

**1999 SENATE APPROPRIATIONS**  
**SB 2005**

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2005

Senate Appropriations Committee

Conference Committee

Hearing Date 1/14/99

Tape Number	Side A	Side B	Meter #
1		x	1833-2710
2/3/99			708-1,000
Committee Clerk Signature <i>Claudia Anderson</i>			

Minutes:

**SENATOR NAADEN:** Opened the hearing on SB 2005, A BILL for an Act to provide an appropriation for defraying the expenses of the state treasurer; and to amend and reenact section 54-11-13 of the North Dakota Century Code, relating to the salary of the state treasurer.

**KATHI GILMORE:** State Treasurer, to testify in support of SB 2005. (testimony attached) (tape 1, side B, 1835-2215)

**SENATOR SOLBERG:** Thank you for the cooperation you've shown toward the Stockmen's Association in working with them. Have you done any research or contacted the Attorney General's office, etc. to see the agencies that will probably have to deposit moneys with you. Do you have a rough count?

**KATHI GILMORE:** We have met with higher education. Our position has been tell us what you need. It is their job to figure out how they are going to get their money to us. At that point we'll distribute it back. Our end goal is to make it as simple for every agency that deposits with us. We have not had contact with many agencies; they should be coming to us with their proposal. It is their job to determine how to comply with the Constitution and the Supreme Court decision.

**SENATOR SOLBERG:** How about boards and commissions that are created by statute, collect fees from their members, licensing, etc. Are they going to be depositing with your office also? I'm going to ask the Attorney General's office the same thing.

**KATHI GILMORE:** It is my understanding that those are exempt. Any federal dollars are required to come through our office. With the universities for example, if they have bequests or dollars coming into the university itself, those dollars will be required to come through us. If they are deposited with a foundation, those dollars will not.

**SENATOR SOLBERG:** Your estimated turn-back is approximately \$9600. Are you still pretty much on target?

**KATHI GILMORE:** Yes.

**SENATOR ANDRIST:** Where is the state on electronic funds transfer?

**KATHI GILMORE:** My office does all of their transactions with electronic transfer. We do not write checks to subdivisions.

**SENATOR NAADEN:** Closed hearing on SB 2005

2/3/99

tape 708-1000

2-3-99

**SENATOR NETHING:** Reopened the hearing on SB 2005

**ALLEN KNUDSON:** (LC) explained the amendment

**SENATOR NETHING:** Called for the motion on the amendment to SB 2005

**SENATOR NAADEN:** Moved do pass on the amendment to SB 2005

**SENATOR GRINDBERG:** Seconded the motion

**ROLL CALL: 12 YEAS; 2 ABSENT & NOT VOTING**

**MOTION CARRIED ON THE AMENDMENT TO SB 2005**

Yeas: Nething; Naaden; Solberg; Lindaas; Tomac; Robinson; Krauter; St. Aubyn; Grindberg; Holmberg; Kringstad; Bowman

Absent & Not Voting: Tallackson; Andrist

**SENATOR NETHING:** Called for the motion on SB 2005 as amended.

**SENATOR ROBINSON:** Moved do pass SB 2005 as amended.

**SENATOR HOLMBERG:** Seconded the motion.

**ROLL CALL: 12 YEAS; 0 NAYS; 2 ABSENT & NOT VOTING**

**MOTION CARRIED ON SB 2005 AS AMENDED**

Yeas: Nething; Naaden; Solberg; Lindaas; Tomac; Robinson; Krauter; St. Aubyn; Grindberg; Holmberg; Kringstad; Bowman

Absent & Not Voting: Tallackson; Andrist

**CARRIER: SENATOR BOWMAN**

**SENATOR NETHING:** Closed the hearing on SB 2005 (tape 1,000)

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Senate Appropriations Committee

Bill/Resolution Number SB 2005.lwp

Hearing Date ~~1/14/99~~

2/3/99

**SENATOR SOLBERG:** Your estimated turn-back is approximately \$9600. Are you still pretty much on target?

**KATHI GILMORE:** Yes.

**SENATOR ANDRIST:** Where is the state on electronic funds transfer?

**KATHI GILMORE:** My office does all of their transactions with electronic transfer. We do not write checks to subdivisions.

**SENATOR NAADEN:** Closed hearing on SB 2005

**FISCAL NOTE**

Return original and 10 copies)

Bill/Resolution No.: SB 2005 Amendment to: \_\_\_\_\_

Requested by Legislative Council Date of Request: 12-30-98

- Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts.

**Narrative:**

GOVERNOR SCHAFER'S PROPOSED SALARY INCREASE FOR THE STATE TREASURER. COSTS ARE INCLUDED IN SALARY AND WAGES LINE ITEM.

- State fiscal effect in dollar amounts:

	1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
	General Fund	Special Funds	General Fund	Special Funds	General Fund	Special Funds

Revenues:

Expenditures:	0.00	0.00	\$6,821	0.00	\$2,346	0.00
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- What, if any, is the effect of this measure on the appropriation for your agency or department:

- For rest of 1997-99 biennium: 0.00
- For the 1999-2001 biennium: \$6,821
- For the 2001-03 biennium: \$2,346

- County, City, and School District fiscal effect in dollar amounts:

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

If additional space is needed, attach a supplemental sheet.

Signed 

Typed Name KATHI GILMORE

Department STATE TREASURER

Phone Number 328-2643

Date Prepared: JANUARY 7, 1999

Date: 2/3/99  
 Roll Call Vote #: 1

**1999 SENATE STANDING COMMITTEE ROLL CALL VOTES**  
**BILL/RESOLUTION NO. SB 2005**

Senate APPROPRIATIONS Committee

Subcommittee on \_\_\_\_\_  
 or  
 Conference Committee

✓ Legislative Council Amendment Number 98027.0102

Action Taken DO PASS

Motion Made By SENATOR NAADEN Seconded By SENATOR GRINGBERG

Senators	Yes	No	Senators	Yes	No
Senator Nething, Chairman	✓				
Senator Naaden, Vice Chairman	✓				
Senator Solberg	✓				
Senator Lindaas	✓				
Senator Tallackson					
Senator Tomac	✓				
Senator Robinson	✓				
Senator Krauter	✓				
Senator St. Aubyn	✓				
Senator Grindberg	✓				
Senator Holmberg	✓				
Senator Kringstad	✓				
Senator Bowman	✓				
Senator Andrist					

Total (Yes) 12 No 0

Absent 2

Floor Assignment \_\_\_\_\_

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

Date: 2/3/99  
Roll Call Vote #: 1

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. SB 2005

Senate APPROPRIATIONS Committee

Subcommittee on \_\_\_\_\_  
or  
 Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken DO PASS AS AMENDED

Motion Made By SENATOR ROBINSON <sup>Seconded</sup> By SENATOR HOLMBERG

Senators	Yes	No	Senators	Yes	No
Senator Nething, Chairman	✓				
Senator Naaden, Vice Chairman	✓				
Senator Solberg	✓				
Senator Lindaas	✓				
Senator Tallackson					
Senator Tomac	✓				
Senator Robinson	✓				
Senator Krauter	✓				
Senator St. Aubyn	✓				
Senator Grindberg	✓				
Senator Holmberg	✓				
Senator Kringstad	✓				
Senator Bowman	✓				
Senator Andrist					

Total (Yes) 12 No 0

Absent 2

Floor Assignment SENATOR BOWMAN

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

**REPORT OF STANDING COMMITTEE**

**SB 2005: Appropriations Committee (Sen. Nething, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (12 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). SB 2005 was placed on the Sixth order on the calendar.

Page 1, line 10, replace "603,242" with "595,766"

Page 1, line 13, replace "702,321" with "694,845"

Page 1, line 17, replace "sixty" with "fifty-eight", replace "six" with "two", after "sixty-four" insert "sixty-two", and after "2000" insert "fifty-nine thousand four hundred twenty-eight dollars through December 31, 2000"

Page 1, line 18, replace "sixty-two" with "sixty-one", remove the overstrike over "one", remove "four", and replace "twenty-four" with "forty-two"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

DEPARTMENT 120 - STATE TREASURER

SENATE - This amendment makes the following changes:

	EXECUTIVE BUDGET	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$603,242	(\$7,476)	\$595,766
Operating expenses	95,079		95,079
Equipment	4,000		4,000
Total all funds	\$702,321	(\$7,476)	\$694,845
Less special funds			
General fund	\$702,321	(\$7,476)	\$694,845
FTE	7.00	0.00	7.00

Detail of Senate changes to the executive budget include:

	REDUCE COMPENSATION PACKAGE TO 2/2	ADJUST HEALTH INSURANCE COST	DELAY MARKET SALARY ADJUSTMENT TO JANUARY 1, 2001	PROVIDE FOR A MARKET SALARY ADJUSTMENT FOR THE DEPUTY	TOTAL SENATE CHANGES
Salaries and wages	(\$7,952)	\$1,995	(\$3,123)	\$1,604	(\$7,476)
Operating expenses					0
Equipment					0
Total all funds	(\$7,952)	\$1,995	(\$3,123)	\$1,604	(\$7,476)
Less special funds					0
General fund	(\$7,952)	\$1,995	(\$3,123)	\$1,604	(\$7,476)
FTE	0.00	0.00	0.00	0.00	0.00

Senate changes narrative:

In addition to the two percent annual salary increases, funding is included to provide the State Treasurer with a market equity salary increase of \$142.83 per month for the final six months of the biennium. The statutory annual salary for the State Treasurer will be:



**REPORT OF STANDING COMMITTEE (410)  
February 4, 1999 8:50 a.m.**

**Module No: SR-23-1855  
Carrier: Bowman  
Insert LC: 98027.0103 Title: .0200**

Current salary	\$57,120
July 1, 1999	\$58,262
July 1, 2000	\$59,428
January 1, 2001	\$61,142

In addition to the 2 percent annual salary increase, funding is included to provide the deputy treasurer with a market equity salary increase of \$229 per month for the final 6 months of the biennium.

**1999 HOUSE APPROPRIATIONS**

**SB 2005**

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2005

House Appropriations Government Operations Committee

Conference Committee

Hearing Date March 1, 1999

Tape Number	Side A	Side B	Meter #
1	x		12.9-20.0
Committee Clerk Signature <i>Roxanne Kone</i>			

Minutes:

A Bill for an Act to provide an appropriation for defraying the expenses of the state treasurer; and to amend and reenact section 54-11-13 of the North Dakota Century Code, relating to the salary of the state treasurer.

**1A: 12.9 Kathi Gilmore, State Treasurer** Testified in favor of the bill (See attached written testimony).

**1A: 15.7 Rep. Carlisle** asked about alcohol being sold over the Internet and if there is tax collected on the alcohol. She replied that there is currently no jurisdiction over Internet sales and no tax is being collected on alcohol sold on the Internet. Currently, working on coming up with a solution to remedy this problem.

Chairman Byerly closed the hearing on Senate Bill 2005. There was no opposition to the bill.

## General Discussion

- Committee on Committees
- Rules Committee
- Confirmation Hearings
- Delayed Bills Committee
- House Appropriations
- Senate Appropriations
- Other

Date March 5, 1999			
Tape Number	Side A	B Side	Meter #
1	x		3.7-6.7
Committee Clerk Signature <i>Roxanne Kowle</i>			

Minutes:

Chairman Byerly opened the discussion on Senate Bill 2005.

Chairman Byerly commented there was not a tremendous amount of changes in the bill and no amendment requests from Treasurers Office.

Rep. Huether made a motion for a DO PASS. Rep. Carlisle 2nd the motion. On a Roll Call Vote the motion carried.

5 voting Yes

0 voting No

1 voting Absent

Rep. Huether will carry the bill to the full committee.

## General Discussion

- Committee on Committees
- Rules Committee
- Confirmation Hearings
- Delayed Bills Committee
- House Appropriations
- Senate Appropriations
- Other

Date March 16, 1999			
Tape Number	Side A	B Side	Meter #
1		x	10.0-16.1
Committee Clerk Signature <i>Roxanne Kone</i>			

Minutes:

Chairman Dalrymple opened the discussion on Senate Bill 2005.

**1B: 10.6 Rep. Huether** briefly explained the bill to the committee: no changes were made to bill except salary adjustments. Discussion in subcommittee regarding brand inspection program. Moved for a DO PASS. Rep. Carlisle 2nd the motion.

**1B: 12.8 Rep. Dalrymple** asked why there were no amendments/changes to the bill in subcommittee. Rep. Huether replied there is an increase of a number of child support handles (40,000 - 50,000) and an increase in brand inspection handles.

**1B: 13.6 Rep. Byerly** further commented that was kind of the trade off with the Treasurers Office because of the increase in workload. The treasurer was looking for increased staff and the subcommittee decided to stay with the Senate amendments. Rep. Dalrymple asked if the FTE levels are still the same. Rep. Huether replied yes.

On a Roll Call Vote the motion carried.  
17 voting Yes, 1 voting No, 2 voting Absent  
Carrier: Rep. Huether



Date: 3.16.99  
 Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
 BILL/RESOLUTION NO. 2005

House Appropriation Committee \_\_\_\_\_

- Subcommittee on \_\_\_\_\_  
 or  
 Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken DO PASS

Motion Made By Huetner Seconded By Carlisle

Representatives	Yes	No	Representatives	Yes	No
Chairman Dalrymple	✓		Nichols	✓	
Vice-Chairman Byerly	✓		Poolman	✓	
Aarsvold			Svedjan	✓	
Bernstein	✓		Timm	✓	
Boehm	✓		Tollefson		
Carlson	✓		Wentz	✓	
Carlisle	✓				
Delzer		✓			
Gulleson	✓				
Hoffner	✓				
Huether	✓				
Kerzman	✓				
Lloyd	✓				
Monson	✓				

Total (Yes) 17 No 1

Absent 2

Floor Assignment Rep. Huetner

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

REPORT OF STANDING COMMITTEE (410)  
March 16, 1999 10:44 a.m.

Module No: HR-47-4859  
Carrier: Huether  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**

SB 2005, as engrossed: Appropriations Committee (Rep. Dalrymple, Chairman) recommends **DO PASS** (17 YEAS, 1 NAY, 2 ABSENT AND NOT VOTING). Engrossed SB 2005 was placed on the Fourteenth order on the calendar.



**1999 TESTIMONY**

**SB 2005**

TESTIMONY  
SENATE APPROPRIATIONS COMMITTEE  
*SENATE BILL 2005*  
STATE TREASURER KATHI GILMORE  
JANUARY 14, 1999

Mr. Chairman, Members of the Committee. For the record, I am State Treasurer Kathi Gilmore. I am here today to present the 1999-2001 budget for the North Dakota State Treasurer's Office.

As you know, the State Treasurer's Office is a service agency. Our constituency consists of state, county, city and township governments, and the distribution of federal funds. We distribute nearly \$200 million biennially to political subdivisions. We are responsible for the investment of the state's general and special fund revenue, and serve as custodian for over 80 investment accounts.

The State Treasurer also serves as the state liquor administrator responsible for the administration of the wholesale alcoholic beverage and manufacturing industry, along with the microbrew industry in North Dakota.

The duties of our office are numerous, varied, and are carried out by a very small staff.

The proposed budget before you is Governor Schafer's recommendation. I appreciate that Governor Schafer has restored operating expenses to provide funding for our agency to perform statutory duties. While we did request, and were denied, a permanent part-time clerical position, the restoration of this funding provides for a nonpermanent part-time clerical position to prevent the breakdown of infrastructure needed for the segregation of office duties. This segregation is required by law.

As of November 1998, the Department of Human Services began generating through their State Disbursement Unit, 45,000 additional checks each month for child support collections from throughout the state. The program began with one or two counties and should be at full capacity by June 1999. These checks will be signed through the State Treasurer's Office, adding a sizable workload.

Additionally, the North Dakota State Supreme Court ruled in the Billey vs North Dakota Stockman's Association case, that the North Dakota Constitution, Article X, Chapter 12, requires all public monies be paid to the State Treasurer. This ruling will require any agency which handles public money, including federal dollars, to deposit them with the State Treasurer. We are uncertain at this time what impact this will have on our small staff.

Testimony on Senate Bill 2005  
State Treasurer Kathi Gilmore  
Page Two

There are bills that have been introduced this Legislative Session that will have a direct impact on the State Treasurer's Office. For example, House Bill 1048 relating to debt collection may refer all state agency debt collection to the State Treasurer's Office for collection. This bill alone, if passed, will require additional FTE's along with office space, equipment and furniture, and office supplies. It is important to note that the debt collection divisions within Job Service and the Tax Department, for example, each have approximately ten people to collect for their individual agencies.

All of these additional duties and responsibilities create a potential burden on a very small and already busy staff.

The signing of Human Service checks is a known fact that we feel we can handle with the present staff. The Supreme Court Decision on the Billey vs Stockman's case requiring all public money to come through the State Treasurer's Office is also a known fact, however, we won't know the extent of the impact until the end of the legislative session. The real unknown is the impact of House Bill 1048, should it be placed into law.

I would ask you to take all these factors into consideration for the State Treasurer's Office when deliberating on our budget.

I continue to believe each agency should be assessed on an individual basis as to their needs and performance. The State Treasurer's Office must continue to provide the same quality and level of service our constituency has come to expect.

Thank you for your time and consideration.

I will be happy to answer any questions you may have.

TESTIMONY  
HOUSE APPROPRIATIONS COMMITTEE  
*SENATE BILL 2005*  
STATE TREASURER KATHI GILMORE  
MARCH 1, 1999

Mr. Chairman, Members of the Committee. For the record, I am State Treasurer Kathi Gilmore. I am here today to present the 1999-2001 budget for the North Dakota State Treasurer's Office.

As you know, the State Treasurer's Office is a service agency. Our constituency consists of state, county, city and township governments, and the distribution of federal funds. We distribute nearly \$200 million biennially to political subdivisions. We are responsible for the investment of the state's general and special fund revenue, and serve as custodian for over 80 investment accounts.


The State Treasurer also serves as the state liquor administrator responsible for the administration of the wholesale alcoholic beverage and manufacturing industry, along with the microbrew industry in North Dakota.

The duties of our office are numerous, varied, and are carried out by a very small staff.

The proposed budget before you is Governor Schafer's recommendation for operating and equipment and the amended salaries and wages line item. I appreciate that Governor Schafer has restored operating expenses to provide funding for our agency to perform statutory duties. While we did request, and were denied, a permanent part-time clerical position, the restoration of this funding provides for a nonpermanent part-time clerical position to prevent the breakdown of infrastructure needed for the segregation of office duties. This segregation is required by law.

As of November 1998, the Department of Human Services began generating through their State Disbursement Unit, 45,000 additional checks each month for child support collections from throughout the state. The program began with one or two counties and should be at full capacity by June 1999. These checks will be signed through the State Treasurer's Office, adding a sizeable workload.

Additionally, the North Dakota State Supreme Court ruled in the *Billey vs North Dakota Stockman's Association* case, that the North Dakota Constitution, Article X, Chapter 12, requires all public monies be paid to the State Treasurer. This ruling will require any agency which handles public money, including federal dollars, to deposit them with the State Treasurer. We are uncertain at this time what impact this will have on our small staff.



Senate Bill 2005  
State Treasurer Kathi Gilmore  
Page Two

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I would ask you to take all these factors into consideration for the State Treasurer's Office when deliberating on our budget.

I continue to believe each agency should be assessed on an individual basis as to their needs and performance. The State Treasurer's Office must continue to provide the same quality and level of service our constituency has come to expect.

Thank you for your time and consideration.

I will be happy to answer any questions you may have.

