MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M

ROLL NUMBER

DESCRIPTION

1066

2007 HOUSE APPROPRIATIONS

HB 1066

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1066

House Appropriations Committee
Education and Environment Division

☐ Check here for Conference Committee

Hearing Date: January 16, 2007

Recorder Job Number: 1203

Committee Clerk Signature Shirley Branning

Minutes:

Chairman Wald: Opened the hearing on HB 1066, State Forester reserve account.

Larry Kotchman, State Forester: (See attached handout 1-HB 1066) relating to a balance in the State Forester Reserve Account. The current balance in the fund is $422,567.

Vice Chairman Monson: You don't have an emergency clause. Without the emergency clause, would this bill not go into effect before you are going to have to go back down to the 100% cost and then also would you have to spend down $200,000?

Kotchman: It would allow us after the biennium to make the deposit.

Representative Gulleson: When was the last time you had to use the account and what was the scenario?

Kotchman: It was needed at the Towner State Nursery

Chairman Wald: $700, 000 is the trigger?

Kotchman: Yes

Do Pass motion made by Representative Hawken, seconded by Representative Klein

Vote: 7 yes, 0 no 0 absent **Carrier Representative Hawken**

Hearing closed

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1066

House Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: January 22, 2007

Recorder Job Number: 1536

Committee Clerk Signature Holly N. Aard

Minutes:

Rep. Ken Svedjan, Chairman opened the hearing on HB 1066, A Bill for an Act to amend and reenact section 4-19-01.2 of the North Dakota Century Code, relating to the balance in the state forester reserve account.

Rep. Hawken described the bill. The purpose is to change the minimum from $200,000 to $700,000 and the maximum from $500,000 to $1,000,000. If the maximum is exceeded, the state forester may charge on hundred ten percent of production costs.

Chm. Svedjan: The Fiscal Note shows no fiscal impact.

Rep. Hawken: It's simply for the replacement of trees.

Rep. Monson: I believe it's all special funds, so there wouldn't be any general fund money change. It probably wouldn't even show up as special funds because it's not going back into the general fund.

Chm. Svedjan: I see that to expend funds, it has to come before the budget section.

Rep. Hawken: Yes.

Rep. Hawken recommends "Do Pass" on HB 1066. **Rep. Wald** seconded the motion.

Rep. Nelson: What is the status of that fund today?

Rep. Hawken: There is concern about the ash situation. This is the reason they are asking for extra money.

Rep. Monson: I think they are approaching the level at which they would have to spend down to that $200,000 limit. If they hit the $500,000, then they'd have to spend down the $200,000 and he feels the $200,000 would be a really low number that he wouldn't want to go into the ash problem with that low of an amount.

Rep. Kempenich: It really isn't going to matter. There's still going to be a $300,000 window.

The motion carried on a roll call vote **23 ayes, 0 nays, 1 absent** (Ref. 4:30 – 2:03). **Rep. Hawken** was designated to carry HB 1066 on the floor.

Chm. Svedjan adjourned the meeting at noon.

FISCAL NOTE

Requested by Legislative Council
01/03/2007

REVISION

Bill/Resolution No.: HB 1066

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.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	$0	$0	$0	$0	$0	$0
Expenditures	$0	$0	$0	$0	$0	$0
Appropriations	$0	$0	$0	$0	$0	$0

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

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
$0	$0	$0	$0	$0	$0	$0	$0	$0

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

No immediate or known fiscal impact. Increases reserve balance from $500,000 to $1,000,000. Funds collected in excess of production cost are deposited into the reserve account and used for losses or other unforseen events, within legislative authorization.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

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.*

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.*

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

Name:	Laura J. Glatt	**Agency:**	NDUS
Phone Number:	328-4116	**Date Prepared:**	01/03/2007

FISCAL NOTE

Requested by Legislative Council
12/27/2006

Bill/Resolution No.: HB 1066

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.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	$0	$0	$0	$0	$0	$0
Expenditures	$0	$0	$0	$0	$0	$0
Appropriations	$0	$0	$0	$0	$0	$0

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

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
$0	$0	$0	$0	$0	$0	$0	$0	$0

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

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.*

   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.*

   C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

Name:	Laura J. Glatt	**Agency:**	NDUS
Phone Number:	328-4116	**Date Prepared:**	01/03/2007

Date: 1-16-07
Roll Call Vote #: 1

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1064

House **Appropriations Education and Environment Division** Committee

☒ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do pass

Motion Made By _____ Seconded By _____

Representatives	Yes	No	Representatives	Yes	No
Chairman Wald:	✓		Representative Aarsvold:	✓	
Vice Chairman Monson	✓		Representative Gulleson	✓	
Representative Hawken:	✓				
Representative Klein:	✓				
Representative Martinson:	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Representative Hawken

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

Date: January 22, 2007
Roll Call Vote #: _____

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1066

House Appropriations Full Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Rep. Hawken Seconded By Rep. Wald

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan	X				
Vice Chairman Kempenich	X				
Representative Wald	X		Representative Aarsvold		
Representative Monson	X		Representative Gulleson	X	
Representative Hawken	X				
Representative Klein	X				
Representative Martinson	X				
Representative Carlson	X		Representative Glassheim	X	
Representative Carlisle	X		Representative Kroeber	X	
Representative Skarphol	X		Representative Williams	X	
Representative Thoreson	X				
Representative Pollert	X		Representative Ekstrom	X	
Representative Bellew	X		Representative Kerzman	X	
Representative Kreidt	X		Representative Metcalf	X	
Representative Nelson	X				
Representative Wieland	X				

Total (Yes) 23 No 0

Absent 1

Floor Assignment Rep. Hawken

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

REPORT OF STANDING COMMITTEE

HB 1066: Appropriations Committee (Rep. Svedjan, Chairman) recommends **DO PASS** (23 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1066 was placed on the Eleventh order on the calendar.

2007 SENATE APPROPRIATIONS

HB 1066

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1066

Senate Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: 02/26/07

Recorder Job Number: 3836

Committee Clerk Signature Janet Pinks

Minutes:

Chairman Holmberg opened the hearing on SB 1066.

Larry Kotchman, State Forester, North Dakota Forest Service, presented written testimony discussing the State Forester Reserve account, the source of the funds, and its purpose. He discussed background information in developing the account. The current request is to raise the maximum and minimum account balance before limits are reached to enable having enough funds to cover any emergency.

Senator Krebsbach discussed the Centennial goal of planting 100 million trees and whether the goal was reached. The response was 75 million trees were planted.

Senator Robinson clarified what the request was.

Senator Kilzer questioned whether trees are sold to the soil conservation district and asked about the cost of the trees.

Chairman Holmberg closed the hearing on SB 1066.

Senator Robinson moved a do pass, Senator Wardner seconded. No discussion took place. A roll call vote was taken resulting in 11 yes and 3 no and 0 absent. The motion carried and Senator Robinson will carry the bill.

Date: 2/26/07
Roll Call Vote #: 1

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1066

Senate Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Robinson Seconded By Wardner

Senators	Yes	No	Senators	Yes	No
Chairman Ray Holmberg	✓		Senator Aaron Krauter		
Vice Chairman Bill Bowman			Senator Elroy N. Lindaas	✓	
Vice Chairman Tony Grindberg	✓		Senator Tim Mathern	✓	
Senator Randel Christmann			Senator Larry J. Robinson	✓	
Senator Tom Fischer	✓		Senator Tom Seymour	✓	
Senator Ralph L. Kilzer	✓		Senator Harvey Tallackson	✓	
Senator Karen K. Krebsbach	✓				
Senator Rich Wardner	✓				

Total (Yes) 11 No _____

Absent 3

Floor Assignment Robinson

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

REPORT OF STANDING COMMITTEE

HB 1066: Appropriations Committee (Sen. Holmberg, Chairman) recommends **DO PASS** (11 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING). HB 1066 was placed on the Fourteenth order on the calendar.

2007 TESTIMONY

HB 1066

HB 1066 1/16/07
#1

Same testimony given to Senate

60TH LEGISLATIVE ASSEMBLY

House Bill 1066 - "Relating to the Balance in the State Forester Reserve Account"

House Appropriations Committee
Education & Environment Division, Representative Francis J. Wald, Chairman
1:30 p.m., Tuesday, January 16, 2007
Testimony Submitted by:
Larry Kotchman, State Forester

Purpose:
The **State Board of Higher Education** is seeking legislative approval for the State Forester to amend Section 4-19-01.2 of the North Dakota Century Code, relating to the balance in the State Forester Reserve Account.

Background:
The State Forester Reserve Account was created by the 1991 North Dakota Legislature. Section 4-19-01.2 of the North Dakota Century Code was enacted establishing a special account in the state treasury. All funds received for charges in excess of the cost of production of seedlings from the state nursery must be deposited in the reserve account. The State Forester received permission from the 1989 Legislature to charge up to 110% of the cost of production. Prior to that time tree prices could not exceed the costs incurred in growing and shipping the trees. Deposits are made in the reserve account at the end of each biennium. The reserve fund has a maximum balance limit of five hundred thousand dollars. If that limit is reached the price of trees must return to the cost of production until the balance is reduced to two hundred thousand dollars. Reserve funds may be used for expenses related to nursery seedling losses or other unanticipated events requiring additional funding as determined necessary by the State Forester. The Legislative Council's Budget Section must approve expenditures of reserve account funds.

The North Dakota Forest Service operates the only conifer (evergreen) nursery in North Dakota producing 1.2 million seedlings annually. The trees are sold for farmstead, living snow fence, field windbreaks, wildlife, forestry and other conservation plantings. The Towner State Nursery is a self supporting operation and tree production costs have risen significantly since the creation of the State Forester Reserve Account. A weather-related disaster or other unanticipated event resulting in the loss of an annual crop could reduce nursery income by up to $500,000. The current balance in the State Forester Reserve Account is $422,567. Anticipated 2005-2007 biennial deposits will increase the fund balance to $500,000 requiring the State Forester to return tree prices to 100% of the cost of production.

Section 4-19-01.2 of the North Dakota Century Code would be amended to increase the maximum fund balance limit in the State Forester Reserve Account from $500,000 to $1,000,000. The new maximum would ensure adequate funds are available for emergencies at the state nursery. In addition, the minimum fund balance limit would be raised from $200,000 to $700,000 to more realistically reflect the current cost of tree production at Towner State Nursery.

We respectfully urge your support for House Bill 1066 relating to the balance the State Forester Reserve Account.