

2019 SENATE POLITICAL SUBDIVISIONS COMMITTEE

SB 2190

2019 SENATE STANDING COMMITTEE MINUTES

Political Subdivisions Committee Red River Room, State Capitol

SB2190
1/18/2019
Job Number 31039

- Subcommittee
 Conference Committee

Committee Clerk: Mary Jo Wocken

Explanation or reason for introduction of bill/resolution:

Relating to reports to township clerks.

Minutes:

Written attachments # 1 Senator Kannianen p.1-3
Written attachment #2 Michael Montsplaisir

Chairman Burckhard opened the hearing on SB2190. All senators are present.

Senator Kannianen, Dist. 4, introduced SB2190. It is a pretty simple bill and I ask for a do pass. Senator Kannianen explained his testimony. Written attachment #1 pages 1-3.

Sen. J. Lee: I am just curious. Approximately how much money are we talking about here? In many cases is money coming in that may help with a little road maintenance and things like that, but how much money would a treasurer ordinarily be sending to the township?

Sen. Kannianen: I know in our township things have sure changed a lot with the oil field coming to town and all the oil tax that comes back now to counties and townships. I know that has changed a lot. Ten to twelve years ago before the oil really came to town you would look at local township would go through maybe \$6,000 or \$8,000 dollars a year and then all of a sudden a county road went through out township that the county and township shared the payment for and it was all assistance from the state and all of a sudden we had \$ 2M go through the account in one year. But on average now, you're looking at maybe for our township not even like \$20,000-\$30,000 a year. A lot of townships are smaller, so it's not a lot of money. Relatively speaking its funding.

Chairman Burckhard: Senator Kannianen, do you know how many townships we have in the state of ND?

Senator Kannianen: You've told me Mr. Chairman, 1400. **Chairman Burckhard:** That's right.

Ms. Donnell Presky: I am with the ND Association of Counties. In that capacity I work directly with the Auditors and Treasurers Associations as their Executive Director. That is who I am representing here today. You have received some testimony from Cass County Auditor Mike Montsplaisir; who did a thorough job in really explaining this matter. (Written attachment #2

from Mr. Mike Montplaisir) He was not in attendance but wanted his testimony on record. It removes redundancy and that the counties are required to distribute all the funds that are received for those townships.

Senator Dotzenrod: Some of this testimony we've got earlier said that any taxes and levies the counties collect for townships are required to be submitted to the respective townships by the 10th of each month. It's my impression that there really isn't a lot of months out of the year when they're getting distributions. They may be getting some road tax money at one time and get mill levy money at another time, and maybe that is about it. I don't know if they have distributions going on to the townships monthly unless there is something going on out in the oil field or something fuel receipts tax money they get regularly. But I was just curious about that. It does seem to me they're not getting a lot of monthly distributions every month.

Ms. Donnell Presky: That is my understanding as well. But I am not doing the job that the 53 county auditors or treasurers are doing so I can't speak directly to that question.

Senator Kannianen: That is a good point to bring up. It's not that they're getting monthly statements from these, not monthly distributions, but anytime there is a distribution, they get a statement and so they know where they are sitting. Any time a county collects anything for a township, it's to immediately by the 10th of the next month go to that township in a statement of where the company's at. So then, they always know where they are sitting and then they know what they've spent.

Chairman Burckhard closed the hearing on SB2190.

Sen. Howard Anderson made a motion for a do pass as not amended on 2190.

Sen. Diane Larson: 2nd it.

Roll call vote: 6-0-0

Carrier: Senator Kannianen

REPORT OF STANDING COMMITTEE

SB 2190: Political Subdivisions Committee (Sen. Burckhard, Chairman) recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2190 was placed on the Eleventh order on the calendar.

2019 HOUSE POLITICAL SUBDIVISIONS

SB 2190

2019 HOUSE STANDING COMMITTEE MINUTES

Political Subdivisions Committee Prairie Room, State Capitol

SB 2190
2/28/2019
Job # 32998

- Subcommittee
 Conference Committee

Committee Clerk Signature	Carmen Hickle
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Explanation or reason for introduction of bill/resolution:

Relating to reports to township clerks

Minutes:

1,2,3

Chairman J. Dockter: Opens the hearing on SB 2190.

Sen. Kannianen: (Handouts #1,2) Introduces the bill.

Rep. Longmuir: This information is already available in most counties by accessing the website on the county, isn't that correct?

Sen. Kannianen: Yes, that is correct.

Kevin Glatt: Burleigh County Auditor: In support of this bill and urges a do pass.

Donnell Preskey: (Handout #3) Association of Counties. Pointed out testimony of Michael Montplaisir in handout #3.

Larry Syverson: North Dakota Township Officers Association in support of this bill.

Chairman J. Dockter: Closed the hearing

Rep. Longmuir: Made a do pass motion.

Rep. Johnson: Second the motion.

Vote yes 14, no 0, absent 0.

Rep. Fegley: Will carry the bill.

Date: 2-28-19
Roll Call Vote #: 1

2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. SB2190

House Political Subdivisions 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. Longmuir Seconded By Rep. Johnson

Representatives	Yes	No	Representatives	Yes	No
Chairman J. Dockter:	/				
Vice Chairman Pyle:	/				
Rep. Ertelt:	/				
Rep. Fegley:	/				
Rep. Hatlestad:	/				
Rep. Johnson	/				
Rep K. Koppelman:	/				
Rep. Longmuir	/				
Rep. Magrum:	/				
Rep. Simons:	/				
Rep. Toman:	/				
Rep. Strinden:	/				
Rep. Adams:	/				
Rep. Guggisberg	/				

Total (Yes) 14 No 0

Absent 0

Floor Assignment Rep. Fegley

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

REPORT OF STANDING COMMITTEE

SB 2190: Political Subdivisions Committee (Rep. Dockter, Chairman) recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2190 was placed on the Fourteenth order on the calendar.

2019 TESTIMONY

SB 2190

SB2190
1-18-19
att #1
p1

Testimony on SB 2190

Senator Jordan Kannianen - District 4

SB 2190 repeals section 11-14-11.

Section 11-14-11

- requires a semi-annual report (February and November) from county treasurers to township clerks regarding the amount of money in the county treasury belonging to the township and the amount in each fund.

Section 11-14-12

- requires a statement be mailed from the county treasurer to the township clerk whenever township funds are remitted by the county treasurer and the amount belonging to each fund.

Section 11-14-16

- requires the county treasurer to remit to the township clerk all funds received from taxes and levies belonging to the township by the 10th of each month.

A statement is required to be mailed any time township funds are remitted.

Any taxes and levies the county collects for townships are required to be submitted to the respective townships by the 10th of each month.

Therefore, is the semi-annual report as required in 11-14-11 needed?

In conversations with county auditors, township officers, the Association of Counties, and the Township Officers Association, all have agreed that Section 11-14-11 can be repealed without any loss in transparency, information, communication, budget knowledge, etc.

As an example, Mountrail County has 49 organized townships, so the repeal of this section would mean 98 statements would not have to be mailed in a calendar year.

Please give SB 2190 a Do Pass recommendation. Thank you.

taxes outstanding and a list of delinquent personal property taxes outstanding in sufficient detail to permit the auditor to complete the auditor's records.

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1.18.19
att #1
p.2

11-14-09. Treasurer's receipts for money received - Copy deposited with auditor.

Whenever the county treasurer receives money, the treasurer shall make out triplicate receipts and shall deliver one copy thereof to the person paying, and deposit one copy thereof with the county auditor at the close of the business day, and retain one copy thereof which shall be filed numerically in the treasurer's office. The county auditor shall charge the county treasurer with the amount of the receipts, and the county treasurer shall enter the amount of the receipts in the treasurer's cash book.

11-14-10. Daily report to auditor - Distribution of funds.

The county treasurer shall prepare a daily statement of all receipts and disbursements and shall transmit a copy of the same to the county auditor together with all warrants and other vouchers paid and duplicate copies of all receipts. The treasurer shall make a distribution on or before the tenth working day of each calendar month to the several county funds and taxing subdivisions of all taxes received and of all other funds that are required by law to be distributed.

11-14-11. Report to township clerks.

The county treasurer, between the fifth and twentieth days of February of each year, shall notify by mail the township clerk of each organized township in the county of the amount of money on hand in the county treasury belonging to the township as of the fifth day of February. Between the fifteenth day of November and the first day of December of each year, the treasurer shall mail a notice to each township clerk stating the amount of money in the county treasury belonging to the township as of the fifteenth day of November. Such notice shall state separately the amount in each fund.

11-14-12. Statement to township clerk of amount paid to township treasurer.

Whenever the county treasurer pays or remits any township funds to a township treasurer, the treasurer shall mail to the township clerk on the day of such remittance a statement of the amount so paid or remitted, separately stating the amount belonging to each fund.

11-14-13. Treasurer's accounts with school districts - Disbursements.

1. The county treasurer shall keep a regular account with each school district in the county. The treasurer shall credit and transfer to such account the amount collected on taxes levied by the governing body of the school district, all sums apportioned to the district by the county superintendent of schools or other authority, and all sums received from the district. The treasurer shall credit the county with all payments made to the business manager of the district and shall distinguish between items paid by apportionment, from county taxes, and from other sources; all payments for redemption of or endorsement upon school district warrants in the collection of taxes; and all items of legal fees for collection and other duties performed.
2. Whenever a school district is authorized by law to be the custodian of its own funds and exercises such authorization, the county treasurer shall remit to such school district the funds for which the school district is custodian on or before the tenth day of each calendar month.

11-14-14. Reports of disbursements of funds to school districts.

Annually, on the first day of July, the county treasurer shall:

1. File with the county superintendent of schools an itemized statement of all funds remitted by the treasurer during the preceding school year to the business manager of each school district in the county.

2. Send to the business manager of each school district in the county an itemized statement of all payments made by the county treasurer to such school district business manager during the preceding school year.

Such statement shall be made in substantial conformity with the forms prepared by the superintendent of public instruction for the annual report of school district business managers.

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att #1
p.3

11-14-15. Receipts and warrants to be delivered to school district business manager.

The county treasurer shall deliver to the business manager of the school district, at the time of making other regular payments to the business manager, a duplicate tax receipt for all amounts credited as an endorsement upon, or in payment of, any school district warrant, and the treasurer shall deliver to such district business manager all warrants which have been redeemed.

11-14-16. When treasurer shall pay over the funds collected.

The county treasurer shall pay over to the treasurer of the state, and to any municipal corporation or organized township, or to any body politic, on the order of the county auditor, all moneys received by the treasurer arising from taxes levied and collected, belonging to the state, or to such municipal corporation or organized township or school district on or before the tenth working day of each calendar month, provided, however, that foundation program allocations shall be made within seven days of receipt, excluding weekends and holidays. If any treasurer willfully and negligently shall fail to settle with the state treasurer at the times and in the manner prescribed by law, the county treasurer shall forfeit to the use of the state the sum of five hundred dollars, such sum to be recovered from the treasurer or the treasurer's sureties on suit brought by the state treasurer in the name of the state. If the state treasurer fails to bring such suit, then any citizen of the state may bring the same.

11-14-17. Treasurer not credited with interest paid unless warrant endorsed.

The county treasurer, on any settlement with the board of county commissioners, shall not be credited with any sum paid for interest on any warrant or order unless, at the time of receiving the same, the treasurer shall have noted on the warrant or order the amount of interest due thereon.

11-14-18. Failure of treasurer to make settlement - Auditor to start suit.

If a county treasurer fails to make return and settlement, or fails to pay over all money with which the treasurer stands charged, at the time and in the manner prescribed by law, the county auditor, on receiving instructions for that purpose from the board of county commissioners of the treasurer's county, shall cause suit to be instituted against the treasurer and the treasurer's sureties, or any of them.

11-14-19. Treasurer not to speculate in county warrants - Penalty.

A county treasurer shall not either directly or indirectly contract for or purchase any warrant or other evidence of indebtedness issued by the county of which the person is treasurer at any discount upon the sum due thereon. If a county treasurer shall contract for or purchase any such warrant or other evidence of indebtedness contrary to the provisions of this section, the treasurer shall forfeit the whole amount due thereon. The forfeiture shall be recovered for the benefit of the county by civil action brought by the state of North Dakota.

11-14-20. Loaning county funds - Penalty.

If any county treasurer shall loan any money belonging to the treasurer's county, with or without interest, or shall use the same for the treasurer's own purposes, the treasurer shall forfeit and pay, for every such offense, not more than five hundred dollars nor less than one hundred dollars. The forfeiture shall be recovered for the benefit of the county in an action brought by the state of North Dakota.

SB 2190
1.18.19
att #2

Written Testimony To
THE SENATE POLITICAL SUBDIVISION COMMITTEE
Thursday, January 17, 2019 by
Michael Montplaisir, Cass County Auditor
Cass County Government

REGARDING SENATE BILL 2190

Mr. Chairman and members of the Senate Political Subdivisions Committee, I am Michael Montplaisir, Cass County Auditor and have been involved in property tax reporting for many years. Senate Bill 2190 is a very simple bill and simply removes a redundant reporting requirement in Chapter 11-14 of the North Dakota Century Code. Section 11-14-11 conflicts with another section of law, 11-14-16, that requires the County Treasurer to pay out all funds collected for a township, and other units of government, by the tenth working date of the following month. NDCC 11-14-16 works well, the County Treasurer remits funds collected in one month in the following month. Requiring another report of the county with a date other than the end of the month is confusing for the entity receiving the report.

As an example, using Stanley Township in Cass County, the County collected \$38,594.79 in January 2018. That amount was remitted to Stanley Township on February 14, 2018. At the same time, the township received a report from the county showing the breakdown of the payment as follows:

Stanley Twp Gen Tax Levy	\$17,743.83	
State Aid Distribution	\$19,320.01	
Twp Road Mileage	<u>\$ 1,530.95</u>	<u>\$38,594.79</u>

These were funds collected in January 2018. If we also reported the amount on hand in the treasury on February 5th we would report an additional \$5,789.11 – the township would not receive these additional funds until March when they would get all of February's collections. The amount of cash on hand with the County Treasurer on February 5th means nothing to the township. What they want to know is how much the county is depositing in their bank account (we pay them electronically) and the source of the funds.

Similarly, in November, we pay to the township the funds collected in October. Again, using Stanley Township in Cass County as the example, we deposited in their account \$26,097.80 on November 15, 2018 and sent them a report showing them the source of funds as follows:

Stanley Twp Gen Tax Levy	\$ 707.79	
State Aid Distribution	\$24,043.40	
Twp Road Mileage	<u>\$ 1,346.61</u>	<u>\$26,097.80</u>

However, if we made a report as of the 15th of November as 11-14-11 requires, we would have sent them an additional report showing \$551.42 – money that will not be deposited in their bank account until December, along with any funds collected from November 16 to November 30.

NDCC 11-14-16 works great, 11-14-11 is an extra report that is not needed and would be confusing if counties reported these amounts to the township.

I urge you to support Senate Bill 2190, repealing NDCC 11-14-11.

#1
2-28-19

Testimony on SB 2190

Senator Jordan Kannianen - District 4

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Any taxes and levies the county collects for townships are required to be submitted to the respective townships by the 10th of each month.

The requirement in 11-14-11 is both redundant and incomplete. Receiving a report showing the amount of funds as of the 5th or 15th of the month does not provide useful information.

In conversations with county auditors, township officers, the Association of Counties, and the Township Officers Association, all have agreed that Section 11-14-11 can be repealed without any loss in transparency, information, communication, budget knowledge, etc.

As an example, Mountrail County has 49 organized townships, so the repeal of this section would mean 98 statements would not have to be mailed in a calendar year.

Please give SB 2190 a Do Pass recommendation. Thank you.

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#2
2-28-19
SB2190

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Written Testimony To
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Thursday, February 28, 2019 by
Michael Montplaisir, Cass County Auditor
Cass County Government

REGARDING SENATE BILL 2190

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