

2011 SENATE NATURAL RESOURCES

SB 2101

2011 SENATE STANDING COMMITTEE MINUTES

Senate Natural Resources Committee
Fort Lincoln Room, State Capitol

SB 2101
1/13/11
12880

Conference Committee

Committee Clerk Signature *Monica Spaulding*

Explanation or reason for introduction of bill/resolution:

Relating to fees to obtain and renew a water well contractor certificate. Relating to water well monitoring certification.

Minutes:

Testimony Attached

Chairman Lyson: Opened the hearing on SB 2101.

Robert Shaver, Director of Water Appropriations Division, Office of the State Engineer: offered testimony in favor of SB 2101. See Attachment #1. As an example of increasing expenses, when hiring the field employee it is difficult to find someone with the expertise who is only a part time employee. Much of the inspection and complaints in the western part of the state are very complex issues. You need a very good employee to handle those issues, so the wages are higher. In the attachment is a summary of certification, renewal and testing fees in nearby states and Minnesota license renewal fees for 2011.

Senator Burckhard: Have these fees not been increased for a long time? Percentage-wise, they are a large increase.

Robert Shaver: Yes, it was in the early 1980's that we last increased the fees.

Chairman Lyson: Closed the hearing on SB 2101 and asked for a motion.

Senator Triplett: Do Pass motion.

Senator Schneider: Seconded the motion.

Roll Call Vote: 7-0-0

Carrier: **Senator Triplett**.

FISCAL NOTE

Requested by Legislative Council
03/04/2011

REVISION

Bill/Resolution No.: SB 2101

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.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$27,000	\$0	\$27,000
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.*

2009-2011 Biennium			2011-2013 Biennium			2013-2015 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).*

Bill provides an increase in testing, certification, and renewal fees for water well contractors, pump/pitless installers, monitoring and geothermal drilling contractors. The increases are necessary to meet annual administrative expenditures (primarily field inspections).

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.*

The ND Board of Water Well Contractors derives revenue solely from testing and certification fees. Due to an increase in complaints, additional field inspections are required thereby increasing inspection costs. This fee increase allows the board to meet these growing demands. Both the Water Well Contractors Board and the ND Water Well Drillers Association supports the fee increases.

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.*

The increased annual revenue amounting to \$27,000 is derived from increased testing, certification, and renewal fees. The proposed fees are comparable to those of surrounding states.

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:	Robert Shaver	Agency:	ND Board of Water Well Contractors
Phone Number:	328-2754	Date Prepared:	04/07/2011

FISCAL NOTE

Requested by Legislative Council
12/27/2010

REVISION

Bill/Resolution No.: SB 2101

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.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$36,100	\$0	\$36,100	\$0	\$36,100
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.*

2009-2011 Biennium			2011-2013 Biennium			2013-2015 Biennium		
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\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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Bill provides an increase in testing, certification, and renewal fees for water well contractors, pump/pitless installers, monitoring and geothermal drilling contractors. The increases are necessary to meet annual administrative expenditures of the North Dakota Board of Water Well Contractors.

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.*

No fiscal impact on state, county, city, or local school boards.

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- 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:	Robert Shaver	Agency:	ND State Water Commission
Phone Number:	328-2754	Date Prepared:	12/23/2010

FISCAL NOTE

Requested by Legislative Council
12/22/2010

Bill/Resolution No.: SB 2101

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.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
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Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

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Name:	Robert Shaver	Agency:	ND State Water Commission
Phone Number:	328-2754	Date Prepared:	12/23/2010

Date: 1-13-11
Roll Call Vote # 1

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2101

Senate Natural Resources Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Triplet Seconded By Schneider

Senators	Yes	No	Senators	Yes	No
Chairman Lyson	✓		Senator Schneider	✓	
Vice-Chair Hogue	✓		Senator Triplet	✓	
Senator Burckhard	✓				
Senator Freborg	✓				
Senator Uglem	✓				

Total (Yes) 7 No 0
Absent 0

Floor Assignment Senators Triplet

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

REPORT OF STANDING COMMITTEE

SB 2101: Natural Resources Committee (Sen. Lyson, Chairman) recommends DO PASS
(7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2101 was placed on the
Eleventh order on the calendar.

2011 HOUSE ENERGY AND NATURAL RESOURCES

SB 2101

2011 HOUSE STANDING COMMITTEE MINUTES

House Energy and Natural Resources Committee
Pioneer Room, State Capitol

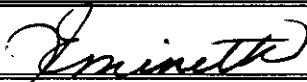
SB 2101

14879

03/03/2011

Conference Committee

Committee Clerk Signature



Minutes:

Rep. Porter: We will open the hearing on SB 2101.

Robert Shaver: Director of the Water Appropriations Division, Office of the State Engineer. It has been close to 25 years since we have had increases in our certification and testing fees for contractors, pumps, pitless installers, geothermal, and monitoring well contractors. (See attachment 1)

Rep. Porter: On some of the other boards and professional boards we have used the language "up to" that top dollar amount. Is that figure that you need and want to go to?

Robert Shaver: That is correct.

Rep. Keiser: This is going to be a tough sell on the floor because of the percent of increase. It more than removes the deficit so why would you oppose "up to" which would give you some flexibility to reduce the rates so you could manage the deficit and try to operate on the sight profit verses a significant profit?

Robert Shaver: The concern I have is on figure one; we are seeing a very significant increase. These are trends in annual expenses and the supplies down at the bottom show a small part what we see here is our field representative and our expenses associated with that. We are getting more and more of these complaints. The salary for that person is \$15.00 an hour. It is a part-time position and requires someone with a lot of experience in the water well industry. That person that we have has a bachelor's degree in geology and 30 plus years working in the field of water well drilling. We haven't given that person a raise for four years.

Rep. Keiser: You should have a further provision on the fiscal note and include the expenses that you are projecting relative to increasing the utilization of the field persons and the increase in salary. Then it would look more reasonable.

Rep. Porter: On the sheet that has table one, go below that and put the expense column in there for us so that we have that information on the projected expenses. Who covers the current deficit situation?

Robert Shaver: We can get through this year with the current expenses and with the CD's that we have that could be redeemed. The new fees would kick in this time next year for recertification and retesting.

Rep. Hunskor: If the current person you have serving as your field inspector would quit, what would you be looking at for cost to hire someone that is qualified to replace that person? Are your field inspections increasing?

Robert Shaver: I am very concerned about that because it is a part-time position and need someone that is very well qualified. I don't know how successful I would be.

Rep. Hunskor: So it would take more money?

Robert Shaver: I would think so. You can see on the sheet going from 09 to 2010 we had a significant increase.

Rep. Keiser: Can the chairman of any committee request a fiscal note or a revision.

Rep. Porter: We will get that. Is there any opposition to SB 2101, we will close the hearing.

2011 HOUSE STANDING COMMITTEE MINUTES

House Energy and Natural Resources Committee
Pioneer Room, State Capitol

SB 2101
3/24/2011
15913

Conference Committee

Committee Clerk Signature *J. Murrell*

Minutes:

no "attached testimony."

Rep. Porter: We will open SB 2101, this is a bill that came in from the State Board of Water Well Contractors. They came in with a revised fiscal note that is dated 3/4/2011 this changed it from revenues of \$36,000 to revenues of \$27,000.

Rep. DeKrey: I move a Do Pass.

Rep. Nelson: Second.

Rep. Porter: Is there any discussion?

Rep. DeKrey: I know that a 1000% is a big increase but I think he justified it quite well why they had to do it.

Rep. Porter: Roll was taken on a Do Pass on SB 2101 motion carried

YES 12 NO 1 ABSENT 2 CARRIER: Rep. Nathe

FISCAL NOTE

Requested by Legislative Council
03/04/2011

REVISION

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Date: 3-17-11
 Roll Call Vote #: 1

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. 2101

House House Energy and Natural Resources Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Rep. DeKrey Seconded By Rep. Nelson

Representatives	Yes	No	Representatives	Yes	No
Chairman Porter	✓		Rep. Hanson	✓	
Vice Chairman Damschen	✓		Rep. Hunsakor	✓	
Rep. Brabandt	✓		Rep. Kelsh	✓	
Rep. Clark	✓		Rep. Nelson	✓	
Rep. DeKrey	✓				
Rep. Hofstad		AB			
Rep. Kasper		✓			
Rep. Keiser					
Rep. Kreun	✓				
Rep. Nathe	✓				
Rep. Anderson	✓				

Total (Yes) 12 No 1

Absent 2

Floor Assignment Rep. Nathe

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

REPORT OF STANDING COMMITTEE

SB 2101: Energy and Natural Resources Committee (Rep. Porter, Chairman)
recommends **DO PASS** (12 YEAS, 1 NAYS, 2 ABSENT AND NOT VOTING).
SB 2101 was placed on the Fourteenth order on the calendar.

2011 TESTIMONY

SB 2101

#1

TESTIMONY ON SENATE BILL 2101

Senate Natural Resources Committee

**Robert Shaver, Director
Water Appropriations Division
Office of the State Engineer**

January 13, 2011

Mr. Chairman, and members of the Senate Natural Resource Committee, I am Robert Shaver, Director of the Water Appropriation Division, North Dakota State Water Commission, representing the State Engineer as a member of the North Dakota Board of Water Well Contractors. In addition, I am the Secretary-Treasurer of the North Dakota Board of Water Well Contractors, and I offer the following comments on Senate Bill No. 2101.

The Board of Water Well Contractors consists of seven members, five of which are appointed by the Governor. There are two water well contractors, a pump and pitless unit installer, a geothermal contractor, a member-at-large, and the State Health Officer and the State Engineer or their designees. The Board was created by the 1971 Legislature.

Senate Bill No. 2101 provides for increases in testing, certification, and annual renewal fees for water well, monitoring well, and geothermal contractors and pump and pitless unit installers. Certification and annual renewal fees for water well, monitoring well, and geothermal contractors are increased from \$50.00 to \$200.00. Certification and annual renewal fees for pump and pitless unit installers are increased from \$25.00 to \$100.00. Testing fees for each division are increased from \$10.00 to \$100.00.

During the July 13, 2009, North Dakota Board of Water Well Contractors meeting, the board voted unanimously to approve the above increases in division certification and renewal fees. In a September 24, 2009, conference call, the board unanimously approved the above increase in testing fees. On March 8, 2010, at its annual meeting, the North Dakota Well Drillers Association voted in favor to approve the above increases in certification, renewal, and testing fees.

Attached is a financial summary for the North Dakota Board of Water Well Contractors from July 1, 2006, through June 30, 2010. For each year, if redemption of certificates of deposit are subtracted from income, expenses exceed income and the amount of the deficit is increasing on an annual basis. As of January 1, 2011, only \$9,000.00 remains in certificates of deposit. The annual deficit is primarily due to increased wages for our field representative (see Fig. 1 attached). The hourly wage for the board's field representative is \$15.00, which represents a significant increase over past field representatives. This wage increase reflects the difficulty in retaining a well-qualified

part-time employee. In addition, over the past 4 years, the field representative has been required to investigate more complicated complaints, thereby increasing billable hours. To keep pace with increased field representative expenses, more certificates of deposit have been redeemed (See Fig. 2 attached). As a result, and due to low interest rates, interest income from certificates of deposit has decreased significantly (See Fig. 2 attached).

Table 1 shows the current annual estimated income from certification, renewal, and testing fees and estimated income as a result of the proposed increase in fees. The proposed fee increases will remove the annual deficit and allow for increases in expenses that will likely occur in the near future.

I have also attached a summary of certification, renewal, and testing fees for water well, monitoring well, and geothermal contractors, and pump and pitless installers from nearby states for reference to the proposed increases. It is clear from this data that North Dakota lags far behind other states with regard to these fees.

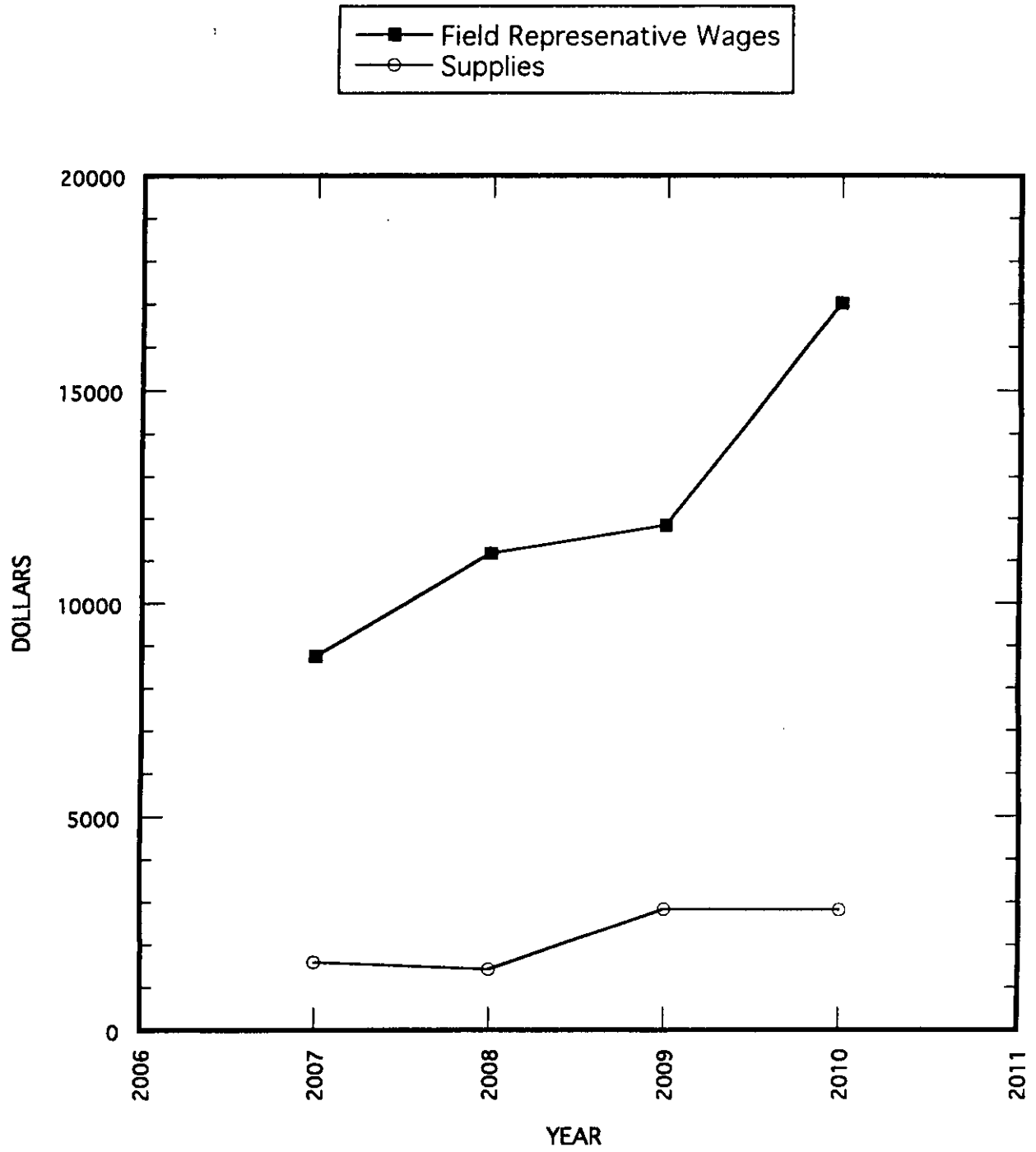


Figure 1. -- Trends in annual expenses

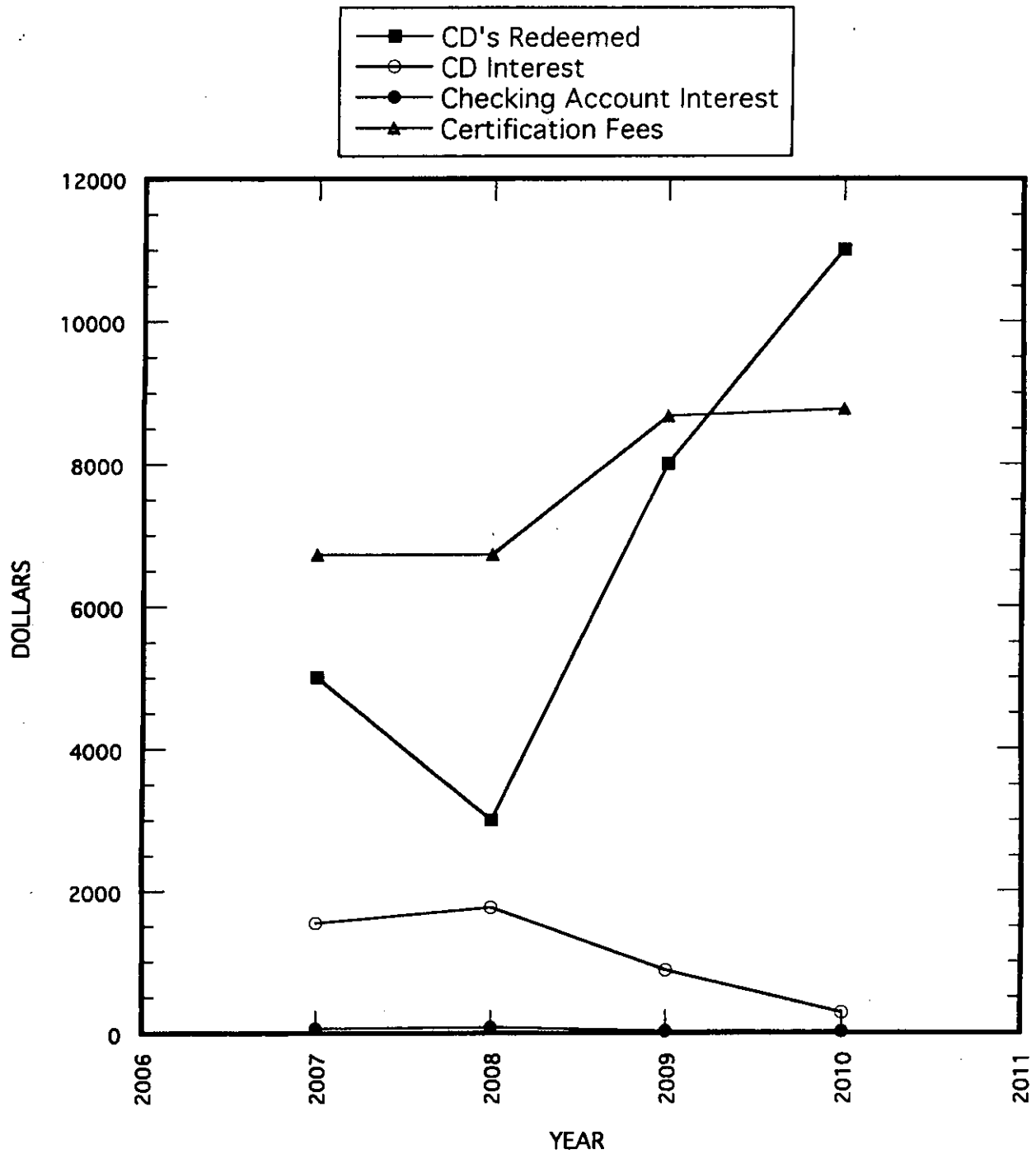


Figure 2. -- Trends in annual income

Table 1

Division	Number	Current Fee	Income	Proposed Fee	Income
Water Well	114	\$50	\$5,700	\$200	\$22,800
Monitoring Well	30	\$50	\$1,500	\$200	\$6,000
Geothermal	15	\$50	\$750	\$200	\$3,000
Pump & Pitless	28	\$25	\$700	\$100	\$2,800
Testing	15	\$10	\$150	\$100	\$1,500
		TOTAL	\$8,800		\$36,100

Increase in annual income = \$27,300.00

Summary of Certification, Renewal, and Testing Fees in Nearby States

IOWA:

Well Driller/Pump & Pitless Unit Installer = \$220

MONTANA:

Water Well Contractor = \$300 Renewal = \$270

Monitoring Well Contractor = \$300 Renewal = \$270

Water Well Driller = \$250 Renewal = \$170

WYOMING:

Application Fee: Resident = \$25 Non- Resident = \$100

License Fee = \$200 Renewal = \$150

SOUTH DAKOTA:

Licensing and Renewal for all Certifications the same:

\$200 Resident

\$300 Non-resident

NEBRASKA: (prorated depending on when you take the test)

Water Well Contractor = \$142 (Jan 1 - June 30) \$36.25 (July 1 - Dec 31)

Monitoring Well Contractor = \$142

Pump & Pitless Unit Installer = \$114

NORTH DAKOTA:

\$10 exam fee for all contractors

\$25 Pump & Pitless Unit Installer license & renewal

\$50 Water Well Contractor license & renewal

\$50 Monitoring Well Contractor license & renewal

\$50 Geothermal Contractor licensing & renewal

MIDNESOTA

2011 License Renewals

The 2011 license renewals for explorer companies and registration renewals for monitoring well contractors were mailed in early November 2010. These licenses/registrations expire on December 31, 2010, if not renewed. The renewals for well contractors, individual well contractors, elevator contractors, and limited well and boring contractors were mailed in early December 2010. These licenses expire on January 31, 2011. A \$75 late fee must be paid for any renewals postmarked after the expiration date of the license/registration.

Persons completing the renewal packet should read the instructions carefully to make sure the contractor license renewal forms and the representative certification form are completed properly. Contractor license renewal applicants must:

- Note the contractor license type.
- Register any drilling machines and/or pump hoists in use.
- Enclose an original corporate surety bond or bond continuation certificate, unless a continuous bond is already on file.
- List the representative(s) and their certification number(s).
- Provide required information regarding worker's compensation insurance.
- Sign the renewal application.
- Enclose the appropriate renewal fee (\$275 for well contractors and \$82.50 for all other contractors).
- Provide Well and Boring Records, Well and Boring Sealing Records, and water sample reports for any outstanding notifications and permits.

For renewal of the representative's certification, the representative must:

- Note the certification types he/she holds.
- Identify the company that he/she represents.
- List the continuing education taken since the last renewal. All representatives, except explorers, must obtain two hours of Minnesota Department of Health (MDH)-provided or -sponsored continuing education. Representatives for well contractor and monitoring well contractors must obtain four additional hours of MDH-approved continuing education.
- Sign the renewal application.

There is no fee for renewal of a representative's certification.

Note that the required amount for the corporate surety bond is \$25,000 for well contractors, \$10,000 for elevator contractors, monitoring well contractors, and limited well and boring contractors, and \$2,000 for pump installers and pitless/screen contractors. Explorers do not provide a bond to the MDH.

FINANCIAL SUMMARY JULY 1, 2006 – JUNE 30, 2010

FINANCIAL SUMMARY (JULY 1, 2006 – JUNE 30, 2007)

INCOME	Redeem CD #500175	\$ 5,000.00
	Certificates of Deposits Interest	1,544.07
	Checking Account Interest	59.85
	Certification & Test Fees	<u>6,725.00</u>
	TOTAL	\$13,328.92

EXPENSES	Financial Audit (Mahlum & Goodhart, PC)	\$ 550.00
	Board Members Salary Expenses	187.00
	Supplies	1,594.70
	Risk Management (Workers Comp.)	129.00
	Linda Werner (Consulting Services)	<u>8,749.50</u>
	TOTAL	\$11,210.20
	DEFICIT	\$3,881.28

FINANCIAL SUMMARY (JULY 1, 2007 – JUNE 30, 2008)

INCOME	Redeem CD #501551	\$ 3,000.00
	Certificates of Deposits Interest	1,769.21
	Checking Account Interest	75.23
	Certification & Test Fees	<u>6,725.00</u>
	TOTAL	\$11,569.44

EXPENSES	Board Members Salary Expenses	\$ 583.75
	Supplies	1,427.21
	Risk Management (Workers Comp.)	107.50
	Linda Werner (Consulting Services)	1,897.50
	Doug Davison (Consulting Services)	9,272.50
	Mailing Fees (USPS)	531.36
	Miscellaneous Expenses	<u>271.02</u>
	TOTAL	\$14,090.84
	DEFICIT	\$5,521.40

FINANCIAL SUMMARY (JULY 1, 2008 – JUNE 30, 2009)

INCOME	Redeem CD #500125	\$ 4,000.00
	Redeem CD #504576	4,000.00
	Certificates of Deposits Interest	877.90
	Checking Account Interest	29.02
	Certification & Test Fees	<u>8675.00</u>
	TOTAL	\$17,581.92

EXPENSES

Board Members Salary Expenses	\$ 600.10
Supplies	2,822.05
Risk Management (Workers Comp.)	215.00
Doug Davison (Consulting Services)	11,835.00
Mailing Fees (Pitney Bowes/USPS)	1,512.25
Financial Audit	750.00
TOTAL	\$17,734.40
DEFICIT	\$8,152.48

FINANCIAL SUMMARY (JULY 1, 2009 – JUNE 30, 2010)

INCOME	Redeem CD #500616	\$ 7,000.00
	Redeem CD #505091	4,000.00
	Certificates of Deposits Interest	280.58
	Checking Account Interest	19.45
	Certification & Test Fees	8,770.00
	TOTAL	\$20,070.03

EXPENSES

Board Members Salary Expenses	\$ 600.10
Supplies	2,813.36
Risk Management (Workers Comp.)	215.00
Doug Davison (Consulting Services)	17,015.70
Mailing Fees (Pitney Bowes/USPS)	334.00
TOTAL	\$20,978.16
DEFICIT	\$11,908.13

As of June 30, 2010

Checking Account Balance	\$2,153.68
No outstanding bills	

**Certificate of Deposit Summary
As of January 1, 2011**

*Note: All CD's are automatically rolled over.

CD #	Amount	Maturity Date	Interest Rate
504816	5,000.00	10/10/2010	2.15
505242	4,000.00	07/09/2010	2.15

Total CD Amount: \$9,000.00

2011 Minnesota Contractor Licensing Fees

License Fees

Qualification Application	\$75
Late Fee	\$75
Elevator Boring Contractor (Original and Renewal)	\$82.50
Note: MDH fee \$75 plus \$7.50 OET Licensing Surcharge*	
Limited Well/Boring Contractor (Original and Renewal)	\$82.50
Note: MDH fee \$75 plus \$7.50 OET Licensing Surcharge*	
Pump Installer	
Pitless/Screen Contractor	
Drive Point/Dugwell Contractor	
Dewatering Well Contractor	
Well Sealing Contractor	
Vertical Heat Exchanger Contractor	
Monitoring Well Contractor (Original and Renewal)	\$75
Well Contractor (Original and Renewal)	\$275
Note: MDH fee \$250 plus \$25 OET Licensing Surcharge*	
Individual (Original and Renewal)	\$82.50
Note: MDH fee \$75 plus \$7.50 OET Licensing Surcharge*	
Hoist/Drilling Machine Registration	\$75

Attachment 1

TESTIMONY ON SENATE BILL 2101

House Energy and Natural Resources Committee

**Robert Shaver, Director
Water Appropriations Division
Office of the State Engineer**

March 3, 2011

Mr. Chairman and members of the House Energy and Natural Resources Committee, I am Robert Shaver, Director of the Water Appropriations Division, Office of the State Engineer, representing the State Engineer as a member of the North Dakota Board of Water Well Contractors. In addition, I am the Secretary-Treasurer of the North Dakota Board of Water Well Contractors, and I offer the following comments on Senate Bill No. 2101.

Senate Bill No. 2101 provides for increases in testing, certification, and annual renewal fees for water well, monitoring well, and geothermal contractors and pump and pitless unit installers. Certification and annual renewal fees for water well, monitoring well, and geothermal contractors are increased from \$50.00 to \$200.00. Certification and annual renewal fees for pump and pitless unit installers are increased from \$25.00 to \$100.00. Testing fees for each division are increased from \$10.00 to \$100.00.

During the July 13, 2009, North Dakota Board of Water Well Contractors meeting, the board voted unanimously to approve the above increases in division certification and renewal fees. In a September 24, 2009, conference call, the board unanimously approved the above increase in testing fees. On March 8, 2010, at its annual meeting, the North Dakota Well Drillers Association voted in favor to approve the above increases in certification, renewal, and testing fees.

Attached is a financial summary for the North Dakota Board of Water Well Contractors from July 1, 2006, through June 30, 2010. For each year, if redemption of certificates of deposit are subtracted from income, expenses exceed income and the amount of the deficit is increasing on an annual basis. As of January 1, 2010, only \$9,000.00 remains in certificates of deposit. The annual deficit is primarily due to increased wages for our field representative (see Fig. 1 attached). To keep pace with increased field representative expenses, more certificates of deposit have been redeemed (see Fig. 2 attached). As a result, and due to declining interest rates, interest income from certificates of deposit has decreased significantly (see Fig. 2 attached).

Table 1 shows the current annual estimated income from certification, renewal, and testing fees and estimated income as a result of the proposed increase in fees. The proposed fee increases will remove the annual deficit and allow for increases in expenses that will likely occur in the near future.

I have also attached a summary of certification, renewal, and testing fees for water well, monitoring well, and geothermal contractors, and pump and pitless installers from nearby states for reference to the proposed increases. It is clear from this data that North Dakota lags far behind other states with regard to these fees.

Section 3 of Senate Bill 2101 also seeks to repeal N.D.C.C. §§ 43-35-15, 43-35-15.1, 43-35-15.2, and 43-35-15.3. These sections allowed contractors to become certified without completing and passing a written examination if they were established contractors prior to a specified date. The specified dates for each contractor division are no longer relevant, and as a result, this certification option is no longer needed.