

**1999 SENATE POLITICAL SUBDIVISIONS**

**SB 2028**


1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2028/

Senate Political Subdivisions Committee

Conference Committee

Hearing Date January 7,1999

Tape Number	Side A	Side B	Meter #
SB2028	x		0 to 1,361
Committee Clerk Signature 			

Minutes:

**Chairman Lee:** Committee was called to order

Roll call was taken; all Senators where present and accounted for

**Chairman Lee:** opened the hearing on Senate Bill 2028; A bill relating to local government efficiency planning grants.

Senate Committee clerk reads the short introduction to **Senate Bill 2028**; “A bill for an act to repeal section 54-35.2-02.1

of the North Dakota Century Code, relating to local government efficiency planning grants.

**John Bjornson, Legislative Council,** presented the bill to committee.

**John Bjornson** explained SB2028 and where the bill originated from. He explained that one section of this bill is simply

repealing Section 54-35.2-02.1 of the North Dakota Century Code. The program for Local

Efficiency Planning Grants was

enacted by the 1991 Legislature. This bill set aside \$250,000 in local planning grants. During the 1991-1992 interim,

15 planning grants were made to fifteen applicants for a total of a total of \$198,000.

In 1993 the Legislative assembly appropriated another \$51,000 in grants. These funds were left over from the 1991

appropriations. The 1991 appropriations were used to make available more funds from the 1993-1994

Legislature without having a surplus of funding from 1991. The remaining \$50,000 left over from the 1993-1994

interim was used to provide tool grants to the North Dakota League of Cities, North Dakota Association of Counties.

Each of the Grants made to the cities called for a increased in the efficiency of city governments through consolidation

with county governments, consolidation of services, and changing of city/county boundaries.

The 1993 legislature also provided that

the commission dealing with intergovernmental relations, should extend the fund for further research that would have a statewide

significance.

several grants were given during this 4-6 year period when the grant moneys where in place. The

grant

recipients where required to report periodically to the ACIR (**Advisory Commission on**

**Intergovernmental Relation)**

as far as the city/county progress with the funds and make a final report to the ACIR once the funds where used.

The section of the North Dakota Century Code being repealed, called for the ACIR to report to the Budget Council on an annual

basis regarding the program. All ACIR committee's have reported to the budget council by, February 1, 1997

The grant process has not been reviewed since 1997 and no appropriations have been made to the grant program.

ACIR has determined that no moneys would be made available for these grants in the future.

The Budget Council stated, “

that if no reports were going to be made by the ACIR, should the whole planning grant be repealed or just the reporting section by the ACIR.

The ACIR determined that the whole section should be repealed, getting rid of the whole planning grant program because no

funds had been appropriated to the grant committee

**Written testimony attached.**

No questions were asked by the committee members about **Senate Bill 2028 to John Bjornson**

**Chairman Lee**, opened the floor for testimony for or against **SB 2028**

**Ken Yants, North Dakota County of officers**, testified in support of Senate Bill 2028. **Mr Yants**

A member of the ACIR since its inception. Nominated to the post by Governor Senner to serve on the interim committee in 1986

Mr. Yants feels that the seeds had been planted by the ACIR and the ACIR Committee feels that no additional funding needs to be provided by the Budgeting committee for this bill.

**Senator Kelsh**, questioned **Ken Yants** about the reasoning behind removing the grant from ACIR. Senator Kelsh stated that

the \$250,000 had not been used or our the cities planning big government planning issues.

**Mr. Yants to Senator Kelsh.** Senator Kelsh, the moneys allocated by the ACIR, the first \$197,000 had been used. The criteria

that was set up by the Budget Council was very ridged as to what those dollars went for. Many people wanted the dollars to go for cars, equipment and computers. The ACIR went on to delegate the funds to City and County development for efficiency planning.

Two reports were filed by the ACIR in the last interim that showed the area of cooperation between City and County Government.

This area had been covered quite well according to the ACIR and there was no further need to use additional funds from the grant.

**Testimony ends by Mr. Yants**

**Senator Lee:** directs questions to the council

**Senator Watne:** Why did the thirteen grants go unclaimed?

Mr. Yants: Yes, I do know why. I live in Ramsey county. Ramsey County asked for the grant to study the setting

up of “whole new rule” in the Ramsey County, Devils Lake Area, and were going to use the grant money to help with the

set up of this program. In the interim, before the money was received by the County, they decided not to do the project.

That is why the funds did not get used and Mr. Yants insisted that the funds be returned to the ACIR.

**Senator Lee:** Any other Questions?

**Senator Nelson:** Was the Cass County Rear Wheel Charter, part of this program?

Mr. Yants: Yes, it was part of the funding.

Senator Nelson: So it was part of this funding and the model release program?

Mr. Yants: Yes, not part of the program, but all of the program.

**Senator Lee:** Anyone else to testify in favor of the bill? Anyone opposed to the Bill

**Senator Lee:** Closes Public hearing on the Bill 2028.

**Senator Lee:** Would the Committee wish to act on the bill today?

**Senator Nelson:** Motion to move the Bill

**Senator Watne:** Seconded by Senator **Watne**

**Senator Lee:** Do Pass, any further discussion on Senate Bill 2028

**Roll Call:** 6 yes, 0 no, 0 absent and voting

**Floor Assignment:** Senator Nelson to carry the bill

SR030510  
SB 2028 1-7-99

Date:  
Roll Call Vote #: SB 2028

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

Senate Political Subdivisions Committee Committee

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

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

Action Taken \_\_\_\_\_

Motion Made By Nelson Seconded By Watne

Senators	Yes	No	Senators	Yes	No
Senator Lee (Chairman)	/				
Senator Lyson (Vice-Chaiman)	/				
Senator Flakoll	/				
Senator Watne	/				
Senator Kelsh	/				
Senator Nelson	/				

Total (Yes) 6 No 0

Absent 0

Floor Assignment Sen. Nelson

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

Sen. Nelson Will carry bill

REPORT OF STANDING COMMITTEE (410)  
January 7, 1999 11:42 a.m.

Module No: SR-03-0370  
Carrier: C. Nelson  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**

**SB 2028: Political Subdivisions Committee (Sen. Lee, Chairman) recommends DO PASS**  
(6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2028 was placed on the  
Eleventh order on the calendar.



**1999 HOUSE POLITICAL SUBDIVISIONS**

**SB 2028**

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2028

House Political Subdivisions Committee

Conference Committee

Hearing Date 2-11-99

Tape Number	Side A	Side B	Meter #
1	x		1.0-6.5
Committee Clerk Signature <i>Pam Oliver</i>			

Minutes: BILL SUMMARY: Relating to local government efficiency planning grants. Rep. Glassheim opened the hearing on SB 2028 with all committee members present except Rep. Ekstrom and Rep. Disrud.

John Bjornson, Leg. Council : testified in support of the bill and explained why it is needed.

There were no question and no more testimony for or against this bill. Hearing closed.

The committee wished to take action now. Vice Chair Maragos made a motion of DO PASS and Rep. Severson seconded the motion.

ROLL CALL VOTE: 13 YES and 0 NO with 2 ABSENT. Passed. Vice Chair Maragos will carry the bill.

Please type or use black pen to complete

Date 2-11-99

Roll call vote # 1

### 1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. SB 2028

House POLITICAL SUBDIVISIONS Committee

- Subcommittee on \_\_\_\_\_
  - Conference Committee
- } Identify or check where appropriate

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

Action Taken Do Pass

Motion Made By Rep. Maragos Seconded By Rep. Severson

Representatives	Yes	No	Representatives	Yes	No
Chairman Froseth	/		Rep. Wikenheiser	/	
Vice Chair Maragos	/				
Rep. Delmore	/				
Rep. Disrud					
Rep. Eckre	/				
Rep. Ekstrom					
Rep. Glassheim	/				
Rep. Gunter	/				
Rep. Johnson, N.	/				
Rep. Koppelman	/				
Rep. Niemeier	/				
Rep. Rose	/				
Rep. Severson	/				
Rep. Thoreson, B.	/				

Total 13 0  
(Yes) (No)

Absent -2-

Floor Assignment Vice Chair Maragos

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

DO NOT USE HIGHLIGHTER ON ANY FORMS

**REPORT OF STANDING COMMITTEE (410)**  
**February 17, 1999 2:21 p.m.**

**Module No: HR-32-3358**  
**Carrier: Maragos**  
**Insert LC: . Title: .**

**REPORT OF STANDING COMMITTEE**

**SB 2028: Political Subdivisions Committee (Rep. Froseth, Chairman) recommends DO PASS (13 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). SB 2028 was placed on the Fourteenth order on the calendar.**

**1999 TESTIMONY**

**SB 2028**

*Prot*  
*avg L.C.*

**54-35.2-02.1. Local government efficiency planning grants.**

1. The advisory commission on intergovernmental relations shall administer planning grants not exceeding twenty-five thousand dollars per grant to county or city governments, which may be made upon approval of plans intended to increase the efficiency of local government through restructuring of the administration of county or city government, changes in county boundaries including consolidation of counties, or consolidation or sharing of county and city officials or services. The commission may also expend funding directly on behalf of county and city governments for defraying the expenses of research and studies.
2. To be eligible for receipt of a planning grant under this section, a preliminary plan must be submitted to the advisory commission on intergovernmental relations which has been approved by a majority of the members of the governing body of each county and city affected by the plan. The preliminary plan must include:
  - a. Detailed description of the changes that would be studied under the planning grant.
  - b. Substantial evidence that implementation of the changes to be studied would result in improved efficiency of county or city government, and an estimate of any resulting cost savings to taxpayers.
  - c. Analysis of any law, ordinance, or home rule charter change or implementation needed, or election that must be held, to accomplish the proposed plan.
  - d. Substantial evidence that requested planning grant funds are necessary, the amount requested, and any amounts that affected political subdivisions will contribute to the costs of project planning or implementation in money, personnel time, or any other manner.
  - e. The proposed timetable for conducting the necessary phases of the study and implementation.
3. In approving a planning grant under this section, the advisory commission on intergovernmental relations may impose any conditions it deems appropriate including requiring periodic reports, furnishing of matching funds, or requiring submission of periodic requests for release of funds with evidence of completed portions of the project. The advisory commission on intergovernmental relations may terminate funding of a previously approved grant under this section at any time if the commission is dissatisfied with performance or potential of any part of the project. The advisory commission on intergovernmental relations shall report annually to the budget section of the legislative council on the grants distributed to counties and cities.
4. Unexpended grant funds that are returned must be deposited in the state aid distribution fund.

**Source:** S.L. 1991, ch. 601, § 1; 1993, ch. 523, § 1; 1993, ch. 524, § 1.

section 1 of chapter 524, S.L. 1993 is effective March 23, 1993.

**Effective Date.**

The 1993 amendment of this section by

This section became effective July 1, 1991. pursuant to N.D. Const., Art. IV, § 13.

commission members were reluctant to recommend legislation because of inadequate time to consider the idea during this interim.

## **LOCAL GOVERNMENT EFFICIENCY PLANNING GRANTS**

In 1991 the Legislative Assembly enacted legislation that provided for local government efficiency planning grants to be administered by the commission. The grants were funded by an appropriation of \$250,000 from the state aid distribution fund. The legislation created NDCC Section 54-35.2-02.1, requiring the commission to administer the program by making up to a \$25,000 grant to any county or city government that planned to increase the efficiency of local governments through restructuring county or city governments, changing county boundaries including consolidation of counties, or consolidating county and city services. A county or city seeking a planning grant must submit a preliminary plan for consideration by the commission. In approving a planning grant, the commission could impose any conditions it deems appropriate including requiring periodic reports or furnishing of matching funds.

During the 1991-92 interim, the commission adopted guidelines to govern its deliberations on planning grant applications and to provide grant applicants notice of the standards that would be applied in evaluating grant applications. During that interim, the commission awarded local government efficiency planning grants to 15 applicants. The total amount awarded in grants was \$198,558.34. Final reports were received for two of the grant projects.

In 1993 the Legislative Assembly appropriated \$51,400 (basically, the amount remaining from the 1991-93 appropriation) to the commission for local government efficiency planning grants. The Legislative Assembly also provided that the commission be permitted to expend appropriated funds for research and studies of statewide significance. In addition, the Legislative Assembly adopted legislation providing that unexpended planning grant funds are to be returned to the state aid distribution fund.

Of the 13 grant projects pending at the end of the 1991-92 interim, 11 delivered final reports to the commission during the 1993-94 interim. One of the 13 grants went unclaimed. The other grant project was still in progress at the end of the 1993-94 interim. The recipient of that grant provided a final report to the commission in February 1996 and returned to the commission \$1,462.24 in unexpended grant funds and interest earned on those funds.

At the end of the 1993-94 interim, the commission awarded grants in the amount of \$24,999 to the North Dakota League of Cities and the North Dakota Association of Counties. The grant to the North Dakota League of Cities was for a project to establish a computer network among cities and the North Dakota League of Counties. The grant to the North Dakota Association of Counties was to establish a task force to examine automation of the process for reporting statements of full consideration and property transactions, electronic exchange of information between the state and counties to enhance the property tax data base, and the feasibility of electronic mail and other file transfers among the state Tax Commissioner, counties, and cities.

During the 1995-96 interim, the commission received periodic reports from each of those entities regarding the status of the grants. The commission requested the North Dakota League of Cities and the North Dakota Association of Counties to file final reports by February 1, 1997. At its first meeting this interim, the commission received final reports from the North Dakota League of Cities and the North Dakota Association of Counties.

### **Recommendation**

The commission recommends Senate Bill No. 2028 to repeal the local government efficiency planning grant program. The local government efficiency planning grant program has not received an appropriation since the 1993-95 biennium. Although the local government efficiency planning grant program has served an important purpose, the program probably will not receive funding in the future. Therefore, the law establishing the program is no longer necessary.