

2011 SENATE APPROPRIATIONS

SB 2343

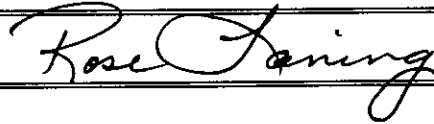
2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee
Harvest Room, State Capitol

SB 2343
February 1, 2011
13750

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A bill to provide for a transfer from the permanent oil tax trust fund to the legacy fund.

Minutes:

You may make reference to "attached testimony."

Chairman Holmberg called the committee hearing to order on SB 2343. Roll call was taken.

Becky J. Keller - Legislative Council; **Joe Morrissette** - OMB.

Senator Randell Christmann, State Senator, District 33

Bill Sponsor

He signed onto the bill very early in session when many people were under the assumption that there would be a lot of money to go around. They considered transferring the funds to the Legacy fund but as they got the Governor's Executive Budget, and found there wasn't as much as anticipated. As they get through the budgeting process, whatever is the remainder, rather than just having it left to be a general fund budget at the end of the biennium, there may be an amount they want to transfer into the legacy fund. If we are able to do the things we need as a state, and meet the needs of the citizens, and have something left over – rather than carry it on the books. Then the legacy fund is a potentially good place to put that money. So he put in the number of \$10M as a point of reference and a place to build on. It will be in the system and keep it alive so if, in the end, there is something to transfer in, we don't have to be attaching it to a random bill. We would have a good avenue for transferring some money over to the fund. The dollar amount was just a number to fill in.

Chairman Holmberg asked him to remind the committee of the accessibility of this money in the legacy fund for the legislature. Would this be locked up until 2017?

Senator Christmann: Yes

Chairman Holmberg: In addition to the money that would go in, the estimate from the Governor's Executive Budget is how much.

Joe Morrissette, OMB: \$613M would be locked up in the legacy fund

Senator Grindberg: Just to clarify, the voters set up the Legacy Fund and a certain percentage of the first \$100M? Becky, could you remind the committee? In the past, the vote of the people puts 30% of all the oil. If we statutorily place money in the fund, is that still under the same requirements as the voters approve?

Becky J. Keller, Legislative Council: I believe so. It says that the principal and the earnings of the legacy fund may not be spent until after June 30, 2017. Then after that, it's no more than 15% of the principal may be spent during a biennium.

Senator Christmann: The thought process simply was that the oil money was the driver. It's not exactly a one-time revenue because we're anticipating it to last awhile, but it can sure change quickly. And we know that it's a one-time harvest. If we get through the session and have more money available than what we need to spend, then this would be a good place to put it away a little further into the future than just next biennium.

Chairman Holmberg: I don't recall the contemplation in the discussion on the measure that the legislature would also be putting money into that. I just thought the people voted to put aside the 30%. They had tried the time before and I can't remember the percentage, but it was more difficult for the legislature to access it down the road.

Sandy Clark, (Lobbyist #68) ND Farm Bureau
Testified in favor of SB 2343. No written testimony.

Farm Bureau was an advocate in the passage of Measure 1 that established the Legacy Fund. This is a very short bill and we believe placing \$10M in the Legacy Fund is a sound financial investment for the state and for the future of the Legacy Fund. We too would support putting in more than \$10M if you find that is possible as you go through your deliberation of appropriations. The first sentence of that measure that went to the voters did say that it allowed for other monies to be placed into the Legacy Fund. I think the voters hopefully knew that when they were voting yes on that measure. We hope you can give SB 2343 a Do Pass recommendation.

Chairman Holmberg closed the hearing on SB 2343.

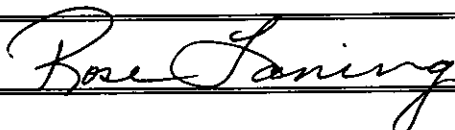
2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee
Harvest Room, State Capitol

SB 2343
February 22, 2011
Job # 14797 (Meter starting at 18:55)

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

This bill is a transfer from the permanent oil tax trust fund to the Legacy Fund.

Minutes:

You may make reference to "attached testimony."

Chairman Holmberg opened the hearing on SB 2343.

Senator Christmann put this bill in hopes that there would be an appetite to save some of the wealth that's coming in to the state. I'm still not sure this is the right amount, but it's do-able amount. It's a holding place until we decide where we want to go. I will support as is – with hopefulness that it passes.

Senator Christmann moved Do Pass on SB 2343.

Senator Bowman seconded.

A Roll Call vote was taken. Yea: 2 Nay: 11 Absent: 0

Senator Warner moved Do Not Pass on SB 2343.

Senator Wardner seconded.

A Roll Call vote was taken. Yea: 10 Nay: 3 Absent: 0

Senator Krebsbach will carry the bill.

Date: 2-22-11
 Roll Call Vote # 1

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. 2343

Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number on SB 2343

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

Motion Made By Christmann Seconded By Bowman

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg		✓	Senator Warner		✓
Senator Bowman	✓		Senator O'Connell		✓
Senator Grindberg		✓	Senator Robinson		✓
Senator Christmann	✓				
Senator Wardner		✓			
Senator Kilzer		✓			
Senator Fischer		✓			
Senator Krebsbach		✓			
Senator Erbele		✓			
Senator Wanzek		✓			

Total (Yes) 2 No 11

Absent 0

Floor Assignment _____

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

Date: 2-22-11
 Roll Call Vote # 2

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. 2343

Senate Appropriations 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 Warner Seconded By Wardner

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Warner	✓	
Senator Bowman		✓	Senator O'Connell	✓	
Senator Grindberg	✓		Senator Robinson	✓	
Senator Christmann		✓			
Senator Wardner	✓				
Senator Kilzer	✓				
Senator Fischer		✓			
Senator Krebsbach	✓				
Senator Erbele	✓				
Senator Wanzek	✓				

Total (Yes) 10 No 3

Absent 0

Floor Assignment Krebsbach

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

REPORT OF STANDING COMMITTEE

SB 2343: Appropriations Committee (Sen. Holmberg, Chairman) recommends **DO NOT PASS** (10 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING). SB 2343 was placed on the Eleventh order on the calendar.