

2009 HOUSE GOVERNMENT AND VETERANS AFFAIRS

HB 1117

# 2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1117

## House Government and Veterans Affairs Committee

☐ Check here for Conference Committee

Hearing Date: January 16, 2009

Recorder Job Number: 7135

Committee Clerk Signature



Minutes:

**Chairman Grande** opened the hearing on HB 1117.

**Beth Zander, Job Service of North Dakota** testified in support of HB1117. See written two-page testimony, attachment #1.

**Chairman Grande:** Beth, a couple of questions; In the Jamestown area, do you think you have a buyer?

**Beth Zander:** We have not had any activity on this and we realized we didn't have any authority to sell it.

**Chairman Grande:** My second question is, when a purchaser comes along and you make the sale, where will the money go?

**Beth Zander:** The money must be returned to its original purpose and so with most of our purchases we have to check the books. Most of our purchases has been 50% federal unemployment dollars and 50% federal Wagner-Kaiser dollars. So the funds would have to go back to that purpose.

**Chairman Grande:** So the State didn't purchase this building initially?

**Beth Zander:** No.

**Chairman Grande:** Any other questions from the committee?

**Rep. Meier:** What is the value of the building and the land? Do you know?

**Beth Zander:** I don't know, but I can let you know.

**Rep. Froseth:** In your situation with ND Job Service, is there any problem with obtaining funding on a year to year basis with the federal government in funding the rent of the property.

**Beth Zander:** We are allocated funds. Approximately 7% of our funds are federal. And it has been increasingly difficult to find space.

**Chairman Grande:** Any other questions? Anyone else who wishes to speak in favor of HB1117? Anyone who wishes to speak against HB1117? Neutral to HB1117? The hearing is closed on HB1117.

## 2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. **HB 1117**

House Government and Veterans Affairs Committee

☐ Check here for Conference Committee

Hearing Date: 01/23/2009

Recorder Job Number: 7661

Committee Clerk Signature

*Hathyr Rodin*

Minutes:

**Chairman Grande:** We have before us HB 1117. This deals with the sale of property by ND Job Service and this one is for the Jamestown property.

**Rep. Froseth:** I move a DP.

**Rep. Winrich:** I second.

**Rep. Boehning:** Did they have anything of appraised value on this?

**Chairman Grande:** Didn't we get an email on that?

**Rep. Meier:** Yes, we did get an email and it was about \$270,000.

**Chairman Grande:** I remember getting an email, but I failed to make a copy my record.

**Chairman Grande:** Discussion. The clerk will call the roll of a DP.

**The roll call vote was taken:    Yea: 12        Nay: 0        Absent: 1**

**Rep. Karls will carry HB 1117.**

**FISCAL NOTE**  
**Requested by Legislative Council**  
12/22/2008

Bill/Resolution No.: HB 1117

**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.*

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 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.*

2007-2009 Biennium			2009-2011 Biennium			2011-2013 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).*

This bill authorizes sale of land and building housing JSND office in Jamestown allowing for a more cost-effective use of funds via lease of space. Net proceeds from sale must be used as authorized and directed by law.

**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.*

Job Service will be authorized to sell land and building housing JSND office in Jamestown.

**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.*

<b>Name:</b>	David Krebsbach	<b>Agency:</b>	Job Service
<b>Phone Number:</b>	701-328-3135	<b>Date Prepared:</b>	12/24/2008

Date: ~~1-20~~ 1-23-09  
Roll Call Vote #: \_\_\_\_\_

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1117

House Government and Veterans Affairs

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken DP

Motion Made By Froseth Seconded By Wolf

Representatives	Yes	No	Representatives	Yes	No
Chairman Grande	✓		Rep. Amerman	✓	
Vice Chairman Boehning	✓		Rep. Conklin	✓	
Rep. Dahl	✓		Rep. Schneider	✓	
Rep. Froseth	✓		Rep. Winrich		
Rep. Karls	✓		Rep. Wolf	✓	
Rep. Kasper	✓				
Rep. Meier	✓				
Rep. Nathe	✓				

Total (Yes) 12 No 0

Absent 1

Floor Assignment Karls

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

**REPORT OF STANDING COMMITTEE**

**HB 1117: Government and Veterans Affairs Committee (Rep. Grande, Chairman)**  
recommends **DO PASS** (12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING).  
HB 1117 was placed on the Eleventh order on the calendar.

2009 SENATE GOVERNMENT AND VETERANS AFFAIRS

HB 1117

## 2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No.1117

Senate Government and Veterans Affairs Committee

☐ Check here for Conference Committee

Hearing Date: 03/06/09

Recorder Job Number: 10401

Committee Clerk Signature

*Kate Oliver*

Minutes:

Senator Dever opened the public hearing on HB1117. Beth Zander was there to introduce and speak in favor of the bill.

**Beth Zander:** Customer Service Area Director of Job Service of North Dakota. See attached testimony #1.

**Senator Dever:** Do you have a buyer?

**Beth Zander:** No, once we realized we didn't have the authority we slowed down the process.

**Senator Dever:** What are the provisions?

**Beth Zander:** It relates to sale of education property.

**Senator Oehlke:** If we approve ahead of time you don't need the report.

**Beth Zander:** As long as the provision is in the bill as we drafted it then we don't have to make the report.

**Senator Oehlke:** There are other facilities in the state; do we have to go through this?

**Beth Zander:** We need authority to sell, at this point the Jamestown property is the only one we are looking at selling. However, we are considering Grafton because we have 2 people in a large office.

**Senator Dever:** Where do the proceeds from the sale go?

**Beth Zander:** By federal law, the proceeds from the sale have to go back into the sources that funded them.

**Senator Dever:** So does that mean we return it to the federal government?

**Beth Zander:** We return it to North Dakota's use of those dollars.

**Senator Horne:** What did we do earlier in the session about Job Service?

**Beth Zander:** That SB2130, there is an account that is called the Federal Advance Interest Repayment Account, and that is required under federal unemployment insurance law. It says you need to maintain reserves in case your unemployment insurance funds gets low and you have to borrow money from the feds you need to be able to show us that you can pay our interest back. By law we must maintain this FERA account. We can use other funds out of that account, as long as we maintain a reserve, for things like unexpected property, building and grounds issues. We have to get authority to use those funds as well.

**Senator Cook:** Why are we not following the provisions?

**Beth Zander:** That piece is used when education property is being sold. Our proceeds from any sale have to go back to the federal funds that paid for the property in the first place.

**Senator Cook:** We are not going through an auction process?

**Beth Zander:** No, we have to follow state procurement and resale expectations.

Chairman Dever closed the public hearing on HB1117

## 2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No.1117

Senate Government and Veterans Affairs Committee

☐ Check here for Conference Committee

Hearing Date: 03/06/09

Recorder Job Number: 10402

Committee Clerk Signature

*Kate Oliver*

Minutes:

A motion was made for a do pass by Senator Nelson with a second by Senator Oehlke. There was no discussion and the motion passed 5-0 with Senator Cook carrying the bill to the floor.

Date: 3-6-09  
Roll Call Vote #: 1

Carrier  
Cook

**2009 SENATE STANDING COMMITTEE ROLL CALL VOTES**  
**BILL/RESOLUTION NO. 1117**

Senate Government and Veteran's Affairs Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Do Pass

Motion Made By Nelson Seconded By Oehike

Senators	Yes	No	Senators	Yes	No
Dick Dever	<u>1</u>		Dwight Cook	<u>1</u>	
Dave Oehike	<u>1</u>		Carolyn Nelson	<u>1</u>	
Robert M. Horne	<u>1</u>				
		<u>1</u>			

Total Yes 5 No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

**REPORT OF STANDING COMMITTEE (410)**  
March 6, 2009 1:31 p.m.

**Module No: SR-41-4236**  
**Carrier: Cook**  
**Insert LC: . Title: .**

**REPORT OF STANDING COMMITTEE**

**HB 1117: Government and Veterans Affairs Committee (Sen. Dever, Chairman)**  
recommends **DO PASS** (5 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1117  
was placed on the Fourteenth order on the calendar.

2009 TESTIMONY

HB 1117

House Bill 1117  
Testimony of Beth Zander  
Job Service North Dakota  
Before the  
House Committee On  
Government and Veteran's Affairs  
Representative Grande, Chair  
January 16, 2009

**Authority for Sale of Jamestown Property**

Madam Chair and members of the committee, I am Beth Zander, the Customer Service Area Director of Job Service North Dakota. I am here today in support of House Bill 1117, which authorizes sale of JSND customer service office property in the city of Jamestown.

Our Jamestown building was constructed in the 1940's, and is three stories high with over 17,000 square feet of space. This space was useful years ago when staffing levels were higher. However, the Jamestown staff, as with all of Job Service, has been reduced significantly over the years due to flat and reduced Federal funding. We currently have nine staff members serving Jamestown and surrounding area. In addition, costs of sustaining the building and land have been burdensome in recent years. Recurring building costs came to \$30,000 for the period of July 1, 2007 through June 30, 2008 (excluding depreciation). Special assessments and other non-recurring costs for that same period amounted to over \$55,000. Our annual expenses for the leased space are \$26,145.

*Attachment #1*

This bill would give us the authority to sell the building and land, allowing us to direct related funds toward serving our employers and job seekers. I must note here that we have already moved our Jamestown Job Service North Dakota office to a newer, smaller leased space. We understood that we had authority to sell the building via a previous session law, however we later learned that the earlier law allowed only sale of several lots behind the building. For this reason, we have attached an emergency clause to the bill. This would allow us to sell the property now, should the opportunity arise.

Madam Chair, this concludes my testimony. At this time I would be happy to answer any questions from the committee.

House Bill 1117  
Testimony of Beth Zander  
Job Service North Dakota  
Before the  
Senate Committee On  
Government and Veterans Affairs  
Senator Dever, Chair  
March 6, 2009

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