

**FISCAL NOTE**  
**Requested by Legislative Council**  
**01/14/2019**

Bill/Resolution No.: HB 1399

- 1 A. **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.*

	2017-2019 Biennium		2019-2021 Biennium		2021-2023 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>						
<b>Expenditures</b>			\$167,000		\$167,000	
<b>Appropriations</b>			\$167,000		\$167,000	

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2017-2019 Biennium	2019-2021 Biennium	2021-2023 Biennium
<b>Counties</b>			
<b>Cities</b>			
<b>School Districts</b>			
<b>Townships</b>			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

The bill provides for annual legislative sessions

- 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 bill provides that the Legislative Assembly meet for up to 75 days in odd-numbered years and for at least 3 days in even-numbered years. The bill becomes effective on August 1, 2019. Assuming the Legislative Assembly has at least 3 days remaining from the 2019 session, the Legislative would meet for 3 days in 2020. In 2021, the Legislative Assembly would meet for up to 75 days; and in 2022, reconvene for at least 3 days.

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.*

- 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.*

For the 2019-21 biennium, additional costs of an estimated \$265,000 would be incurred for the reconvened session in 2020, but costs for the 2021 regular session would be reduced by an estimated \$98,000 since the Legislative Assembly would meet for a maximum of 75 days rather than the budgeted 77 days. For the 2021-23 biennium, assuming the Legislative Assembly meets for 3 days in 2022 and 75 days in 2023, the estimated additional costs again would be \$167,000. These estimates are based on current legislative compensation rates and mileage and lodging reimbursement rates.

- 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 or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

Appropriation amounts would need to be adjusted to reflect the estimated expenditure amounts shown above.

**Name:** Allen Knudson

**Agency:** Legislative Council

**Telephone:** 328-2916

**Date Prepared:** 01/18/2019

**2019 HOUSE GOVERNMENT AND VETERANS AFFAIRS COMMITTEE**

**HB 1399**

# 2019 HOUSE STANDING COMMITTEE MINUTES

## Government and Veterans Affairs Committee Fort Union Room, State Capitol

HB 1399  
1/24/2019  
31404

- Subcommittee  
 Conference Committee

Committee Clerk Signature Carmen Hart

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

Relating to annually reconvened sessions of the legislative assembly; and to provide for a legislative management study

### Minutes:

Attachment 1, 2

**Chairman Kasper** opened the hearing on HB 1399.

**Rep. Karla Rose Hanson** appeared in support of HB 1399. Attachment 1 (:08-2:57)

**Rep. Schauer:** Is this a 75, 5 cut or this is 80 and an additional 5 days?

**Rep. Hanson:** It would be a split of 75 and 5. It would be no more than 75 and no fewer than 5. It requires a minimum of 5 in an even numbered year.

**Chairman Kasper:** What would the rest of us be doing while the appropriations committee is hearing?

**Rep. Hanson:** I foresee that our interim committees that normally meet every three-month period could meet while the budget committees are meeting and then we could all come together to approve whatever changes the budget committees have recommended.

**Chairman Kasper:** We would be wearing two different hats. We would be on active duty as a legislator and during that time we would meet for interim committee hearings that were ongoing?

**Rep. Hanson:** The bill does not specify this. How it is enacted could be up to leadership and legislative management. The other possibility besides using that time for interim committees to meet would be to come together but not gavel in like we did the first couple days this month so that we could use that time to review budgets, have hearings, but use the five legislative days to come together on the house and senate floor to do the voting.

**Neutral**

**Josh Gallion, State Auditor,** appeared in a neutral position. My comments on 1398 would be the same for this. If we convene an annual legislative session especially focused on budget and a fiscal review, we are concerned that the federal government would remove that grandfathered status and we would be required to conduct the single audit annually and that creates a greater burden on our office where we would need additional staff or look at outsourcing this to a private firm.

**Rep. Schauer:** Five days is a lot different than the 15 days. Why is the concern with the federal government over five days?

**Mr. Gallion:** It is based on annual budgets. If we are meeting to talk about the budgets annually, the federal government could make a determination that ND now is meeting annually and so we will be required to do this audit on an annual basis.

**Chairman Kasper:** We most likely would use the grandfather status.

**Rep. B. Koppelman:** I understand the concern, but I know constitutionally we can save days and call ourselves into special sessions. Are you suggesting that if we had called ourselves back into a special session for an emerging issue, even under that scenario the federal government would consider revoking our grandfather status?

**Mr. Gallion:** I don't think they would do that on a special circumstance. I think what this bill is proposing is that we codify in law that this is what we are going to do every year, and then it would not be perceived as a special circumstance.

**Rep. B. Koppelman:** If the codifying part of the statute was reading where legislature in their odd number session shall not spend more than 75 days of their 80 or some limit that we choose to put on ourselves and not specifying how we would use the remaining days throughout the biennium for emerging needs, that would probably alleviate that concern. Correct?

**Mr. Gallion:** That is a possibility. I don't know how the federal government will respond with this type of legislation, but again my concern is if we send that signal, the auditor's office would lose that ability to conduct that on a biennial basis. There would be cost and workload increases.

**Chairman Kasper:** Write a memo that outlines your concern on these bills. Talk to other agencies to see if they have any similar circumstance like your office.

Chairman Kasper closed the hearing.

**Chairman Kasper:** Attachment 2 was handed out for review.

# 2019 HOUSE STANDING COMMITTEE MINUTES

Government and Veterans Affairs Committee  
Fort Union Room, State Capitol

HB 1399  
1/25/2019  
31513

- Subcommittee  
 Conference Committee

Committee Clerk Signature Carmen Hart

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

Relating to annually reconvened sessions of the legislative assembly; and to provide for a legislative management study

## Minutes:

Chairman Kasper opened the meeting on HB 1399.

**Rep. Schauer made a motion for a DO NOT PASS.**

**Rep. B. Koppelman seconded the motion.**

**Rep. Laning:** The reality is we either have to constitutionally change the 80 days to something longer or simply stay the way it is, because there isn't enough time. I don't know how you can satisfactorily review bills with hearings, etc. in that five-day time frame.

**Vice Chair Steiner:** We have had a special session called, and we had our work done ahead and we rolled in very few days. It is possible for us to get organized.

**Chairman Kasper:** You need three days to open and close a session. If you have a second session of five days, I asked the sponsor if bills were allowed to be sponsored and if we would have crossover, and she said yes. It is impossible to do that process with only five days.

**A roll call vote was taken. 11-3, 0 absent.**

**Rep. Laning will carry the bill.**

Date: 1-25-19  
 Roll Call Vote #: 1

**2019 HOUSE STANDING COMMITTEE  
 ROLL CALL VOTES  
 BILL/RESOLUTION NO. 1399**

House Government and Veterans Affairs Committee

Subcommittee

Amendment LC# or Description: \_\_\_\_\_

Recommendation:  Adopt Amendment  
 Do Pass  Do Not Pass  Without Committee Recommendation  
 As Amended  Rerefer to Appropriations  
 Place on Consent Calendar

Other Actions:  Reconsider  \_\_\_\_\_

Motion Made By Rep. Schauer Seconded By Rep. B. Koppelman

Representatives	Yes	No	Representatives	Yes	No
Chairman Jim Kasper	X		Rep. Pamela Anderson		X
Vice Chair Vicky Steiner		X	Rep. Mary Schneider		X
Rep. Jeff Hoverson	X				
Rep. Craig Johnson	X				
Rep. Daniel Johnston	X				
Rep. Karen Karls	X				
Rep. Ben Koppelman	X				
Rep. Vernon Laning	X				
Rep. Scott Louser	X				
Rep. Karen Rohr	X				
Rep. Austen Schauer	X				
Rep. Steve Vetter	X				

Total (Yes) 11 No 3

Absent 0

Floor Assignment Rep. Laning

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

**REPORT OF STANDING COMMITTEE**

**HB 1399: Government and Veterans Affairs Committee (Rep. Kasper, Chairman)**  
recommends **DO NOT PASS** (11 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING).  
HB 1399 was placed on the Eleventh order on the calendar.

**2019 TESTIMONY**

**HB 1399**

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**House Bill 1399**  
**Government and Veterans Affairs Committee - Jan. 24, 2018**

**Testimony from Rep. Karla Rose Hanson, District 44**

Mr. Chairman and Members of the Committee,

HB 1399 has the same intention as HB 1398: to enable the Legislative Assembly to be more responsive.

Today's world moves fast. Meeting every year instead once of every two years would allow lawmakers to pass necessary policy in a timelier way.

Additionally, while we would still have a two-year budget, meeting every year instead of once every two years would enable lawmakers to be more nimble with any needed budget adjustments.

Besides being more responsive on both policy and budget matters, there are also benefits related to authority. Meeting annually would maintain the authority of the legislative branch to make budget decisions - vs ceding our power to the executive branch to do broad cuts (allotments) when revenues fall. And it would address the concerns about the decision-making authority of the legislature's Budget Section.

We are just one of four states that meet every other year and we are the most limited in days.

House Bill 1399 is a "baby step" annual sessions bill. The idea is that we would operate largely as we do now -- setting a two-year budget, establishing committee assignments for a two-year period, holding interim committee meetings, etc. But we would have to reserve at least five days for the even-numbered year in order to do a budget review and pass any urgent policy.

As I mentioned earlier - as the years have gone by, the ND Legislative Assembly increasingly uses the days it has available. We try to "save days" but we don't. This bill helps us do just that.

HB 1399 also requests that the legislative management consider studying the idea of meeting annually in a way where the days are more equally distributed across the biennium. A study would enable this body to work through the practicalities that I described during my earlier testimony and come to a consensus on the best approach to meeting annually.

I proposed 1399 as an alternative to 1398 -- to enable a small change so our Legislative Assembly can be more responsive on budget and policy matters.

If the committee decides not to pursue HB 1398, I ask for your favorable consideration of HB 1399 instead.

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**ARTICLE IV  
LEGISLATIVE BRANCH**

**Section 1.** The senate must be composed of not less than forty nor more than fifty-four members, and the house of representatives must be composed of not less than eighty nor more than one hundred eight members. These houses are jointly designated as the legislative assembly of the state of North Dakota.

**Section 2.** The legislative assembly shall fix the number of senators and representatives and divide the state into as many senatorial districts of compact and contiguous territory as there are senators. The districts thus ascertained and determined after the 1990 federal decennial census shall continue until the adjournment of the first regular session after each federal decennial census, or until changed by law.

The legislative assembly shall guarantee, as nearly as is practicable, that every elector is equal to every other elector in the state in the power to cast ballots for legislative candidates. A senator and at least two representatives must be apportioned to each senatorial district and be elected at large or from subdistricts from those districts. The legislative assembly may combine two senatorial districts only when a single member senatorial district includes a federal facility or federal installation, containing over two-thirds of the population of a single member senatorial district, and may provide for the election of senators at large and representatives at large or from subdistricts from those districts.

**Section 3.** The legislative assembly shall establish by law a procedure whereby one-half of the members of the senate and one-half of the members of the house of representatives, as nearly as is practicable, are elected biennially.

**Section 4.** Senators and representatives must be elected for terms of four years.

**Section 5.** Each individual elected or appointed to the legislative assembly must be, on the day of the election or appointment, a qualified elector in the district from which the member was selected and must have been a resident of the state for one year immediately prior to that election. An individual may not serve in the legislative assembly unless the individual lives in the district from which selected.

**Section 6.** While serving in the legislative assembly, no member may hold any full-time appointive state office established by this constitution or designated by law. During the term for which elected, no member of the legislative assembly may be appointed to any full-time office that has been created by the legislative assembly. During the term for which elected, no member of the legislative assembly may be appointed to any full-time office for which the legislative assembly has increased the compensation in an amount greater than the general rate of increase provided to full-time state employees.

**Section 7.** The terms of members of the legislative assembly begin on the first day of December following their election.

The legislative assembly shall meet at the seat of government in the month of December following the election of the members thereof for organizational and orientation purposes as provided by law and shall thereafter recess until twelve noon on the first Tuesday after the third day in January or at such other time as may be prescribed by law but not later than the eleventh day of January.

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No regular session of the legislative assembly may exceed eighty natural days during the biennium. The organizational meeting of the legislative assembly may not be counted as part of those eighty natural days, nor may days spent in session at the call of the governor or while engaged in impeachment proceedings, be counted. Days spent in regular session need not be consecutive, and the legislative assembly may authorize its committees to meet at any time during the biennium. As used in this section, a "natural day" means a period of twenty-four consecutive hours.

Neither house may recess nor adjourn for more than three days without consent of the other house.

**Section 8.** The house of representatives shall elect one of its members to act as presiding officer at the beginning of each organizational session.

**Section 9.** If any person elected to either house of the legislative assembly shall offer or promise to give his vote or influence, in favor of, or against any measure or proposition pending or proposed to be introduced into the legislative assembly, in consideration, or upon conditions, that any other person elected to the same legislative assembly will give, or will promise or assent to give, his vote or influence in favor of or against any other measure or proposition, pending or proposed to be introduced into such legislative assembly, the person making such offer or promise shall be deemed guilty of solicitation of bribery. If any member of the legislative assembly, shall give his vote or influence for or against any measure or proposition, pending or proposed to be introduced into such legislative assembly, or offer, promise or assent so to do upon condition that any other member will give, promise or assent to give his vote or influence in favor of or against any other such measure or proposition pending or proposed to be introduced into such legislative assembly, or in consideration that any other member hath given his vote or influence, for or against any other measure or proposition in such legislative assembly, he shall be deemed guilty of bribery. And any person, member of the legislative assembly or person elected thereto, who shall be guilty of either such offenses, shall be expelled, and shall not thereafter be eligible to the legislative assembly, and, on the conviction thereof in the civil courts, shall be liable to such further penalty as may be prescribed by law.

**Section 10.** No member of the legislative assembly, expelled for corruption, and no person convicted of bribery, perjury or other infamous crime shall be eligible to the legislative assembly, or to any office in either branch thereof.

**Section 11.** The legislative assembly may provide by law a procedure to fill vacancies occurring in either house of the legislative assembly.

**Section 12.** A majority of the members elected to each house constitutes a quorum. A smaller number may adjourn from day to day and may compel attendance of absent members in a manner, and under a penalty, as may be provided by law.

Each house is the judge of the qualifications of its members, but election contests are subject to judicial review as provided by law. If two or more candidates for the same office receive an equal and highest number of votes, the secretary of state shall choose one of them by the toss of a coin.

Each house shall determine its rules of procedure, and may punish its members or other persons for contempt or disorderly behavior in its presence. With the concurrence of two-thirds of its elected members, either house may expel a member.

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**Section 13.** Each house shall keep a journal of its proceedings, and a recorded vote on any question shall be taken at the request of one-sixth of those members present. No bill may become law except by a recorded vote of a majority of the members elected to each house, and the lieutenant governor is considered a member-elect of the senate when the lieutenant governor votes.

No law may be enacted except by a bill passed by both houses, and no bill may be amended on its passage through either house in a manner which changes its general subject matter. No bill may embrace more than one subject, which must be expressed in its title; but a law violating this provision is invalid only to the extent the subject is not so expressed.

Every bill must be read on two separate natural days, and the readings may be by title only unless a reading at length is demanded by one-fifth of the members present.

No bill may be amended, extended, or incorporated in any other bill by reference to its title only, except in the case of definitions and procedural provisions.

The presiding officer of each house shall sign all bills passed and resolutions adopted by the legislative assembly, and the fact of signing shall be entered at once in the journal.

Every law, except as otherwise provided in this section, enacted by the legislative assembly during its eighty natural meeting days takes effect on August first after its filing with the secretary of state, or if filed on or after August first and before January first of the following year ninety days after its filing, or on a subsequent date if specified in the law unless, by a vote of two-thirds of the members elected to each house, the legislative assembly declares it an emergency measure and includes the declaration in the Act. Every appropriation measure for support and maintenance of state departments and institutions and every tax measure that changes tax rates enacted by the legislative assembly take effect on July first after its filing with the secretary of state or on a subsequent date if specified in the law unless, by a vote of two-thirds of the members elected to each house, the legislative assembly declares it an emergency measure and includes the declaration in the Act. An emergency measure takes effect upon its filing with the secretary of state or on a date specified in the measure. Every law enacted by a special session of the legislative assembly takes effect on a date specified in the Act.

The legislative assembly shall enact all laws necessary to carry into effect the provisions of this constitution. Except as otherwise provided in this constitution, no local or special laws may be enacted, nor may the legislative assembly indirectly enact special or local laws by the partial repeal of a general law but laws repealing local or special laws may be enacted.

**Section 14.** All sessions of the legislative assembly, including the committee of the whole and meetings of legislative committees, must be open and public.

**Section 15.** Members of the legislative assembly are immune from arrest during their attendance at the sessions, and in going to or returning from the sessions, except in cases of felony. Members of the legislative assembly may not be questioned in any other place for any words used in any speech or debate in legislative proceedings.

**Section 16.** Any amendment to this constitution may be proposed in either house of the legislative assembly, and if agreed to upon a roll call by a majority of the members elected to each house, must be submitted to the electors and if a majority of the votes cast thereon are in the affirmative, the amendment is a part of this constitution.

**Sections 17 and 18. Repealed.**

**Section 19. Renumbered.**

**Sections 20 to 46. Repealed.**

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