

2019 SENATE FINANCE AND TAXATION

SB 2042

2019 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
Lewis and Clark Room, State Capitol

SB 2042
1/7/2019
Job # 30493

- Subcommittee
 Conference Committee

Committee Clerk: Alicia Larsgaard

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to amend and reenact section 57-51-15 of the North Dakota Century Code, relating to reporting requirements for schools and counties receiving oil and gas gross production tax allocations.

Minutes:

Attachments: 1

Chairman Cook: Opened the hearing on SB 2042.

Senator Unruh: I am the Chairman of the Interim Taxation Committee and we kicked out a handful of those that are at committee. One of which is in front of you today, SB 2042. Typically, every interim, the taxation committee receives an annual report from the Tax Commissioner from compiled reports from counties and school districts that receive allocations of oil and gas gross production tax revenues. That report describes that funds that are received and expended and unexpended and tell us how they are expended. The county reports indicated each county and each of their spending. All of the money from the gross production tax went into the general fund which didn't tell the committee a whole lot on how the dollars were expended. Once we figured out that no one was utilizing these reports, we weren't able to garner much information from them. We determined that it was quite possible that the reports weren't useful at all. We learned that revenue allocations are commonly comingled in the political subdivisions general fund, making it nearly impossible for us to figure out. So, we decided to propose a bill to the committee to eliminate the report. There was no opposition during the interim with the proposal elimination of this report and that is why I am standing in front of you today. I would take any questions and Emily is here for questions as well.

Chairman Cook: Senator Unruh, do you have any idea when this was put into code or who has their finger prints on it?

Senator Unruh: We did ask that question but I do not know the answer of the top of my head but Emily will know more than I do.

Emily Thompson: I staffed the interim committee in which this bill came. To answer your question, the reports that retain to the counties, that was put into law in 2009. It was HB1304. The information regarding reporting for school districts, that was put in in 2015, HB 1176.

Chairman Cook: Further testimony in support of 2042?

Senator Dotzenrod: Could I ask Emily a question? If there was a legislator or a citizen that wanted this information, is there a place to go in an agency to find it?

Emily Thompson: The information from the counties can all be requested. None of that is confidential or privileged information. The reports we currently have are currently all linked online to the public that we see in committee.

Aimee Copas: Back in the '15 interims, if you recall, the education five laws passed with going through all of our reporting that was going on at that time with a sincere hope that we would eliminate some of the excessive reporting we were doing. We did not eliminate much, so I wanted to come in and thank the Finance and Tax folks for finding a place where we could eliminate some unnecessary reporting. We want to let you know we support it and we are happy to do any sort of reporting that is a true benefit to the state but if it something that is expending time, we appreciate the opportunity to lessen the work load and keep our focus on our kids. With that I will stand for questions. (Refer to attachment #1).

Chairman Cook: Thank you, Aimee. Further testimony in supports of SB 2042? Any testimony opposed? Emily, can I ask you a question yet? During the interim we also studied a software for finding county budgets information all on the internet, do you know what that was?

Emily Thompson: It was called OpenGov. It was a software platform that allows various political subdivisions and other agencies to upload all the information and allows the users to view it in various manners.

Chairman Cook: We did not do anything with that study did we?

Emily Thompson: No we did not.

Senator Unruh: I think there are a couple of counties who use something else already but we did not do any action on it, we just received the information.

Chairman Cook: Closed the hearing on SB 2042

Senator Unruh: Moved a Do Pass on SB 2042.

Senator Meyer: Seconded.

A Roll Call Vote Was Taken: 6 yeas, 0 nays, 0 absent.

Motion Carried.

Senator Kannianen will carry the bill.

**2019 SENATE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 2042**

Senate Finance and Taxation 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 Unruh Seconded By Meyer

Senators	Yes	No	Senators	Yes	No
Chairman Cook	✓		Senator Dotzenrod	✓	
Vice Chairman Kannianen	✓				
Senator Meyer	✓				
Senator Patten	✓				
Senator Unruh	✓				

Total (Yes) 6 No 0

Absent 0

Floor Assignment Senator Kannianen

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

REPORT OF STANDING COMMITTEE

SB 2042: Finance and Taxation Committee (Sen. Cook, Chairman) recommends DO PASS (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2042 was placed on the Eleventh order on the calendar.

2019 HOUSE FINANCE AND TAXATION

SB 2042

2019 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Fort Totten Room, State Capitol

SB 2042
2/27/2019
32913

- Subcommittee
 Conference Committee

Committee Clerk: Mary Brucker

Explanation or reason for introduction of bill/resolution:

A bill relating to reporting requirements for schools and counties receiving oil and gas gross production tax allocations.

Minutes:

Attachment 1

Chairman Headland: Opened hearing.

Emily Thompson, Legislative Council: Introduced bill. The interim committee learned that the agency responsible for compiling and receiving these reports have not received any outside requests for the reports. On page 9 of the bill it contains overstrikes with subsection 6 and 7 being removed which eliminates the revenue and expenditure reporting requirements for schools and counties that receive oil and gas gross production tax allocations. The committee questioned the utility of the reports. The revenues are commonly comingled in the political subdivisions' general fund making a further determination of the exact purpose for which that special revenue was expended nearly impossible. The committee acknowledged that the state imposes a number of reporting requirements at the local level and thought this could possibly be a report that could be eliminated as there really isn't a request for this information. The county report eliminated in subsection 6 on page 9 was added in 2009 by HB 1304 and the school report was added in 2015 by HB 1176.

Chairman Headland: We passed HB 1066 which reworks the gross production tax formula. The reporting requirements are still in that bill. We now have additional reporting for the new buckets that are for areas outside the oil producing counties. Would it be wise for us to defeat this bill and make sure we get reports from the changes that were made to the gross production tax for oil producing counties? Or should we take out the requirements for all reporting?

Emily Thompson: Depending on how you want the language to read at the end of the day. If there is a direct conflict the bill that passed last would trump. If this bill passed last, then this language would be stripped out. If they can be harmonized, then we would do so. If HB 1066 only changed the countys' reporting details and didn't change any additional school district reporting, if both of these bills passed, only the school district language would be removed because there's no conflict between subdivisions 7 in either bill. It would depend

on if you want to retain that reporting. You could also amend certain things out of HB 1066 to make it align with how you want this to read. You have several options so it just depends on the committee's will and the full House's will to keep receiving these reports if you feel that's valuable information.

Chairman Headland: I wanted to make sure the committee was aware that with HB 1066's passage that is something we're going to want to take a look at.

Representative Ertelt: Is there anywhere else in code that requires the political subdivisions to report specifically on gross production tax? Is that what this current requirement is that it's a report just on the money received from gross production tax?

Emily Thompson: Without doing a full sweep I wouldn't be able to tell you exactly. I would say no since it was added here and likely wouldn't have been added if there were other reporting requirements elsewhere. This requires the reporting on revenues and expenditures. The tax department has the information on the allocation that goes out. The reporting requirement was seeking more information on how that was expended.

Representative Ertelt: You noted there wasn't a lot of requests for that information but could it be because of the comingling that the report doesn't have much impact? If the monies weren't comingled, then they would have more value to say this is where the money was received and expended into this account for this purpose?

Emily Thompson: Yes, likely the reports would have more impact if there was a better way to track the money that wasn't going into the general fund.

Representative Steiner: On page 21 of HB 1066 the state treasurer determines the format of a report and all the reports on how HB 1066 money is going to be spent has to be accounted for. The county that does not provide a report does not get a grant in the future so the county has to use the manner consistent with law.

Chairman Headland: That's for the non-oil producing counties. I think the language is exactly the same in HB 1066 that was overstruck in this bill. The reporting requirement for oil producing counties looks like it remains the same as today. I'm looking on page 15 of the bill.

Representative Steiner: Generally when you change a tax formula the next session they want to have a report to see if it did what it was supposed to do. Then the next session nobody looks at it because they're happy with it. We can always take this out next session.

Senator Unruh: I was the chairman of the interim tax committee. I understand the concerns with the potential new expenditures at the local level. I would suggest that if the same language is included in HB 1066, as the reporting requirement language that was here, we should tweak that to make the reporting useful because it wasn't.

Chairman Headland: You have the bill but we could tweak it in this bill as well.

Senator Unruh: We could do it twice over and hope it sticks. That would be my suggestion to make it useful.

Emily Thompson: It looks like there aren't any changes. If you would like to retain the language, then it would be a matter of which would pass last.

Chairman Headland: We understand there are possibly some changes that would be needed to make it a more usable report. We can work with that. We'll take support for SB 2042. Is there opposition? Seeing none we will close the hearing on SB 2042.

**Additional testimony in support submitted by Dr. Aimee Copas, North Dakota Council of Educational Leaders, see attachment 1.

2019 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
Fort Totten Room, State Capitol

SB 2042
4/2/2019
34448

- Subcommittee
 Conference Committee

Committee Clerk: Mary Brucker

Explanation or reason for introduction of bill/resolution:

Relating to reporting requirements for schools and counties receiving oil and gas gross production tax allocations.

Minutes:

Attachment 1

Chairman Headland: Distributed proposed amendments, see attachment 1, amendment 19.0088.01001. When we passed the prairie dog bill we put some reporting requirements on non-hub cities. The bill was meant to eliminate hub city reporting requirements that didn't really do anything and nobody found them useful. I'm taking another run at some requirements for those hub cities that are somewhat similar to what we had in prairie dog for the non-hub cities. I think it's important that we gather information. I think we should put this amendment on the bill.

Representative Dockter: Made a motion to adopt the amendment .01001.

Representative Blum: Seconded.

Representative Steiner: Does this mirror the non-hub cities' language?

Chairman Headland: I don't know. Emily drafted them. I didn't ask her if they mirrored exactly. I believe it's similar. The expenditures don't mirror exactly but I don't think they have to mirror exactly. The purposes are different. I like the amendment.

Representative Toman: The number of mills is different.

Chairman Headland: We need them to report the number of mills so we know if they're taxing their people fairly.

Representative Steiner: I'm going to resist this. Getting into salaries, equipment and furniture is a bit excessive. Some of these reports are hardly ever looked at. We're doing a revenue distribution stream because we believe they need this money. This looks like we

don't think they really need the money. It will take a lot of time to dig out equipment and furniture. I think it's over the top.

Representative Ertelt: The requirements for the counties and school districts includes those things because they are asking for a statement of revenues and expenditures in current law.

Representative Mitskog: I pulled up Richland County in my area. Their expense budget for 2019 is detailed out with salaries and such. Isn't it cumbersome to sort through this?

Chairman Headland: I don't think it will be very cumbersome.

Representative Steiner: It says that if they don't provide that report they withhold their allocations.

Chairman Headland: I believe those requirements are there for non-hub cities. Why shouldn't they have to do the same?

Representative Dockter: We just want accountability. We're not reaching for things. I think these are reasonable items we should be able to see.

Representative Mitskog: Would these reports go to the treasurer's office?

Chairman Headland: They have to make them available at the website. It's about transparency.

Representative Mitskog: It appears there is some transparency. Who's going to review and sort this information?

Kelly Schmidt, State Treasurer: If this is added to the responsibility from the prairie dog bill then we will be requesting additional monies to our IT so we can do this electronically. I don't have the people to do this.

Chairman Headland: Travis, could you read the reporting requirements associated with hub cities that are currently in prairie dog? This amendment replaces the requirements that are spelled out in prairie dog with something we feel is more useful.

Representative Dockter: If we're already reporting for hub cities, IT has already constructed what needs to be inputted.

Chairman Headland: I'll make sure the House Government Ops is aware what we are doing with this bill. The original bill out of the interim overstruck all the reporting requirement language but it was reapplied in prairie dog; the overstruck was taken off because this bill had not been addressed. If we pass the bill out in its original form, there wouldn't be any requirements for reporting from hub cities. We're trying to make the reports something that might be useful.

Representative Toman: County reporting isn't detailed. It says the amount expended from these allocations and the purpose of so it would have to be furniture if they bought furniture under HB 1066.

Representative Dockter: This amendment is spelling everything out. The other one is a general statement that if you use the dollars for anything you have to spell out what you spent the money on.

Voice Vote: Motion carried.

Chairman Headland: We have amended bill SB 2042.

Representative Blum: Made a motion for a Do Pass As Amended.

Representative Dockter: Seconded.

Chairman Headland: Discussion?

Roll Call Vote: 11 Yes 1 No 2 Absent

Motion carried

Vice Chairman Grueneich will carry this bill.

2019 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Fort Totten Room, State Capitol

SB 2042
4/3/2019
34492

- Subcommittee
 Conference Committee

Committee Clerk: Mary Brucker

Explanation or reason for introduction of bill/resolution:

A bill relating to reporting requirements for schools and counties receiving oil and gas gross production tax allocations.

Minutes:

Attachment 1

Chairman Headland: I may have gotten the cart before the horse on the amendment we adopted yesterday. I would like to bring the bill back and put it into a study resolution.

Representative Dockter: Made a motion to reconsider our actions.

Representative Steiner: Seconded.

Voice Vote: Motion carried.

Chairman Headland: Can we pull the amendment we put on yesterday off the bill?

Representative Steiner: Made a motion to remove the amendment, 19.0088.01001.

Representative Mitskog: Seconded.

Chairman Headland: Distributed proposed amendment, 19.0088.01002, see attachment 1. It was brought to my attention that there is no way the counties across the state are going to be able to comply. We didn't address the treasurer's concern with the funding for her office. I think it's good that we take a look at this during the interim. Our committees have talked about a uniform chart of accounts for several sessions. I think it would make it easier. It would also give us information we could use.

Voice Vote: Motion carried.

Chairman Headland: I provided language for a study. I talked with Senator Cook so we'll put this in a conference committee and see if we can do anything to strengthen it or see if there's anything to add into a study to clarify what we're going to be doing.

Representative Dockter: Made a motion to adopt amendment 19.0088.01002.

Representative Eidson: Seconded.

Representative Dockter: I hope this passes and we can get a study. The same things keep coming up regarding the lack of funding but we need to figure something out. We want to be transparent with the taxpayers so we have to figure something out.

Chairman Headland: That's always been the hurdle. We've never been willing to look at the funding with state dollars; we've always asked the political subs to do it and they aren't going to do it.

Kelly Schmidt, State Treasurer: Once we get the prairie dog bill technology set up and we start seeing what we are able to pull in we'll find out where we're having the gaps. We can work together with a study and our office to identify what we need to do to move forward to get you what you need to do and to help identify what the county needs. We are happy to help in any way we can.

Chairman Headland: The whole idea is to provide transparency and set up a site where people can see where their tax dollars are being spent.

Representative Mitskog: I was initially a bit resistant to having the counties do this but I think a study would be very beneficial. In talking with the counties in previous sessions counties are all over the board in what they have available on their website and what they're reporting to their taxpayers. I think this is good for transparency.

Chairman Headland: In Stutsman County I can go in and see where every dollar goes if I want. They are one of the few counties where you can do that.

Kelly Schmidt: We have some counties when it took us six months to get the senior mill numbers or township road miles. Some of these require a lot of heavy lifting and hand holding.

Representative Mitskog: Why do you think there are such wide differences in the lack of information?

Kelly Schmidt: Each county is allowed to only spend so much. Some counties are wealthier than others. We also don't have the skill set. We always ask ourselves if we are hand holding or enabling this to continue in doing too much for them when we should be doing more to help them do it themselves. We have to get the money out. Back when oil was just coming into the state money was coming in like a firehose and they had no choice but to step out of the box and address it. We still have a lot of counties with turnover which is a real challenge as well.

Voice Vote: Motion carried.

Chairman Headland: We have the amended version of SB 2042 before us.

Representative Blum: Made a motion for a Do Pass As Amended.

Representative Toman: Seconded.

Chairman Headland: Discussion?

Roll Call Vote: 12 Yes 0 No 2 Absent

Motion carried.

Vice Chairman Grueneich will carry this bill.

PROPOSED AMENDMENTS TO SENATE BILL NO. 2042

Page 9, line 9, remove the overstrike over "6-"

Page 9, line 23, after "~~subsection~~" insert "Beginning in 2021, and in each year thereafter, a county that received allocations under this section shall provide to the state treasurer by April thirtieth of each year a report on the use of the funds. The state treasurer shall prescribe the format of the reports and notify counties of the reporting requirement by April first of each year. Upon request, the state treasurer may provide an extension of up to fifteen days for a county to submit the report. The state treasurer shall make the reports submitted by counties publicly available on the state treasurer's website. If a county does not provide the report in a timely manner or in the correct format, the state treasurer shall withhold the allocations to a county's general fund under this section until the county submits the report in the correct format. The report must include the following information based on the most recently completed calendar year:

- a. The county's general fund ending fund balance;
- b. The number of mills the county would need to levy to provide an equivalent amount of revenue to replace the oil and gas tax revenue allocations;
- c. The amount of oil and gas tax revenue allocations received by the county relative to the county's total general fund revenue;
- d. Details on the county's general fund spending based on the following categories:
 - (1) Salaries, wages, benefits, and other personnel expenses;
 - (2) Operating and administrative expenses;
 - (3) Equipment and furniture;
 - (4) Capital projects, including buildings, roads, and other infrastructure;
 - (5) Debt repayments;
 - (6) Special programs or projects; and
 - (7) Transfers to other county funds; and
- e. Descriptions of any infrastructure project completed in part or in whole with the oil and gas tax revenue allocations received by the county"

Page 9, line 23, remove the overstrike over the overstruck period

Renumber accordingly

PROPOSED AMENDMENTS TO SENATE BILL NO. 2042

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for a legislative management study of developing a uniform county system of accounting."

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. LEGISLATIVE MANAGEMENT STUDY - UNIFORM COUNTY SYSTEM OF ACCOUNTING. During the 2019-20 interim, the legislative management shall consider studying the feasibility and desirability of developing standard procedures and classification of accounts to provide a means of accumulating financial information that is uniform for all counties, regardless of the county's size or various approaches to budgeting and accounting which may be in use, with the objective of achieving uniformity of financial information to guide preparation of financial reports required by law. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-seventh legislative assembly."

Renumber accordingly

Date: 4-2-19
Roll Call Vote #: 1

2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2042

House Finance and Taxation Committee

Subcommittee

Amendment LC# or Description: 19.0088.01001 - reporting requirements

- 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 Dockter Seconded By Rep Blum

Representatives	Yes	No	Representatives	Yes	No
Chairman Headland			Representative Eidson		
Vice Chairman Grueneich			Representative Mitskog		
Representative Blum					
Representative Dockter					
Representative Ertelt					
Representative Fisher					
Representative Hatlestad					
Representative Kading					
Representative Koppelman					
Representative Steiner					
Representative Toman					
Representative Trottier					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Voice Vote = Motion carries.

Date: 4-2-19
Roll Call Vote #: 2

2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2042

House Finance and Taxation Committee

Subcommittee

Amendment LC# or Description: 19.0088.01001

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. Blum Seconded By Rep. Dockter

Representatives	Yes	No	Representatives	Yes	No
Chairman Headland	X		Representative Eidson	X	
Vice Chairman Grueneich	X		Representative Mitskog	X	
Representative Blum	X				
Representative Dockter	X				
Representative Ertelt	X				
Representative Fisher	X				
Representative Hatlestad	X				
Representative Kading	A				
Representative Koppelman	A				
Representative Steiner		X			
Representative Toman	X				
Representative Trottier	X				

Total (Yes) 11 No 1

Absent 2

Floor Assignment Rep. Grueneich

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

Date: 4-3-19
Roll Call Vote #: 1

2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2042

House Finance and Taxation 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. Dockter Seconded By Rep. Steiner

Representatives	Yes	No	Representatives	Yes	No
Chairman Headland			Representative Eidson		
Vice Chairman Grueneich			Representative Mitskog		
Representative Blum					
Representative Dockter					
Representative Ertelt					
Representative Fisher					
Representative Hatlestad					
Representative Kading					
Representative Koppelman					
Representative Steiner					
Representative Toman					
Representative Trottier					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Voice Vote = Motion carried.

Date: 4-3-19
Roll Call Vote #: 2

2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2042

House Finance and Taxation 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 Remove amendment
19.0088.01001

Motion Made By Rep. Steiner Seconded By Rep. Mitskog

Representatives	Yes	No	Representatives	Yes	No
Chairman Headland			Representative Eidson		
Vice Chairman Grueneich			Representative Mitskog		
Representative Blum					
Representative Dockter					
Representative Ertelt					
Representative Fisher					
Representative Hatlestad					
Representative Kading					
Representative Koppelman					
Representative Steiner					
Representative Toman					
Representative Trottier					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Voice Vote = Motion carried.

Date: 4-3-19
Roll Call Vote #: 3

2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2042

House Finance and Taxation Committee

Subcommittee

Amendment LC# or Description: make it a study 19.0088.01002

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. Dockter Seconded By Rep. Eidson

Representatives	Yes	No	Representatives	Yes	No
Chairman Headland			Representative Eidson		
Vice Chairman Grueneich			Representative Mitskog		
Representative Blum					
Representative Dockter					
Representative Ertelt					
Representative Fisher					
Representative Hatlestad					
Representative Kading					
Representative Koppelman					
Representative Steiner					
Representative Toman					
Representative Trottier					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Voice Vote = Motion carried.

Date: 4-3-19
Roll Call Vote #: 4

2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2012

House Finance and Taxation Committee

Subcommittee

Amendment LC# or Description: 19.0088.01002

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. Blum Seconded By Rep. Toman

Representatives	Yes	No	Representatives	Yes	No
Chairman Headland	X		Representative Eidson	X	
Vice Chairman Grueneich	X		Representative Mitskog	X	
Representative Blum	X				
Representative Dockter	X				
Representative Ertelt	A				
Representative Fisher	X				
Representative Hatlestad	A				
Representative Kading	X				
Representative Koppelman	X				
Representative Steiner	X				
Representative Toman	X				
Representative Trottier	X				

Total (Yes) 12 No 0

Absent 2

Floor Assignment Rep. Grueneich

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

REPORT OF STANDING COMMITTEE

SB 2042: Finance and Taxation Committee (Rep. Headland, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (12 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). SB 2042 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for a legislative management study of developing a uniform county system of accounting.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. LEGISLATIVE MANAGEMENT STUDY - UNIFORM COUNTY SYSTEM OF ACCOUNTING. During the 2019-20 interim, the legislative management shall consider studying the feasibility and desirability of developing standard procedures and classification of accounts to provide a means of accumulating financial information that is uniform for all counties, regardless of the county's size or various approaches to budgeting and accounting which may be in use, with the objective of achieving uniformity of financial information to guide preparation of financial reports required by law. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-seventh legislative assembly."

Renumber accordingly

2019 TESTIMONY

SB 2042



125 Slate Drive STE 7 Bismarck, ND 58503

SB 2042 – Reporting Requirements
Testimony in support
1/7/2019

Good afternoon members of the committee. My name is Dr. Aimee Copas. I serve as the executive director for the North Dakota Council of Educational Leaders representing educational school leaders throughout the state including Superintendents, County Superintendents, Principals, Technology Directors, CTE Directors, REA Directors, Business Officials, and nearly every school leader with the exception of teachers and school board members. I come before you today to testify in support of the bill which would eliminate a reporting requirement that has been identified as being an unnecessary report.

In the 2015-16 interim session, the legislative body in partnership with schools and educational state agencies were charged with identifying all the reporting requirements currently in place in an attempt to uncover reports which are expending valuable FTE time to collect data that is no longer being utilized or is considered relevant by the current governing body of the state. In that interim study, there were many elements of reporting that were deemed questionable, and we are still attempting to eliminate and/or streamline those reporting requirements.

What you have before you today is an additional example of one of those such pieces of reporting that could be eliminated. Our organization fully supports eliminating reporting requirements that are not delivering relevant, utilized, and necessary data in the attempt to provide more time for our **educational** professionals to dedicate their time to the very important task of educating our students.

We encourage a "Do Pass" on this bill.

Thank you for your time.



125 Slate Drive STE 7 Bismarck, ND 58503

#1
SB 2042
2-27-19

SB 2042 – Reporting Requirements
Testimony in support
2/27/2019

Good day members of the committee. My name is Dr. Aimee Copas. I serve as the executive director for the North Dakota Council of Educational Leaders representing educational school leaders throughout the state including Superintendents, County Superintendents, Principals, Technology Directors, CTE Directors, REA Directors, Business Officials, and nearly every school leader with the exception of teachers and school board members. I come before you today to testify in support of the bill which would eliminate a reporting requirement that has been identified as being an unnecessary report.

In the 2015-16 interim session, the legislative body in partnership with schools and educational state agencies were charged with identifying all the reporting requirements currently in place in an attempt to uncover reports which are expending valuable FTE time to collect data that is no longer being utilized or is considered relevant by the current governing body of the state. In that interim study, there were many elements of reporting that were deemed questionable, and we are still attempting to eliminate and/or streamline those reporting requirements.

What you have before you today is an additional example of one of those such pieces of reporting that could be eliminated. Our organization fully supports eliminating reporting requirements that are not delivering relevant, utilized, and necessary data in the attempt to provide more time for our educational professionals to dedicate their time to the very important task of educating our students.

We encourage a “Do Pass” on this bill.

Thank you for your time.

#1
SB 2042
4-2-19

PROPOSED AMENDMENTS TO SENATE BILL NO. 2042

Page 9, line 9, remove the overstrike over "6:"

Page 9, line 23, after "~~subsection~~" insert "Beginning in 2021, and in each year thereafter, a county that received allocations under this section shall provide to the state treasurer by April thirtieth of each year a report on the use of the funds. The state treasurer shall prescribe the format of the reports and notify counties of the reporting requirement by April first of each year. Upon request, the state treasurer may provide an extension of up to fifteen days for a county to submit the report. The state treasurer shall make the reports submitted by counties publicly available on the state treasurer's website. If a county does not provide the report in a timely manner or in the correct format, the state treasurer shall withhold the allocations to a county's general fund under this section until the county submits the report in the correct format. The report must include the following information based on the most recently completed calendar year:

- a. The county's general fund ending fund balance;
- b. The number of mills the county would need to levy to provide an equivalent amount of revenue to replace the oil and gas tax revenue allocations;
- c. The amount of oil and gas tax revenue allocations received by the county relative to the county's total general fund revenue;
- d. Details on the county's general fund spending based on the following categories:
 - (1) Salaries, wages, benefits, and other personnel expenses;
 - (2) Operating and administrative expenses;
 - (3) Equipment and furniture;
 - (4) Capital projects, including buildings, roads, and other infrastructure;
 - (5) Debt repayments;
 - (6) Special programs or projects; and
 - (7) Transfers to other county funds; and
- e. Descriptions of any infrastructure project completed in part or in whole with the oil and gas tax revenue allocations received by the county"

Page 9, line 23, remove the overstrike over the overstruck period

Re-number accordingly

PROPOSED AMENDMENTS TO SENATE BILL NO. 2042

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for a legislative management study of developing a uniform county system of accounting."

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. LEGISLATIVE MANAGEMENT STUDY - UNIFORM COUNTY SYSTEM OF ACCOUNTING. During the 2019-20 interim, the legislative management shall consider studying the feasibility and desirability of developing standard procedures and classification of accounts to provide a means of accumulating financial information that is uniform for all counties, regardless of the county's size or various approaches to budgeting and accounting which may be in use, with the objective of achieving uniformity of financial information to guide preparation of financial reports required by law. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-seventh legislative assembly."

Renumber accordingly