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DESCRIPTION

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10/2/03
Date

2003 HOUSE JUDICIARY

HB 1073

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Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1073

House Judiciary Committee

Conference Committee

Hearing Date 1-20-03

Tape Number	Side A	Side B	Meter #
1		xx	9-12
Committee Clerk Signature <i>A. Penrose</i>			

Minutes: 12 members present, 1 member absent (Rep. Bernstein)

Chairman DeKrey: We will open the hearing on HB 1073.

Dave Krabbenhoft, Fiscal Director, Dept. of Corrections & Rehabilitation: (see attached testimony)

Chairman DeKrey: Any questions?

Rep. Delmore: What is the amount in the account to be rolled over into the Roughrider Industries.

Mr. Krabbenhoft: The funds have been and continue to be deposited into the Industries Fund. They never were in the Land Fund.

Rep. Delmore: So there isn't any money in the Land Fund at this point.

Mr. Krabbenhoft: We do deposit funds into the Land Fund, from the gravel pit, from the land leases owned by the department. We use those funds were capital projects in the budget. There is about \$80,000 in this budget that we propose to use for capitol projects.

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House Judiciary Committee
Bill/Resolution Number HB 1073
Hearing Date 1-20-03

Rep. Delmore: I find it interesting that you have been doing this since 1987, and it wasn't until the audit of 2001 that they realized that you were putting it into the wrong account.

Mr. Krabbenhoft: That's true. It depends on how you read the code and how you define "maintain facilities". The code is ambiguous.

Rep. Wrangham: What change does this makes to the sale or exchange of land. Will this affect how those funds are handled.

Mr. Krabbenhoft: The only thing it affects are the leases. It doesn't affect the sale or exchange of lands.

Rep. Maragos: Why are you deleting the words sell or exchange.

Mr. Krabbenhoft: If you read in the second section (12) it brings up the sell or exchange again.

Rep. Grande: Do you have mission statements for both funds, for what the money is supposed to be used for.

Mr. Krabbenhoft: If you look back then on subsection F, you will see what the funds of the Land Fund is to be used for.

Rep. Grande: The Industrial Fund, that comes from appropriations?

Mr. Krabbenhoft: The fund is exclusively used to operate Rough Rider Industries.

Rep. Grande: Where are the funds for the gravel pit going to?

Mr. Krabbenhoft: That is still going into the Land Fund and that's used to provide renovations for capitol projects.

Rep. Delmore: Is there a balance in the fund now that's meant to be used, and how much is that balance?

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House Judiciary Committee
Bill/Resolution Number HB 1073
Hearing Date 1-20-03

Mr. Krabbenhoft: The balance in the Land Fund, that we are projecting to begin the new biennium, will be zero. We are projecting about \$85,000 in revenue.

Rep. Delmore: I am talking about the Rough Rider Industry Fund, where you have been putting the money all along, is there a balance in that fund, and if so, how much.

Dennis Fracassi, Director of Rough Rider Industries: Rough Rider operates with revolving funds, and the revenues we're talking about from these leases are from three different parcels of land.

Chairman DeKrey: Any further testimony in favor of HB 1073? Any testimony opposed? We will close the hearing.

(The hearing was closed but reopened during the same session)

Chairman DeKrey: What are the committee's wishes in regard to HB 1073.

Rep. Delmore: I make a motion to Do Pass on HB 1073.

Rep. Boehning: I second the motion.

Chairman DeKrey: Any discussion.

Rep. Wrangham: Since it's a practice already being done, why is it being done that way.

Mr. Krabbenhoft: It has been historically been done that way ever since the farming operation was discontinued from Rough Rider. Instead of using that land to farm, the land is leased out. The thinking was that Rough Rider was still responsible for the management of the funds, even though it did not farm it, for the money of the leases.

Rep. Maragos: If the money went into the Land Fund, wouldn't Rough Rider be able to access the funds and just pay them out of that fund.

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House Judiciary Committee
Bill/Resolution Number HB 1073
Hearing Date 1-20-03

Mr. Krabbenhoft: That's true, what we are doing here is making the process easier. We would have to be vouchering those funds back and forth. This cleans up the process. It eliminates unnecessary paperwork.

Rep. Grande: The Industrial Fund used to have the farm land, but the farm land is now being leased.

Mr. Krabbenhoft: The Industrial fund is used by Rough Rider.

Chairman DeKrey: Any further discussion, if not the clerk will call the roll on HB 1110.

11 YES 1 NO 1 ABSENT DO PASS CARRIER: Rep. Maragos

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Salvatore Rickford
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10/2/03
Date

UP

Date: 1/20/03
Roll Call Vote #: 1

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1073

House Judiciary Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Rep. Delmore Seconded By Rep. Boehning

Representatives	Yes	No	Representatives	Yes	No
Chairman DeKrey	✓		Rep. Delmore	✓	
Vice Chairman Maragos	✓		Rep. Eckre	✓	
Rep. Bernstein	AB		Rep. Onstad	✓	
Rep. Boehning	✓				
Rep. Galvin	✓				
Rep. Grande	✓				
Rep. Kingsbury	✓				
Rep. Klemin	✓				
Rep. Kretschmar	✓				
Rep. Wrangham		✓			

Total (Yes) 11 No 1

Absent 1

Floor Assignment Rep. Maragos

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

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Yolanda Rickford Operator's Signature 10/2/03 Date

REPORT OF STANDING COMMITTEE (410)
January 20, 2003 4:05 p.m.

Module No: HR-10-0792
Carrier: Maragos
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE
HB 1073: Judiciary Committee (Rep. DeKrey, Chairman) recommends DO PASS
(11 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). HB 1073 was placed on the
Eleventh order on the calendar.

(2) DESK, (3) COMM

Page No. 1

HR-10-0792

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Yolanda Rickford 10/2/03
Operator's Signature Date

2003 SENATE INDUSTRY, BUSINESS AND LABOR

HB 1073

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10/2/03
Date

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1073

Senate Industry, Business and Labor Committee

Conference Committee

Hearing Date 03-19-03

Tape Number	Side A	Side B	Meter #
1	xxx		3518-4115
Committee Clerk Signature <i>Lisa VanBerkom</i>			

Minutes: Chairman Mutch opened the hearing on HB 1073. All Senators were present.

HB 1073 relates to the authority of the director of the department of corrections and rehabilitation to lease and sell land.

Testimony in support of HB 1073

Dave Krabbenhoft, Fiscal Director of the Department of Corrections and Rehabilitation, introduced the bill. See written testimony.

Senator Heitkamp: So they knew they were doing something wrong, but that seemed to be acceptable because it was being done before?

Dave: That's right. It was overlooked to the fact that when DOCR was brought to together as an agency.

Senator Heitkamp: If this doesn't pass, what happens?

Dave: We will just have more paperwork.

Yolanda Rickford
Operator's Signature

10/2/03
Date

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Senate Industry, Business and Labor Committee

Bill/Resolution Number 1073

Hearing Date 03-19-03

Senator Epegard moved a DO PASS. Senator Krebsbach seconded.

Roll call vote: 7 yes. 0 no. 0 absent.

Carrier: Senator Epegard

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Date: 3-19-03
Roll Call Vote #:)

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO.

Senate 1073 Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Espegard Seconded By Krebsbach

Senators	Yes	No	Senators	Yes	No
Senator Mutch	X				
Senator Klein	X				
Senator Krebsbach	X				
Senator Nething	X				
Senator Heitkamp	X				
Senator Every	X				
Senator Espegard	X				

Total (Yes) 7 ~~Click here to type Yes Vote~~ No 0 ~~Click here to type No Vote~~

Absent 0

Floor Assignment Espegard ~~Click here to type Floor Assignment~~

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

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REPORT OF STANDING COMMITTEE (410)
March 19, 2003 4:22 p.m.

Module No: SR-49-5269
Carrier: Espegard
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE
HB 1073: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends
DO PASS (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1073 was placed
on the Fourteenth order on the calendar.

(2) DESK, (3) COMM

Page No. 1

SR-49-5269

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2003 TESTIMONY

HB 1073

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**Testimony on House Bill 1073
House Judiciary Committee
Representative Duane DeKrey, Chairman**

**Department of Corrections and Rehabilitation
Dave Krabbenhoft, Fiscal Director
January 20, 2003**

- Purpose of House Bill 1073 (amend 54-23.3-04 subsection 12)
 - To allow DOCR land lease proceeds to be deposited in the penitentiary industries fund (Roughrider Industries) instead of penitentiary land fund
 - ~~No other changes proposed~~
- Current law
 - Requires all funds and proceeds realized from selling, leasing, or exchanging DOCR land be deposited into the penitentiary land fund
- Motivation to amend statute
 - Current practice used in accounting for land lease proceeds
 - Deposited in penitentiary industries fund
 - From 1987 to present (1987 discontinued farming operations)
 - Proceeds amount to \$15,000 - \$20,000 per biennium
 - Penitentiary industries fund used to account for the fiscal operations of Roughrider Industries
 - Subject to biennial legislative appropriation
 - Roughrider duties include management of DOCR owned lands
 - State Auditor finding in 6/30/2001 audit report
 - Lease proceeds should be deposited to penitentiary land fund
 - Legislative Audit and Fiscal Review Committee
 - DOCR intention to introduce legislation to address finding

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10/2/03
Date

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Testimony on House Bill 1073
Senate Industry, Business and Labor Committee
Senator Duane Mutch, Chairman

Department of Corrections and Rehabilitation
Dave Krabbenhoft, Fiscal Director
March 19, 2003

- Purpose of House Bill 1073 (amend 54-23.3-04 subsection 12)
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Yalissa Rickford
Operator's Signature

10/2/03
Date