

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1298

2001 HOUSE GOVERNMENT AND VETERANS AFFAIRS

HB 1298

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1298

House Government and Veterans Affairs Committee

Conference Committee

Hearing Date 1-26-01

Tape Number	Side A	Side B	Meter #
1	X		3922-end
		X	0-1469
		X	2156-3047
Committee Clerk Signature <i>Robin D. Small</i>			

Minutes:

REP. M. KLEIN called the meeting to order, all committee members were present.

In favor:

REP. DEKREY introduces the bill. REP. DEKREY is the sponsor of the bill.

ROBERT L. HALE, SPECTRUM CARE, LLC

Please see attached testimony.

REP. KLEMIN asks about the fiscal note. HALE replies that it should be a third less than that number.

In favor:

JOHN FJELDAHL, PRESIDENT WARD COUNTY FARM BUREAU

Please see attached testimony.

REP. KROEBER asks what would the increased cost be to Ward County? FJELDAHL replies that he is not sure, but it couldn't be that expensive.

Page 2

House Government and Veterans Affairs Committee

Bill/Resolution Number HB 1298

Hearing Date 1-26-01

Neutral:

CONNIE SPRYNZYNATYK, ND LEAGUE OF CITIES

The process of placing a value on every piece of public infrastructure is a monumental undertaking. The larger communities are already working on it. The league of cities are working with the finance officers.

REP. KLEMIN asks about the Gads bee 34 requirements. SPRYNZYNATYK refers to someone else.

EILEEN HOLWEGNER takes the podium, and addresses the committee. HOLWEGNER states that the Gads bee 34 is to capitalize infrastructure. Option to add or opt to do either choice. Significantly changes the way financial statements are prepared, and effects all government agencies.

REP. KLEMIN asks if the task force is compliance with this requirement? HOLWEGNER replies that they are still defining the Gads bee 34.

REP. METCALF asks how many government entities would be phase 1 and 2? HOLWEGNER replies that she is not sure. REP. METCALF asks if most government agencies would be at phase three? HOLWEGNER replies that is just a guess.

REP. GRANDE asks HOLWEGNER to explain the fiscal not to the committee.

REP. M. KLEIN asks about the fiscal impact on the bill and could it possibly double?

HOLWEGNER says that it depends on how intense you would want to audit it.

Opposition:

GREG SUND, CITY OF DICKINSON

SUND states to the committee that he takes this bill very seriously. SUND also talks about funding for depreciation.

Page 3
House Government and Veterans Affairs Committee
Bill/Resolution Number HB 1298
Hearing Date 1-26-01

In favor:

ROBERT HALE stands to the podium to address the committee again. HALE tells the committee that North Dakota is a poor investment and let's do something to change that. Take care of the infrastructure.

JOHN FJELDAHL also talks to the committee again. FJELDAHL wanted to stress some of the same thing that he hit on before.

The hearing was then closed.

Action was taken later that afternoon.

REP. DEVLIN motioned for a DO NOT PASS, seconded by REP. GRANDE. The roll call vote was taken with 15 YES, 0 NO, 0 ABSENT and NOT VOTING. The CARRIER of the bill is REP. HAAS.

HB 1298: DO NOT PASS 15-0-0

CARRIER: REP. HAAS

FISCAL NOTE
 Requested by Legislative Council
 01/17/2001

Bill/Resolution No.: HB 1298

Amendment to:

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$475,000	\$0	\$450,000	\$0
Appropriations	\$0	\$0	\$475,000	\$0	\$450,000	\$0

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0						

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

The bill requires the Governor to appoint an infrastructure audit task force to oversee the performance of audits of the infrastructure of the state. The task force is to employ accounting and financial expertise necessary to properly perform the tasks required by this bill. The bill also requires state agencies, cities, counties and townships to conduct audits of their infrastructure every two years. This fiscal note does not take into account the cost to political sub-divisions.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

None

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The expenditures listed above would be for the task force to employ 2 mid-level accountants, an account technician, and 1 administrative support person, start up costs, and operating expenses. Salaries and benefits are estimated at \$360,000 for the 2001-2003 biennium and \$375,000 for the 2003-2005 biennium. Start-up costs for computers, desks, office supplies, printers, etc. are estimated at \$30,000 with another \$10,000 for asset management software. Routine operating costs of \$75,000 per biennium are included.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Additional general fund appropriations would be needed to fund the bill. The funds are not provided in the Executive Recommendation. It is possible that a much larger expenditure may be necessary to fulfill the mission of this bill.

Name:	Clare Carlson	Agency:	Governor's Office
Phone Number:	328-2200	Date Prepared:	01/25/2001

Date: 1-26-01

Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. NB 1298

House GOVERNMENT AND VETERANS AFFAIRS Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Not Pass

Motion Made By Devlin Seconded By Grande

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN KLEIN	✓		REP KROEBER	✓	
VICE CHAIR GRANDE	✓				
REP BELLEW	✓				
REP BRUSEGAARD	✓				
REP CLARK	✓				
REP DEVLIN	✓				
REP HAAS	✓				
REP KASPER	✓				
REP KLEMIN	✓				
REP MEIER	✓				
REP WIKENHEISER	✓				
REP CLEARY	✓				
REP HUNSKOR	✓				
REP METCALF	✓				

Total (Yes) 15 No 0

Absent _____

Floor Assignment Rep. Haas

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

REPORT OF STANDING COMMITTEE (410)
January 26, 2001 12:01 p.m.

Module No: HR-14-1704
Carrier: Hass
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1298: Government and Veterans Affairs Committee (Rep. M. Klein, Chairman)
recommends **DO NOT PASS** (15 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).
HB 1298 was placed on the Eleventh order on the calendar.

2001 TESTIMONY

HB 1298

TESTIMONY ON HB 1298

January 25, 2001 – Before the Government & Veterans Affairs Committee
Representative Matthew Klein, Chairman (Fort Union Room)

Chairman Klein and members of the Government and Veteran Affairs Committee I appreciate the opportunity to address you today and urge your support for the creation of an infrastructure audit taskforce. It is my hope this taskforce will serve as the vehicle to assist North Dakota in meeting its obligations to comply with the National Standards Board for Government Accounting directive known as GASB – 34.

GASB – 34 is the Government Accounting Standards Board requirement for accounting for public infrastructure. GASB – 34 mandates are obligatory if North Dakota is to qualify for favorable bond ratings when it goes into the bond market for funding to construct, maintain and upgrade infrastructure. It is my understanding that substantial compliance with GSBY is required to be met by 2003.

However, HB 1298 goes beyond the minimal requirements of GASB – 34, in two important ways.

FIRST, it creates a TASKFORCE that would work to identify an accounting format that would be consistent for all political subdivisions in the state. This would significantly reduce the costs of maintaining an ongoing and accurate identification of the public infrastructure in our state.

SECOND, it would not just provide the minimal information required under GASB – 34 of a listing of infrastructure at cost and identified current replacement costs. This bill would take the minimal requirements one step further and identify the current state of maintenance requirements (i.e. deferred maintenance) and provide for identification of reserve balances that would be necessary to provide for maintenance and/or replacement of the capital structures.

SECTION ONE, outlines the make-up of the Taskforce. What is envisioned is a Taskforce that would be made up of volunteer professionals such as people like myself. This taskforce would require the services of one accounting professional and one or two staff members. I have discussed the make-up of this taskforce with Rod Backman director of OMB and believe he has prepared a FISCAL NOTE identifying the anticipated cost of this taskforce.

SECTION TWO, outlines the duties and responsibilities of the taskforce. The first responsibility of the taskforce would be to work with OMB to coordinate with its efforts in complying with GASB - 34 and building on that effort. The taskforce would then work with each political subdivision to assist them in meeting the GASB -34 mandates and incorporating the additional audit requirements outlined in Section Three of this bill, particularly subsection (2) and (3) of Section Three.

SECTION THREE, simply defines the infrastructure items that are to be included in the infrastructure listing, identifies the information required to be provided relative to each identified infrastructure item and how the infrastructure is to be categorized and prioritized.

SECTION FOUR & FIVE, state that the audit information is to be presented to the appropriate legislative body in a manner so that body can make informed decisions regarding provision of funding to improve, maintain, operate and replace the infrastructure which the political subdivision has responsibility.

SECTION SIX, sets out a requirement that the political subdivisions update these audits at least once every 24 months so there is adequate information for the legislative body of each political subdivision to make appropriate budgeting decisions.

As each of you is aware North Dakota is facing a very uncertain economic future. Since 1980 our state has lost over 10,000 people. Over the last 10 years we have had an estimated population gain of 3,400 people. Attached to my testimony is a list of the population figures of all 50 states comparing their growth between the 1990 and 2000 census.

North Dakota is at the bottom of the list. Wyoming with a smaller total population base than North Dakota added over 40,000 people while North Dakota added an estimated 3,400. There are many reasons for this. This is not the appropriate time or place to discuss those reasons in detail. However, unless North Dakota takes steps and begins to do some things differently than it is currently doing the next census will, undoubtedly show our state with a negative growth. This is not necessary.

The proposal I am presenting today in the form of HB 1298 would, I believe be an important step in reversing the image North Dakota now has when it comes to attracting industry to our state.

One of the greatest strengths working in favor of North Dakota is the massive deferred maintenance on public infrastructure in every major metropolitan area in

America. The deferred maintenance is in the BILLIONS of dollars. These jurisdictions have amassed such huge deferred maintenance bills they are unable to even begin to put their infrastructure in minimal working order.

The response of these jurisdictions has been predictable and that response is North Dakota's opportunity. These jurisdictions have attempted to fund their massive deferred maintenance requirements by imposition of huge "impact fees" on business and industry. In many cases these "impact fees" are in the millions of dollars. In King County, Washington the average "impact fee" imposed on an average in city building lot is over \$15,000.

These "impact fees" are placing pressure on thousands of businesses. Those which must or wish to expand, are finding the cost of expansion -- in impact fees alone -- make expansion difficult or impossible. Many are looking elsewhere to build and expand.

If North Dakota's legislature were to adopt and implement HB 1298 we would be the only state in the nation with such a program. Businessmen are astute. They have learned the consequences of government's failure to account for and maintain public infrastructure. They are not interested in locating in jurisdictions that are not seriously dealing with their public infrastructure.

Passing HB 1298 would set North Dakota apart for all other jurisdictions in the nation. This alone will not revive our sagging economic and population woes, however, it will be a major step demonstrating North Dakota's sophistication and understanding of what government's responsibilities are and that North Dakota is serious about meeting those responsibilities.

What this bill would put in place is nothing more than good business management practices. GASB - 34 is recognition of this critical need. HB 1298 would be a step ahead. It's tiny cost would be an invaluable investment in North Dakota's economic future. It would be an investment that would pay extremely large real and image dividends. I don't believe North Dakota can afford to not make this investment in its future.

I urge you to vote DO PASS on HB 1298. If there are any questions I would be pleased to try to answer them.

Presented by:
Robert L. Hale, President
Spectrum Care, LLC
315 South Main,
Minot, North Dakota 58701
701-858-0800 E-mail: bobhulf@ndak.net

North Dakota Population Change Compared to the Nation 1990 - 2000

STATE	APRIL 2000	APRIL 1990	POPULATION CHANGE	PERCENT CHANGE	NO TIMES LARGER THAN NO GROWTH
1 ALABAMA	4,447,100	4,040,389	406,711	10.1%	
2 ALASKA	626,932	660,043	76,889	14.0%	
3 ARIZONA	5,130,632	3,665,339	1,465,293	40.0%	
4 ARKANSAS	2,673,400	2,360,624	322,776	13.7%	
5 CALIFORNIA	33,871,648	29,811,427	4,060,221	13.6%	
6 COLORADO	4,301,261	3,294,473	1,006,788	30.6%	
7 CONNECTICUT	3,405,666	3,287,116	118,460	3.6%	
8 DELAWARE	783,600	666,168	117,432	17.6%	
9 DISTRICT OF COLUMBIA	672,069	608,900	(34,841)	-5.7%	
10 FLORIDA	15,982,378	12,938,071	3,044,307	23.5%	
11 GEORGIA	8,188,463	6,478,149	1,710,304	26.4%	
12 HAWAII	1,211,537	1,108,229	103,308	9.3%	
13 IDAHO	1,293,953	1,008,734	287,219	28.5%	84.48
14 ILLINOIS	12,419,293	11,430,602	988,691	8.6%	
15 INDIANA	6,080,486	5,544,166	536,329	9.7%	
16 IOWA	2,925,324	2,776,831	148,493	5.3%	43.67
17 KANSAS	2,688,418	2,477,688	210,830	8.5%	
18 KENTUCKY	4,041,769	3,686,892	354,877	9.6%	
19 LOUISIANA	4,468,976	4,221,826	247,150	5.9%	
20 MAINE	1,274,923	1,227,928	46,995	3.8%	
21 MARYLAND	5,296,436	4,780,763	515,683	10.8%	
22 MASSACHUSETTS	6,349,097	6,016,426	332,672	5.5%	
23 MICHIGAN	9,938,444	9,296,287	643,157	6.9%	
24 MINNESOTA	4,919,479	4,375,665	543,814	12.4%	169.95
25 MISSISSIPPI	2,844,666	2,676,476	269,081	10.4%	
26 MISSOURI	5,696,211	5,116,901	478,310	9.3%	
27 MONTANA	902,195	799,066	103,130	12.9%	30.33
28 NEBRASKA	1,711,283	1,578,417	132,866	8.4%	39.08
29 NEVADA	1,998,267	1,201,675	796,682	66.3%	
30 NEW HAMSHJIRE	1,235,736	1,109,252	126,484	11.4%	
31 NEW JERSEY	8,414,350	7,747,760	666,600	8.6%	
32 NEW MEXICO	1,819,046	1,515,069	303,977	20.1%	
33 NEW YORK	18,976,467	17,990,778	985,679	5.5%	
34 NORTH CAROLINA	8,049,313	6,632,448	1,416,865	21.4%	
35 NORTH DAKOTA	642,200	638,800	3,400	0.5%	N/A
36 OHIO	11,363,140	10,847,115	506,025	4.7%	
37 OKLAHOMA	3,450,664	3,146,676	306,078	9.7%	
38 OREGON	3,421,399	2,842,337	579,062	20.4%	
39 PENNSYLVANIA	12,281,054	11,882,842	398,212	3.4%	
40 RHODE ISLAND	1,048,319	1,003,464	44,855	4.5%	
41 SOUTH CAROLINA	4,012,012	3,486,310	526,702	15.1%	
42 SOUTH DAKOTA	754,844	696,004	58,840	8.5%	17.31
43 TENNESSEE	5,689,283	4,877,203	812,080	16.7%	
44 TEXAS	20,861,820	16,986,335	3,865,485	22.8%	
45 UTAH	2,233,169	1,722,860	510,319	29.6%	
46 VERMONT	608,327	562,758	45,569	8.1%	
47 VIRGINIA	7,078,616	6,189,197	889,318	14.4%	
48 WASHINGTON	5,894,121	4,866,669	1,027,452	21.1%	
WEST VIRGINIA	1,808,344	1,793,477	14,867	0.8%	
WISCONSIN	5,363,676	4,891,954	471,722	9.6%	
WYOMING	493,782	453,589	40,193	8.9%	11.82
TOTALS	281,422,226	249,792,916	32,629,311	13.1%	

Setting the Stage for Economic Development in North Dakota

The purpose of this paper is to provide an outline of changes/additions in state policy and law needed to make North Dakota a magnet for economic growth and development. This paper will not provide an exhaustive outline of specific legislation necessary nor attempt to identify all areas where policy and legislative initiatives are needed. This paper is intended to present an outline of talking points aimed at identifying steps necessary to make our state attractive to industry.

The following propositions underlie the proposals for the suggested Policy and legislative initiatives which follow.

1. North Dakota's economic future lies in attracting new industry to locate here; it will not prosper unless we expand our industrial base beyond agriculture and energy.
2. We must accurately identify North Dakota's strengths and weaknesses as they relate to the type of economic development our state can best attract.
3. We should define and lay the foundation necessary to help our current population accept and welcome new industry and the growth it brings.
4. Across the United States industries are regulated and taxed in increasingly hostile and aggressive ways by federal, state and local governmental jurisdictions. The tax and regulatory environments in virtually all major metropolitan areas proceed without regard to the legitimacy of the regulations or the legitimacy or fairness of the taxes.
5. North Dakota cannot expect to attract major hi-tech industries, i.e. those that are on the leading edge of medical, computer, communication or other primary research and development initiatives and should not expend its efforts in attempting to do so.
6. Because of its natural resources, geographical location, weather patterns and existing population, North Dakota could be a natural magnet for manufacturing industries.
7. North Dakota cannot successfully attract major industries by offering financial incentives.
8. North Dakota can attract manufacturing industry by providing an environment that does not unnecessarily or unfairly tax, regulate, or discriminate against industry. This, together with clear policy statements and leadership from our state and local governmental units is all that is necessary to bring major manufacturing jobs to our state.
9. North Dakota must attract manufacturing industry jobs if it hopes to retain its population and grow economically. Primary industry jobs in contrast to service industry jobs are those which produce exportable products. Primary industry jobs also provide higher average wages than service industry jobs.
10. North Dakota must not be afraid to step out and stand out as being different from other states. We cannot attract industry and stimulate real economic growth unless we meaningfully distinguish ourselves from other states.
11. Finally, we must be willing to question the status quo in North Dakota and be willing to either change it or not allow it to stand in the way of change.

Proposed policy and legislative initiatives.

To make North Dakota a serious player able to attract meaningful economic development the following initiatives should be addressed through legislative action and/or state policy proclamations.

- . Free market mandatory employer benefit programs, particularly workers' and unemployment compensation programs.
- . Abolish the corporate income tax.
- . Adopt a definitive state policy (and legislation) which defines and protects private property rights as fundamental rights.
- . Clearly identify the proper and primary duties of governmental institutions in North Dakota and fulfill them.
- . Insure governmental entities provide necessary infrastructure to support development. Prohibit government entities from implementing schemes placing the cost of infrastructure development on "newcomers".
- . Protect North Dakota businesses from hyper-technical, unreasonable, and unnecessary federal, state and local government regulatory harassment.
- . Initiate federal tax reform/relief initiatives.
- . Actively and aggressively set forth a state policy on asserting states rights.
- . Set minimum K-12 curriculum focusing on academic subject matter including mandatory critical thinking skills training.

The entire world economy is undergoing what is nothing short of a revolution. Technological development lead by unprecedented advances in communications is leading this revolution.

To compete and take full advantage of the opportunities presented by this revolution requires revolutionary initiatives. We must skillfully take advantage of our strengths while also taking advantage of the errors and mistakes made by our competitors.

North Dakota cannot successfully attract economic development by "buying" it. Nor can it do so by offering selective, piecemeal and short-term "incentives".

North Dakota has a reputation for having hard working, dedicated, stable, families. We are also recognized for being the most homogeneous state in the nation. Our abundant natural resources (specifically water and energy), expansive land areas, four seasons environment, and varied geographical amenities are major assets.

Because of our small population and small cities, we do not suffer from the massive deferred and underdeveloped infra-structure problem plaguing every major metropolitan area in the United States (and most of the rest of the world). This is a significant advantage we have if we chose to compete in attracting major industries to locate here in North Dakota.

Attracting industries to locate here, if that is the choice of state leaders, should include a survey of the problems and challenges those industries confront elsewhere. To the degree we chose to address and remove those problems and challenges, we would establish ourselves as a serious candidate for them to relocate or expand in North Dakota.

The technological revolution mentioned above is significantly impacting all industries. However, manufacturing industries are being impacted in ways unique from other industries. As manufacturing industries are rapidly renovating their production methods and processes, they are undergoing other significant changes. Chief among them are redesigning production facilities, revamping supply lines, and establishing new transportation routes. This is a planning process entailing changes seen as necessary to position themselves to compete and survive as they move into the new century and new economy. Recognition by North Dakota's leaders of these realities is critical to our ability to prosper and thrive as these adjustments by industry are moving forward.

We know private industry is addressing its technological challenges. Only those who do will survive. However, adapting to technological changes is only one of the obstacles industries are confronting as they seek to change and thrive.

The **REGULATORY, TAXING AND LITIGATION** climate pervading the United States today is the most severe obstacle facing industry. It is here that North Dakota has the opportunity to define itself and become a magnet for economic growth and development.

If North Dakota were to affirmatively and positively address the hostile **REGULATORY, TAXING AND LITIGATION** obstacles confronting industry economic opportunities for our state would be virtually unlimited. Rather than concern over dwindling population and a dismal economic future, our challenge would be a positive one. We would be working hand in hand with industry to build a state where our citizens would have meaningful job opportunities, providing family-supporting salaries, in the newest, most-up-to date and healthiest communities in the world.

Other states, particularly in major metropolitan areas, have ignored necessary infra-structure maintenance and development. Now, those metropolitan areas are attempting to remedy their negligence by placing the financial burdens of that negligence on the very industries that spawned their existence. This reality, together with aggressive regulatory initiatives to limit, control, manage and direct when, where, how and if industry can function, is crippling those industries. When this is combined with regulatory requirements to report to an ever-growing number of governmental agencies, virtually every action and decision made by those businesses is constrained in some way and they are significantly hampered in their ability to adapt and compete in an increasingly competitive world environment.

North Dakota has the opportunity to take advantage of the mistakes and hostile environment other states and metropolitan areas have created. If North Dakota's leadership wishes to provide the citizens of our state with economic growth and opportunities, they are there for the taking. We should all hope our elected leaders proceed confidently and aggressively to this end.

Prepared by:
Robert L. Hale, President
Spectrum Care, LLC
315 South Main
Minot, North Dakota 58701
(701) 858-0800
E-mail: bobhnlf@ndak.net

House Bill 1298

Testimony before the Government & Veterans Affairs Committee Representative Matt Klein, Chairman - January 26, 2001

Chairman Klein and members of the Government and Veterans Affairs Committee I would like to speak in support of House Bill 1298. I am a farmer, cabinet builder and currently President of the Ward County Farm Bureau. I am speaking today in all three capacities.

As a farmer and as President of the Ward County Farm Bureau I believe that it is critical we steps to distinguish North Dakota as a forward thinking state. As you are all aware our state is last among all states in population growth. In fact, it appears we will soon be in actual decline. I along with all of you would hope to reverse this trend. To do so, I and the members of the Ward County Farm Bureau believe we must focus on fundamentals. That is what this bill is all about.

Others have addressed the condition of infrastructure in jurisdictions across the nation and the opportunities that presents for us. However, as a small businessman and farmer I also understand the need to care for our capital assets so I can pursue my livelihood and support my family. Our governmental bodies should be no less diligent.

As President of the Ward County Farm Bureau I have presided over many meeting with our board of directors and members. While we are farmers we all recognize the changes that are taking place in the agricultural community. We recognize that North Dakota's future, to be prosperous for our children and us must diversify its economic base and attract industry to this state. Our members discussed this bill and chose to support its introduction here and hope you will support its passage.

Fundamentals are the key to success of any business and we believe that those states, which focus on fundamentals, will, in the long run, be the states of choice for economic growth. This bill will put in place the most basic management tool of all --an accounting of our states capital assets.

This bill does not require any action other than identification, classification and assessment of replacement and maintenance costs of those assets. That information is then required to be presented to those we have elected to oversee and manage those assets. We hope that having this information our officials will be better equipped to make the appropriate spending decisions for the expenditure of our precious tax dollars and as a priority use them to maintain our infrastructure.

We all know one of government's basic responsibilities is to provide for and maintain a viable infrastructure. We also know what without a well maintained and managed infrastructure there can be no economic growth or prosperity.

This bill is a step in the right direction we urge you to vote DO PASS ON HB 1298. Thank you for your time this morning.

John Fjeldahl, President
Ward County Farm Bureau
301 254th Street SW
Berthold, North Dakota
701-725-4386