cook: State Tax Department or Auditors Office?

Aaron Birst: Both of them.

6.15 **Senator Oehlke:** Do cities have the same authority for emergency purposes?

Aaron Birst: I am not sure. I would guess they do. Of course the cities have the option of the sales tax which can be used for however they want.

Chairman Cook: So do counties.

Aaron Birst: Only?(unclear) counties. I believe the only county that has a sales tax is Williams and ?(unclear).

Chairman Cook: Further testimony? Closed hearing on SB 2222.

Discussion: On Cities and Counties and emergency funds.

Chairman Cook: Want to check with Auditor's Office.

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2222

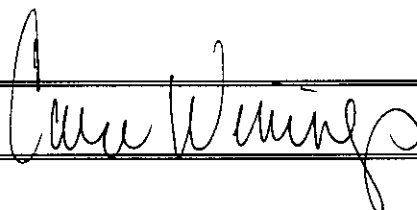
Senate Finance and Taxation Committee

Check here for Conference Committee

Hearing Date: 02/11/2009

Recorder Job Number: 9268

Committee Clerk Signature



Minutes:

Chairman Cook: Reopened discussion on SB 2222.

Senator Anderson: Moved a Do Pass.

Senator Dotzenrod: Seconded.

Chairman Cook: Discussion?

Senator Hogue: I do appreciate that they targeted it to the counties that don't rise as much per mill as the larger, more populated counties, but I am opposed to the bill.

Senator Oehlke: One thing that I like is that the money stays in the fund if it isn't completely utilized.

Senator Anderson: It doesn't increase the number of mills that can be levied every year, it just gives them an opportunity to bank that money and be ready for a major emergency.

Senator Hogue: I thought I heard some discussion about some counties was using it for non-emergencies. And only until the Attorney General issued an opinion did they back off. I am not sure that all counties strictly follow the guidelines.

Chairman Cook: I had that same question too. What kind of expenses qualify and the other one is how close do the auditors check this. If the work is done with the same diligence as they do with the state agencies then my guess is that it is gone over with a fine tooth comb.

Senator Oehlke: I think that you made your own argument. If some counties did get stopped on that, then maybe they understand what a real emergency is or that they need to check it out before they utilize it.

Senator Dotzenrod: I thought I heard in testimony that what the Attorney General ruled on this, that there was a case where he said it was ok because if they hadn't of acted the way they did they would have exposed the county to a law suit. I do think that these counties do have an unlimited mill levy available to them to pay off the judgment. This to me is kind of a self defense fund in some ways.

Senator Hogue: I see a huge gray area there. I think that a law suit is not the same emergency as a sudden unexpected loss like a flood or fire, or the snow storms we have had. It is the complete opposite. I think that the Attorney General stretched the definition.

Chairman Cook: Any further discussion?

A Roll Call vote was taken: Yea 5, Nay 1, absent 1 (Senator Triplett).

Senator Anderson will carry the bill.

Date: 02/11/09

Roll Call Vote #: 1

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. : 2222

Senate Finance and Taxation Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass Do Not Pass Amended

Motion Made By Senator Anderson Seconded By Senator Dotzenrod

Senators	Yes	No	Senators	Yes	No
Sen. Dwight Cook - Chairman	✓		Sen. Arden Anderson	✓	
Sen. Joe Miller - Vice Chairman	✓		Sen. Jim Dotzenrod	✓	
Sen. David Hogue		✓	Sen. Constance Triplett	✓	
Sen. Dave Oehlke	✓				

Total: Yes 5 No 1

Absent 1 Triplett

Floor Assignment Senator Anderson

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

REPORT OF STANDING COMMITTEE

SB 2222: Finance and Taxation Committee (Sen. Cook, Chairman) recommends DO PASS (5 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). SB 2222 was placed on the Eleventh order on the calendar.

2009 HOUSE FINANCE AND TAXATION

SB 2222

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. **SB 2222**

House Finance and Taxation Committee

Check here for Conference Committee

Hearing Date: March 9, 2009

Recorder Job Number: 10460

Committee Clerk Signature

Minutes:

Chairman Belter: Is Senator Klein here? The hearing has been opened on SB 2222.

Senator Jerry Klein: District 14. I was asked to help introduce SB 2222 by the Association of Counties. They are here to explain what the bill does. I am certainly very supportive of it and I appreciate anything you can help us do. With that, I would try to answer any questions.

Terry Traynor, ND Association of Counties: (Testimony 1) A number of our smaller counties asked for this bill and I will try to explain it. (03:55) The cost related to emergencies is not keeping pace with emergencies. I want to make it clear that this fund can only be tapped when a bona fide emergency is declared by the county commission. The attorney general has been very clear on when that is. It is related to natural causes or court judgments so by and large, it is related to flooding and snow. We had a number of counties this year that had to declare emergencies because of snow. A good example is Sheridan County. Their limit right now is \$67,000 that they can hold in the fund. When they are hiring contractors at \$1,500-\$2,000 per day plus paying overtime, they burn through their emergency fund rather quickly in a year like this. This wouldn't allow them to put any more money in the fund every year, but it would allow them to keep that levy on longer and build that up. As you can see in column 3, that would be the new limit based on the mill levy right now. There are 28 counties; (Trail

County should not be included) but for the rest of them, you can see what their limit is right now at 10 mills and what it would be at 15 mills if this bill would pass. As the bill clearly shows, this creates a new category—those that are less than 30 and more than 5 would still be limited to the 10 mill cap. The very small ones, under 5,000, would go to 15 mills. That is the purpose of the bill and we think that is reasonable to allow that. That doesn't mean that counties would ever even reach that limit. At 2 mills, it would seven or eight years to get that 15 mill limit in there; we may not go that long without an emergency so it might not happen, but it does give them a little opportunity to build up some more funds. We hope you will support the bill and I will answer any questions that I can.

Chairman Belter: Are there any questions?

Representative Headland: If every county already has an account they are not using and the dollars are already building, why do they have to build further? I realize it is going for sparsely populated counties, but if they are not using what they already have, why do we need to allow them to put more in the bank?

Terry Traynor: I am sorry if I gave you the impression that they aren't using it. Most of these funds in the disaster counties are gone now; they are empty. This is the absolute maximum they can hold. The auditor in Sheridan County said they have actually only been putting in a half a mill every year because that is all the taxpayers would allow. They are nowhere near the cap right now. That is the statutory limit; it is not an indication of what is in those funds.

Representative Headland: Would it be possible that we could receive documentation to show that there aren't any balances in the counties that aren't being used?

Terry Traynor: I could certainly try and survey it and see. It is a moving target right now. The meter is running and it is getting smaller and smaller as we go every day.

Representative Weiler: Terry, the House just passed the first half of the session a disaster relief fund and we put I think \$44 million in there. How does that work when a county has some kind of disaster? Are they able to access that fund? Does it have to be a disaster; I don't remember the details of the bill, if it has to be declared by the Governor. If so, would counties be able to access that fund?

Terry Traynor: My understanding of that bill is that that \$44 million is only accessible when there is a presidentially declared disaster and it is to assist in the state and locals in meeting that 50% match the feds require in that case.

Chairman Belter: Any other questions? Further testimony in support of SB 2222? If not, is there any opposition to 2222? If not, we will close the hearing on SB 2222.

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. **SB 2222**

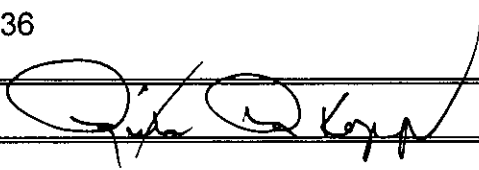
House Finance and Taxation Committee

Check here for Conference Committee

Hearing Date: March 9, 2009

Recorder Job Number: 10536

Committee Clerk Signature



Minutes:

Chairman Belter: Any comments on this one? Does anybody have any amendments?

Representative Weiler: Since you asked for comments, it is a property tax increase so I cannot support it.

Representative Winrich: We are not changing anything about the mills that they can levy for the emergency fund; we are just allowing them to accumulate a larger amount in the fund for small counties.

Representative Weiler: We are raising the level from 5 to 10 mills and from 10 mills to 15 mills and so.

Representative Winrich: We are not raising taxes though. We are raising a limit on what they can put in the fund so it is still the 2 mill limit on what can be levied for the emergency fund; it is just that they can accumulate a larger amount in that fund and it is only the smaller counties that can do that. Any county with more than 5,000 population, nothing changes.

Representative Weiler: Mr. Chairman, it says in line 24 that it raises it from, I believe, 5 mills to 10 mills in those counties that are under 30,000 people; it allows them to go from 5 mills to 10 mills. I understand they can maybe only do it 2 mills at a time, but some of them are up

against their cap at 5 mills so they want to be raised to 10. Some of them are up against their cap. We are raising the amount of mills that can be raised in this bill.

Representative Drovdal: That isn't the way I interpret this. We are raising the value of the fund to be equal to that level of mills; we are not raising mills to get up to it. They can only put on the mill levy of 2 mills; it never gets more than 2 mills. The amount of the reserve can be higher up to equal to 15 mills, but they can still only put the 2 mills on. They can't put 15 mills on; they can only have a reserve up to the value of 15 mills but not raising the mills at all. What it does is create a third reserve amount for those real small counties but it doesn't raise any mills.

Representative Weiler: If that is the case, I stand corrected.

Representative Pinkerton: I understand it is the governing board body of the county so it not a vote of the people. Line 6 says "The governing board of any county may levy" so it is not going to a vote of the people to increase the levy. Is that correct how I read that?

Representative Winrich: That is current law. That already exists; they can do that now.

Representative Pinkerton: But now the counties that are going to be able to raise that higher...

Representative Drovdal: In order to keep funds in the savings account, the higher amount of money in the savings account, but they would have to drop that 2 mills off completely.

Chairman Belter: The equivalent to 15 mills, that is what they would be—the funds.

Representative Headland: I want it clarified though and I asked Terry Traynor to provide us with information to see if counties are bankrolling it, but this is not just for small counties of 5,000. I think it is for any county with less than 30,000, isn't it?

Representative Winrich: No, it doesn't change anything for any county with a population greater than 5,000. It doesn't change the law at all as it applies to those. Nothing is changed

until that top line on page 2. The law authorizes counties to set a mill levy to build up this emergency fund, but there is a limit. They can build it up to a certain level. What this does for small counties is just increase that level that it can build up to, but it doesn't change the mill levy that builds it up or anything like that. And it is only for those counties with a population less than 5,000.

Representative Winrich Basically, what it does is it allows small counties, rather than levy two mills for five years; they can levy 2 mills for seven and a half years.

Representative Drovdal: Unless they use it.

Representative Winrich: Unless they deplete the funds.

Representative Weiler: So they are able to put more money into these funds. That is the issue here? They want to put more money into the funds; they are getting the money from the property taxpayers so if they weren't able to put more money into the funds, they wouldn't collect the money from the property taxpayers. So the fact that they are able to raise the amount of their funds, they are raising more money from the property taxpayers than they would be if they didn't pass this bill so this is a property tax increase.

Representative Winrich: The point is, Mr. Chairman, under the current limit that the amount of money they can accumulate in the fund isn't enough to cover, for example, plowing snow this winter or the sorts of things that the emergency fund is used for. They need to be able to build up a little bit bigger fund to cover things like what has happened this year. That is all this allows them to do is for the small counties to build up a little bit bigger funds.

Representative Weiler: I will make one final comment on this. There is a different angle we could take here. If one county had a budget for snow removal for their county over the last ten years and it was a million dollars a year for the last ten years. With the exception of this year, there has been basically no snow over the last ten years so they probably only used \$300,000-

400,000 out of their million dollar snow budget. So what did they do with the other \$600,000?

The spent it. They should have kept it in a fund for a year like this. That is exactly the problem.

Representative Grande: This is specifically emergency funds so they can't spend it elsewhere. It has to stay in there. Currently if they raise two mills worth, they have to bankroll that and it has to sit there. The advantage that I see in being able to raise that dollar amount and hold a little larger amount is the taxpayers are either going to pay it there in that mill or they are going to pay it in that emergency fund that we just had to bail out those counties with. Either way the taxpayers are paying for it. Personally I would rather that the local people take that in and cover their own emergencies instead of the state covering emergencies piecemeal.

Representative Drovdal: I guess to put it in perspective, Billings County, which is one of my counties, has 888 people. Currently under this law they can have \$54,782 in its emergency fund. Emergencies like this flooding that is going on now when the Missouri backed up, \$54,782 doesn't go very far. If we pass this, they could have had up to \$82,000, which is a little more money. It still doesn't go very far, but it does give them a little more reserve before they have to go somewhere else and borrow money to cover it. It is money sitting in there. The other thing we didn't find out is under this 10 mill, and I think you asked this too, how many of these counties are currently close to their cap under the 10 mills. I believe he indicated it wasn't very many; it may be two or three years before they have to get into it, but when they do use it, it is down to zero and they have to start building it up again.

Representative Froseth: One quick comment. This past winter even after the state declared an emergency and appropriated \$1.5 million; some of the small counties didn't have enough money in their emergency funds to match. They still had to pay a match and they didn't have

enough money left in their funds to match the state dollars that were available. They couldn't match them because they didn't have enough local money.

Chairman Belter: We have discussed this a lot. Do you want to act on it? Are we ready to act on this bill? We have a motion for a **"do pass"** from Representative Winrich and a second from Representative Schmidt. Any discussion? **A roll call vote for a "do pass" on SB 2222 resulted in 11 ayes, 1 nay, 1 absent/not voting (Froelich). Representative Winrich will carry the bill.**

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. **SB2222**

House Finance and Taxation Committee

Check here for Conference Committee

Hearing Date: March 16, 2009

Recorder Job Number: 11001

Committee Clerk Signature

Minutes:

Chairman Belter: Let's look at SB2222. Go ahead, Representative Winrich.

Representative Winrich: What happened when I was preparing to present this on the floor, I noticed that a typical typographical mistake was made on page 2 of the bill where we create that new group of counties with a population less than 5,000. It turned out that in the event that a county had exactly 5,000 in population, it is not covered by the law because both of them refer to more than or less than. So the amendment is very simple. In line 3 what it does is strike out the "less than" and after 5,000 insert "or fewer" so it would read starting at the end of line 2, "in a county of 5,000 or fewer, the levy authorized by this section must be discontinued." That increases that limit on the accumulation in the fund to 15 mills for those counties. Mr. Chairman, I would move to reconsider our actions whereby we recommend a "do pass" on SB 2222.

Chairman Belter: Representative Winrich has made a motion and it was seconded by Representative Brandenburg to reconsider our action whereby we passed the 2222. Any discussion? **(Motion carries by voice vote.)** We have 2222 before us.

Representative Winrich: I'll move to amend SB 2222 with the .0101 amendments.

Representative Brandenburg: Second.

Chairman Belter: All those in favor of the amendments. **(The motion to approve the amendments carried by a voice vote.)** Is there a motion on the bill? We have a "do pass as amended" from Representative Winrich and a second from Representative Weiler. **A roll call vote resulted in 10 ayes, 0 nays, 3 absent/not voting. Representative Winrich will carry the bill.**

Date: March 9, 2009

Roll Call Vote #: 1

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2222

House FINANCE AND TAXATION Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass Do Not Pass Amended

Motion Made By Winrich Seconded By Schmidt

Representatives	Yes	No	Representatives	Yes	No
Chairman Wesley R. Belter	/		Representative Froelich		
Vice Chairman David Drovdal	/		Representative Kelsh	/	
Representative Brandenburg	/		Representative Pinkerton	/	
Representative Froseth	/		Representative Schmidt	/	
Representative Grande	/		Representative Winrich	/	
Representative Headland	/				
Representative Weiler		/			
Representative Wrangham	/				

Total (Yes) 11 No 1

Absent 1

Floor Assignment Representative Winrich

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

REPORT OF STANDING COMMITTEE

**SB 2222: Finance and Taxation Committee (Rep. Belter, Chairman) recommends DO .
PASS (11 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). SB 2222 was placed on the
Fourteenth order on the calendar.**

Date: March 16, 2009

Roll Call Vote #: 1

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2222

House FINANCE AND TAXATION Committee

Check here for Conference Committee

Legislative Council Amendment Number 10 reconsider

Action Taken Do Pass Do Not Pass Amended

Motion Made By Winick Seconded By Brandenburg

Representatives	Yes	No	Representatives	Yes	No
Chairman Wesley R. Belter			Representative Froelich		
Vice Chairman David Drovdal			Representative Kelsh		
Representative Brandenburg			Representative Pinkerton		
Representative Froseth			Representative Schmidt		
Representative Grande			Representative Winrich		
Representative Headland					
Representative Weiler					
Representative Wrangham					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

VR
3/16/0

PROPOSED AMENDMENTS TO SENATE BILL NO. 2222

Page 2, line 3, remove "less than" and after "thousand" insert "or fewer"

Renumber accordingly

Date: March 16, 2009

Roll Call Vote #: 2

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2222

House FINANCE AND TAXATION Committee

Check here for Conference Committee

Legislative Council Amendment Number .0501 amend

Action Taken Do Pass Do Not Pass Amended

Motion Made By Winick Seconded By Brandenburg

Representatives	Yes	No	Representatives	Yes	No
Chairman Wesley R. Belter			Representative Froelich		
Vice Chairman David Drovdal			Representative Kelsh		
Representative Brandenburg			Representative Pinkerton		
Representative Froseth			Representative Schmidt		
Representative Grande			Representative Winick		
Representative Headland					
Representative Weiler					
Representative Wrangham					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Motion Carries

Date: March 16, 2009

Roll Call Vote #: 3

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2222

House FINANCE AND TAXATION Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass Do Not Pass Amended

Motion Made By Winick Seconded By Weiler

Representatives	Yes	No	Representatives	Yes	No
Chairman Wesley R. Belter	/		Representative Froelich		
Vice Chairman David Drovdal	/		Representative Kelsh		
Representative Brandenburg	/		Representative Pinkerton		
Representative Froseth	/		Representative Schmidt	/	
Representative Grande	/		Representative Winick	/	
Representative Headland	/				
Representative Weiler	/				
Representative Wrangham	/				

Total (Yes) 10 No 0

Absent 3 absent/not voting

Floor Assignment Rep Winick

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

REPORT OF STANDING COMMITTEE

SB 2222: Finance and Taxation Committee (Rep. Belter, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (10 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING). SB 2222 was placed on the Sixth order on the calendar.

Page 2, line 3, remove "less than" and after "thousand" insert "or fewer"

Renumber accordingly

2009 TESTIMONY

SB 2222

#1
Testimony to the
SENATE FINANCE AND TAXATION
Prepared February 9, 2009 by the North Dakota Association of Counties
Aaron Birst, Legal Counsel

CONCERNING SENATE BILL 2222

Chairman Cook and members of the Committee, the North Dakota Association of Counties is here today to express support for SB 2222.

Counties are authorized under NDCC 57-15-28 to levy an emergency levy. This levy cannot exceed two mills a year pursuant to NDCC 57-15-06.7(22). This emergency fund can carry over year after year until it is used or until it reaches the statutory cap as outlined in NDCC 57-15-28.

The caps on the emergency funds are split into two categories. Counties with a population over 30,000, are allowed to have the equivalent of five mills in the fund while counties with a population under 30,000, are allowed to have the equivalent of ten mills in the fund.

According to the 2000 census, only four counties have a population over 30,000. Therefore, the other 49 counties are all capped at an equivalent of 10 mills. However, many of those counties with a population under 5,000 suffer from stagnate or low growth in values. The no or slower growth in valuation undermines the value of their emergency fund and when combined with the effects of inflation those smaller counties cannot adequately address emergency situations that arise.

Currently, NDCC 57-15-28 limits the uses of the emergency fund to specific emergencies such as when county property is destroyed or impaired or for natural caused emergencies (such as this year's snow events in a number of counties) or judgments rendered against the county by a court. Counties cannot tap this fund simply to supplement their budgets or use this fund as a special road construction fund. (unless the road to be repaired was damaged in a natural emergency)

This bill does not raise the cap on the yearly levy amounts nor does it change the uses of the fund. This bill is narrowly tailored for North Dakota's smallest counties to allow them to respond to emergencies their citizens may face. For the following reasons I ask that you support SB 2222.

Thank you.

County Emergency Fund Limits - NDCC 57-15-28
 Maximum Fund Amounts* based on 2007 Valuation

Same handover given to horses.

	2000 Population	Value 5 Mills	Value 10 Mills	Value 15 Mills **
Adams	2,593		76,953	115,429
Barnes	11,775		388,710	
Benson	6,964		140,849	
Billings	888		54,783	82,174
Bottineau	7,149		263,470	
Bowman	3,242		121,587	182,380
Burke	2,242		88,157	132,236
Burleigh	69,416	1,096,724		
Cass	123,138	2,142,368		
Cavalier	4,831		217,505	326,258
Dickey	5,757		181,051	
Divide	2,283		96,825	145,238
Dunn	3,600		128,101	192,151
Eddy	2,757		66,039	99,058
Emmons	4,331		145,991	218,986
Foster	3,759		130,496	195,743
Golden Valley	1,924		58,502	87,753
Grand Forks	66,109	859,611		
Grant	2,841		91,540	137,310
Griggs	2,754		95,627	143,441
Hettinger	2,715		100,184	150,277
Kidder	2,753		106,513	159,769
Lamoure	4,701		189,015	283,523
Logan	2,308		74,312	111,467
McHenry	5,987		228,522	
McIntosh	3,390		104,328	156,492
McKenzie	5,737		176,778	
McLean	9,311		298,702	
Mercer	8,644		194,924	
Morton	25,303		668,142	
Mountrail	6,631		165,981	
Nelson	3,715		113,226	169,839
Oliver	2,065		68,005	102,008
Pembina	8,585		313,205	
Pierce	4,675		143,253	214,879
Ramsey	12,066		278,911	
Ransom	5,890		174,362	
Renville	2,610		103,998	155,997
Richland	17,998		534,224	
Rolette	13,674		101,116	
Sargent	4,366		162,061	243,091
Sheridan	1,710		67,175	100,762
Sioux	4,044		21,465	32,198
Slope	767		53,621	80,432
Stark	22,636		487,637	
Steele	2,258		113,327	169,991
Stutsman	21,908		550,431	
Towner	2,876		118,370	177,555
Traill	8,477		276,255	414,382
Walsh	12,389		331,758	
Ward	58,795	688,119		
Wells	5,102		192,704	
Williams	19,761		456,250	

*** Important Note:**
 These are fund limits - the actual amounts in particular county emergency fund will undoubtedly be less (in some cases significantly less) than the maximum allowed by law

**** Adjusted limit as proposed by Senate Bill 2222**
 the maximum allowed by law

Testimony to the
SENATE FINANCE AND TAXATION
Prepared March 9, 2009 by the North Dakota Association of Counties
Terry Traynor, Assistant Director

CONCERNING SENATE BILL 2222

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Counties are authorized under NDCC 57-15-28 to levy an emergency levy. This levy cannot exceed two mills a year pursuant to NDCC 57-15-06.7(22). This emergency fund can carry over year after year until it is used or until it reaches the statutory cap as outlined in NDCC 57-15-28.

The caps on the emergency funds are split into two categories. Counties with a population over 30,000, are allowed to have the equivalent of five mills in the fund while counties with a population under 30,000, are allowed to have the equivalent of ten mills in the fund.

According to the 2000 census, only four counties have a population over 30,000. Therefore, the other 49 counties are all capped at an equivalent of 10 mills. However, many of those counties with a population under 5,000 suffer from stagnate or low growth in values. The no or slower growth in valuation undermines the value of their emergency fund and when combined with the effects of inflation those smaller counties cannot adequately address emergency situations that arise.

Currently, NDCC 57-15-28 limits the uses of the emergency fund to specific emergencies such as when county property is destroyed or impaired or for natural caused emergencies (such as this year's snow events in a number of counties) or judgments rendered against the county by a court. Counties cannot tap this fund simply to supplement their budgets or use this fund as a special road construction fund. (unless the road to be repaired was damaged in a natural emergency)

This bill does not raise the cap on the yearly levy amounts nor does it change the uses of the fund. This bill is narrowly tailored for North Dakota's smallest counties to allow them to respond to emergencies their citizens may face. For the following reasons I ask that you support SB 2222.

Thank you.