

2011 SENATE FINANCE AND TAXATION

SB 2301

# 2011 SENATE STANDING COMMITTEE MINUTES

Senate Finance and Taxation Committee  
Lewis and Clark Room, State Capitol

SB 2301  
1/31/2011  
Job Number 13697

Conference Committee

A. Rittmiller

## Explanation or reason for introduction of bill/resolution:

Relating to disposition of township funds upon dissolution

## Minutes:

**Vice Chairman Miller** opened the hearing on SB 2301.

**Chairman Cook** – If you recall from a hearing we had earlier this session regarding flood control money that was going back to townships, schools and counties, the question was asked as to whether or not a township could give the money they had, that they didn't need, to the county. Senator Hogue and I were in legislative council pursuing the answer to that question, and we found out for your record, that yes they can but they need statutory authority. We also did a little more research and what we discovered is the township also could dissolve and upon dissolution they could then take any extra money that they had in their coffers and give back to the residents of the township. I think that's a completely unintended consequence. Probably, a lot of it has been in the books for many years, long before anyone thought of townships gaining considering wealth through flood control money that we've realized they are now getting. The bill that's introduced here today is just to eliminate that unintended consequence and to make it clear that the only monies that a township could disperse to the residents of the township are those dollars that they receive from the residents, be it, property taxes. All the rest of the fund they would have in their coffers at the time that they dissolved, they would have to give back to the county that they are located in. That's the intent of the bill. You will see an emergency clause on here, this is very important I believe. The only time, from our research of century code, that a township can dissolve, is at its annual meeting, and the annual meeting is held on a set date of the third Tuesday in March.

**Larry Syverson, North Dakota Association of Township Officers** – We support this bill. We feel it's important that the money stay available for the public good. I do hope you can address one care. I'd like to see, especially these rich townships, they should never be wanting for any road repair work ever again.

**Vice Chairman Miller** asked for testimony opposed to SB 2301. No one came forward.

**Vice Chairman Miller** asked for neutral testimony for SB 2301. No one came forward.

No further action was taken.

**Vice Chairman Miller** closed the hearing on SB 2301.

# 2011 SENATE STANDING COMMITTEE MINUTES

**Senate Finance and Taxation Committee**  
Lewis and Clark Room, State Capitol

SB 2301  
1/31/2011  
Job Number 13699

Conference Committee

*A. R. Miller*

**Explanation or reason for introduction of bill/resolution:**

Relating to disposition of township funds upon dissolution

**Minutes:**

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**Chairman Cook** – What led us to if townships could dissolve and get their money back is the fact that I know that school districts can dissolve and get the money back and we probably should apply the same thing to school districts but I would like to get this one through just with the townships and I think the school districts amendment that we would need to put on, we can put on to the other bill we have here dealing with the flood control money.

**Senator Dotzenrod** – I would move a Do Pass on SB 2301.

Seconded by **Senator Hogue**.

**Chairman Cook** – We have a motion and a second for a Do Pass on SB 2301. Ask the clerk to take the roll. (7-0-0)

Carried by **Senator Hogue**.

Date: 1-31-11  
 Roll Call Vote # 1

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES  
 BILL/RESOLUTION NO. 2301

Senate Finance and Taxation Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

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

Motion Made By Senator Dotzenrod Seconded By Senator Hogue

Senators	Yes	No	Senators	Yes	No
Dwight Cook – Chairman	X		Jim Dotzenrod	X	
Joe Miller – Vice Chairman	X		Connie Triplett	X	
Randy Burckhard	X				
David Hogue	X				
Dave Oehlke	X				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Senator Hogue

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

**REPORT OF STANDING COMMITTEE**

**SB 2301: Finance and Taxation Committee (Sen. Cook, Chairman) recommends DO PASS (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2301 was placed on the Eleventh order on the calendar.**

2011 HOUSE FINANCE AND TAXATION

SB 2301

# 2011 HOUSE STANDING COMMITTEE MINUTES

House Finance and Taxation Committee  
Fort Totten Room, State Capitol

SB 2301  
March 2, 2011  
#14828

Conference Committee

Committee Clerk Signature

*May Bruker*

## Explanation or reason for introduction of bill/resolution:

A bill relating to disposition of township funds upon dissolution; and to declare an emergency.

## Minutes:

*No attachments.*

**Senator Cook:** Introduced bill. Support. I would encourage your favorable support of this bill. Early this session we had a bill before us in the Senate Finance and Tax dealing with the flood control money that comes back to North Dakota counties, townships, and school districts based on land that was taken by the federal government for Lake Sacajawea. Current law has the money going back to counties, townships, and school districts based proportionately on the land they lost. We realize that we had some townships out there that lost considerable amounts of land and therefore, they got a considerable amount of dollars with little land left to take care of. One particular township has got somewhere around \$4 million and about 10 miles of roads and about nine families in the township. The question that was asked in the committee was "Could these townships give the money to the counties?" I went to Counsel to pursue that question and the Attorney General's opinion was that they could but they need statutory authority and so we have another bill that gives them that statutory authority. I also asked the question if there was any way they could give this money back to the residents to the township and we found out they could but they would first have to dissolve. The rule for dissolution for townships is they can only dissolve at the annual meeting and the only time they can have an annual meeting is the second or third Thursday in March. We didn't think it would be a wise idea for the money to go to townships, counties, or school districts for infrastructure needs and all of a sudden end up in the pockets of nine residents. This bill simply says that if a township dissolves the only money they can distribute back to the residents of the townships is money that came from those residents and basically that would be property taxes. Any other money such as flood control would have to go to the county in which the township was located. You'll see that the bill has an emergency clause and it's our hope to get it to the Governor and get it signed prior to the next opportunity for any township dissolves. I don't think anybody intended for these types of dollars to end up going back to the residents of these townships.

**Chairman Wesley R. Belter:** No further testimony. Closed hearing on SB 2301. I would entertain a motion.

**Representative Bette Grande: I move a Do Pass.**

**Representative Patrick Hatlestad: Seconded.**

**Representative Mark S. Owens:** It says in order to dissolve a township it takes a vote of the majority of the people in the township. So what happens to the \$4 million when five of the nine people say no? Does it just sit there?

**Representative Bette Grande:** The Senator said he has another bill that addresses them being able to give it to the counties. They just need legislation to be able to do that as they currently can't. Now they could do the dissolving one or they could transfer.

**A roll call vote was taken: YES 11 NO 0 ABSENT 3  
MOTION CARRIED FOR DO PASS AS AMENDED.**

**Representative Patrick Hatlestad will carry HB 2301.**



Date: 3-2-11  
 Roll Call Vote # 1

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
 BILL/RESOLUTION NO. SB 2301

House Finance and Taxation Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

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

Motion Made By Rep. Grande Seconded By Rep. Hatlestad

Representatives	Yes	No	Representatives	Yes	No
Chairman Wesley R. Belter	✓		Scot Kelsh	AB	
Vice Chair. Craig Headland	✓		Shirley Meyer	AB	
Glen Froseth	✓		Lonny B. Winrich	✓	
Bette Grande	✓		Steven L. Zaiser	✓	
Patrick Hatlestad	✓				
Mark S. Owens	✓				
Roscoe Streyle	✓				
Wayne Trottier	✓				
Dave Weiler	AB				
Dwight Wrangham	✓				

Total (Yes) 11 No 0

Absent 3

Floor Assignment Rep. Hatlestad

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

**REPORT OF STANDING COMMITTEE**

**SB 2301: Finance and Taxation Committee (Rep. Belter, Chairman) recommends DO PASS (11 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING). SB 2301 was placed on the Fourteenth order on the calendar.**