

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2013

2005 SENATE APPROPRIATIONS

SB 2013


2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2013

Senate Appropriations Committee

Conference Committee

Hearing Date 01/11/05

Tape Number	Side A	Side B	Meter #
Committee Clerk Signature 			

Minutes: **Chairman Holmberg** opened committee hearing on SB 2013.

Gary Preszler, Commissioner ND State Land Dept. Appeared in Support of SB 2013.

(2123) Mr.. Preszler noted that within the total appropriation request of 5 million, (\$4,888,110 net of \$111,900 in administrative expenses) to fund the oil and gas development impact grants under the Energy Development Impact Office (EDIO). Mr.. Preszler provided the committee with written testimony, (see appendix I). In Mr.. Preszler's testimony he described the Departments Purpose, FTE Request, and Continuing Appropriation Expenditures.

Questions were asked regarding money managers, tax payments, and renting of lands. Mr..

Preszler stated that it is a competitive market for money managers. Mr.. Preszler also indicated to the committee that taxes rates are different depending on the land in question.

No more questions were asked of Mr.. Preszler.

Rick Larson Director of the Energy Development Impact Office of ND State Land

Department appeared in support of SB 2013. (5950) Mr.. Larson provided the committee with written testimony, (see appendix II). Mr.. Larson covered the grant fund appropriation request.

Sen. Andrist: "What is the formula the 5 million cap provides for?"

Mr.. Larson: "6 2/3% of Oil and Gas production tax."

No more questions were asked of Mr.. Larson.

Roger Chin ND assoc. Oil and Gas Producing Counties appeared in support of SB 2013. Mr.

Chin provided the committee with a Needs Assessment Survey, (see appendix III).

No Questions were asked of Mr.. Chin.

Wade Koeser, Mayor of Williston appeared in support of SB 2013. Mayor Koeser provided the

committee with written testimony regarding statistical information showing the impact of the oil boom on the city of Williston, (see attached appendix IV).

Chairman Holmberg: "Who would applaud of scream if we raided the cap?"

Mayor Koeser: "Those who are impacted would applaud."

John Kautzman, City of Williston appeared in support of SB 2013. Mr.. Kautzman did not

provide the committee with written testimony. Mr.. Kautzman spoke regarding the cap being exceeded.

No questions were asked of Mr.. Kautzman.

Warren D. Larson, Superintendent of Williston Public School District appeared in support

of SB 2013. (1600) Mr.. Warren provided the committee with written testimony, (see appendix

V). Mr.. Warren noted that taxable education has increased but the enrollment has declined.

Increased enrollment as occurred in special needs classroom however.

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Senate Appropriations Committee

Bill/Resolution Number SB 20136

Hearing Date 01/11/05

No Other questions were asked of Mr. Larson.

Greg Sund, Dickinson City Administrator, appeared in support of SB 2013, with the exception Regional Fire Fighting training facility. Mr. Sund did not provide the committee with written testimony. No questions were asked of Mr. Sund.


2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2013

Senate Appropriations Committee

Conference Committee

Hearing Date 02/11/05

Tape Number	Side A	Side B	Meter #
1		x	3,428
Committee Clerk Signature 			

Minutes: **Chairman Holmberg** opened discussion of SB 2013.

Amendment for SB 2013 was proposed by Chairman Holmberg. Chairman Holmberg noted that there were two changes. Motion was made by Sen Bowman, seconded by Sen. Andrist. Voice vote was taken, Sen. Mathern voted no. Motion was made for a **DO PASS as AMENDED** by Sen. Grindberg, seconded by Sen. Tallackson. There was no discussion. Motion carried on a **DO PASS as AMENDED**. 13 yeas, 0 nays and 2 absent and not voting. The carrier is Sen. Tallackson.

FISCAL NOTE
Requested by Legislative Council
12/27/2004

Bill/Resolution No.: SB 2013

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.*

	2003-2005 Biennium		2005-2007 Biennium		2007-2009 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues		\$0		\$1,361,660		\$1,361,000
Expenditures		\$0		\$1,789,322		\$1,660,606
Appropriations		\$0		\$1,789,322		\$1,660,606

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

2003-2005 Biennium			2005-2007 Biennium			2007-2009 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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

Section 8 of the bill creates a continuing appropriation authority provision which is the source of the fiscal note impact. Previously, appropriation authority to make the payments for the Developmentally Disabled Loans was given to the Dept. of Human Services. The revenue, expenditure and appropriation numbers above reflect only the current portion for the periods. There is currently approximately \$3,393,000 in total loans outstanding and the entire amount could potentially be prepaid during any period.

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.*

The loans are paid from revenues generated by the loans and other general revenue of the Lands and Minerals Trust and only reflect the current portion.

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 amount of expenditure only reflects the current portion of the loans scheduled to be paid.

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.*

The appropriation amounts only reflect the current portion.

Name:	Keith Bayley	Agency:	Land Dept.
Phone Number:	328-1912	Date Prepared:	01/03/2005

Date 2/10/05
Roll Call Vote #: 7

2005 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2013

Senate SENATE APPROPRIATIONS Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass as Amended

Motion Made By G Seconded By Tall

Senators	Yes	No	Senators	Yes	No
CHAIRMAN HOLMBERG	/		SENATOR KRAUTER	/	
VICE CHAIRMAN BOWMAN	/		SENATOR LINDAAS	/	
VICE CHAIRMAN GRINDBERG	/		SENATOR MATHERN	/	
SENATOR ANDRIST	/		SENATOR ROBINSON	/	
SENATOR CHRISTMANN	/		SEN. TALLACKSON	/	
SENATOR FISCHER	/				
SENATOR KILZER	/				
SENATOR KRINGSTAD	/				
SENATOR SCHOBINGER	/				
SENATOR THANE	/				

Total (Yes) 14 No 0

Absent 1

Floor Assignment Tallackson

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

Page 1, line 18, replace "39,471" with "36,627"

Page 1, line 21, replace "\$3,371,691" with "\$3,374,535"

Page 1, line 22, replace "(3,399,378)" with "(3,402,222)"

Page 2, line 6, replace "713,895" with "711,051"

Page 2, line 10, replace "5,788,101" with "5,785,257"

Page 2, line 11, replace "5,237,914" with "5,235,070"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2006 - Aeronautics Commission - Senate Action

	EXECUTIVE BUDGET	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$713,895	(\$2,844)	\$711,051
Operating expenses	1,892,706		1,892,706
Capital assets	134,000		134,000
Grants	<u>3,047,500</u>	-----	<u>3,047,500</u>
Total all funds	\$5,788,101	(\$2,844)	\$5,785,257
Less estimated income	<u>5,237,914</u>	<u>(2,844)</u>	<u>5,235,070</u>
General fund	\$550,187	\$0	\$550,187
FTE	6.00	0.00	6.00

Dept. 412 - Aeronautics Commission - Detail of Senate Changes

	REDUCES COMPENSATION PACKAGE TO 3/4	TOTAL SENATE CHANGES
Salaries and wages	(\$2,844)	(\$2,844)
Operating expenses		
Capital assets		
Grants	-----	-----
Total all funds	(\$2,844)	(\$2,844)
Less estimated income	<u>(2,844)</u>	<u>(2,844)</u>
General fund	\$0	\$0
FTE	0.00	0.00

REPORT OF STANDING COMMITTEE

SB 2013: Appropriations Committee (Sen. Holmberg, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2013 was placed on the Sixth order on the calendar.

Page 1, line 20, replace "346,033" with "336,989"

Page 1, line 23, replace "245,161" with "236,117"

Page 2, line 7, replace "2,222,195" with "2,213,151"

Page 2, line 12, replace "7,818,995" with "7,809,951"

Page 3, line 16, replace "principle" with "principal"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2013 - Land Department - Senate Action

	EXECUTIVE BUDGET	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$2,222,195	(\$9,044)	\$2,213,151
Operating expenses	648,700		648,700
Capital assets	10,000		10,000
Grants	4,888,100		4,888,100
Contingencies	<u>50,000</u>		<u>50,000</u>
Total all funds	\$7,818,995	(\$9,044)	\$7,809,951
Less estimated income	<u>7,818,995</u>	<u>(9,044)</u>	<u>7,809,951</u>
General fund	\$0	\$0	\$0
FTE	18.75	0.00	18.75

Dept. 226 - Land Department - Detail of Senate Changes

	REDUCES COMPENSATION PACKAGE TO 3/4	TOTAL SENATE CHANGES
Salaries and wages	(\$9,044)	(\$9,044)
Operating expenses		
Capital assets		
Grants		
Contingencies		
Total all funds	(\$9,044)	(\$9,044)
Less estimated income	<u>(9,044)</u>	<u>(9,044)</u>
General fund	\$0	\$0
FTE	0.00	0.00

REPORT OF STANDING COMMITTEE

SB 2014: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). SB 2014 was placed on the Sixth order on the calendar.

Page 4, line 24, replace "6,861,925" with "6,840,444"

Page 4, line 27, replace "18,249,597" with "18,176,480"

Page 4, line 28, replace "12,108,200" with "10,925,665"

Page 4, line 29, replace "11,272,000" with "18,722,000"

Page 4, line 31, replace "43,329,797" with "49,524,145"

Page 5, line 14, replace "50,000" with "250,000"

Page 5, line 15, replace "32,657,254" with "32,857,254"

Page 5, line 18, replace "4,398,849" with "4,382,167"

Page 5, line 22, replace "33,895,707" with "33,879,025"

Page 5, line 23, replace "12,561,925" with "12,540,444"

Page 5, line 24, replace "155,912,643" with "162,286,824"

Page 5, line 25, replace "168,474,568" with "174,827,268"

Page 8, after line 8, insert:

"SECTION 14. LEGISLATIVE INTENT - BANK OF NORTH DAKOTA BUILDING - OTHER STATE AGENCIES' LEASING - BUDGET SECTION REPORT. It is the intent of the legislative assembly that if a new facility is built to house the operations of the Bank of North Dakota that the facility be built to include rental space for other state agencies and that the Bank of North Dakota work with the office of management and budget to identify which agencies will lease space in the Bank of North Dakota building and report to the budget section of the legislative council on plans for leasing to other agencies. The Bank of North Dakota in conjunction with the office of management and budget shall set the rental amounts, and the Bank of North Dakota shall collect the rental amounts and maintain and control the building and its grounds."

2005 HOUSE APPROPRIATIONS

SB 2013

These are excerpts from agency overview hearings -
Full set of minutes/handouts available. Ast a
Legislative Council librarian

Mr. Sprynczytyk explained section 7 where it says that the name of the Liberty Memorial Bridge is to be changed to the Medal of Honor Bridge.

SB ~~2013~~ (2013)

Mr. Gary Preszler spoke on behalf of the Land Department and reviewed the variances on the written testimony (handout #33-12, attached).

Rep. Ken Svedjan, Chairman asked if the FTE is paid out of a grant.

Mr. Preszler answered no, that this position is funded through the maintenance fund.

Ms. Karlene Fine spoke for the Industrial Commission and reviewed her written testimony (handout #33-13, attached). The variances listed are negative variances. Ms. Fine mentioned that the only changes made by the Senate were the adjustments regarding the compensation packages. (tape #2, side B, meter #37.6)

SB 2014

Ms. Fine reviewed the figures for the State Mill.

Rep. Mike Timm, Vice Chairman, asked about projections of \$5 million for turn over to the state. Ms. Fine answered that the profits were \$5 million this year so the turn over would happen with no borrowing.

Rep. Mike Timm, Vice Chairman, asked how the Mill paid their loan back from the last biennium. Ms. Fine answered that payments were made through operation as the profits came in.

Rep. Francis J. Wald asked about the 7 FTE's, which were reduced as a result of the merger, and whether or not some of them were added to the payroll at UND. Ms. Fine answered that these were all Bismarck employees from the Oil & Gas Division and Geological Survey.

Rep. Ken Svedjan, Chairman asked for more about why the Senate amended the appropriation for Ag promotions. Ms. Fine said the Mill got \$50,000 for agriculture promotion, which is for work the management does to promote agriculture. The Senate wanted money to go to the Trade

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2013

House Appropriations Committee
Government Operations Division

Conference Committee

Hearing Date Thursday, March 3, 2005

Tape Number	Side A	Side B	Meter #
1		X	00-46.5
Committee Clerk Signature <i>Ron W. Tankhead</i>			

Minutes:

Chairman Carlisle called the Hearing on Engrossed SB 2013 concerning the N.D. State Land Department to order. **Mr. Gary D. Preszler, Secretary for the Board of University and School Lands and Commission for the State Land Department**, read his testimony into the record (See Handout #1).

With regard to HCR 3037 mentioned on the top of p. 4, **Chairman Carlisle** asked how the Senate Committee voted and whether or not the Agency supports the bill. **Comm. Preszler** said it came to the Constitutional Revision Committee and they recommended 6-0 Do Pass. The amendment came from the Board as a result of a study that began seven years ago.

With regard to "Continuing Appropriation Expenditures" on p. 5 and the attached "Schedule of Revenues....," **Chairman Carlisle** asked if the tobacco settlements are still coming in on a regular

basis and **Comm. Preszler** confirmed. He said the Common School Trust Fund has been paid about \$59 million since it started, up to this point.

Rep. Timm asked if the Common School Trust Fund was an actual trust fund and whether it's the only constitutional trust fund. **Comm. Preszler** said it's not the only trust fund, but it is a constitutional trust fund. **Rep. Timm** wanted an explanation why the legislature dips into some trust funds. **Comm. Preszler** said the permanent trust funds are listed on page 3 (See H#1) and the legislature does not dip into the principle of these funds, so that the funds will continue to grow. Some trusts direct funds flowing from assets and interest to go into the corpus of the trust. Some allow funds to be paid out as income distributions. Other trusts or operating trusts, such as the Capital Building Fund and the Land and Minerals Trust, make the entire amount available to the legislature to pay out. **Rep. Timm** asked if the Common School Trust Fund is the only constitutional trust fund. **Comm. Preszler** said the universities are also constitutional trust funds. The constitution states that interest and income is available to distribute according to the restrictions set by the beneficiaries.

With regard to the "Fiscal Note" on p. 6, **Chairman Carlisle** asked whether or not Section 8 of SB 2013 used to be included in Department of Human Services and **Comm. Preszler** confirmed. **Chairman Carlisle** asked for clarification and the Celeste Kubasta, OMB, said that transfer was made because the Dept. of Human Services had no control over those payments and it was artificially inflating their budget. It's where it really should have been ten years ago.

(Meter #24)

Chairman Carlisle asked about Ebert's Ranch and SB 2145 and how the Land Department felt about it. **Comm. Preszler** said Section 4 specifies that the Land Dept. and other state agencies

have until July 31, 2011, to sell 5,225.2 acres in Slope, Golden Valley, Billings, and McKenzie counties. **Chairman Carlisle** asked if this would mean the Land Dept. would sell school lands acre for acre. **Comm. Presler** said he thought that was the intent of the bill. He informed the committee that media have promulgated misinformation. The proceeds generated from the sale of the school lands cannot be used to pay down the loan at Bank of North Dakota. Proceeds from the sale of school lands goes back into the trust fund. Land is sold at public auction, favoring no one, and at fair market value. He speculated that the confusion comes from the fact that the bill allows for the sale of some of the outlying tracts of Ebert's property.

Chairman Carlisle said the Land Dept. may be directed to sell land; he asked how that process works. **Comm. Presler** said that all the school lands in the counties mentioned are currently leased with the exception of one tract. Current leasees will not like the sale. Legislative Council will monitor the sale which has to be completed by 2011. **Rep. Kempenich** noted that the sale isn't meant to generate money, it's to prevent any net gain of state lands.

(Meter #26.7)

Mr. Rick D. Larson, Director of the Energy Development Impact Office, N.D. State Land Department, read his testimony into the record (See Handout #2).

Rep. Timm asked Dir. Larson to provide a brief history of the Agency. **Dir. Larson** said the Agency started in 1975 as a Coal Impact Program, which discontinued in 1989. The Oil & Gas Program started in 1982 and was funded each year by appropriations. In 1991 that became a percentage of the oil and gas production tax.

(Meter #34)

Ms. Vicky Steiner, North Dakota Association of Oil & Gas Producing Counties, read her testimony supporting the \$5 million funding for energy impact as listed in SB 2013 into the record (See Handout #3). She submitted a Needs Assessment Survey (Handout #4) for the Committee's consideration. She noted that the townships are not included in this assessment, yet they also request funds from Mr. Larson. The city of Williston brought in a large one of \$45 million for their water treatment plant, so that made the numbers at the back seem very high. The needs generally run from \$10-20 million. With the increased oil activity expected and the on-going activity, the Association expect that roads, water & sewer, infrastructure, law enforcement, and fire protection will continue to be needed. Townships benefit from these grants, but they don't actually benefit from the 5% gross production tax, so when Mr. Larson talks about program flexibility, he considers the money received from gross production tax, local mill levies, and available resources. If they don't have resources and they're impacted by oil, he fills in that gap.

She also noted with regard to Rep. Timm's question regarding the coal counties, that the Coal Impact Fund was discontinued in the late 1980's, the year the session changed the coal formula when the price dropped from \$1.04 to \$.77. They changed the percentage distribution to the coal counties and Mr. Daryl Benz, mayor of Beulah and a representative of the coal conversion counties, decided that "they would rather get a higher percentage and direct money back off the new formula and do away with the coal impact fund."

Chairman Carlisle asked if that \$5 million is in statute. **Ms. Steiner** said it's in statute and that 1/3 of the first 1% that comes off the gross production tax. **Chairman Carlisle** asked with the increase of activity if the Senate considered increasing that minimum. **Dir. Larson** said HB 1404

was initially proposed to eliminate the \$5 million dollar cap; it was amended to put the cap at \$6 million, not in the coming biennium, but the following biennium.

Rep. Timm asked what park renovation had to do with impact from the oil industry. He asked if any of these projects are declined. **Dir. Larson** said there are projects that won't be funded.

Some parks have been funded, i.e. Tioga. They were having problems with some seismic activity that caused workers to rent spaces in the park, so they needed to update their rest room facilities.

Some communities requested money for golf courses and those requests were declined. Requests must be tied to oil and gas development. **Rep. Kempenich** asked for an estimate--for every dollar requested, how much is dispersed? **Dir. Larson** said \$14 million was requested and \$2.5 was dispersed; it's about 5 to 1 (See p. 3, H# 2).

Chairman Carlisle asked about the unclaimed properties and whether or not those checks got to folks. **Comm. Preszler** said that last session the Agency budget was amended to provide a certified mail notice to regular and state agencies, so those names did not have to be published in the papers. Agencies were given one year to respond. The letters went out the end of January, 2004. The Agency now must create a report for the Budget Section. A number of claims have been paid. The next step is to go to the Budget Section so that state agency can be removed as an owner. That money would still be held for the holders, that reported it, to be claimed, if they should want to do so. The Highway Patrol had one for \$74, 0000. They did claim that there will be notice of that contained within their budget. **Chairman Carlisle** asked if there is some sort of record on that. **Comm. Preszler** suggested a copy of the claim form, that it was \$79,000, and he would supply that.

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Government Operations Division

Bill/Resolution Number SB 2013

Hearing Date Thursday, March 3, 2005

Rep. Timm asked Ms. Steiner how many counties belong to ND Association of Oil & Gas

Producing Counties. **Ms. Steiner** responded 16. She referred the Committee to the picture on the cover of Handout #4.

Chairman Carlisle closed the Hearing on SB 2013.

(Meter #46.5)

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2013

House Appropriations Committee
Government Operations Division

Conference Committee

Hearing Date Thursday, March 10, 2005

Tape Number	Side A	Side B	Meter #
1	X		35.7-end
1		X	00-7.3
Committee Clerk Signature <i>Pere W. Tumbent</i>			

Minutes:

Chairman Carlisle opened discussion on SB 2013 concerning the budget of the Commissioner of University and School Lands. **Ms. Linda Fisher, Unclaimed Property Division, ND State Land Department**, was present to assist the Committee. Earlier in the week she had sent the Committee a handout entitled "State Agency Unclaimed Property" (See Handout #1). **Chairman Carlisle** asked about unclaimed properties and **Ms. Fisher** said the Agency sends out a registered letter regarding unclaimed property and a year later the Agency reports to the budget section as to who has not claimed their property. According to the statute, the budget section can allow the Agency to remove those names as eligible claimants. The money will stay in the Common Schools Trust Fund unless it was claimed back by the people who reported it if they figure out that they shouldn't have reported it.

Chairman Carlisle asked about those names which are highlighted in pink. **Ms. Fisher** said those agencies turned their claims in and signed off on the line that said, "We don't think our agency is entitled to this money." They are backing away from the property.

Chairman Carlisle asked about the Tax Commissioner. **Ms. Fisher** said she explained to the Tax Commissioner what they had done and provided their office with another packet.

Chairman Carlisle also asked about the ND Highway Patrol property for \$78,912.00 which was claimed 1/22/04, see p. 3 (H#1). He informed the Committee that this money went into the General Fund according to a Memo dated 3/8/05 from Colonel Bryan Klipfel, NDHP (See Handout #2). **Chairman Carlisle** read out loud: "The Land Department cashed in the certificates on behalf of the Highway Patrol and forwarded the \$78,912 to the state's general fund on May 11, 2004." **Ms. Fisher** said that is "partially true." She said the NDHP had stock certificates in their office that should have been turned over to the stock company at some point in exchange for new shares. When that didn't happen, the company paid them out to the Land Dept. in cash and then the Land Dept. required the certificates of the NDHP to pay that claim out.

Chairman Carlisle asked legislative council or OMB to check to see if the budget was enhanced by that amount. **Ms. Stephanie Johnson, Legislative Council**, said she would check on it.

Rep. Thoreson asked about the "no response" and observed that NDSU has over \$11,000. He asked if that stays in the fund. **Ms. Fisher** said yes, once it's been approved by the budget section. She went on to explain with regard to NDSU that it gets confusing with all the different divisions. **Rep. Thoreson** noted that last year he noticed that one went back to the ND Agricultural College in 1959. The entity doesn't exist any more.

Ms. Fisher also mentioned that the Department gets new properties every year and that a certified letter should go out within a year of receiving the property. The next mailing will go out after the budget section meets in June.

Rep. Thoreson asked if he might see that list when the next letter is sent out and **Ms. Fisher** said she could do that.

Chairman Carlisle observed that the Senate didn't make any changes to SB 2103. **Ms. Fisher** said the only change was the across-the-board salary adjustment.

(Meter 14.0)

Chairman Carlisle brought up the contingency plan from the Oil & Gas Division. **Lori Laschkewitsch, OMB**, brought up a problem with the language in OMB's bill for transfers from the Land & Minerals Trust Fund. It will take everything to the general fund unless that gets changed. There will be a \$5 million transfer to the general fund in the next biennium. The last projection looked as though it could cover \$7 million. The language says, "\$5 million or so much as there is available" which means the transfer will take everything. **Pres. Presler, ND Lands Department**, who was present to assist the Committee, stated that transfers are done at the end of the biennium in June. He said the \$7 million transfer would occur in June, 2007. If the Committee amends the Industrial Commission budget, to some time in between there, and provide for a contingency of \$200,000 liability to fund this payroll, that would come out before this transfer will be made. The point is that the Land & Minerals Trust is based on estimates and a transfer depends on whether or not the money comes in. It's a conservative estimate and there's a good chance the funds will be available. **Ms. Laschkewitsch** said that if the Industrial

Commission's amount comes out before the transfer to the general fund, that should be O.K.

Pres. Preszler confirmed.

Chairman Carlisle asked what the Committee needed to do to make it work for the Industrial Commission. **Ms. Laschkewitsch** said they would put the contingent appropriation into SB 2014 and that's in the works.

(Tape 1, Side B)

Regarding the question about the NDHP memo dated 3/8/05 (See H#2), **Ms. Laschkewitsch** said that the money had to go into the general fund. The NDHP doesn't have a special fund to receive the cash. She confirmed that the memo was accurate.

Chairman Carlisle asked Ms. Stephanie Johnson, Legislative Council, about the 1% reduction in the medical and whether that needed to be included in the amendment, too. **Ms. Johnson** said that would have to be done. He asked if she will pick this up budget by budget. **Ms. Johnson** said from this point on, Legislative Council will automatically pick this up.

Rep. Kroeber asked about the total of the 1% reduction. **Ms. Johnson** said it comes to \$5.20 per plan per month. **Rep. Kroeber** asked how much total. **Ms. Johnson** said \$400,000+ for all agencies.

Pres. Preszler asked to follow up on the unclaimed lands issue. Since the budget section won't meet until June, if the Tax Dept. and others submit a claim, the Agency will process those as normal if they tell the Agency in time. If they're entitled, the Agency will pay; if not, the Agency will update the list for the budget section.

Pres. Preszler mentioned that **Rep. Kempenich** had called regarding grant and non-grant sales. He told the Committee the Lands Dept. just handled a sealed bids sale and sold 400 acres of

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Government Operations Division

Bill/Resolution Number SB 2013

Hearing Date Thursday, March 10, 2005

school lands in Sheridan County. This land was acquired through foreclosure. The Department sells non-grant lands all the time. There's another coming up the end of March.

Rep. Kroeber asked how these lands come up for sale. **Pres. Preszler** said the land was acquired in lieu of foreclosure or by sheriff's certificate. **Rep. Kroeber** asked if the acres were sold together or broken up. **Pres. Preszler** said it was sold together. **Rep. Williams** asked the price of the land. **Pres. Preszler** said the land sold for \$650 an acre. The total just over \$260,000. A farmstead was included on the property. It was southwest of Harvey.

Chairman Carlisle thanked those who assisted and closed the committee work on SB 2013

(Meter #7.3)

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2013

House Appropriations Committee
Government Operations Division

Conference Committee

Hearing Date Friday, March 11, 2005

Tape Number	Side A	Side B	Meter #
1	X		10-13.5
Committee Clerk Signature <i>Tore W. Trumbull</i>			

Minutes:

Chairman Carlisle opened discussion on SB 2013 regarding the budget of the ND State Lands Department.

Rep. Thoreson moved to approve Amendment .0201 which makes adjustments on the health care; **Rep. Kroeber** seconded.

Hearing no discussion, **Chairman Carlisle** called for Roll Call Vote #1. Motion passed 5-0-1.

Chairman Carlisle closed discussion on SB 2013.

(Meter #13.5)

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2013

House Appropriations Committee
Government Operations Division

Conference Committee

Hearing Date Thursday, March 17, 2005

Tape Number	Side A	Side B	Meter #
1		X	25.9-29.7
Committee Clerk Signature <i>Rose W. Trumbach</i>			

Minutes:

Chairman Carlisle opened discussion on SB 2013 concerning the N.D. State Land Department.

He told the Committee that they have adopted Amendment .0201 which has to do with the reduction in health insurance.

Chairman Carlisle referred the Committee to the "Agency PC Replacement Information"

Memo, dated 3/16/05 (See Handout #1, 3/17/05, SB 2014 & Others)(Copy of p. 2 attached). He

noted that they've scheduled \$2,475 for the funding for the 4-year replacement schedule. **Ms.**

Lori Laschkewitsch, OMB, added that if there's additional money for those purchases, they

would use them for any other computer expenses that would be incurred or increased rates or

expenses. Otherwise the money would stay in the line item. **Chairman Carlisle** asked if this is

all special funds and she confirmed.

Page 2

Government Operations Division

Bill/Resolution Number SB 2013

Hearing Date Thursday, March 17, 2005

Rep. Timm moved a Do Pass on SB 2013 as amended; **Rep. Kempenich** seconded. Hearing no further discussion, **Chairman Carlisle** called for Roll Call Vote #1. Motion passed 6-0-0.

Chairman Carlisle asked if **Rep. Thoreson** would carry the bill to the Full Committee.

Chairman Carlisle ended discussion on SB 2013.

(Meter #29.7)

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2013
Land Department

House Appropriations Full Committee

Conference Committee

Hearing Date March 22, 2005

Tape Number	Side A	Side B	Meter #
1		X	#14.3 - #25.0
Committee Clerk Signature <i>Chris Alexander</i>			

Minutes:

Rep. Ken Svedjan, Chairman opened the discussion on SB2013.

Rep. Blair Thoreson explained that this department is all special funds. The amendment reduces the funding for the health insurance. Rep Thoreson moved to adopt amendment #0201 to SB2013.

Rep. Ron Carlisle seconded

Rep. Ken Svedjan, Chairman called for a voice vote for the motion to adopt amendment #0201 to SB2013. Motion carried.

Rep. Blair Thoreson explained that there was discussion concerning the unclaimed property and they gave us a report detailing letters sent to agencies and how the agencies relinquished their claim on the land which stayed with the Land Department. The largest claim was from the highway patrol for just over \$78,000 and this money was returned to the general fund. (meter Tape #1, side B, #15.0)

Rep. Blair Thoreson moved a Do Pass As Amended motion to SB2013.

Rep. Ron Carlisle seconded

Rep. Francis J. Wald asked what the formula was for distribution on page 3.

Rep. Ole Aarsvold commented that this had something to do with the founding date of the institution and that this date determined the land grant distribution. This is a constitutional formula. that also includes the value of the property.

Rep. Jeff Delzer asked about the continuing appropriation in section 8

Rep. Blair Thoreson referred to the green sheet and explained this is to pay for the interest and principle on the common schools trust fund which was previously contained in the Human Services budget.

Rep. Jeff Delzer asked if the committee asked how long this will happen or is there a date certain when this fund is paid off.

Rep. Ron Carlisle answered that this looks to be paid in 2007-09

Rep. Jeff Delzer asked why the continuing appropriation was not given a sunset date.

Rep. Ron Carlisle answered that this was not discussed in the committee.

Rep. Keith Kempenich answered that this would not be paid off until the next biennium.

Rep. Jeff Delzer moved to further amend that the continuing appropriation in section 8 should become ineffective when principle is paid off.

Rep. Blair Thoreson seconded the motion

Rep. Ken Svedjan, Chairman called for a voice vote to adopt the motion to further amend.

Motion carried.

Rep. Blair Thoreson moved a Do Pass As Amended motion to SB2013.

Rep. Ron Carlisle seconded

Rep. Al Carlson asked if there was a new FTE in this what they would be doing.

Rep. Blair Thoreson answered that this is a position for a new auditor for oil and gas

Rep. Ron Carlisle explained that attempts were made in the 1980's to create an auditor program for royalty and unclaimed property, but through employee attrition these positions have either been reclassified or eliminated. In 1987 they had three auditors and in 1991 they were down to 2.

Rep. Blair Thoreson commented that since 2001 they only have .1 FTE position is involved in the audit work.

Rep. Mike Timm, Vice Chairman added that this was for additional oil activity as well

Rep. Ken Svedjan, Chairman called for a roll call vote on the Do Pass As Amended motion for SB2013. Motion carried with a vote of 22 yeas, 0 neas and 1 absence. Rep Thoreson will carry the bill to the house floor. (meter Tape #1, side B, #24.0)

Rep. Ken Svedjan, Chairman closed the discussion on SB2013.

March 10, 2005

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2013

Page 1, line 20, replace "336,989" with "334,618"

Page 1, line 23, replace "236,117" with "233,746"

Page 2, line 7, replace "2,213,151" with "2,210,780"

Page 2, line 12, replace "7,809,951" with "7,807,580"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2013 - Land Department - House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$2,222,195	\$2,213,151	(\$2,371)	\$2,210,780
Operating expenses	648,700	648,700		648,700
Capital assets	10,000	10,000		10,000
Grants	4,888,100	4,888,100		4,888,100
Contingencies	<u>50,000</u>	<u>50,000</u>		<u>50,000</u>
Total all funds	\$7,818,995	\$7,809,951	(\$2,371)	\$7,807,580
Less estimated income	<u>7,818,995</u>	<u>7,809,951</u>	<u>(2,371)</u>	<u>7,807,580</u>
General fund	\$0	\$0	\$0	\$0
FTE	18.75	18.75	0.00	18.75

Dept. 226 - Land Department - Detail of House Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE	TOTAL HOUSE CHANGES
Salaries and wages	(\$2,371)	(\$2,371)
Operating expenses		
Capital assets		
Grants		
Contingencies		
Total all funds	(\$2,371)	(\$2,371)
Less estimated income	<u>(2,371)</u>	<u>(2,371)</u>
General fund	\$0	\$0
FTE	0.00	0.00

Date: March 22, 2005
Roll Call Vote #: 1

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB2013

House Appropriations - Full Committee

Check here for Conference Committee

Legislative Council Amendment Number 58013.0202

Action Taken **DO PASS AS AMENDED**

Motion Made By **Rep Thoreson** Seconded By **Rep Carlisle**

Representatives	Yes	No	Representatives	Yes	No
Rep. Ken Svedjan, Chairman	X		Rep. Bob Skarphol	X	
Rep. Mike Timm, Vice Chairman	X		Rep. David Monson	X	
Rep. Bob Martinson	X		Rep. Eliot Glassheim	X	
Rep. Tom Brusegaard	AB		Rep. Jeff Delzer	X	
Rep. Earl Rennerfeldt	X		Rep. Chet Pollert	X	
Rep. Francis J. Wald	X		Rep. Larry Bellew	X	
Rep. Ole Aarsvold	X		Rep. Alon C. Wieland	X	
Rep. Pam Guleson	X		Rep. James Kerzman	X	
Rep. Ron Carlisle	X		Rep. Ralph Metcalf	X	
Rep. Keith Kempenich	X				
Rep. Blair Thoreson	X				
Rep. Joe Kroeber	X				
Rep. Clark Williams	X				
Rep. Al Carlson	X				

Total Yes 22 No 0

Absent 1

Floor Assignment **Rep Thoreson**

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

REPORT OF STANDING COMMITTEE

SB 2013, as engrossed: Appropriations Committee (Rep. Svedjan, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (22 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed SB 2013 was placed on the Sixth order on the calendar.

Page 1, line 20, replace "336,989" with "334,618"

Page 1, line 23, replace "236,117" with "233,746"

Page 2, line 7, replace "2,213,151" with "2,210,780"

Page 2, line 12, replace "7,809,951" with "7,807,580"

Page 3, line 18, after the second period insert "This authority is ineffective after all loans are repaid."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2013 - Land Department - House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$2,222,195	\$2,213,151	(\$2,371)	\$2,210,780
Operating expenses	648,700	648,700		648,700
Capital assets	10,000	10,000		10,000
Grants	4,888,100	4,888,100		4,888,100
Contingencies	<u>50,000</u>	<u>50,000</u>		<u>50,000</u>
Total all funds	\$7,818,995	\$7,809,951	(\$2,371)	\$7,807,580
Less estimated income	<u>7,818,995</u>	<u>7,809,951</u>	<u>(2,371)</u>	<u>7,807,580</u>
General fund	\$0	\$0	\$0	\$0
FTE	18.75	18.75	0.00	18.75

Dept. 226 - Land Department - Detail of House Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE	TOTAL HOUSE CHANGES
Salaries and wages	(\$2,371)	(\$2,371)
Operating expenses		
Capital assets		
Grants		
Contingencies		
Total all funds	(\$2,371)	(\$2,371)
Less estimated income	<u>(2,371)</u>	<u>(2,371)</u>
General fund	\$0	\$0
FTE	0.00	0.00

2005 TESTIMONY

SB 2013

1707 North 9th Street
PO Box 5523
Bismarck, ND 58506-5523
Phone: (701) 328-2800
Fax: (701) 328-3650



Gary D. Preszler, Commissioner

www.land.state.nd.us
www.discovernd.com

**TESTIMONY OF GARY D. PREZLER
STATE LAND COMMISSIONER
North Dakota State Land Department**

IN SUPPORT OF SENATE BILL NO. 2013

**SENATE APPROPRIATIONS COMMITTEE
January 11, 2005**

Chairman Holmberg, members of the Senate Appropriations Committee, I am Gary D. Preszler, Secretary for the Board of University and School Lands and Commissioner for the State Land Department.

I am here to testify in support of the Land Department's requested total special funds appropriation. Within the total appropriation request is \$5,000,000 (\$4,888,100 net of \$111,900 in administrative expenses) to fund the oil and gas development impact grants under the Energy Development Impact Office (EDIO). Rick Larson, the Director of EDIO will cover the grant fund appropriation request. The remaining request of \$2,930,895 covers the administrative expenses to operate the Land Department.

Within the budget is a request to add one FTE. With the exception of the FTE request and the salary adjustments proposed by the Governor, the Department's budget is at the approximate same level as for the current biennium.

DEPARTMENT PURPOSE

The Land Grant to the State from the federal government and the State Constitution provides that the Board of University and Schools Land shall manage the land, minerals and proceeds from the land for the exclusive benefit of the institutions for which they were granted. The income earned is to be distributed for the exclusive benefit of those trust beneficiaries.

Income is generated through prudent management of trust assets, consisting of over 714,000 surface acres, over 2.5 million mineral acres, and approximately \$700 million in permanent trust fund financial assets. The surface acres are leased to ranchers and farmers across the state. The 2.5 million mineral acres are offered for oil, gas, coal, gravel and scoria leasing. Revenues from all sources are deposited in trust funds and are invested in the Farm Loan Pool administered by the Bank of North Dakota, U.S. Treasury and foreign notes and bonds, and corporate bonds and stocks. The income from these investments, together with surface and mineral rentals, is distributable to North Dakota schools (public grades K-12), educational and other public institutions at specified intervals throughout the biennium.

The following is a list of beneficiaries of the various trust funds administered by the Land Department pursuant to Article IX of the North Dakota Constitution:

- | | |
|----------------------------------|--------------------------------|
| 1) Common Schools | 2) Capitol Building |
| 3) North Dakota State University | 4) Mayville State University |
| 5) School for the Blind | 6) Industrial School |
| 7) School of the Deaf | 8) State College of Science |
| 9) State Hospital | 10) School of Mines |
| 11) Ellendale State College * | 12) Veteran's Home |
| 13) Valley City State University | 14) University of North Dakota |

* The Ellendale State College Trust is Split equally between 7 beneficiaries: Dickinson State University, Minot State University, MSU-Bottineau, Veteran's Home, School of the Blind, State Hospital, and State College of Science.

CURRENT HIGHLIGHTS

Minerals Division - Oil And Gas Robust Activity

Since early 2004, activity in the oil patch has increased considerably due to several plays that are developing along with the higher price of oil. More tracts were nominated for the August and November oil and gas lease auctions than had been nominated in any auction for the last 20 years. For calendar year 2003, bonuses of just over \$400,000 were collected, and for calendar year 2004, bonuses received totaled over \$14 million. The increased interest in leasing has also resulted in drilling on state tracts, with several producing wells now generating royalties for the permanent and Land and Minerals Trust Funds.

Investments

Total permanent trust financial assets as of December 31, 2004 were approximately \$700 million, up \$173.8 million (33.0%) since December 31, 2002. The financial asset numbers do not include values for surface acres or mineral holdings. The growth in trust assets has been driven by both strong equity markets and increased revenues from oil related activities.

Staff continued work towards implementing the recommendations that were included in the investment study performed by DiMeo Schneider and Associates in 2003. This included further diversifying the investment portfolio into Real Estate Investment Trusts (REITs), international fixed income securities and Treasury Inflation Indexed Securities (TIPS). The asset allocation changes have contributed to the above market returns posted by the permanent trusts' equity portfolio over the past two years. They have also helped the permanent trusts' generate relatively stable income and cash flows during the current low interest rate environment.

Distributions

At the March 2004 Land Board meeting, the Board approved distributions for all permanent trusts for the 2005-2007 biennium. The distributions were determined based on the principles outlined in NDCC 15-03-05.2, which states that:

"The board shall distribute only that portion of a fund's income that is consistent with the long-term goals of preserving the purchasing power of the fund while maintaining income stability to the fund beneficiaries."

The table below outlines both permanent trust distributions for the 2003-05 biennium and distributions for the 2005-07 biennium. It shows total proposed distributions from the permanent trusts are approximately \$2.27 million (3.5%) greater than projected distributions for the current biennium.

Trust Fund	2003-2005 Bi. Distributions	Board 2005-2007 Bi. Distributions	Inc./Dec. in Distributions	Percentage Inc./Dec. in Distributions
COMMON	\$60,000,000	\$62,200,000	\$2,200,000	3.7%
NDSU	1,132,000	1,146,000	14,000	1.2%
BLIND	214,000	208,000	-6,000	-2.8%
DEAF	322,000	322,000	0	0.0%
ST HOSP	292,000	310,000	18,000	6.2%
ELLEDALE	232,400	235,200	2,800	1.2%
VALLEY	268,000	268,000	0	0.0%
MAYVILLE	186,000	176,000	-10,000	-5.4%
INDUSTRIAL	396,000	404,000	8,000	2.0%
SCIENCE	306,000	306,000	0	0.0%
MINES	312,000	322,000	10,000	3.2%
VETERANS	236,000	236,000	0	0.0%
UND	634,000	664,000	30,000	4.7%
Total	\$64,530,400	\$66,797,200	\$2,266,800	3.5%

To determine the distributions for the 2005-07 biennium, staff evaluated many factors including each trusts' asset balances, projected income and cash flows and expected future capital markets returns. The staff applied asset allocation and distribution principles used by many endowments and foundations. These principles include spending a portion (but not all) of capital gains earned and are designed to ensure both stable, growing distributions and increasing asset balances over the long-term. When applied consistently, these principles should allow the Board to meet the dual responsibilities outlined in NDCC 15-03-05.2 (maintaining income stability and preserving the purchasing power of the trusts). However, if these principles are not followed, or are followed inconsistently, meeting the dual responsibilities outlined in NDCC 15-03-05.2 is very difficult, if not impossible.

Distributions for 2005-2007 from the Common Schools Trust fund are \$2.2 million more (3.7%) than expected distributions for the current biennium. Although total assets have recovered from the down markets of 2000 to 2002, the current low interest rate environment has had a direct impact on the amount of income those assets can generate.

Total distributions from the 12 other permanent trusts for 2005-2007 are \$66,800 more (1.5%) than expected distributions for the current biennium. Distributions from 2 of the trusts will be less than the current biennium while distributions from 4 other trusts will remain level. Distributions from the other 6 trusts will increase by various amounts during the 2005-07 biennium. The reason some trusts are unable to increase distributions for the 2005-07 biennium is two-fold. The first reason is that distributions from these trusts were set at levels too high to sustain during recent years. In addition, the current low interest rate has also impacted the amount of income the trusts can generate.

The distribution levels set by the Board for all 13 permanent trusts for the 2005-07 biennium should allow the Board to meet its dual responsibilities under NDCC 15-03-05.2.

As you are aware, 2000 through 2002 was a difficult period for investors in the stock markets and those dependent on interest-paying bonds. 2003 and 2004 were much better for the stock market with returns being positive, and interest rates increasing moderately for bondholders.

On a related matter, the Board has approved seeking legislators to sponsor a Resolution to amend the Constitution to change the methodology for calculating available distributions from the current "interest and income" manner to a total return approach.

FTE REQUEST

The budget request contains one additional FTE to be filled as an Auditor position. The need for an audit function for the Department is not new as attempts were made during the late 1980s and 1990s to develop an audit program for royalty and unclaimed property. Those efforts resulted in some progress being made, but employee attrition resulted in those positions either being reclassified or eliminated.

Audit of Oil And Gas, Coal, And Aggregate Royalties

Since 1987, the Department has had up to 3.0 FTEs devoted to the audit verification of royalty payments.

As company records are purged due to retention policies, companies are bought out and merged, and companies dissolve, the ability to verify payment accuracy greatly diminishes with time. This past calendar year, several letters were mailed to oil and gas operators in an attempt to resolve significant under- or over-payments of royalties. Discrepancies can exist for several reasons including ownership percentage differences in division orders, how product sales are valued, volumes, or accounting errors. Our recent efforts recovered approximately \$250,000 from several operators for salt water disposal fees that had accrued from many years. Another approximately \$50,000 in differences from production payments is outstanding and is waiting to be resolved. The oil and gas royalty audit, however, only covered 1994-1995.

When underpayments exist we also attempt to collect interest on those funds. Companies expect that any differences are identified early so they can minimize the amount of interest that has accrued. Reviewing records that are ten years old should not be acceptable to the operator and is not acceptable to us.

Audit of Unclaimed Property

Since 1991, up to 2 FTEs have had responsibilities related to compliance with the unclaimed property law. However, since 2001 only .1 FTE position is involved with audit work.

Our efforts have evolved recently to redirect an audit function that emphasizes holder education. It is estimated that only about 20% of businesses comply with unclaimed property reporting requirements. We believe a big part of the answer to the question of better compliance is education. Many businesses are unaware of the reporting requirement altogether, while others may have overlooked a specific type of property, and yet others are of the belief that their reporting requirements are being met by third party contractors, while in fact they are not.

Current Status And Request

When the department's budget was submitted in July 2004, the request was for an FTE to work exclusively with audits. However, since that time several vacancies have occurred and the

Department has reclassified an Audit Technician position to that of an Auditor III, thereby creating a supervisory position for an Audit Division. That position was recently filled and we are currently in the process of filling a vacant Auditor II position. Consequently, the FTE request is still for an auditor, but the position will likely involve only part-time audit responsibilities and the remaining time will come from other job assignments that have been reassigned or are not being done since the vacancies occurred.

CONTINUING APPROPRIATION EXPENDITURES

Attached is a Schedule of Revenue, Expenditures, Fund Balance and Continuing Authority in response to the Fifty-Eighth Legislative Assembly request under Section 34 of SB2015. Justification for each of the categories is as follows:

Unclaimed Property Claim Totals

This appropriation expenditure allows for the return of property that has been reported to us as abandoned upon the filing of documentation necessary to confirm ownership and pay the claim. The amounts indicated in the schedule are best estimates based on historical information. The actual amount paid can vary significantly from those numbers.

Investment Related Fees

The Board retains several money managers to invest trust fund monies as required by the Constitution and law. Fees paid are for transaction costs, manager fees, custodial arrangements, and advisory services. Manager and custodial fees are typically based on a percentage of the account value.

The information provided in the Schedule utilizes actual and estimated portfolio values. The actual fee paid can fluctuate significantly as fees are subject to the prevailing investment markets.

County Services

Prior to March 1st of each year we are required to calculate the net revenue received from grant lands and pay 5% of the net revenue to the applicable county. The money is distributed to the townships for the maintenance, repair, and construction of roads and bridges.

Land Expenses

Included in the reported number are reimbursements for spraying noxious weeds. Spraying for noxious weeds represents the lion's share of the expenses in that amount. Because of the continued success in using flea beetles, leafy spurge spraying costs continue to go down, but it is unlikely the need for spraying will ever be totally eliminated.

The amount noted in footnote 5 is the annual payment being made under contract to the USDA ND Statistical Office for compiling and completing the annual land rent survey. This survey produces some of the information used in establishing minimum rents for public auction of school trust land surface leases.

The balance of land expenses are related to unanticipated expenses for appraisal fees, survey costs, lease refunds, clean-up costs, capital improvements, payments to rural fire districts for fire protection, and other expenses approved by the Board of University and School Lands that are necessary to manage, preserve and enhance the value of the land.

In-Lieu Taxes

The Board is required to pay in-lieu property taxes on crop and hay lands, and foreclosed or land deeded in lieu of foreclosure, on property acquired after 1980. The in-lieu taxes varies by the local mill levy and number of acres held.

FISCAL NOTE

The Department prepared the fiscal note on Section 8 of SB2013 relates to the Developmentally Disabled Loans appropriation to cover principal and interest payments from the Land and Minerals Trust to the Common Schools Trust Fund. Previously, the appropriation request was included in the Department of Human Service's appropriation request. Previous appropriations did not anticipate principal prepayments, as the request only covered regular scheduled principal and interest payments.

The Developmentally Disabled No. 2 and 3 loan programs were created by the 1983 and 1985 legislative assemblies, respectively. Although the current biennium and 2007-2009 biennium numbers are only for the scheduled principal and interest payments, the narrative notes the current outstanding principal balance of \$3,393,000 and the continuing appropriation authority and the total liability would be for that amount plus accrued interest.

On page 3, Line 16, of SB2013 "principle" should be spelled "principal".

CONCLUSION

The Board's responsibility to preserve the purchasing power of the trusts and maintain income stability for the trust beneficiaries continues to be met as the funds have grown considerably in the past two years. All permanent and other trust funds remain in sound financial condition. Surface land is effectively managed providing for a fair market return of grazing lease income. Mineral leasing and development activity is once again very active with large bonuses being collected, and exploration potential is viewed as looking very promising for enhancing royalties received. Unclaimed property collections continue to accumulate assets held for owners and unclaimed property administration is efficient in the processing of a record number of claim applications.

Board of University and School Lands

Schedule of Revenue, Expenditures, Fund Balance and Continuing Authority Items for the 05-07 Budget Period

	Estimated Amounts				01-03 Biennial Total	Continuing Items	99-01 Biennial Total	Continuing Items
	05-07 Biennial Total	Continuing Items	03-05 Biennial Total	Continuing Items				
Revenues								
Investment income	87,464,895		113,460,577		23,618,094		72,173,602	
Rents, royalties and bonuses	23,973,570		36,885,345		27,934,621		31,895,358	
Taxes and fees	15,002,000		20,193,907		18,300,187		18,860,490	
Unclaimed property collections (net from financial statements)	1,200,000		1,839,573		2,655,650		1,708,910	
1/ Claims paid on unclaimed property		3,000,000		3,103,885		2,882,141		3,323,477
Tobacco settlement	19,000,000		20,960,083		23,998,745		24,074,911	
Total Revenues	146,640,465		193,339,485		96,507,297		148,713,271	
Expenditures								
Total expenditures	13,926,287		13,903,982		12,438,676		11,127,291	
2/ Money manager and custodial fees		3,645,525		3,140,132		2,724,310		2,528,951
3/ County payments for services		339,000		327,670		306,692		271,869
4/ Noxious weed control		80,000		89,661		79,052		100,217
5/ Fair market value rent survey		43,000		40,000		39,000		38,000
6/ In-lieu tax payments		175,000		170,342		164,435		158,737
Net income before transfers	132,714,178		179,435,503		84,068,621		137,585,980	
Transfers								
Transfer to Public Instruction	(62,200,000)		(60,000,000)		(57,793,000)		(47,550,000)	
Other transfers	(18,181,862)		(15,000,947)		(17,649,797)		(18,591,548)	
Total transfers	(80,381,862)		(75,000,947)		(75,442,797)		(66,141,548)	
Net income	52,332,316		104,434,556		8,625,824		71,444,432	
Fund Balance - beginning	753,312,283		648,877,727		640,251,903		568,807,470	
Fund Balance - ending	809,144,599		753,312,283		648,877,727		640,251,902	

1/ 47-30.1-23. Deposit of funds - Continuing appropriation - Unclaimed Property
These are payments made to owners of unclaimed property.

2/ 15-03-16. Continuing appropriation for investments and 15-03-04.1 for farm loans.
Money manager and custodial fees and loan administration fees necessary to maintain and enhance the income earning potential of the Trusts financial assets.

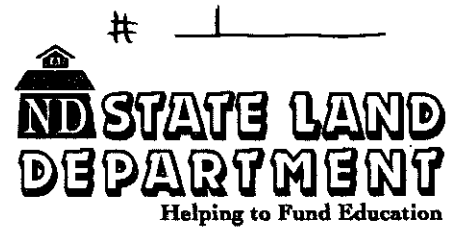
3/ 15-04-23. County services benefiting school trust lands.
These are payments made to the counties for various services provided by those political subdivisions.

4/ & 5/ 15-04-24 and 15-07-22 Appropriation for land expenses.
These are payments for appraisal fees, survey costs, surface lease refunds, weed and insect control costs, clean-up costs, capital improvement rent credits, fire protection, land rent and value survey costs and other expenses.

6/ 57-02.3-07. Appropriation - In-lieu taxes.

1707 North 9th Street
PO Box 5523
Bismarck, ND 58506-5523
Phone: (701) 328-2800
Fax: (701) 328-3650

www.land.state.nd.us
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Gary D. Preszler, Commissioner

H. App. 6.0,
Thurs. 3/3/05
SB 2013

**TESTIMONY OF GARY D. PRESZLER
STATE LAND COMMISSIONER
North Dakota State Land Department**

IN SUPPORT OF ENGROSSED SENATE BILL NO. 2013

**HOUSE GOVERNMENT OPERATIONS DIVISION
March 3, 2005**

Chairman Carlisle, members of the House Government Operations Division of the House Appropriations Committee, I am Gary D. Preszler, Secretary for the Board of University and School Lands and Commissioner for the State Land Department.

I am here to testify in support of the Land Department's requested total special funds appropriation. Within the total appropriation request is \$5,000,000 (\$4,888,100 net of \$111,900 in administrative expenses) to fund the oil and gas development impact grants under the Energy Development Impact Office (EDIO). Rick Larson, the Director of EDIO will cover the grant fund appropriation request. The remaining request of \$2,930,895 covers the administrative expenses to operate the Land Department.

Within the budget is a request to add one FTE. With the exception of the FTE request and the salary enhancements proposed by the Senate, the Department's budget is at the approximate same level as for the current biennium.

DEPARTMENT PURPOSE

The Land Grant to the State from the federal government and the State Constitution provides that the Board of University and Schools Land shall manage the land, minerals and proceeds from the land for the exclusive benefit of the institutions for which they were granted. The income earned is to be distributed for the exclusive benefit of those trust beneficiaries.

Income is generated through prudent management of trust assets, consisting of over 714,000 surface acres, over 2.5 million mineral acres, and approximately \$700 million in permanent trust fund financial assets. The surface acres are leased to ranchers and farmers across the state. The 2.5 million mineral acres are offered for oil, gas, coal, gravel and scoria leasing. Revenues from all sources are deposited in trust funds and are invested in the Farm Loan Pool administered by the Bank of North Dakota, U.S. Treasury and foreign notes and bonds, and corporate bonds and stocks. The income from these investments, together with surface and mineral rentals, is distributable to North Dakota schools (public grades K-12), educational and other public institutions at specified intervals throughout the biennium.

The following is a list of beneficiaries of the various trust funds administered by the Land Department pursuant to Article IX of the North Dakota Constitution:

- | | |
|----------------------------------|--------------------------------|
| 1) Common Schools | 2) Capitol Building |
| 3) North Dakota State University | 4) Mayville State University |
| 5) School for the Blind | 6) Industrial School |
| 7) School of the Deaf | 8) State College of Science |
| 9) State Hospital | 10) School of Mines |
| 11) Ellendale State College * | 12) Veteran's Home |
| 13) Valley City State University | 14) University of North Dakota |

* The Ellendale State College Trust is split equally between 7 beneficiaries: Dickinson State University, Minot State University, MSU-Bottineau, Veteran's Home, School of the Blind, State Hospital, and State College of Science.

CURRENT HIGHLIGHTS

Minerals Division - Oil And Gas Robust Activity

Since early 2004, activity in the oil patch has increased considerably due to several plays that are developing along with the higher price of oil. More tracts were nominated for the August and November oil and gas lease auctions than had been nominated in any auction for the last 20 years. For calendar year 2003, bonuses of just over \$400,000 were collected, and for calendar year 2004, bonuses received totaled over \$14 million. The February 2005 sale brought in and additional \$3.5 million. The increased interest in leasing has also resulted in drilling on state tracts, with several producing wells now generating royalties for the permanent and Land and Minerals Trust Funds.

Investments

Total permanent trust financial assets as of December 31, 2004 were approximately \$700 million, up \$173.8 million (33.0%) since December 31, 2002. The financial asset numbers do not include values for surface acres or mineral holdings. The growth in trust assets has been driven by both strong equity markets and increased revenues from oil related activities.

Staff continued work towards implementing the recommendations that were included in the investment study performed by DiMeo Schneider and Associates in 2003. This included further diversifying the investment portfolio into Real Estate Investment Trusts (REITs), international fixed income securities and Treasury Inflation Indexed Securities (TIPS). The asset allocation changes have contributed to the above market returns posted by the permanent trusts' equity portfolio over the past two years. They have also helped the permanent trusts' generate relatively stable income and cash flows during the current low interest rate environment.

Distributions

At the March 2004 Land Board meeting, the Board approved distributions for all permanent trusts for the 2005-2007 biennium. The distributions were determined based on the principles outlined in NDCC 15-03-05.2, which states that:

"The board shall distribute only that portion of a fund's income that is consistent with the long-term goals of preserving the purchasing power of the fund while maintaining income stability to the fund beneficiaries."

The table below outlines both permanent trust distributions for the 2003-05 biennium and distributions for the 2005-07 biennium. It shows total proposed distributions from the permanent trusts are approximately \$2.27 million (3.5%) greater than projected distributions for the current biennium.

Trust Fund	2003-2005 Bi. Distributions	Board 2005-2007 Bi. Distributions	Inc./Dec. in Distributions	Percentage Inc./Dec. in Distributions
COMMON	\$60,000,000	\$62,200,000	\$2,200,000	3.7%
NDSU	1,132,000	1,146,000	14,000	1.2%
BLIND	214,000	208,000	-6,000	-2.8%
DEAF	322,000	322,000	0	0.0%
ST HOSP	292,000	310,000	18,000	6.2%
ELLENDALE	232,400	235,200	2,800	1.2%
VALLEY	268,000	268,000	0	0.0%
MAYVILLE	186,000	176,000	-10,000	-5.4%
INDUSTRIAL	396,000	404,000	8,000	2.0%
SCIENCE	306,000	306,000	0	0.0%
MINES	312,000	322,000	10,000	3.2%
VETERANS	236,000	236,000	0	0.0%
UND	634,000	664,000	30,000	4.7%
Total	\$64,530,400	\$66,797,200	\$2,266,800	3.5%

To determine the distributions for the 2005-07 biennium, staff evaluated many factors including each trusts' asset balances, projected income and cash flows and expected future capital markets returns. The staff applied asset allocation and distribution principles used by many endowments and foundations. These principles include spending a portion (but not all) of capital gains earned and are designed to ensure both stable, growing distributions and increasing asset balances over the long-term. When applied consistently, these principles should allow the Board to meet the dual responsibilities outlined in NDCC 15-03-05.2 (maintaining income stability and preserving the purchasing power of the trusts). However, if these principles are not followed, or are followed inconsistently, meeting the dual responsibilities outlined in NDCC 15-03-05.2 is very difficult, if not impossible.

Distributions for 2005-2007 from the Common Schools Trust fund are \$2.2 million more (3.7%) than expected distributions for the current biennium. Although total assets have recovered from the down markets of 2000 to 2002, the current low interest rate environment has had a direct impact on the amount of income those assets can generate.

Total distributions from the 12 other permanent trusts for 2005-2007 are \$66,800 more (1.5%) than expected distributions for the current biennium. Distributions from 2 of the trusts will be less than the current biennium while distributions from 4 other trusts will remain level. Distributions from the other 6 trusts will increase by various amounts during the 2005-07 biennium. The reason some trusts are unable to increase distributions for the 2005-07 biennium is two-fold. The first reason is that distributions from these trusts were set at levels too high to sustain during recent years. Secondly, the number of surface and mineral acres is different for each trust. In addition, the current low interest rate has also impacted the amount of income the trusts can generate.

The distribution levels set by the Board for all 13 permanent trusts for the 2005-07 biennium should allow the Board to meet its dual responsibilities under NDCC 15-03-05.2.

As you are aware, 2000 through 2002 was a difficult period for investors in the stock markets and those dependent on interest-paying bonds. 2003 and 2004 were much better for the stock market with returns being positive, and interest rates increasing moderately for bondholders.

On a related matter, the HCR 3037 amends the Constitution to change the methodology for calculating available distributions from the current "interest and income" manner to a total return approach. The goal is to allow the Board to invest more optimally than they can do now, with the expectation that over the long term market returns will provide for greater trust fund growth and consequently higher more predictable distribution levels.

FTE REQUEST

The budget request contains one additional FTE to be filled as an Auditor position. The need for an audit function for the Department is not new as attempts were made during the late 1980s and 1990s to develop an audit program for royalty and unclaimed property. Those efforts resulted in some progress being made, but employee attrition resulted in those positions either being reclassified or eliminated.

Audit of Oil And Gas, Coal, And Aggregate Royalties

Since 1987, the Department has had up to 3.0 FTEs devoted to the audit verification of royalty payments.

As company records are purged due to retention policies, companies are bought out and merged, and companies dissolve, the ability to verify payment accuracy greatly diminishes with time. This past calendar year, several letters were mailed to oil and gas operators in an attempt to resolve significant under- or over-payments of royalties. Discrepancies can exist for several reasons including ownership percentage differences in division orders, how product sales are valued, volumes, or accounting errors. Our recent efforts recovered approximately \$250,000 from several operators for salt water disposal fees that had accrued from many years. Another approximately \$50,000 in differences from production payments is outstanding and is waiting to be resolved. The oil and gas royalty audit, however, only covered 1994-1995.

When underpayments exist we also attempt to collect interest on those funds. Companies expect that any differences are identified early so they can minimize the amount of interest that has accrued. Reviewing records that are ten years old should not be acceptable to the operator and is not acceptable to us.

Audit of Unclaimed Property

Since 1991, up to 2 FTEs have had responsibilities related to compliance with the unclaimed property law. However, since 2001 only .1 FTE position is involved with audit work.

Our efforts have evolved recently to redirect an audit function that emphasizes holder education. It is estimated that only about 20% of businesses comply with unclaimed property reporting requirements. We believe a big part of the answer to the question of better compliance is education. Many businesses are unaware of the reporting requirement altogether, while others may have overlooked a specific type of property, and yet others are of the belief that their reporting requirements are being met by third party contractors, while in fact they are not.

Current Status And Request

When the department's budget was submitted in July 2004, the request was for an FTE to work exclusively with audits. However, since that time several vacancies have occurred and the Department has reclassified an Audit Technician position to that of an Auditor III, thereby creating a supervisory position for an Audit Division. That position was recently filled and we are currently in the process of filling a vacant Auditor II position. Consequently, the FTE request is still for an auditor, but the position will likely involve only part-time audit responsibilities and the remaining time will come from other job assignments that have been reassigned or are not being done since the vacancies occurred.

CONTINUING APPROPRIATION EXPENDITURES

Attached is a Schedule of Revenue, Expenditures, Fund Balance and Continuing Authority in response to the Fifty-Eighth Legislative Assembly request under Section 34 of SB2015. Justification for each of the categories is as follows:

Unclaimed Property Claim Totals

This appropriation expenditure allows for the return of property that has been reported to us as abandoned upon the filing of documentation necessary to confirm ownership and pay the claim. The amounts indicated in the schedule are best estimates based on historical information. The actual amount paid can vary significantly from those numbers.

Investment Related Fees

The Board retains several money managers to invest trust fund monies as required by the Constitution and law. Fees paid are for transaction costs, manager fees, custodial arrangements, and advisory services. Manager and custodial fees are typically based on a percentage of the account value.

The information provided in the Schedule utilizes actual and estimated portfolio values. The actual fee paid can fluctuate significantly as fees are subject to the prevailing investment markets.

County Services

Prior to March 1st of each year we are required to calculate the net revenue received from grant lands and pay 5% of the net revenue to the applicable county. The money is distributed to the townships for the maintenance, repair, and construction of roads and bridges.

Land Expenses

Included in the reported number are reimbursements for spraying noxious weeds. Spraying for noxious weeds represents the lion's share of the expenses in that amount. Because of the continued success in using flea beetles, leafy spurge spraying costs continue to go down, but it is unlikely the need for spraying will ever be totally eliminated.

The amount noted in footnote 5 is the annual payment being made under contract to the USDA ND Statistical Office for compiling and completing the annual land rent survey. This survey produces some of the information used in establishing minimum rents for public auction of school trust land surface leases.

The balance of land expenses are related to unanticipated expenses for appraisal fees, survey costs, lease refunds, clean-up costs, capital improvements, payments to rural fire districts for fire protection, and other expenses approved by the Board of University and School Lands that are necessary to manage, preserve and enhance the value of the land.

In-Lieu Taxes

The Board is required to pay in-lieu property taxes on crop and hay lands, and foreclosed or land deeded in lieu of foreclosure, on property acquired after 1980. The in-lieu taxes varies by the local mill levy and number of acres held.

FISCAL NOTE

The Department prepared the fiscal note on Section 8 of SB2013 relates to the Developmentally Disabled Loans appropriation to cover principal and interest payments from the Land and Minerals Trust to the Common Schools Trust Fund. Previously, the appropriation request was included in the Department of Human Service's appropriation request. Previous appropriations did not anticipate principal prepayments, as the request only covered regular scheduled principal and interest payments.

The Developmentally Disabled No. 2 and 3 loan programs were created by the 1983 and 1985 legislative assemblies, respectively. Although the current biennium and 2007-2009 biennium numbers are only for the scheduled principal and interest payments, the narrative notes the current outstanding principal balance of \$3,393,000 and the continuing appropriation authority and the total liability would be for that amount plus accrued interest.

CONCLUSION

The Board's responsibility to preserve the purchasing power of the trusts and maintain income stability for the trust beneficiaries continues to be met as the funds have grown considerably in the past two years. All permanent and other trust funds remain in sound financial condition. Surface land is effectively managed providing for a fair market return of grazing lease income. Mineral leasing and development activity is once again very active with large bonuses being collected, and exploration potential is viewed as looking very promising for enhancing royalties received. Unclaimed property collections continue to accumulate assets held for owners and unclaimed property administration is efficient in the processing of a record number of claim applications.

1707 North 9th Street
PO Box 5523
Bismarck, ND 58506-5523
Phone: (701) 328-2800
Fax: (701) 328-3650

www.land.state.nd.us
www.discovernd.com



Gary D. Prezler, Commissioner

TESTIMONY OF RICK D. LARSON
Director of the Energy Development Impact Office
North Dakota State Land Department

IN SUPPORT OF SENATE BILL NO. 2013

Appropriations Committee
January 11, 2005

*Same given to
The House*

PURPOSE

The Energy Development Impact Office (EDIO) was integrated into the Land Department in 1989. The mission of the EDIO is to provide financial assistance to local units of government affected by energy activity (NDCC 57-62-01). The EDIO has helped counties, schools, cities and other local units of government cope with the increased population due to energy development. Similarly, the EDIO has helped local units of government throughout the oil patch maintain roads, streets, and other facilities that have been impacted by oil-related traffic. It has also helped communities deal with the after effects when the oil boom turned to an oil bust.

The primary purpose for the office is to ensure that local subdivisions hosting energy activity are not required to bear a disproportionate share of the costs associated with that activity (both in its "boom" and "bust" cycles). The guiding principle of the office is to ensure that the benefit to all of the people of North Dakota, from the extraction of energy resources, will not be gained at the expense of those whose lives or property are disturbed, without adequate compensation, in the process.

Since 1991, the EDIO has made grants for oil impact only. Funding for these grants is appropriated by the State Legislature from a share of the Oil & Gas Gross Production Tax, and cannot exceed \$5,000,000 per biennium. (NDCC 57-51-15). The 2001-2003 biennium oil and gas production tax collections were enough so that the \$5,000,000 maximum was reached. Projection for the 2003-2005 biennium are similar.

The Board of University and School Lands is the appeals body for applicants not satisfied with the decisions made by the director.

This program provides a flexible means of helping communities with their oil impacts by access to funds that they would not receive under a formula-type distribution. EDIO is able to help township supervisors with road impacts across their townships. Fire and ambulance districts can receive funding for additional training and equipment to be sure the volunteer firemen and ambulance personnel can respond to emergencies safely and professionally. Cities, schools and counties provide services and education to the cyclical oil and gas economy and sometimes transient workers and their families. This program works with those governments to provide some relief to their taxpayers. Each year applications requesting funds are much more than what has been made available.

Each year we report the results of the grant round. The report is posted on our website (www.land.state.nd.us) and distributed to the media in the various communities. The website provides the criteria to be considered for a grant along with the appropriate application forms. In addition, the Board of University and School Lands prepares a biennial report of its activity which includes the activity of EDIO.

SUMMARY OF ACTIVITY

GRANT AWARD CRITERIA

- Each potential grantee must demonstrate the negative impact caused by either oil and gas development in their area.
- Each potential grantee must demonstrate its tax effort and a financial need.
- Funds granted must be used to help alleviate the hardship.

TYPES OF PROJECTS FUNDED

- Road repairs.
- Maintenance of property acquired by cities for non-payment of taxes following oil boom.
- Fire and ambulance equipment and training.
- Help with special assessment payments.

2001-2003 GRANT SUMMARY

See attached chart

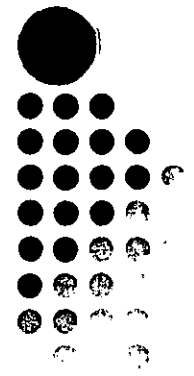
PROPOSED BUDGET

Total request of \$5,000,000

-Grant authorization:
Up to \$4,888,100 (based on Oil and Gas Production tax collections)

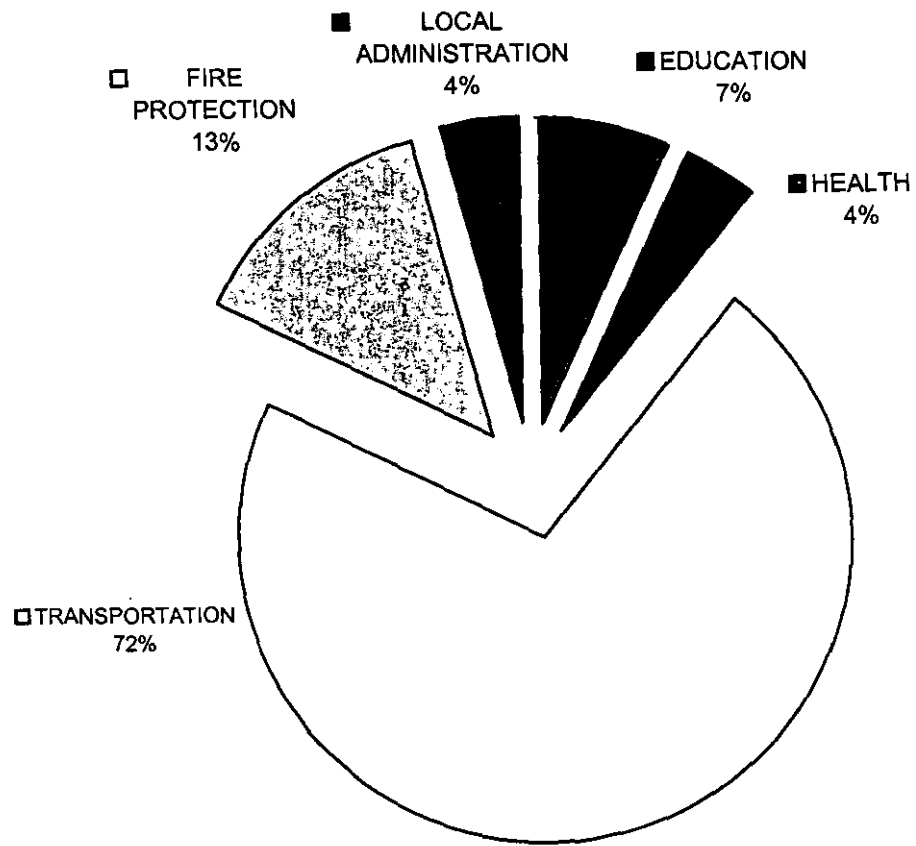
-Administrative authorization:
\$111,900

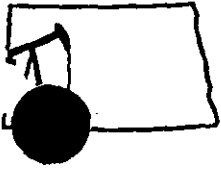
Energy Development Impact Office Historic Grant Information



	2002	2003	2004
Applications	\$11,345,824	\$12,717,546	\$14,904,671
Grants	\$2,275,000	\$2,800,000	\$2,450,000
Requests	261	262	286

2001-2003 EDIO Grant Summary





North Dakota Association of Oil & Gas Producing Counties

#3
H. App. G.O.
Thurs. 3/3/05
SB 2013

EXECUTIVE COMMITTEE

Roger Chinn
President
McKenzie County

Diane Affeldt
Garrison

Brad Bekkedahl
Vice-President
Williston

Anthony Duletski
Bowman PSD

Kevin Keenaghan
McKenzie County PSD

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Bottineau County

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Bowman County

Greg Sund
Dickinson

Jane Erickson
Secretary/Treasurer
Killdeer

Dean Koppelman
Dickinson PSD
Association Representative
to ND Oil and Gas
Research Council

March 3, 2005

Good morning, Chairman Carlisle and Members of the House Appropriations Committee. My name is Vicky Steiner. I live in Dickinson.

I'm the Executive Director of the North Dakota Association of Oil and Gas Producing Counties and the Coal Conversion Counties Associations..

The Oil and Gas Counties Association supports the \$5 million funding for energy impact as listed in Senate Bill 2013.

Our Association conducted an oil impact needs assessment survey about the impacts anticipated for the coming year. The results of that survey are in the blue booklet distributed to you.

With the increase in oil activity, the fund will continue to be used for upkeep on roads, water and sewer infrastructure, law enforcement, and fire protection. Townships also benefit from these grants for impacted township roads.

These grants have helped communities in western North Dakota during both growth and decline times of the oil discovery process. We anticipate more activity in the coming year and look forward to the positive economics to both our area and the state coffers.

Thank you.

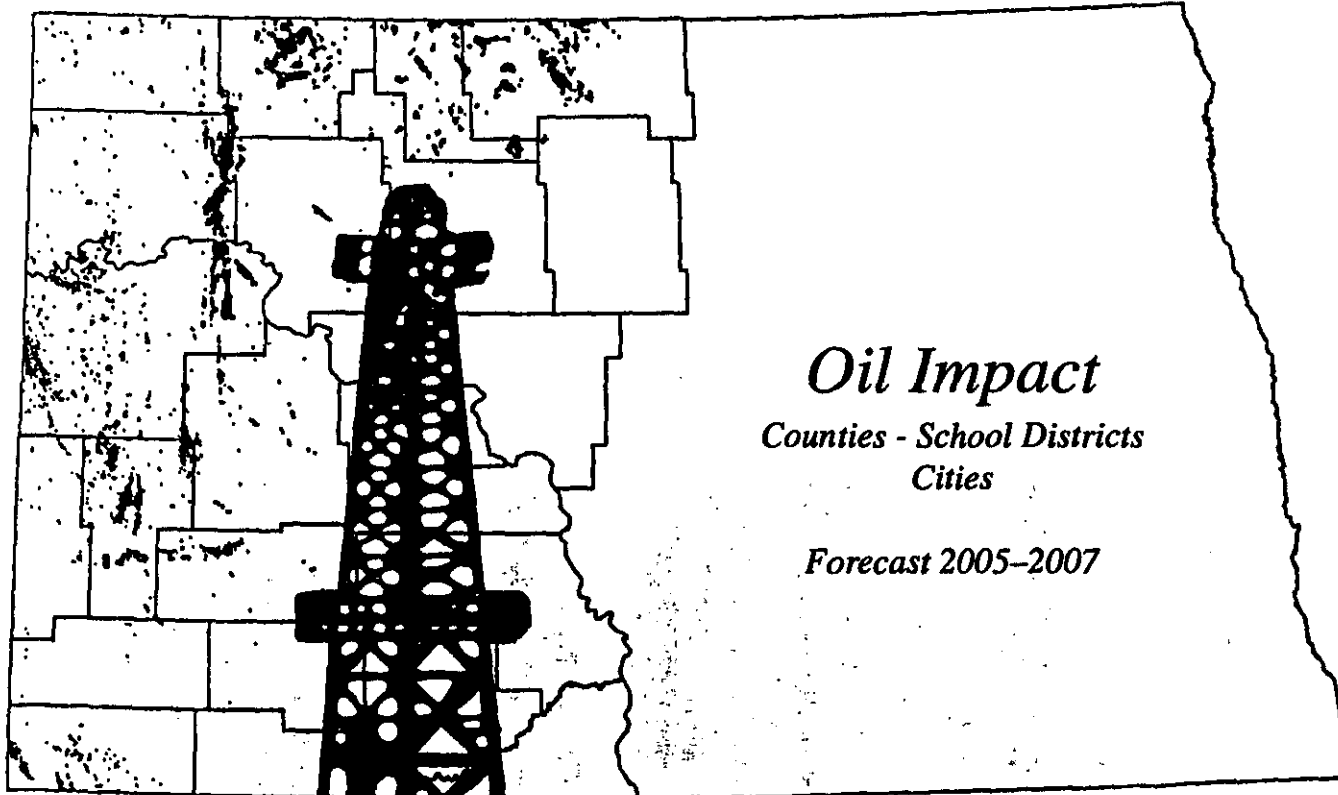
VICKY STEINER - EXECUTIVE DIRECTOR

859 Senior Ave. - Dickinson, ND 58601-3755 - Phone: (701) 483-TEAM (8326) - Fax: (701) 483-8328 - Cellular: (701) 290-1339
E-mail: vsteiner@ndsupernet.com - Web: www.ndoigas.govoffice.com

Jane Erickson - Permit Operator

P.O. Box 149 - Killdeer, ND 58640 - Evenings: (701) 764-6129 • E-mail: jane@pop.ctctel.com

Needs Assessment Survey



Oil Impact

Counties - School Districts
Cities

Forecast 2005-2007



Contract check for a copy

ND Association of Oil & Gas Producing Counties
December 2004

Vicky Steiner, Executive Director
(701) 483-8326

#4 H.A. No. 6.0.
Thurs. 3/3/05
SB 2013

✓

Chairman Holmberg and Committee Members:

I am here today to testify in support of the Energy Development Impact Grants.

The Williston Public Schools would have been hamstrung in the past without the opportunity to make health and safety improvements in their facility and properties with the Energy Development Impact Grants.

These grants have allowed us to receive partial funding for critical improvements in our facilities.

In the Williston Public School District, the budget allows only \$150,000 in total for improvements to eight school buildings.

We have had letters of concern over the condition of our roofs from our insurance carrier.

At one point they threatened to drop our insurance if we did not replace the roof at Williston High School.

Over a period of phases, with the help of impact grants, we have nearly completed the re-roofing of that structure.

In addition, this \$150,000 of District money also has to go for improvements on our grounds.

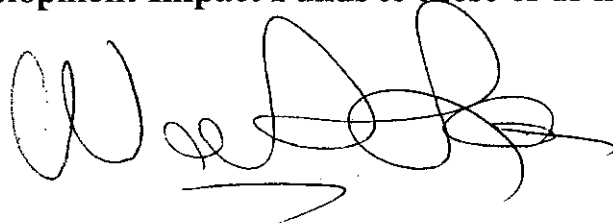
With some of our sidewalks in broken and dangerous condition, we once again were able to receive valuable assistance from the Energy Development Impact Grants.

Health and safety issues have been at the forefront of our requests and continue to be so.

These grants only partially fund our many needed projects, but I can assure you that every penny of the dollars are used to the fullest extent possible by the Williston Public Schools.

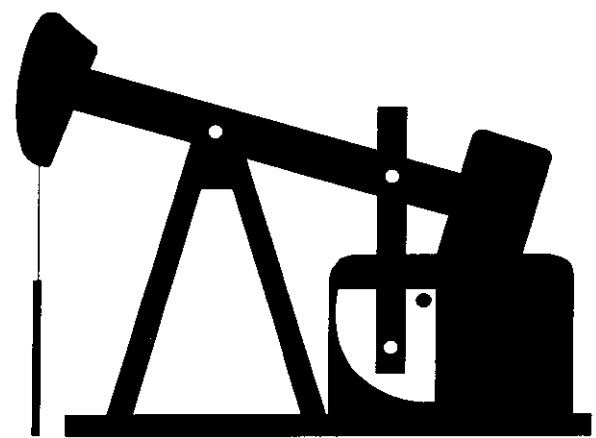
We struggle financially to keep up with educational needs, and without the assistance from the Energy Development Impact Grants, either the educational needs of kids would suffer more, or the non-educational needs would not be met.

I urge you to continue, and if possible, to increase the availability of the Energy Development Impact Funds to those of us in the impact area.



Warren D. Larson-Superintendent-Williston Public School District # 1

STATISTICAL INFORMATION
SHOWING THE IMPACT



OF THE OIL BOOM ON
THE CITY OF WILLISTON

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EFFECTIVE TAX RATES AND MILL LEVIES FOR WILLISTON

YEAR	WILLISTON CITY MILLS	EFFECTIVE TAX RATE RESIDENTIAL	EFFECTIVE TAX RATE COMMERCIAL	TOTAL MILLS OF TAX DISTRICT #1	EFFECTIVE TAX RATE RESIDENTIAL	EFFECTIVE TAX RATE COMMERCIAL
1978	58.19	.26	.29	235.96	1.06	1.18
1979	65.12	.29	.33	257.37	1.16	1.29
1980	67.95	.31	.34	265.56	1.20	1.33
1981	91.38	.41	.46	272.62	1.23	1.36
1982	96.88	.44	.48	280.58	1.26	1.40
1983	128.12	.58	.64	319.39	1.44	1.60
1984	132.54	.60	.66	339.46	1.53	1.7
1985	136.45	.61	.68	350.75	1.58	1.75
1986	146.30	.66	.73	373.71	1.68	1.87
1987	178.50	.80	.89	448.61	2.02	2.24
1988	202.78	.91	1.01	500.38	2.25	2.50
1989	221.21	1.00	1.10	586.92	2.64	2.93
1990	206.96	.93	1.03	572.38	2.58	2.86
1991*	146.40	.66	.73	519.76	2.34	2.60
1992 *	140.62	.63	.70	544.97	2.45	2.72
1993 *	140.62	.63	.70	575.90	** 2.59	2.88

EFFECTIVE TAX RATES AND MILL LEVIES FOR WILLISTON

YEAR	WILLISTON CITY MILLS	EFFECTIVE TAX RATE RESIDENTIAL	EFFECTIVE TAX RATE COMMERCIAL	TOTAL MILLS OF TAX DISTRICT #1	EFFECTIVE TAX RATE RESIDENTIAL	EFFECTIVE TAX RATE COMMERCIAL
1994 *	136.70	.62	.68	567.30	** 2.55	2.84
1995 *	129.27	.58	.65	546.51	2.46	2.73
1996 *	126.78	.57	.63	548.73	2.47	2.74
1997 *	118.07	.53	.59	524.06	2.36	2.62
1998 *	118.01	.53	.59	525.93	2.37	2.63
1999 *	122.29	.55	.61	527.42	2.37	2.64
2000 *	122.2	.55	.61	527.75	2.38	2.64
2001*	121.94	.55	.61	526.96	2.37	2.64
2002*	120.57	.54	.60	528.59	2.38	2.64
2003*	115.66	.52	.58	526.39	2.37	2.63
2004*	111.01	.50	.56	517.49	2.33	2.59

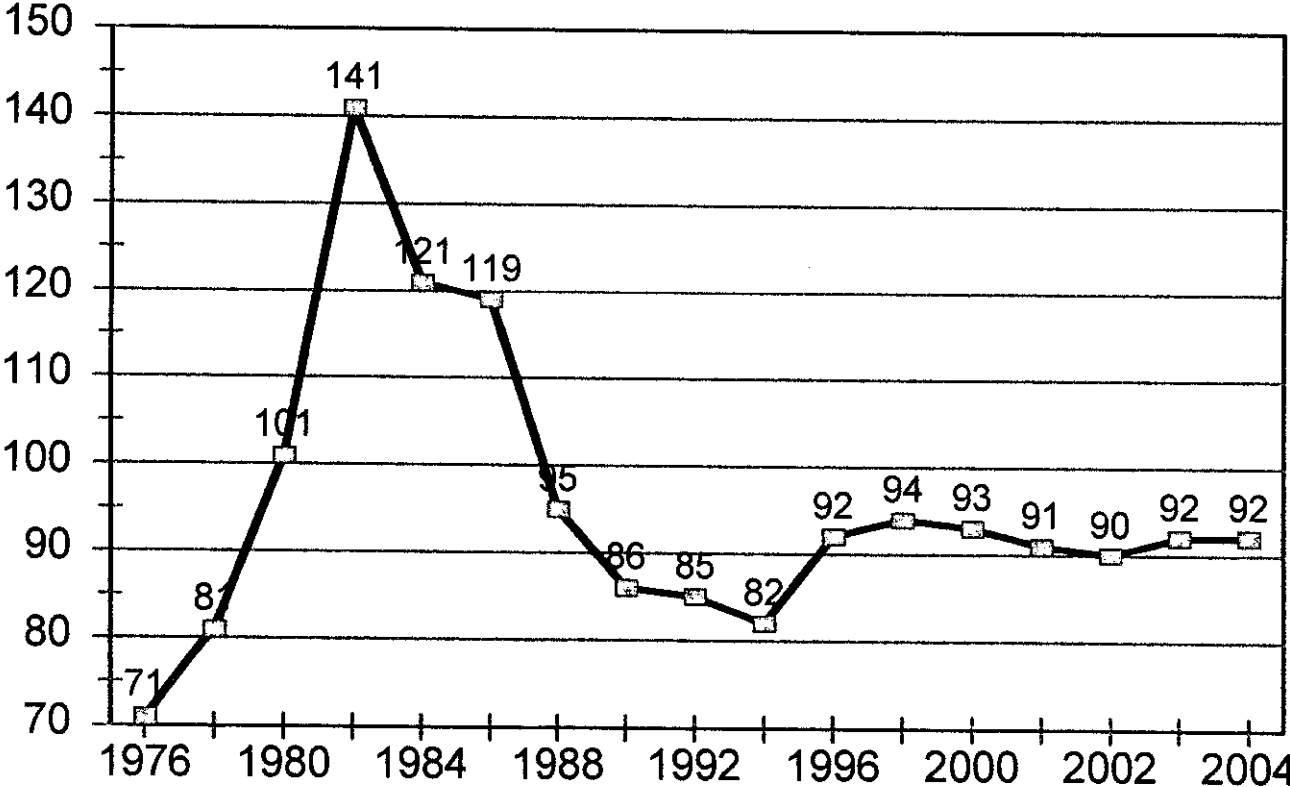
* All numbers improved with local 1% sales tax reducing mill levy by some 60 mills.

** It is interesting to note that the California tax revolt started with a tax rate of \$2.50 per \$100.00 value.

CITY OF WILLISTON LEVY RECAP			
<i>COLLECTION YEAR</i>	<i>CITY SHARE OF LEVY</i>	<i>PERCENTAGE RELATED TO DEBT</i>	<i>TOTAL LEVY</i>
1979	58.19	6.6%	235.96
1980	65.12	5.3%	257.37
1981	67.95	3.1%	265.56
1982	91.38	20.0%	272.62
1983	96.88	29.2%	280.58
1984	128.12	33.9%	319.39
1985	132.54	35.3%	339.46
1986	136.45	38.4%	350.75
1987	146.30	38.7%	373.71
1988	178.50	35.9%	448.61
1989	202.78	37.1%	500.38
1990	221.21	37.8%	586.92
1991	206.96	29.0%	572.38
1992	146.40	0%*	519.76
1993	140.62	0%*	544.97
1994	140.62	0%*	575.90
1995	136.70	0%*	567.30
1996	129.27	0%*	546.51
1997	126.78	0%*	548.73
1998	118.07	0%*	524.06
1999	118.01	0%*	525.93
2000	122.29	0%*	527.42
2001	121.94	0%*	526.96
2002	120.57	0%*	528.59
2003	115.66	0%*	526.39
2004	111.01	0%*	517.49

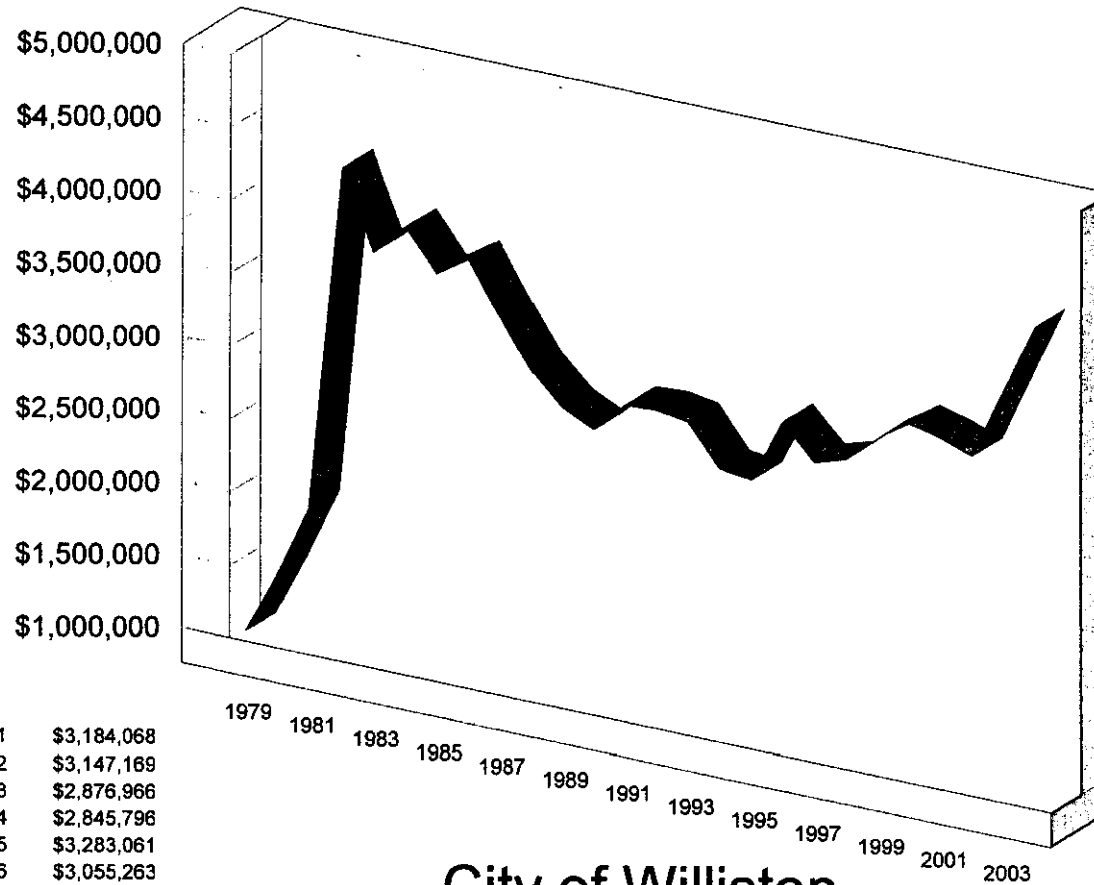
* Debt portion of mill levy was eliminated when the local 1% sales tax went into effect. 75% of the sales tax, or approximately 60 mills, goes to property tax relief or the covering of our debt levies and infrastructure replacement.

TOTAL EMPLOYEES BY YEAR CITY OF WILLISTON



GENERAL FUND EXPENDITURES

1978 - 2003

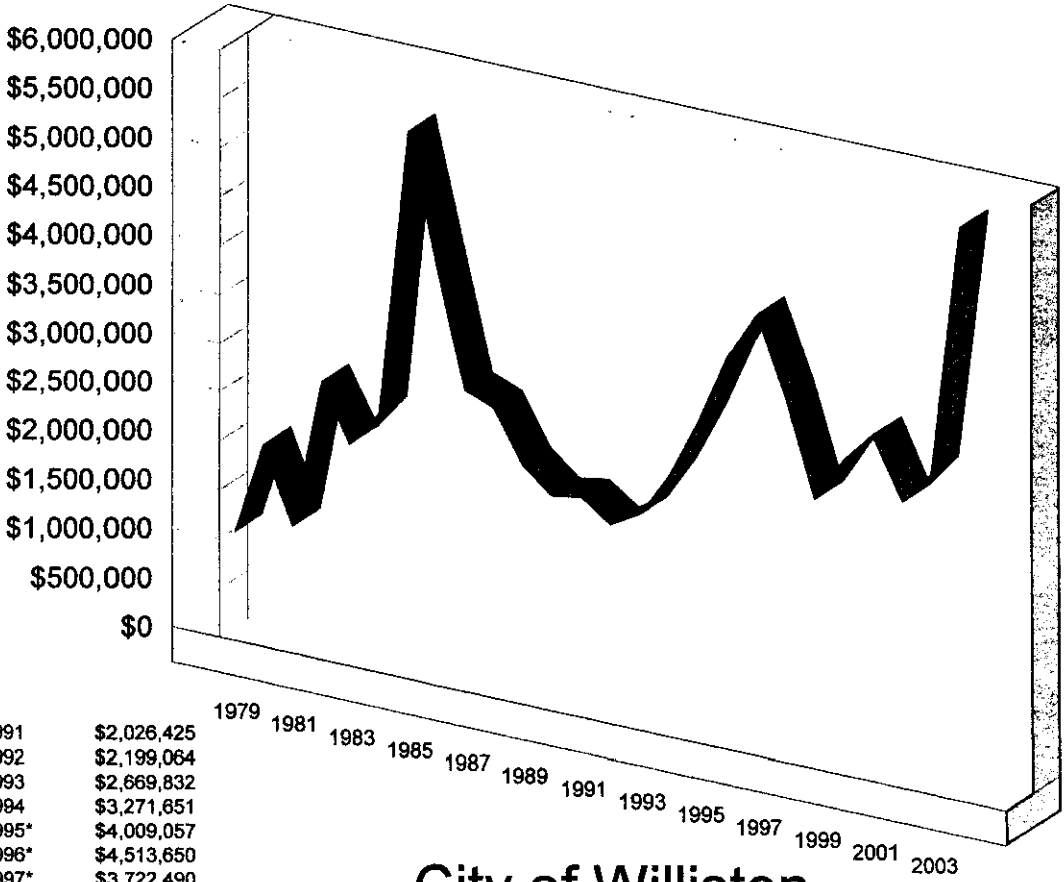


City of Williston

1978	\$1,070,644	1991	\$3,184,068
1979	\$1,515,957	1992	\$3,147,169
1980	\$1,999,333	1993	\$2,876,966
1981	\$4,387,622	1994	\$2,845,796
1982	\$3,846,490	1995	\$3,283,061
1983	\$4,070,975	1996	\$3,055,263
1984	\$3,797,219	1997	\$3,119,019
1985	\$3,941,133	1998	\$3,311,550
1986	\$3,599,073	1999	\$3,455,617
1987	\$3,274,564	2000	\$3,399,669
1988	\$3,064,043	2001	\$3,322,584
1989	\$2,961,497	2002	\$3,824,874
1990	\$3,172,162	2003	\$4,304,012

SPECIAL REVENUE FUND EXPENDITURES

1978 - 2003



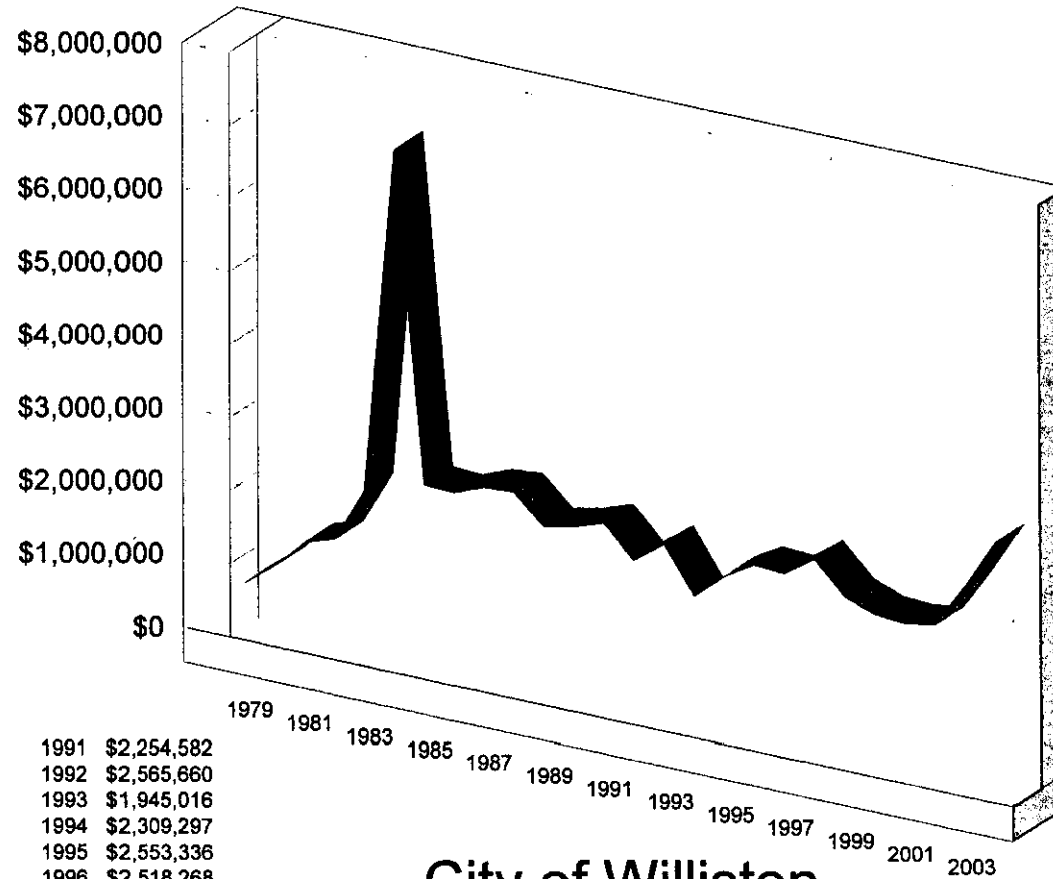
City of Williston

1978	\$1,109,068	1991	\$2,026,425
1979	\$2,055,545	1992	\$2,199,064
1980	\$1,295,237	1993	\$2,669,832
1981	\$2,833,964	1994	\$3,271,651
1982	\$2,263,771	1995*	\$4,009,057
1983	\$2,635,179	1996*	\$4,513,650
1984	\$5,598,361	1997*	\$3,722,490
1985	\$4,300,004	1998*	\$2,740,024
1986	\$3,069,412	1999*	\$3,221,578
1987	\$2,957,910	2000*	\$3,536,146
1988	\$2,444,873	2001*	\$2,911,801
1989	\$2,194,688	2002*	\$3,256,962
1990	\$2,243,121	2003*	\$5,847,376

* Reclassified which funds are Special Revenue versus Trust & Agency

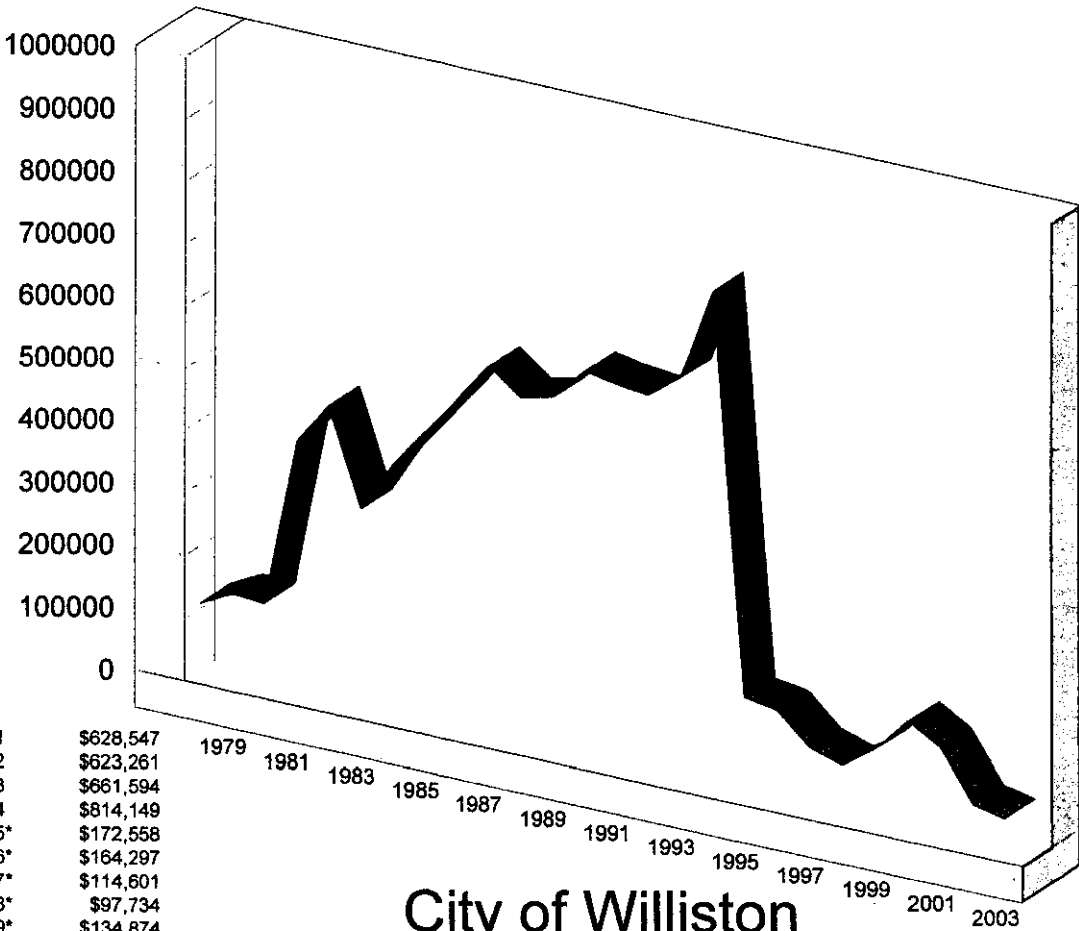
ENTERPRISE FUND EXPENDITURES

1978 - 2003



1978	\$789,370	1991	\$2,254,582
1979	\$1,108,883	1992	\$2,565,660
1980	\$1,522,705	1993	\$1,945,016
1981	\$1,653,841	1994	\$2,309,297
1982	\$2,399,848	1995	\$2,553,336
1983	\$7,169,597	1996	\$2,518,268
1984	\$2,667,551	1997	\$2,806,353
1985	\$2,645,718	1998	\$2,384,856
1986	\$2,806,129	1999	\$2,225,090
1987	\$2,843,212	2000	\$2,195,927
1988	\$2,456,035	2001	\$2,260,348
1989	\$2,546,523	2002	\$2,897,566
1990	\$2,684,606	2003	\$3,572,335

TRUST & AGENCY FUND EXPENDITURES 1978 - 2003



1978	\$131,164	1991	\$628,547
1979	\$156,871	1992	\$623,261
1980	\$153,130	1993	\$661,594
1981	\$424,208	1994	\$814,149
1982	\$491,780	1995*	\$172,558
1983	\$338,260	1996*	\$164,297
1984	\$421,260	1997*	\$114,601
1985	\$485,000	1998*	\$97,734
1986	\$546,746	1999*	\$134,874
1987	\$612,793	2000*	\$191,818
1988	\$572,925	2001*	\$160,605
1989	\$584,932	2002*	\$80,682
1990	\$638,716	2003*	\$69,807

City of Williston

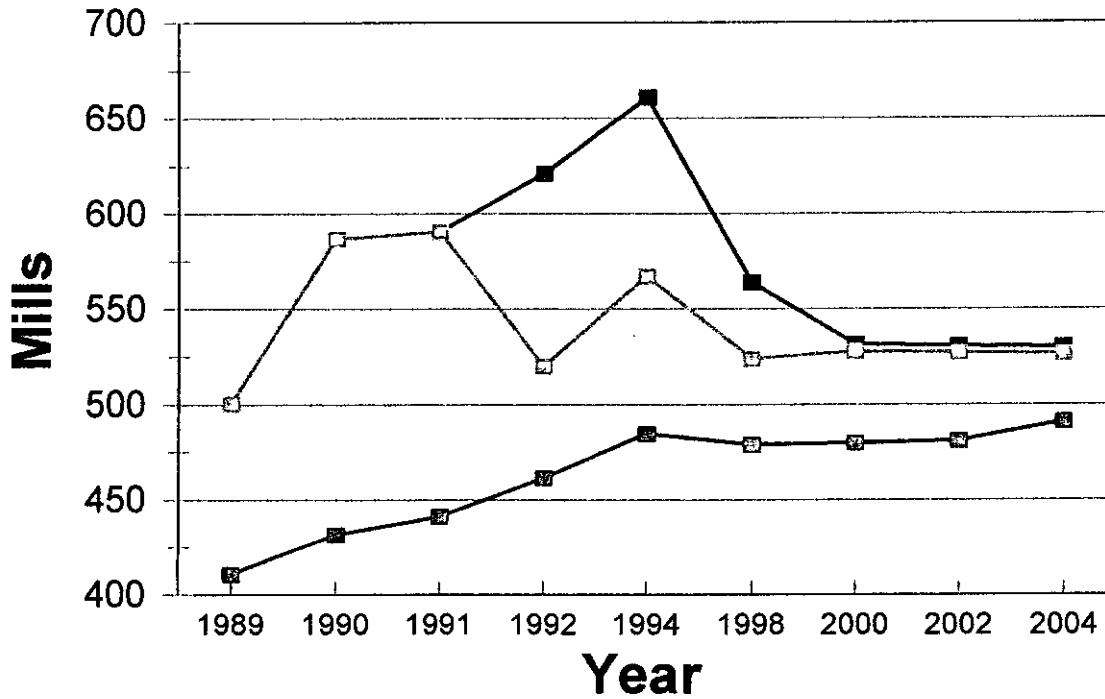
* Reclassified which funds are Trust & Agency versus Special Revenue

**CITY OF WILLISTON CASH FLOW SCHEDULE
2004 - 2020**

YEAR	ASSESSMENTS (PRINCIPAL & INTEREST)	WATER/ MUNICIPAL HIGHWAY REVENUE	TOTAL REVENUE	ANTICIPATED INCOME	REVISED PAYMENTS	ANNUAL SURPLUS	INTEREST AT 2%	BOND FUND CUMULATIVE BALANCE
2003								489,497
2004	13,332	6,494	19,826	19,826	458,651	(438,825)	9,790	60,462
2005	27,198	6,235	33,433	33,433	469,646	(436,213)	1,209	(374,542)
2006	283,444	5,976	289,420	289,420	239,354	50,066	0	(324,476)
2007	257,619	5,717	263,336	263,336	224,464	38,872	0	(285,604)
2008	239,860	5,457	245,317	245,317	205,013	40,304	0	(245,300)
2009	218,942	5,198	224,140	224,140	195,744	28,396	0	(216,904)
2010	203,244	4,939	208,183	208,183	191,285	16,898	0	(200,006)
2011	184,967	4,680	189,647	189,647	181,823	7,824	0	(192,182)
2012	156,912	4,421	161,333	161,333	143,360	17,973	0	(174,209)
2013	138,446	4,162	142,608	142,608	121,225	21,383	0	(152,826)
2014	129,414		129,414	129,414	102,455	26,959	0	(125,867)
2015	103,816		103,816	103,816	100,685	3,131	0	(122,736)
2016	99,305		99,305	99,305	94,000	5,305	0	(117,431)
2017	94,230		94,230	94,230	92,400	1,830	0	(115,601)
2018	87,100		87,100	87,100	91,600	(4,500)	0	(120,101)
2019								
2020								
	\$2,237,829	\$53,279	\$2,291,108	\$2,291,108	\$2,911,705		\$10,999	

Includes 1991, 1988, 1993, 1985, 1996, 1997 and 2000 Refundings and Coal Severance (In the Assessments and Revised Payments)

Mill Levy Comparison between the Major Cities of North Dakota and the City of Williston with and without Sales Tax



- Williston without Sales Tax, EIO Grant
- Williston with Sales Tax, EIO Grant
- Average of Eleven Major ND Cities

The above graph takes the average mill levies of the remaining eleven largest cities and compares their total local property tax to Williston's. From 1989 to 2004, there is a significant gap between Williston and the other cities, but without sales tax and Energy Impact Grant relief, this gap will become even more severe.

Overall Ranking by Mill Total	City	Value of Mill & Ranking *	Total Mills	Growth of Mill 2001-2003	City Mills & Ranking *	School Mills & Ranking *	County Mills & Ranking *	Park Mills & Ranking *	Other Mills & Ranking *
1	Jamestown	20,429 (7)	526.59 (1)	7.0%	146.65 (1)	229.40 (8)	107.00 (8)	43.54 (4)	
2	Williston	14,156 (9)	526.39 (2)	3.1%	115.66 (11)	248.47 (4)	117.20 (3)	42.74 (5)	2.32(5)
3	Grand Forks	91,557 (3)	518.25 (3)	9.8%	127.19 (5)	240.82 (5)	102.59 (9)	45.65 (3)	2.0 (6)
4	Wahpeton	10,165 (10)	511.11 (4)	7.2%	123.87 (6)	227.33 (9)	121.50 (2)	37.64 (9)	.77 (9)
5	Devils Lake	8,691 (11)	505.31 (5)	2.3%	123.20 (8)	218.83 (10)	114.39 (5)	48.94 (2)	
6	Mandan	24,178 (6)	502.97 (6)	13.6%	114.91 (9)	218.76 (11)	125.42 (1)	38.26 (8)	5.62 (2)
7	Tioga	904 (15)	496.25 (7)	2.3%	135.69 (2)	190.99 (14)	117.20 (3)	49.70 (1)	2.67 (4)
8	Valley City	7,650 (12)	496.06 (8)	10.1%	114.48 (10)	233.00 (7)	107.49 (7)	41.09 (6)	
9	Fargo	208,084 (1)	486.58 (9)	13.2%	60.24 (15)	320.20 (1)	68.00 (13)	32.73 (10)	5.41(5)
10	Stanley	1,081 (14)	480.17 (10)	2.7%	128.95 (4)	207.40 (12)	114.40 (4)	28.50 (13)	.92 (8)
11	Minot	64,323 (4)	473.84 (11)	4.6%	132.77 (3)	233.14 (6)	78.02 (11)	29.91 (12)	
12	Bismarck	114,072 (2)	473.54 (12)	10.5%	102.41 (12)	267.77 (2)	63.71 (14)	39.65 (7)	
13	Dickinson	21,644 (8)	465.84 (13)	16.0%	123.96 (7)	206.97 (13)	102.18 (10)	31.23 (11)	1.50 (7)
14	West Fargo	32,194 (5)	440.76 (14)	26.9%	84.53 (14)	254.02 (3)	70.35 (12)	26.45 (14)	5.41 (3)
15	Gladstone	113 (16)	425.52 (15)	5.6%	100.09 (13)	206.97 (13)	108.18 (6)		10.28 (1)
16	Bowman	1,995 (13)	320.07 (16)	6.3%	58.47 (16)	169.23 (15)	42.52 (15)	23.38 (15)	
Average			478.08		112.07	229.58	97.51	37.29	3.69

* All ranking from highest to lowest in category.

PROPERTIES TURNED BACK FOR TAXES - PURCHASED BY CITY OF WILLISTON

1986	83 Parcels	Consolidated	97,533.76
		Specials	165,080.28
		Penalty & Interest	66,782.54
		TOTAL	329,396.58
1987	256 Parcels	Consolidated	100,253.90
		Specials	451,221.79
		Penalty & Interest	110,916.55
		TOTAL	662,392.24
1988	315 Parcels	Consolidated	378,908.24
		Specials	2,329,783.75
		Penalty & Interest	554,506.71
		TOTAL	3,263,198.70
1989	83 Parcels	Consolidated	138,540.30
		Specials	493,164.57
		Penalty & Interest	212,006.44
		TOTAL	843,711.31
1990	57 Parcels	Consolidated	59,348.86
		Specials	291,807.9,1
		Penalty & Interest	116,669.61
		TOTAL	467,826.37
1991	94 Parcels	Consolidated	106,616.96
		Specials	355,605.91
		Penalty & Interest	138,813.30
		TOTAL	601,036.17
1992	66 Parcels	Consolidated	62,231.08
		Specials	290,286.28
		Penalty & Interest	120,063.86
		TOTAL	472,581.22
1993	13 Parcels	Consolidated	18,880.91
		Specials	60,139.92
		Penalty & Interest	23,844.05
		TOTAL	102,864.88
1994	6 Parcels	Consolidated	13,051.77
		Specials	16,742.58
		Penalty & Interest	7,821.10
		TOTAL	37,615.45

PROPERTIES TURNED BACK FOR TAXES - PURCHASED BY CITY OF WILLISTON

1995	1 Parcels	Consolidated	5.47
		Specials	735.83
		Penalty & Interest	258.81
		Miscellaneous	11.16
		TOTAL	1,011.27
1996	0 Parcels		
1997	0 Parcels		
1998	1 Parcel	Consolidated	710.41
		Specials	9,418.96
		Penalty & Interest	3,465.34
		Miscellaneous	10.31
		TOTAL	13,605.02
1999	2 Parcels	Consolidated	2,507.09
		Specials	5,347.34
		Penalty & Interest	2,460.36
		Miscellaneous	20.62
		TOTAL	10,335.41
2000	1 Parcel	Consolidated	1,031.61
		Specials	708.53
		Penalty & Interest	332.91
		Miscellaneous	9.54
		TOTAL	2,082.59
2001	0 Parcels		
2002	0 Parcels		
2003	0 Parcels		
2004	0 Parcels		
GRAND TOTALS 1986 - 2004	978 Parcels	Consolidated	979,620.36
		Specials	4,470,043.64
		Penalty & Interest	1,357,941.58
		Miscellaneous	51.63
		TOTAL	\$6,807,657.21

**CAPITAL IMPROVEMENT NEEDS
WILLISTON, ND
PROJECT SUMMARY
December 21, 2004**

WATER DISTRIBUTION		
PROJECT LOCATION/DESCRIPTION	COST ESTIMATE	REMARKS
System Connection (16 th Ave W)	\$200,000	Approx. 1,800' - 18"
System Connection (4 th Ave W)	225,000	Approx. 1,800' - 12"
System Connection (Basin Industrial Park)	110,000	Approx. 1,000' - 18"
Water Line Replacement 1 st Ave E (14 th - 16 th)	85,000	Bad 6" cast iron pipe
Water Line Replacement 2 nd Ave E (14 th - 18 th)	150,000	Bad 6" cast iron pipe
Water Line Replacement 12 th St W (6 th - 8 th)	70,000	Bad 6" cast iron pipe
Water Line Replacement 8 th Ave W (12 th - 13 th)	35,000	Bad 6" cast iron pipe
Water Line Relocation Alley to 4 th St (3 rd - 6 th Ave)	135,000	12" cast iron in alley with all utilities, numerous problems if it breaks
Water Line Replacement 4" Cast Iron Pipe (117 blks)	4,850,000	Low pressure & rusty water
Water Line Replacement 6" Cast Iron Pipe (204 blks)	7,140,000	Low pressure & rusty water
Meter & Remote Replacement	650,000	5,500 meters

WATER TREATMENT PLANT		
PROJECT LOCATION/DESCRIPTION	COST ESTIMATE	REMARKS
Upgrade Water Treatment Plant	\$22,000,000	Estimate based on WTP Master Study
Lime Sludge Storage	800,000	1 additional sludge w/WTP expansion - short of space

SANITARY SEWER		
PROJECT LOCATION/DESCRIPTION	COST ESTIMATE	REMARKS
Sewer Replacement Broadway (3 rd - 14 th Ave W)	\$760,000	Capacity problems
Line - 15" SAS (3 rd - 11 th St)	240,000	3 blk program - 1995, 8 blks remain

STORM SEWER/DRAINAGE		
PROJECT LOCATION/DESCRIPTION	COST ESTIMATE	REMARKS
Airport/Interstate Drain Improvement Study	\$25,000	Study to determine what improvements would reduce flood hazard
Airport - North of 26 th St & East of 2 nd Ave W	\$975,000	Incorporation into storm sewer system

ROADS & STREETS		
PROJECT LOCATION/DESCRIPTION	COST ESTIMATE	REMARKS
11 TH St W (2 nd Ave W - E Dak Pkwy)	\$210,000	Reconstruction, Federal Aid project
4 th Ave W (11 th St - 14 th)	300,000	Subgrade replacement
9 th Ave NW (11 th St - 10 th Ave)	120,000	Subgrade replacement, Fed. Aid project
Davidson Dr (11 th St - 9 th Ave NW)	325,000	Subgrade replacement, doesn't include library parking
Highland Dr (2 nd - 6 th Ave W)	390,000	Subgrade replacement
Foster Trailer Court, 6 th Ave W (19 th - 9 th Ave)	390,000	Subgrade replacement
12 th Ave E (Broadway - R/R tracks)	391,000	Widen w/curb & gutter road, south of R/R not included
Million Dollar Way (18 th - 26 th)	300,000	Program Fed. Aid, 10% local cost
Glacier Park Industrial Park (Ave R & S)	425,000	Storm sewer included
Handicap Ramps	750,000	ADA requirement for all city ≈ 1000 ramps
Seal Coats	200,000/yr	Seal coat street & alley every 10 years
Concrete Alley Replacement (downtown)	42,000/blk	
Credit Union Frontage Road & 18 th St	250,000	Subgrade replacement
6 th Ave W (2 nd - 18 th)	250,000	Mill & overlay, possible Fed Aid project

ROADS & STREETS		
PROJECT LOCATION/DESCRIPTION	COST ESTIMATE	REMARKS
E Highland Dr (ASK Housing & E Bypass)	180,000	Include water & sewer extension
19 th St W (2 nd - 4 th)	196,000	Subgrade replacement
6 th Ave W (1 st - 2 nd)	69,000	Possible grade stabilize needed
23 rd St W (18 th - 19 th)	161,000	Platted street completion w/water/sewer
25 th St W (17 th - 19 th)	276,000	Platted street completion w/water/sewer
19 th Ave W (22½ - 26 th)	357,000	Platted street completion w/water/sewer
16 th Court W (Sand Creek - 22 nd)	165,000	Platted street completion w/water/sewer
19 th Ave W (15 th - Bison Dr)	160,000	Platted street completion
20 th Ave W (14 th - Bison Dr)	185,000	Platted street completion
21 st Ave W (14 th - Bison Dr)	330,000	Platted Street completion w/water/sewer
22 nd Ave W (14 th - Bison Dr)	328,000	Platted Street completion w/water/sewer
16 th St W (19 th - 22 nd)	357,000	Platted Street completion w/water/sewer
24 th St W (9 th - 12½)	294,000	Platted Street completion w/water/sewer
11 th Ave W (Knoll - 25 th)	225,000	Platted Street completion w/water/sewer
12 th Ave W (22½ - 26 th)	374,000	Platted Street completion w/water/sewer
Nothing included for curb, gutter, sidewalks, trees and asphalt street overlays, which are needed throughout the city.		

CEMETERY		
PROJECT LOCATION/DESCRIPTION	COST ESTIMATE	REMARKS
Riverview - Irrigate New Site	\$5,000	G.M. Thomas - partially complete
Hillside - Irrigation	15,000	Above ground now
Riverview - Fence	50,000	Front on 9 th Ave W
Riverview - Asphalt Overlay	30,000	3,750' @ 15' wide

STREET LIGHTING		
PROJECT LOCATION/DESCRIPTION	COST ESTIMATE	REMARKS
Joan Hagan Subdivision	\$100,000	No lights (11 blks)
Fox Glen	500,000	No lights (35 blks)
Nothing considered for North Meadows or Endres at this time as sparsely developed.		

GRAND TOTAL	\$47,150,000
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North Dakota Highway Patrol



Colonel Bryan Klipfel, Superintendent
State Capitol, 600 E Boulevard Ave. Dept. 504
Bismarck, ND 58505-0240
Telephone: 701-328-2455

John Hoeven
Governor
State of North Dakota

March 8, 2005

2
H-App-6.0
3/10/05
SB 2013

Representative Ron Carlisle, Chairman
House Appropriations Committee
Government Operations Division
State Capitol
Bismarck, ND 58505

Dear Representative Carlisle:

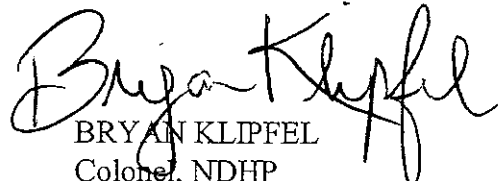
SUBJECT: GENERAL FUND DEPOSIT

As a result of changes in ownership of an insurance company, the Highway Patrol discovered stock certificates on file valued at \$78,912. The stocks were forwarded to the Land Department since they had been listed as unclaimed property.

The Land Department cashed in the certificates on behalf of the Highway Patrol and forwarded the \$78,912 to the state's general fund on May 11, 2004. This transaction did not increase our appropriation authority and so did not result in any additional NDHP expenses. The funds merely increased the amount of the state's general fund.

If you have further questions, please contact me.

Sincerely,


BRYAN KLIPFEL
Colonel, NDHP
Superintendent

bk/gs

Unclaimed Property

Claim Amt	Agency	Cert Ltr Sent	Delivery Conf.	Status (03-03-05)
\$ 100.00	ND INDUSTRIAL	January 20, 2004	1/22/2004	relinquished by "owner"
\$ 650.00	N.D. INDUSTRIAL COMMISSION	January 20, 2004	1/22/2004	relinquished by "owner"
\$ 750.00				
\$ 150.00	N.D. STATE WATER COMMISSION	January 20, 2004	1/22/2004	relinquished by "owner"
\$ 76.91	ND BEEF COMMISSION	January 20, 2004	1/22/2004	no response
\$ 300.00	NORTH DAKOTA STATE DEPAT OF AGRICULTURE	January 20, 2004	1/22/2004	no response
\$ 100.00	ND DEPT OF AGRICULTURE	January 20, 2004	1/22/2004	no response
\$ 400.00				
\$ 50.00	ND STATE BOARD OF PSYCHOLOGIST	January 20, 2004	1/29/2004	no response
\$ 120.00	ND STATE BOARD OF PSYCHOLOGIST	January 20, 2004	1/29/2004	no response
\$ 50.00	N D STATE BOARD OF PSYCHOLOGIS	January 20, 2004	1/29/2004	no response
\$ 220.00				
\$ 2,200.00	ND STATE HOSPITAL	January 20, 2004	1/22/2004	no response
\$ 158.54	ND WHEAT COMMISSION	January 20, 2004	1/22/2004	no response
\$ 477.42	NORTH DAKOTA HEALTH DEPARTMENT	January 20, 2004	1/22/2004	no response
\$ 78,912.00	NORTH DAKOTA HIGHWAY PATR	January 20, 2004	1/22/2004	claimed
\$ 347.84	NORTH DAKOTA HSG FINANCE AGENCY	January 20, 2004	1/22/2004	claimed
\$ 200.78	NORTH DAKOTA HSG FINANCE AGENCY	January 20, 2004	1/22/2004	claimed
\$ 62.46	NORTH DAKOTA HSG FINANCE AGENCY	January 20, 2004	1/22/2004	claimed
\$ 243.75	NORTH DAKOTA STATE HOUSING	January 20, 2004	1/22/2004	claimed
\$ 854.83				
\$ 625.00	NDPERS COMPANION PLAN	January 20, 2004	1/22/2004	relinquished by "owner"
\$ 724.36	PERS	January 20, 2004	1/22/2004	relinquished by "owner"
\$ 4,322.76	NDPERS	January 20, 2004	1/22/2004	relinquished by "owner"
\$ 8,653.31	NDPERS	January 20, 2004	1/22/2004	relinquished by "owner"
\$ 380.51	PERS	January 20, 2004	1/22/2004	relinquished by "owner"
\$ 14,705.94				