

2009 HOUSE GOVERNMENT AND VETERANS AFFAIRS

HB 1168

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB1168

House Government and Veterans Affairs Committee

Check here for Conference Committee

Hearing Date: 01/15/2009

Recorder Job Number: 7083

Committee Clerk Signature

Lou Engelson

Minutes:

Chairman Grande: Go ahead.

Lawrence Hopkins offered testimony in support of HB1168. See attachment #1. Going through a lot of our legislation and making corrections, and we appreciate the time we are able to spend to do that with you. Because this is all a new process we also are repealing on your sheet, this one is 54-11-09, we are repealing 54-11-08 which is SB 2145. I imagine you will be getting that. It did pass the full Senate 46 to 0. **Lawrence Hopkins** handed out a copy of N.D.C.C. 54-11-08 and 54-11-09. See attachment #2.

Chairman Grande: Are there any questions from the committee? Rep. Froseth.

Rep. Froseth: Thank you Madam Chairman. Lawrence, if this is repealed then, and then we have no one at the present time that would be in charge of registering these bonds.

Lawrence Hopkins: It really isn't that it is being taken away Chairman and representative. It really isn't that the duties, I would be totally eliminated from doing anything with these bonds. Their office would still be involved. The Industrial Commission. The Bank of North Dakota. We haven't issued these types of bonds since the late 1960s, maybe the early 70s. It's just that the whole industry has changed. Back then the state was handling all of this. At this time, could we do it? I could go to training and get up to speed and maybe buy some software to

handle the tax reporting and do those things. We just wouldn't do this. We would get a trustee. The Bank of North Dakota handles \$500,000,000 in bonds right now. They have the people that have the expertise. So it isn't that we wouldn't be involved.

Rep. Froseth: All the bonding issue now are transacted through the Bank of North Dakota.

Lawrence Hopkins: We could choose them to do that.

Chairman Grande: Thank you. Is there anybody else who wishes to speak in support of 1168? Is there anybody who wishes to speak against 1168? We'll close the hearing on 1168.

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB1168

House Government and Veterans Affairs Committee

Check here for Conference Committee

Hearing Date: 01/15/2009

Recorder Job Number: 7084

Committee Clerk Signature

Hathey Boden
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Minutes:

Chairman Grande: We will continue with HB1168.

Rep. Karls: I move we do pass.

Rep. Winrich: I second it.

Chairman Grande: Is there any discussion?

Rep. Amerman: I am looking for the testimony of Lawrence Hopkins.

Chairman Grande: It would be a page with a short paragraph. OK. Are you okay with that

Rep. Amerman?

Rep. Amerman: Yes.

Chairman Grande: So I have a do pass motion from Rep. Karls, with a second by Rep.

Winrich. Is there any discussion? Seeing none, I will have the clerk call the roll.

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

Rep. Karls will carry HB1168.

Date: 01-15-08
Roll Call Vote #: 1168

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

House Government and Veterans Affairs Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken DP

Motion Made By Karls Seconded By Winnich

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 (410)
January 15, 2009 2:42 p.m.

Module No: HR-08-0393
Carrier: Karls
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1168: Government and Veterans Affairs Committee (Rep. Grande, Chairman)
recommends **DO PASS** (12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING).
HB 1168 was placed on the Eleventh order on the calendar.

2009 SENATE INDUSTRY, BUSINESS AND LABOR

HB 1168

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1168

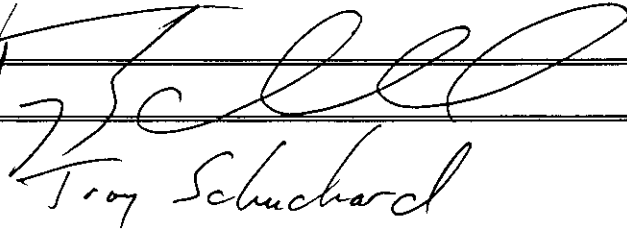
Senate Industry, Business, and Labor Committee

Check here for Conference Committee

Hearing Date: March 11, 2009

Recorder Job Number: 10719

Committee Clerk Signature



Troy Schuchard

Minutes:

Chairman Klein: Opened hearing on HB 1168, all members present.

Lawrence Hopkins: Deputy State Treasure testified in support of HB 1168. (See attachment #1)

Chairman Klein: Closed the hearing on HB 1168.

Senator Nodland: Motion for a Do Pass.

Senator Wanzek: Seconded

Chairman Klein: Motion for a Do Pass is approved 7-0, **Senator Behm** to carry.

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Date: 3/11/09
Roll Call Vote #: 1

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1168

Senate

Committee

Industry, Business and Labor

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken **Pass** **Do Not Pass** **Amended**

Motion Made By Senator Nodland Seconded By Senator Wanzek

Senator	Yes	No	Senator	Yes	No
Senator Jerry Klein - Chairman	✓		Senator Arthur H. Behm	✓	
Senator Terry Wanzek - V.Chair	✓		Senator Robert M. Horne	✓	
Senator John M. Andrist	✓		Senator Tracy Potter	✓	
Senator George Nodland	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Senator Behm

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

REPORT OF STANDING COMMITTEE (410)
March 11, 2009 1:02 p.m.

Module No: SR-44-4576
Carrier: Behm
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1168: Industry, Business and Labor Committee (Sen. Klein, Chairman) recommends DO PASS (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1168 was placed on the Fourteenth order on the calendar.

2009 TESTIMONY

HB 1168

HB1168 Testimony – Support of HB1168

Madam Chair, members of the committee:

For the record, I am Lawrence Hopkins, Deputy Treasurer for the Office of State Treasurer. I am here in support of Senate Bill 1168 relating to the duties of the State Treasurer.

Section 1 of this bill removes the duty of bond registration and payment of bonds from the Office of State Treasurer. At the present time the State of North Dakota does not have any general obligation bonds. If such bonds were to be issued in the future the Office of State Treasurer would no longer serve in this capacity. As the bond industry has evolved with technology and the regulatory requirements have increased, duties such as these would now be performed by a trustee with appropriate trust powers. The Bank of North Dakota or a private sector firm could be chosen to serve as trustee or paying agent.

There is no fiscal note attached to this bill.

These records must be disposed of in accordance with the procedures established pursuant to chapter 54-46.

54-11-05. Books and blanks furnished by state to treasurer - Kept as state records.

All checks and drafts, deposit slips, bankbooks, and other books and blanks used in the transactions of the state treasurer for state business must be furnished by the state and must be kept on record by the treasurer. They must be disposed of in accordance with the procedures established pursuant to chapter 54-46.

54-11-06. Irregularities in books of treasurer - Auditor to report to governor - Temporary suspension of treasurer. If the state auditor upon examination finds that the books of the state treasurer do not correspond with the amount of funds on hand, or do not show the actual condition of the funds, or if it appears to the state auditor that any moneys belonging to the state have been embezzled, diverted, or in any manner taken from the treasury without authority of law, or that the state treasurer has been guilty of negligence in keeping books or taking care of the public moneys, the auditor shall certify the fact to the governor. Upon the receipt of such certificate, the governor forthwith shall take possession of all books, moneys, papers, and other property belonging to the state, which have come into the possession of the state treasurer by virtue of that office, or otherwise, and shall temporarily suspend the state treasurer from that office.

54-11-07. Suspension of treasurer by governor - Appointment. When a certificate is made to the governor by the state auditor under section 54-11-06, the governor, with the state auditor and the commissioner of financial institutions, shall examine the books, papers, and all matters connected with the office of the state treasurer so suspended. If it appears to the governor, state auditor, and commissioner of financial institutions on examination that the state treasurer has embezzled or converted to the treasurer's own use the public moneys, or has been negligent in keeping the books, or in taking care of public moneys, the governor on the certificate of the state auditor and the commissioner of financial institutions to that effect may remove the state treasurer and appoint another person to fill the place of the suspended state treasurer. The person so appointed shall enter upon the office of state treasurer as provided by law. The governor shall report the removal of the state treasurer to the next succeeding legislative assembly. The state treasurer so appointed shall hold office until the suspended state treasurer is reinstated or a successor is elected and qualified.

SB 2145 **54-11-08. State bonds - Registration.** The state treasurer upon presentation of any bond issued or assumed by the state of North Dakota, and upon application to the state treasurer in writing by the owner of such bond for the registration thereof, shall register such bond in the name of the said owner in a book which the state treasurer shall keep for that purpose. Before the bond is registered, the state treasurer first shall detach and cancel all unmatured coupons if the bond is a coupon bond. After the registration of ownership, duly endorsed by the treasurer upon the bond registered, no transfer of ownership of the bond may be deemed valid unless registration of the transfer is made by the state treasurer as aforesaid. The bond shall continue subject to registration and to transfer at the option of the owner.

HB 1168 **54-11-09. Registration of bonds vests ownership.** The registration of bonds by the state treasurer shall vest the ownership thereof, both principal and interest, in the person in whose name the last registration is made. The state treasurer shall remit, in current exchange on the city of New York, to the person in whose name the last registration is made, the interest on such bonds as it, from time to time, becomes due, and the principal thereof at maturity.

54-11-10. Treasurer accountable for delinquencies. If in any instance the state treasurer neglects to call to account any delinquent, whereby the public revenue may suffer a loss, the state treasurer must be held and deemed accountable for the sums due by such delinquent to all intents and purposes the same as if the funds actually had been paid into the state treasurer's office.