

**Testimony Prepared for the  
Senate Finance and Taxation Committee  
March 16, 2021  
By: Valerie McCloud, Rolette County Auditor**

**RE: House Bill 1449**

**Good morning Chairman Bell and Finance and Taxation Committee Members,**

Valerie McCloud, I submit testimony in support of the above referenced bill.

I come to you today, to seek support for Long-Term financial assistance, as Rolette County has struggled for years to provide the essential services set forth and required by the state.

### **Shortfall in Finances:**

#### **Low Valuation and Taxes:**

- Rolette County has a taxable valuation of 22,154,307. Because approximately  $\frac{1}{4}$  of the acres in the county are non-taxable, this valuation is extremely low for a county with our population. The population is approximately 14,500, the 10<sup>th</sup> largest in the state.
- It is the state that limits the increases to property valuations, and also sets the mill levy limits. While Rolette County levies the maximum in General Fund levy and nearly every other available levy, it does not provide adequate funding for the essential county services. Rolette County is one of the two counties in the state, at the 60 mill maximum levied in the General Fund. This provides about \$1,329,000 in tax revenue. Counties similar in population to Rolette County, have 3-4 times the valuation so are able to levy much less in mills.
- Rolette County has also come to rely heavily on State Revenue Sharing, which has decreased in the last few years, causing budget constraints, as this has been approximately 50% of the income in our General Fund.

### **Additional Revenue considerations:**

- In January, 2020 Rolette County Commission attempted to adopt a Home Rule Charter for a One-Cent Sales tax, which was met with stiff citizen resistance ultimately forcing the commission to abandon the initiative.
- In November, 2018, an initiative to allow the commission to increase the capital improvements levy from 10 mills to 20 mills was rejected by the voters.
- In July 2020, Rolette County temporarily laid off about 10 employees through the summer, including jail staff, Emergency Manager, Tax Director, Deputy Treasurer and Deputy Recorder to try to save \$ so permanent layoffs would not be necessary, as it was predicted that we would be in the red in our General Fund at year end. The Cares Act funding to the county, was able to keep the county in the black in 2020.

## Effects of Revenue Shortfalls:

- With a shortage in operating revenues, Rolette County tries to cut corners to make ends meet. That means that staffing is compromised, in all areas of the county and officials and staff wear more than one hat or job title.
  - Sheriff's Department, operates with Sheriff and 5 deputies, (one dedicated to a contract within a city). This has an effect on Public Safety and crimes rates in the county, which continue to increase. The Sheriff has also served as Jail Administrator.
  - We were forced to build a new jail in 2017, because the old jail would not meet state standards and was not adequate for the number of inmates we had in the county. The operating budget for the new jail, was approximately \$400,000 more than the old jail. Even at that, this was a bare bones budget. Staff was at a minimum, and there were not maintenance contracts for the building. After a death in the jail in June, 2020, DOCR ordered a shutdown, and required additional measures to reopen the jail. These included hiring a separate Jail Administrator, hiring additional Corrections Staff, and additional maintenance contracts for the Jail Facility. The closure of the jail, for approximately 6 months, also had in impact of revenues from housing inmates from other jurisdictions, which Rolette County has relied in to operate the jail.
  - In 2019, the state implemented the SIRN project for improved Interoperability of Radios throughout the state. While the state provided a cost-share of \$1500/radio, it does not include a cost-share for the Public Safety Answering Point Console, of over \$285,000 plus another \$100,000 for a ten-year Console maintenance program and another \$121,000 for sheriff department radios, which does include the state cost-share of \$1,500 per radio. This comes with a price tag approximately \$500,000 to Rolette County, to upgrade the PSAP Console and radios which could hinder public safety because we cannot afford to do this crucial enhancement of our 911 system.

## Cost saving strategies:

- We approached the Governor's office to see what options may be available including Cares Act funding, and jail financing. We were informed that refinance with the Bank of North Dakota for the Jail debt, would not be possible unless the county had additional funding sources. We did receive CARES Act funding for Public Safety salaries, which ultimately saved our county from ending the year in the red in 2020. But going forward, we are struggling with approving a balanced budget for years to come.

## Long term Assistance:

- Going forward without some form of long term assistance, Rolette County is not able to provide all of the state mandated services, as required in each county office. Without other available funding sources we look to the State of North Dakota for assistance. **HB 1449**, will help our county meet the needs of its constituents and provide essential services. The amendments made to the bill reduced the amount of funding available and added a sunset clause. While neither of these amendments are ideal for Rolette County, a long-term solution to our budget constraints is necessary.

Thank you for your time and assistance.