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10/2/03
Date

2003 HOUSE POLITICAL SUBDIVISIONS

HB 1056

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2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1056

House Political Subdivisions Committee

Conference Committee

Hearing Date: January 10, 2003

| Tape Number | Side A | Side B | Meter # |
|---------------------------|--------|----------------------|----------|
| 1 | X | | 0.0-22.6 |
| | | | |
| | | | |
| Committee Clerk Signature | | <i>Micki Schmidt</i> | 1-13-03 |

Minutes:

REP. GLEN FORSETH: Opened the Political Subdivision Committee hearing on HB 1056.

Roll call: All present. Read the proposed bill to the committee members. Any testimony in favor?

REP. ECKRE: Testified in favor of the bill. (See written testimony #1 by Mayor Duane M.

"Bud" Schmitz) (See written testimony #2 & #3 by Fred Strege) This is the only golf course in North America that shares a golf course with another city.

REP. GLEN FORSETH: What if it's property owned by the city of Breckenbridge, would that take an act of the voters for approval?

CONNIE SPRYNCHYNATYK: Cities do have the ability to receive property, whether it be a gift, in terms of going to a vote of the people.

REP. ECKSTROM: My question has to do with FEMA Destinations. Region 8 is the west side of the Red River, there are two different jurisdictions here. Would there be two applications

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House Political Subdivisions Committee
Bill/Resolution Number **HB 1056**
Hearing Date **JANUARY 10, 2003**

for disaster relief. If Whapeton would own land in Breckenridge, I'm not sure how FEMA would handle it.

REP. SEVERSON: If Fargo expands to the south or north along the Red River, is there a possibility that they can buy property across the river for development or is it strictly for recreational issues?

REP. ECKRE: Yes, right now the Park districts could. Right now as an individual, I could buy a big chunk of Breckenridge for development.

REP. GLEN FORSETH: The first sentence in the amendment should read "the governing body of municipality shall have the call. So this actually deals with municipality.

CONNIE SPRYNCZYNATYK: State law allows the city governing board to create a park district, but once it does, that cuts it loose. (Gave example of city of Bismarck.)

REP. MARAGOS: Are we worried about liability?

CONNIE SPRYNCZYNATYK: Most of the political subdivisions in the state are covered by the ND Insurance Reserve Fund.

REP. KRETSCHMAR: I would like to see the limited language in the bill taken out.

REP. GLEN FORSETH: Any testimony in opposition of HB # 1056? Rep. Kretschmar, and Eckre can work on the bill and bring it back next Thursday, 16th. This meeting is adjourned.

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1056

House Political Subdivisions Committee

Conference Committee

Hearing Date: January 17, 2003

| Tape Number | Side A | Side B | Meter # |
|---|--------|--------|-----------|
| 1 | X | | 34.7-39.9 |
| | | | |
| | | | |
| Committee Clerk Signature <i>Mickie Schmidt</i> | | | 1-27-03 |

Minutes:

(34.7) REP. GLEN FROSETH: We will now open the hearing on HB 1056.

(34.8) REP. WILLIAM KRETSCHMAR: I do propose an amendment to this HB 1056.

This amendment would be: beginning on line 9 after "state", the underlined language following that would be deleted that's in line 9 and 10.

(35.6) REP. GLEN FROSETH: Otherwise delete the words: if located adjacent to a boundary of this state and of the municipality"?

(34.9) REP. WILLIAM KRETSCHMAR: Yes.

(35.0) REP. DALE SEVERSON: I SECOND IT.

(35.1) REP. GLEN FROSETH: We have a motion by Rep. Kretschmar for an amendment. I think we could still take committee action on this even though our Intern is gone.

(35.5) REP. WILLIAM KRETSCHMAR: I'd like to mention to the committee that this would then allow a city then to own land outside of the state of ND.

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House Political Subdivisions Committee
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(36.5) REP. GLEN FROSETH: Rep. Kretschmar, would you make sure that amendment is drafted? Any further discussion by the committee? Hearing none, we have a motion and a 2nd for Rep. Kretschmar's amendment. We'll take a voice vote on that: 14-yes, 0- no, the amendment carries.

(37.0) REP. ANDREW MARAGOS: I MOVE A DO PASS AS AMENDED ON HB 1056.

(37.1) REP. MARY EKSTROM: I SECOND IT.

(37.7) REP. GLEN FROSETH: Any further discussion by the committee? Hearing none, I'll have the clerk call the Roll Call Vote: 14- yes; 0- no; 0- absent. Motion carries. Rep. Kretschmar will carry the Bill.

(39.9) We will close the hearing on HB 1056.

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1056

House Political Subdivisions Committee

Conference Committee

Hearing Date: January 23, 2003

| Tape Number | Side A | Side B | Meter # |
|---|--------|--------|-----------|
| 2 | X | | 13.0-14.1 |
| | | | |
| | | | |
| Committee Clerk Signature <i>Mickie Schmidt</i> | | | 1-27-03 |

Minutes:

TAPE 2: SIDE A:

(13.0) REP. GLEN FROSETH: We will open the hearing on HB 1056. We will go over what was amended on HB 1056.

(13.9) REP. WILLIAM KRETSCHMAR: We amended the Bill so that a North Dakota City can purchase land outside of the state.

(14.1) REP. GLEN FROSETH: It looks like the amendment is in order.

1-27-03
#3

1-27-03 Rep. Kretschmar

30047.0101
Title.

Prepared by the Legislative Council staff for
House Political Subdivisions Committee
January 21, 2003

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1056

Page 1, line 9, remove "if located adjacent to a"

Page 1, line 10, remove "boundary of this state and of the municipality"

Renumber accordingly

Yalosta Rickford
Operator's Signature

10/2/03
Date

Date: 1-17-03

Roll Call Vote #: 2

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1056

House "POLITICAL SUBDIVISION" Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do pass as amended

Motion Made By Rep. Maragos Seconded By Rep. Ekstrom

| Representatives | Yes | No | Representatives | Yes | No |
|-----------------------------|-----|----|-----------------|-----|----|
| Chairman Glen Froseth | ✓ | | | | |
| Vice-Chairman Nancy Johnson | ✓ | | | | |
| Mike Grosz | ✓ | | | | |
| Gil Herbel | ✓ | | | | |
| Ron Iverson | ✓ | | | | |
| William E. Kretschmar | ✓ | | | | |
| Andrew Maragos | ✓ | | | | |
| Dale Severson | ✓ | | | | |
| Alon Wieland | ✓ | | | | |
| Bruce Eckre | ✓ | | | | |
| Mary Ekstrom | ✓ | | | | |
| Carol A. Niemeier | ✓ | | | | |
| Sally M. Sandvig | ✓ | | | | |
| Vonnie Pietsch | ✓ | | | | |

Total (Yes) 14 No 0

Absent 0

Floor Assignment Rep. Kretschmar

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

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10/2/03
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REPORT OF STANDING COMMITTEE (410)
January 29, 2003 4:52 p.m.

Module No: HR-17-1306
Carrier: Kretschmar
Insert LC: 30047.0101 Title: .0200

REPORT OF STANDING COMMITTEE
HB 1056: Political Subdivisions Committee (Rep. Froseth, Chairman) recommends
AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS
(14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1056 was placed on the
Sixth order on the calendar.

Page 1, line 9, remove "if located adjacent to a"

Page 1, line 10, remove "boundary of this state and of the municipality"

Renumber accordingly

(2) DESK, (3) COMM

Page No. 1

HR-17-1306

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2003 SENATE POLITICAL SUBDIVISIONS

HB 1056

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2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1056

Senate Political Subdivisions Committee

Conference Committee

Hearing Date March 13, 2003

| Tape Number | Side A | Side B | Meter # |
|---|--------|--------|-------------|
| 1 | | X | 2012 - 2337 |
| | | X | 4018 - 4415 |
| Committee Clerk Signature <i>Shirley Berg</i> | | | |

Minutes:

CHAIRMAN COOK called the committee to order. All members (6) in attendance.

CHAIRMAN COOK opened the hearing on HB 1056 relating to ownership by a municipality of property located outside this state.

REPRESENTATIVE ECKRE, District 25, Wahpeton, ND, introduced HB 1056. This bill has to do with municipality owning land outside the state. In North Dakota it is illegal for a park district to own land in other states. We are the only golf course in North Dakota that has nine holes in Wahpeton, ND and nine holes in Breckenridge, MN. The Wahpeton side is owned by the City of Wahpeton and the Breckenridge side is owned by the golf club.

Fred Strege, member of Bois de Sioux Golf Club, lawyer and a golfer appeared in support of HB 1056. (See attached testimony)

Connie Spryncznatyk, League of Cities, appeared in support of HB 1056.

No testimony in opposition of HB 1056

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Page 2
Senate Political Subdivisions Committee
Bill/Resolution Number HB 1056
Hearing Date March 13, 2003

CHAIRMAN COOK closed the hearing on HB 1056

Discussion:

SENATOR COOK asked if there was any concerns with HB 1056.

SENATOR JUDY LEE having lived in Wahpeton for ten years and knowing what a really special and unique facility that golf course is with half of it being on either side of the river. She would like to see them to be able do what needs to be done there.

SENATOR JUDY LEE moved a DO PASS on HB 1056.

SENATOR GARY LEE seconded the motion.

Roll call vote: Yes 6 No 0 Absent 0

Carrier: **SENATOR SYVERSON**

REPORT OF STANDING COMMITTEE (410)
March 14, 2003 2:30 p.m.

Module No: SR-46-4842
Carrier: Syverson
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE
HB 1056, as engrossed: Political Subdivisions Committee (Sen. Cook, Chairman)
recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).
Engrossed HB 1056 was placed on the Fourteenth order on the calendar.

(2) DESK, (3) COMM

Page No. 1

SR-46-4842

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LP

2003 TESTIMONY

HB 1056

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Valista Rickford
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10/2/03
Date

H 1

January 8, 2003
Rep. Bruce Eckre
North Dakota House of Representatives
State Capitol
BISMARCK ND 58505

RE: HB 1056

Dear Rep. Eckre:

It has come to my attention that the Political Subdivisions Committee will be considering HB 1056 on Friday, January 10th. The City of Wahpeton urges a recommendation of "do pass."

In Wahpeton's case, the bill will allow our City to obtain title to the Minnesota 9 of the Bois de Sioux Golf Course and ensure that the 18-hole facility continues to exist and to operate economically.

As many of the Committee members are probably aware, spring flooding of the Red River has, unfortunately, become commonplace in its bordering Cities. The necessary clean up and restoration of property usage causes considerable expense. Because the North Dakota side of the golf course property was donated and deeded to the City of Wahpeton (with special conditions that a golf course be created and maintained), much of the flood recovery cost qualifies for reimbursement through FEMA and other federal programs.

The Minnesota property is owned by the golf course and—because it is not municipally owned—its recovery costs do not qualify under the reimbursement programs.

As a result, the golf board has been forced to take out loans and there is considerable concern by the City of Wahpeton that the "back nine" could very well be forfeited in the future. With passage of HB 1056, the City of Wahpeton could take title to all of the golf course property and reimbursement programs could then be provided.

We believe that a well-maintained, 18-hole golf course is a necessary asset to help attract business to our State...it helps make a City a "City." Whenever prospects visit Wahpeton, a trip through the golf course is always high on the agenda and is a major faction in providing a favorable impression of what our City has to offer.

Thank you in advance for your consideration of a "do pass" recommendation for HB 1056.

Very truly yours,

Duane M. "Bud" Schmitz
Mayor

DMS/aa

#2

**SUBMISSION TO POLITICAL SUBDIVISIONS COMMITTEE
JANUARY 10, 2003
BY FRED STREGE, FOR BOIS DE SIOUX GOLF CLUB
RE H.B. 1056**

I cannot attend the committee hearing scheduled for January 10, but I submit these thoughts for the committee members' considerations.

The primary reason for this bill is to facilitate the Bois de Sioux Golf Club's transformation into a true municipal golf course. I am on the Bois de Sioux Golf Club's Board of Directors and I have been for quite some time. I was on the board during the 1997 flood. Our intent is to transfer all our land and assets to the City of Wahpeton so that it may be run as a municipal golf club in every sense of the words.

The reason why this is important has everything to do with the flooding that occurred in 1997 and in other years. 1997 is a representative year in terms of the damage that our club suffers. When the course flooded, our clubhouse was destroyed and half our golf holes had to be rebuilt. We conservatively estimate that rebuilding expenses amounted to over \$1,000,000.00. It was very difficult finding the money to pay for the repair work. We had to borrow over \$500,000 from the SBA and other institutions merely to survive.

Our golf club is located in both Minnesota and North Dakota, with nine holes on each side of the river. The land in North Dakota is owned by the City of Wahpeton and is leased to our golf club. The land in Minnesota is owned by the golf club itself.

When we encountered the flood damages, we were able to receive limited assistance with respect to the damage to the North Dakota land. We received that assistance because the land was titled in the name of the City of Wahpeton. We were disqualified from government and other assistance with respect to Minnesota land.

On top of that, we were disqualified from many other forms of assistance from the private and public sectors because our golf club was considered to be semi-private.

We are seeking to eliminate those problems by consolidating all our assets in the City of Wahpeton's name, i.e. transferring our Minnesota land to the City of Wahpeton. By doing that, we know that in flood years, we will be eligible for assistance. We know that flooding is inevitable. With proper, but limited, assistance, we can keep the golf club viable.

Presently, North Dakota allows park districts to own land in adjacent states. North Dakota law does not allow cities that same luxury. H.B. 1056 is modeled after the park district bill. It only allows city ownership in adjacent states if the land in the adjacent state is immediately adjacent to land owned by the city in the state of North Dakota. It will have very limited effect and will not allow the wholesale acquisition of outstate lands by North Dakota cities. It will serve the same purpose as the park district bill, i.e. it will allow cities to acquire necessary outstate land that will facilitate city services.

Our golf club was formed in the 50's. We have limped along over the years, but we have been able to improve the facilities and host many local and state events. The course is an integral part of our community. Without it, our two communities of Wahpeton and Breckenridge would lose a necessary recreational amenity that most people consider standard fare for a community our size. As you know, our community has a strong manufacturing base. We have people from all over the world working in our community. We have difficulty enticing them to live here. If the golf course can't survive, there is just one more reason for folks to live in Fargo and Fergus Falls.

One might ask why the golf club could not turn over its land to the park district and allow the present park district law to operate as intended. That is a possibility. However, it is not the best alternative in our case. We have a long history in working with the City of Wahpeton. The city already owns our North Dakota side of the course. It also owns our clubhouse. Both the land and the clubhouse are leased to the golf club and operations run quite smoothly.

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#3

If we were to operate under park district control, we would need to unwind our present legal structure and turn over all property to the park district. In a sense, we would need to reinvent the wheel. If the City were in control, all we really need to do is sign and record a deed and expand present lease documents.

We intend the golf club to operate much like a department of the city. It is going to have an independent controlling body that is directly reportable to the city. As such, it will operate as an arm of the city, much like a tourist board or library board or zoo association.

Under our present organizational structure, if we suffer one more flood that is even half as damaging as the 1997 flood, our golf club is going to be out of business. This bill will give our club and city the needed flexibility to keep the course financially sound. We urge its passage. Thank you.

Fred Strega
Bois de Sioux Board Member

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10/2/03
Date



"Fred Strega"
 <fredstrega@702zoom.net>

02/17/2003 10:13 AM

To: "Dwight Cook \((E-mail)\)" <dcook@state.nd.us>, "Gary Lee \((E-mail)\)" <galee@state.nd.us>, "John Syverson \((E-mail)\)" <jsyverson@state.nd.us>, "Judy Lee \((E-mail)\)" <jlee@state.nd.us>, "Linda Christenson \((E-mail)\)" <lchriste@state.nd.us>, "Michael Polovitz \((E-mail)\)" <mpolovit@state.nd.us>
 cc: "Russ Thane \((E-mail)\)" <rthane@state.nd.us>, "Joel Heitkamp \((E-mail)\)" <jheitkam@state.nd.us>, "Bruce Eokre \((E-mail)\)" <beckre@state.nd.us>

Subject: H.B. 1056

Chairman Cook and Committee Members:

My name is Fred Strega. I am a lawyer and a golfer and a member of the Bois de Sloux Golf Club in Wahpeton. Because I am a lawyer, I'm the guy on the golf board who is nominated to discuss H.B. ~~1055~~ with you.

1056

To make a long story short, our golf course has 9 holes in Wahpeton, ND and 9 holes in Breckenridge, MN. The Wahpeton side is owned by the City of Wahpeton and the Breckenridge side is owned by the golf club. The Wahpeton side is leased to the golf club from the City.

In 1997, we had the killer flood and we (golf club and the City) had to spend about \$1,000,000 to bring the golf course back to life (through bonding, loans from the SBA and gifts). Because we owned the MN property, we were considered a semi-private club, and we were eligible for very little government aid (FEMA or otherwise). We were eligible for a limited amount of aid with regard to rebuilding of ND property because the City was the owner.

We can't survive another flood without significant disaster funding. We are working with the Corps of Engineers and Wahpeton and Breckenridge to semi-floodproof our course, but the floodproofing will not be foolproof or a 100% solution. We need to ensure that our club is eligible for aid, whether the aid comes from government or private sources. Accordingly, we want to transfer the MN property to the City of Wahpeton so that all our land is owned by the same governmental entity and then leased back to the club.

Under current ND law, cities cannot own land in other states. Park districts can (only because a similar amendment to the park district powers law was passed a few years ago and that amendment emanated out of Wahpeton also). H.B. 1056 merely allows cities to own land in adjacent states, which will allow us to turn our course into a true municipal golf course owned by one entity.

There is no opposition to our plan. We have visited with the Corps of Engineers, the MN DNR, the City of Breckenridge, the Wahpeton Park Board and whoever else will listen. I haven't heard one negative comment concerning our plan or the law change represented by H.B. 1056.

The House passed this bill 93 - 1. I am hoping that the Senate can do the same.

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10/2/03
 Date

I cannot attend your committee hearing which I understand is coming up on Thursday of this week at 9:00 A.M. If you need any more detail on this from me, please contact me at the below address or phone number or email me your requests.

Thank you for considering these thoughts.

Fred Stregs
Smith & Stregs, Ltd.
321 Dakota Avenue, Box 38
Wehpeton, ND 58074-0038
(701) 842-2888 (phone)
(701) 842-4729 (fax)
fredstregs@702com.net
www.smithstregs.com

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