

2009 HOUSE GOVERNMENT AND VETERANS AFFAIRS

HB 1462

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1462

House Government and Veterans Affairs Committee

☐ Check here for Conference Committee

Hearing Date: 01/30/2009

Recorder Job Number: 8253

Committee Clerk Signature

Melissa M. Erhardt

Minutes:

Chairman Grande: Open the hearing on HB 1462. Clerk read the bill.

Rep. Wes Belter, Dist 22: HB 1462 does two things: 1. It eliminates the legislative compensation commission and 2. Also the advisory commission on interim governmental relations. From my perspective, the legislative compensation commission is a commission that is not necessary. I think it is the responsibility of State Legislators to decide what their compensation should be. It is just an extra expense to the people of ND to have the legislative compensation committee meet. As far as the advisory commission on intergovernmental affairs I think it is always poor public policy to have non-legislators owning and making decisions and having the authority to introduce legislation before this legislature. If the legislature wants to have a interim committee that deals with the responsibilities that the advisory commission has, that is fine with me. Then, the legislators can ask the questions and carry on the hearings just as we do in other interim committees, but to have a separate

commission as the advisory commission is with the authority to introduce legislation I believe has stripped us of our legislative responsibility. It is one of the many things that I have seen in over the twenty years that I have been in our legislature, where the legislature gives away its authority and therefore I would support doing away with both these commissions. Any questions I would be happy to answer them.

Rep. Dahl: How often we have followed the recommendations from the compensation commission?

Rep. Belter: I don't really know.

Chairman Grande: Rep. Delzer has that information.

Rep. Jeff Delzer, District 8: Testimony. See Attachment # 1.

Chairman Grande: Questions from the committee?

Rep. Delzer: When you go through it, Rep. Dahl had a question on the how many times we have followed recommendations. The answer is on a number of them back to 1999 to 2000 and in 2003 when there was no pay raises for the State employees and that is what the compensation commission looks at. Otherwise you can see almost all of them say amended.

Chairman Grande: Where are you looking?

Rep. Delzer: In the blue legislation compensation commission report on the third page, guess back one page. When you look at the statutory items for 54-35.2-

01, that is the makeup of the advisory commission on intergovernmental relations. It shows you who it is made up of, which is eight non-legislators, and four legislators and they can introduce legislation. They can do that with a vote of more non-legislators than legislators.

Chairman Grande: How many legislators are on the interim committee?

Rep. Delzer: Four. The chair and the vice-chair are appointed by Legislative Council.

Rep. Wolf: Can you tell me approximately the cost of the Legislative Compensation committee? How much do they receive for compensation, like mileage, meals, lodging, that type of thing?

Rep. Delzer: The Fiscal Note is a negative \$14,000. If these two were done away with the Legislative Council would save \$14,000. The break out on the end I think says that the Legislative Employee Compensation Commission is estimated at \$1726. The Advisory Commission on Intergovernmental Relations is \$12,376.

Rep. Meier: Are you aware of how pieces of legislation came out of that Intergovernmental Relations Commission for this session?

Rep. Delzer: I am aware of one. Part of the reason I became involved in deciding this, I have never liked anything that we do when we give part of our authority or responsibility away, but the council last time actually put a study on

this committee. The study was the extra territorial zoning study and frankly that to me, even though I was part of the council, and had the opportunity to voice my opinion there, it still lit there and I find that unacceptable to myself and that is one of the reasons I brought this bill forward. When I started to do research for it I looked for others and I thought that every so often we should look at our interim committees, we should look at our duties, and whatever, and see if there is a way we can save money and use it more efficiently.

Rep. Meier: What study was that?

Rep. Delzer: I don't know the number study but it came out of the political subs committee last year.

Chairman Grande: Any other questions? Anyone else wishing to speak in favor of HB 1452?

Sandy Clark, ND Farm Bureau: Testimony. See Attachment # 2.

Chairman Grande: Anyone else wishing to speak in favor of HB 1462? Favor? Against HB 1462?

Aaron Birst, Legal Counsel, ND Association of Counties: Testimony. See Attachment # 3.

Chairman Grande: Questions? Anyone else wishing to speak against HB 1462?

Ken Yantes, Executive Secretary, ND Township Officers Association:

Testimony. See Attachment # 4.

Chairman Grande: Questions?

Rep. Amerman: This was formed under Governor Sinner and you were appointed by Governor Sinner and you have been on ever since. Can you give me a feeling of how the other Governor's have felt about this, Governor Schafer, the present Governor, have they had any problems with this committee?

Ken Yantes: We work very closely with the Governor. What we give him as far as advice is concerned (can't understand, throat clearing) there is a

Representative on the committee. What we give him is our input on (can't understand) what would work best. He makes the decision.

Chairman Grande: Any other questions? Opposition? Oppostion? Neutral?

Hearing closed.

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. Committee Work One HB 1462

House Government and Veterans Affairs Committee

☐ Check here for Conference Committee

Hearing Date: 02/12/2009

Recorder Job Number: 9400

Committee Clerk Signature 

Minutes:

COMMITTEE WORK ONE:

Chairman Grande: We will take up HB 1462. It is the elimination of these two committees. One is called the commission for Legislative Council Commission the other is the Advisory Commission on Intergovernmental Relations.

Vice Chairman Randy Boehning: Move for a Do Pass motion.

Rep. Meier: 2nd.

Chairman Grande: Discussion? Clerk will call the roll.

Clerk Erhardt: Roll call. Total: Yes: 7. No: 6. Absent: 0. Carrier: Chair Grande.

Chairman Grande: The chair will be the carrier.

Rep. Kasper: What will happen if this bill passes, who will make the decision on our compensation?

Chairman Grande: We end up doing it in the process of passing bills anyway.

Rep. Kasper: Then what do we need them for?

Page 2

House Government and Veterans Affairs Committee

Bill/Resolution No. Committee Work One HB 1348

Hearing Date: 02/12/2009

1462

Chairman Grande: That is the point.

FISCAL NOTE

Requested by Legislative Council
01/26/2009

REVISION

Bill/Resolution No.: HB 1462

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						
Expenditures			(\$14,102)		(\$14,102)	
Appropriations			(\$14,102)		(\$14,102)	

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

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 repeals North Dakota Century Code (NDCC) Sections 54-03-19.1 and 54-03-19.2 establishing the Legislative Compensation Commission and NDCC Chapter 54-35.2 and NDCC Section 54-40.3-03 establishing the Advisory Commission on Intergovernmental Relations

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.*

The bill would reduce the Legislative Council's 2009-11 expenditures by \$14,102 from the general fund, including \$1,726 relating to the Legislative Compensation Commission and \$12,376 relating to the Advisory Commission on Intergovernmental Relations.

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.*

N/A

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 expenditures amounts reflected the estimated reduction of expenditures for the 2009-11 and 2011-13 bienniums relating to expenses associated with the Legislative Compensation Commission and the Advisory Commission on Intergovernmental Relations.

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.*

The 2009-11 budget request for the Legislative Council includes funding of \$14,102 from the general fund for expenses associated with the Legislative Compensation Commission and the Advisory Commission on Intergovernmental Relations.

Name:	Allen H. Knudson	Agency:	Legislative Council
Phone Number:	328-2916	Date Prepared:	01/21/2009

FISCAL NOTE
Requested by Legislative Council
01/20/2009

Bill/Resolution No.: HB 1462

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						
Expenditures				(\$14,102)		(\$14,102)
Appropriations				(\$14,102)		(\$14,102)

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

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 repeals North Dakota Century Code (NDCC) Sections 54-03-19.1 and 54-03-19.2 establishing the Legislative Compensation Commission and NDCC Chapter 54-35.2 and NDCC Section 54-40.3-03 establishing the Advisory Commission on Intergovernmental Relations

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.*

The bill would reduce the Legislative Council's 2009-11 expenditures by \$14,102 from the general fund, including \$1,726 relating to the Legislative Compensation Commission and \$12,376 relating to the Advisory Commission on Intergovernmental Relations.

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.*

N/A

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 expenditures amounts reflected the estimated reduction of expenditures for the 2009-11 and 2011-13 bienniums relating to expenses associated with the Legislative Compensation Commission and the Advisory Commission on Intergovernmental Relations.

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.*

The 2009-11 budget request for the Legislative Council includes funding of \$14,102 from the general fund for expenses associated with the Legislative Compensation Commission and the Advisory Commission on Intergovernmental Relations.

Name:	Allen H. Knudson	Agency:	Legislative Council
Phone Number:	328-2916	Date Prepared:	01/21/2009

Date: 4/12/09
Roll Call Vote #: _____

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1462

House **Government and Veterans Affairs** Committee _____

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Boehning

Seconded By Meier

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) 7 No 6

Absent Grande

Floor Assignment Grande

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

REPORT OF STANDING COMMITTEE

HB 1462: Government and Veterans Affairs Committee (Rep. Grande, Chairman)
recommends **DO PASS** (7 YEAS, 6 NAYS, 0 ABSENT AND NOT VOTING). HB 1462
was placed on the Eleventh order on the calendar.

2009 TESTIMONY

HB 1462

Chair Grande and members of the GVA committee. I appear before you today to introduce 1462 and ask for your favorable consideration. For the record I am Jeff Delzer, state rep for dist 8 which is parts of Mclean and Burliegh counties. 1462 is an attempt to reduce a couple of statutory interim committees which some of us believe have been tried and not achieved their purpose. The bill will repeal the legislative compensation committee and the advisory committee on government relations.

The statutory authority sections of the century code are attached for your convenience. The latest report from the legislative compensation committee for you to look at as well, the report shows that over the years we have seldom used the suggestion of the committee, and in fact it is the job of the legislature to set whatever compensation we receive. This committee is made up of former legislators and I believe it is a unnecessary use of tax dollars.

The ACIR committee is made up of a majority of non legislators who if they answer to any constituency at all it is very different than a elected legislator who is elected from their legislative districts. I believe it is just wrong for us as legislators to shift some of our responsibility and authority to non legislative personnel. This committee which has more non legislative votes than legislative votes has the authority to put in legislation the same as any other interim committee. The ACIR has more authority than most legislative interim committees. The ACIR by statue does not have the same governance and oversight from the chairman and the legislative council as other interim committees. It can at the decision of its chair go into things that the legislative council has not assigned to the committee. I find this questionable at best and ask that we repeal these sections and disband this committee. There are many ways for these interties to get their ideas before the legislature and frankly with their lobbyist they certainly have as much or more access to the legislative process than most taxpaying citizens have. For these reasons and others I ask for your favorable consideration of 1462. Thank you and I would stand for any questions you may have.

Report of the
LEGISLATIVE COMPENSATION COMMISSION

submitted to the
NORTH DAKOTA LEGISLATIVE ASSEMBLY
January 2009

Commission Members

Charles Axtman
Richard Brown
Meyer Kinnoin
John Mahoney
Margaret Sitte

Legislative Council Staff

Roxanne Woeste, Assistant Legislative Budget Analyst and Auditor

LEGISLATIVE COMPENSATION COMMISSION

The Legislative Compensation Commission was originally established by the 1969 Legislative Assembly. Consisting of five members appointed by the Governor, the commission was responsible for determining appropriate levels of expense allowance and compensation to be paid to members of the North Dakota Legislative Assembly. In 1979 after 10 years of existence, the law that created the original Legislative Compensation Commission was repealed.

The Legislative Compensation Commission was recreated by passage of Senate Bill No. 2360 (1983). The bill, codified as North Dakota Century Code (NDCC) Sections 54-03-19.1 and 54-03-19.2, once again established a Legislative Compensation Commission to determine appropriate levels of expense allowance and compensation to be paid to members of the Legislative Assembly.

In 1993 NDCC Section 54-03-19.1 was amended to direct the Legislative Compensation Commission to develop recommendations for a long-term policy on legislative compensation, expense allowance, and insurance benefits. In addition, the 1993 Legislative Assembly amended Section 54-03-19.2 to allow the

commission to file with the Legislative Council a bill incorporating its recommendations.

The membership of the Legislative Compensation Commission has traditionally been bipartisan. The 1995-96 Legislative Compensation Commission recommended a bill draft to make bipartisan membership a requirement of the commission. The 1997 Legislative Assembly adopted the commission's recommendation and amended NDCC Section 54-03-19.1 to provide that no more than three of the five appointees to the Legislative Compensation Commission can represent the same political party.

Current commission members are Charles Axtman (Chairman), Richard Brown, Meyer Kinnoin, John Mahoney, and Margaret Sitte. The commission met on June 17, 2008.

BACKGROUND INFORMATION

History of Legislative Compensation and Expense Reimbursement Rates

The Legislative Compensation Commission reviewed information on legislative compensation and expense reimbursement rates in effect from 1889 to 2008 summarized as follows:

Year	Compensation for Each Calendar Day During Session	Expense Reimbursement During Session			Expense Reimbursement or Compensation for Each Month During Term of Office	Compensation for Each Day Attending Interim Meetings
		Per Session	For Each Day During Session	For Each Month During Session		
1889	\$5	10 cents per mile				
1945	\$5	\$300				\$5.00
1949	\$5	\$600				\$10.00
1957	\$5	\$1,200 ¹				\$10.00
1965	\$5	\$1,200 ²			\$35 ²	\$10.00
1967	\$5		\$25		\$35	\$20.00
1969	\$5		\$35		\$35	\$30.00
1971	\$5		\$40		\$50	\$30.00
1973	\$5		\$50		\$50	\$30.00
1975	\$5		\$60		\$75	\$45.00
1977	\$5		\$60		\$150	\$45.00
1979	\$5		\$70		\$150	\$52.00
1981	\$5		\$85		\$180	\$62.50
1983	\$40 ³		\$50 ³		\$180	\$62.50
1985	\$90			\$600 ⁴	\$180 ⁵	\$62.50
1997	\$111			\$650	\$250	\$62.50
1999	\$111			\$650	\$250	\$75.00
2001	\$125			\$650	\$250	\$100.00
2005	\$125			\$900 ⁶	\$350 ⁶	\$100.00
2007	\$130			\$900	\$364	\$104.00 ⁷
2008	\$135			\$900	\$378	\$108.00 ⁷
2009	\$135					\$135.00 ⁷

¹Section 54-03-20 was amended in 1959 to provide that the \$1,200 payment was reimbursement for expenses incurred during the interim and during the session.

²Section 54-03-20 was amended in 1965 to provide that the \$1,200 payment was reimbursement for expenses incurred during the session only and to provide for payments of \$35 per month during each legislator's term of office for uncompensated expenses.

³Bismarck legislators received \$90 per day during session as compensation and did not receive any amount for daily expense reimbursement.

⁴Section 54-03-20 was amended to provide that legislators receive reimbursement for lodging or mileage at the rates provided for state employees, to a maximum of \$600 per month.

⁵House Bill No. 1243 (1985) amended Section 54-03-20 to provide that the monthly amount paid to legislators during the interim was compensation, not reimbursement for expenses.

⁶The 2005 Legislative Assembly increased the maximum lodging expense reimbursement allowed during legislative sessions from \$650 to \$900 per month, effective January 1, 2005, and increased legislators' monthly compensation from \$250 to \$350, effective July 1, 2005.

⁷In addition to the compensation for each day attending interim meetings, legislators are entitled to receive up to \$25 per day for expense reimbursement for meals.

Current Compensation, Per Diem, and Expense Reimbursement Rates

The Legislative Compensation Commission reviewed information on the current compensation, per diem, and

expense reimbursement rates provided to members of the Legislative Assembly summarized as follows:

Compensation for Regular, Special, or Organizational Sessions Salary (Section 54-03-20)	\$130 per calendar day (\$135 per calendar day effective July 1, 2008)
Additional compensation (Section 54-03-10) Speaker of the House House majority leader Senate majority leader House minority leader Senate minority leader Chairmen of substantive standing committees House assistant majority leader Senate assistant majority leader House assistant minority leader Senate assistant minority leader	\$10 per calendar day \$10 per calendar day \$10 per calendar day \$10 per calendar day \$10 per calendar day \$5 per calendar day \$5 per calendar day \$5 per calendar day \$5 per calendar day \$5 per calendar day
Expense Reimbursement for Regular, Special, or Organizational Sessions Lodging expenses (Sections 44-08-04 and 54-03-20)	\$55 plus tax per calendar day up to \$900 per month for legislators who reside outside Bismarck and Mandan
Mileage (Sections 54-03-20 and 54-06-09)	Forty-five cents per mile for legislators who reside outside of Bismarck for one round trip each calendar week going to and from the meeting of the Legislative Assembly. If travel is by common carrier, reimbursement must be at coach fare and may not exceed 1.5 times the amount the legislator would be entitled to receive as mileage reimbursement for travel by motor vehicle.
Compensation During Term of Office Compensation paid to legislators during their term of office, either monthly or every six months at the legislator's option (Section 54-03-20)	\$364 per month (\$378 per month effective July 1, 2008)
Additional compensation for majority and minority leaders and Legislative Council chairman (Section 54-03-20)	\$260 per month (\$270 per month effective July 1, 2008)
Compensation for Interim Meetings Compensation for attendance at meetings of the Legislative Council and its committees (Section 54-35-10)	\$104 per day (\$108 per day effective July 1, 2008, and \$135 per day effective July 1, 2009)
Additional compensation Council chairman (Section 54-35-10) Committee chairmen (Section 54-35-10)	\$5 per day \$5 per day
Expense Reimbursement for Interim Meetings Meals (Section 44-08-04)	Up to \$25 per day in state; an amount equal to the federal per diem meals rate for out-of-state travel
Lodging (Section 44-08-04)	Actual expenses not to exceed \$55 per day, plus any applicable state or local taxes in state; actual expenses for out-of-state travel
Mileage (Section 54-06-09)	Forty-five cents per mile by motor vehicle; 18 cents per mile by motor vehicle 300 miles beyond the state border; 70 cents per mile by private airplane

Previous Recommendations of the Legislative Compensation Commission

The commission reviewed previous recommendations of the Legislative Compensation Commission summarized as follows:

Legislative Compensation Commission Recommendations	Action By the Legislative Assembly
The 1997-98 Legislative Compensation Commission recommended Senate Bill No. 2055 (1999) which increased legislative compensation for attending interim Legislative Council committee meetings from \$62.50 to \$75 per day.	The 1999 Legislative Assembly passed Senate Bill No. 2055 with change.

Legislative Compensation Commission Recommendations	Action By the Legislative Assembly																									
<p>The 1999-2000 Legislative Compensation Commission recommended three bills for consideration by the 2001 Legislative Assembly:</p> <ul style="list-style-type: none">Senate Bill No. 2175 (2001) increased the regular, special, or organizational session compensation rate from \$111 to \$125 per day.Senate Bill No. 2176 (2001) increased the interim compensation rate from \$75 to \$100 per day for each day spent in attendance at sessions of the Legislative Council and its committees.House Bill No. 1197 (2001) increased the state mileage reimbursement rate from 25 cents to 31 cents per mile.	<p>The 2001 Legislative Assembly:</p> <ul style="list-style-type: none">Amended Senate Bill No. 2175 to provide that the effective date of the bill apply retroactively to January 1, 2001.Passed Senate Bill No. 2176 without change.Amended House Bill No. 1197 to also increase the state reimbursement for travel by private airplane from 35 cents to 70 cents per mile and to declare the measure an emergency.																									
<p>The 2001-02 Legislative Compensation Commission recommended to the 2003 Legislative Assembly that legislative compensation and expense reimbursement remain at the current level.</p>	<p>The 2003 Legislative Assembly did not make any legislative compensation and expense reimbursement changes; however, the Legislative Assembly considered increasing the maximum lodging expense reimbursement allowed during legislative sessions from \$650 per month to 50 percent of the daily federal per diem lodging rate for the city of Bismarck for 30 days. The increased reimbursement for lodging during any month of a regular session was not to exceed \$100 over the maximum allowed for lodging per month during the last regular session. During the 2003 legislative session, 50 percent of the daily federal per diem lodging rate for North Dakota of \$55 for 30 days would have totaled \$825. Due to the provision that the increased reimbursement for lodging was not to exceed \$100 over the maximum allowed during the last regular session, the maximum lodging reimbursement allowed would have been \$750 per month.</p>																									
<p>The 2003-04 Legislative Compensation Commission recommended the compensation for regular, special, or organizational sessions; monthly compensation paid to legislators during their term of office; and compensation for interim meetings remain at the current level. The commission also recommended two bills for consideration by the 2005 Legislative Assembly:</p> <ul style="list-style-type: none">Senate Bill No. 2059 (2005) increased the maximum lodging expense reimbursement allowed during legislative sessions from \$650 to \$900 per month for licensed lodging establishments and \$750 per month for any other lodging. The effective date of the bill was August 1, 2005.Senate Bill No. 2058 (2005) increased the state mileage reimbursement rate from 31 cents to 37.5 cents per mile.	<p>The 2005 Legislative Assembly:</p> <ul style="list-style-type: none">Amended Senate Bill No. 2059 to increase the maximum lodging expense reimbursement from \$650 to \$900 per month. The effective date of the bill was changed to apply retroactively to January 1, 2005.Amended Senate Bill No. 2058 to also provide the same mileage reimbursement rate—37.5 cents per mile—for travel by car or truck. Previously, the reimbursement rate for trucks was 27 cents.																									
<p>The 2005-06 Legislative Compensation Commission recommended:</p> <ul style="list-style-type: none">House Bill No. 1106 (2007) to increase the compensation for regular, special, or organizational sessions from \$125 to \$130 per calendar day. The effective date of the bill was August 1, 2007.House Bill No. 1107 (2007) to increase the state mileage reimbursement rate from 37.5 cents to 42.5 cents per mile.The other legislative compensation and reimbursement levels, including compensation during a term of office, compensation for interim meetings, additional compensation for committee chairmen and majority and minority leaders, and lodging expense reimbursement, remain at the current level.	<p>The 2007 Legislative Assembly:</p> <ul style="list-style-type: none">Amended House Bill No. 1106 to increase legislators' monthly compensation, daily pay during legislative sessions, and interim meeting pay by 4 percent for the first year of the 2007-09 biennium and by 3.85 percent for the second year of the biennium.Amended House Bill No. 1107 to increase the state mileage reimbursement rate from 37.5 cents to 45 cents per mile.Increased legislative leaders' monthly compensation of 4 percent for the first year of the 2007-09 biennium and 3.85 percent for the second year of the biennium (Section 9 of House Bill No. 1001 (2007)).Increased legislators' interim meeting pay to \$135 per day beginning July 1, 2009 (Section 11 of House Bill No. 1001 (2007)). <p>The following is a summary of compensation adjustments enacted by the 2007 Legislative Assembly:</p> <table><tr><th></th><th>Rate Effective Prior to August 1, 2007</th><th>Rate Effective August 1, 2007</th><th>Rate Effective July 1, 2008</th><th>Rate Effective July 1, 2009</th></tr><tr><td>Monthly compensation</td><td>\$350</td><td>\$364</td><td>\$378</td><td></td></tr><tr><td>Leaders' additional monthly compensation</td><td>\$250</td><td>\$260</td><td>\$270</td><td></td></tr><tr><td>Daily session pay</td><td>\$125</td><td>\$130</td><td>\$135</td><td></td></tr><tr><td>Interim meeting daily pay</td><td>\$100</td><td>\$104</td><td>\$108</td><td>\$135</td></tr></table>		Rate Effective Prior to August 1, 2007	Rate Effective August 1, 2007	Rate Effective July 1, 2008	Rate Effective July 1, 2009	Monthly compensation	\$350	\$364	\$378		Leaders' additional monthly compensation	\$250	\$260	\$270		Daily session pay	\$125	\$130	\$135		Interim meeting daily pay	\$100	\$104	\$108	\$135
	Rate Effective Prior to August 1, 2007	Rate Effective August 1, 2007	Rate Effective July 1, 2008	Rate Effective July 1, 2009																						
Monthly compensation	\$350	\$364	\$378																							
Leaders' additional monthly compensation	\$250	\$260	\$270																							
Daily session pay	\$125	\$130	\$135																							
Interim meeting daily pay	\$100	\$104	\$108	\$135																						

Other Information

The Legislative Compensation Commission reviewed:

- The provisions of NDCC Sections 54-03-19.1 and 54-03-19.2 relating to the duties of the Legislative Compensation Commission.

- A Legislative Council memorandum entitled *Legislative Compensation Increases Compared to Inflation and State Employee Salary Increases 1981 Through 2008*. The following schedule compares actual 2008 legislative compensation rates to 1981 rates adjusted annually for inflation and percentage salary increases provided to state employees:

	Actual 2008 Compensation Rates	1981 Compensation Rates Adjusted for Inflation	1981 Compensation Rates Adjusted for Salary Increases Provided to State Employees
Interim daily compensation	\$108	\$147.76	\$133.67
Session daily compensation	\$135	\$212.78	\$192.44
Monthly compensation during term of office	\$378	\$425.65	\$384.95

- Information prepared by the National Conference of State Legislatures regarding legislative compensation levels in other states, including legislative compensation, expense reimbursements, and other benefits provided to legislators in each of the 50 states.

The Legislative Compensation Commission received information from representatives of hotel operators in the Bismarck-Mandan area. The hotel operators suggested an increase in the maximum monthly lodging expense reimbursement allowed during legislative sessions of \$300 from \$900 to \$1,200 per month.

DISCUSSION AND COMMENTS

The following comments were made by members of the Legislative Compensation Commission or by members of the Legislative Management Committee during a joint meeting held with that committee:

- Legislators are asked to attend several meetings for which they are not compensated, such as city council and county commission meetings. The Legislative Compensation Commission should consider an inflationary increase in legislators' monthly compensation to compensate for these meetings.
- The actual 2008 compensation rate for legislators' daily pay during legislative sessions appears to be low compared to the 1981 compensation rate adjusted for inflation; therefore, an inflationary increase in this area may be appropriate.
- The commission should consider tying the state mileage expense reimbursement rate to the federal mileage expense reimbursement rate.
- The commission should consider an increase in the daily lodging expense reimbursement rate of \$55 per night plus tax.

RECOMMENDATIONS

The Legislative Compensation Commission recommends Senate Bill No. 2064 to:

- Increase legislators' monthly compensation by 4 percent, or \$15, from \$378 to \$393 effective

July 1, 2009. The estimated cost of this increase for the 2009-11 biennium is approximately \$54,600 from the general fund.

- Increase the compensation for regular, special, or organizational sessions by \$5 per calendar day from \$135 to \$140 per calendar day effective July 1, 2009. The estimated cost of this increase assuming a 77-legislative-day 2011 legislative session is approximately \$88,000 from the general fund for the 2009-11 biennium.
- Increase the interim compensation rate by \$5 per day from \$135 to \$140 per day effective July 1, 2009. The estimated cost of this increase for the 2009-11 biennium is approximately \$31,000 from the general fund.
- Increase the maximum monthly lodging expense reimbursement allowed during legislative sessions by \$100 from \$900 to \$1,000 per month effective January 1, 2009. The estimated cost of this increase is \$51,200 from the general fund for the 2007-09 biennium and \$51,200 from the general fund for the 2009-11 biennium.
- Increase the state daily lodging expense reimbursement rate by \$5 per night from \$55 plus tax to \$60 plus tax per night effective July 1, 2009. The estimated cost of this increase for the Legislative Assembly and the Legislative Council is a total of approximately \$20,300 from the general fund for the 2009-11 biennium. The statutory change will also affect other agencies that reimburse employees for lodging expenses.
- Provide that the state mileage expense reimbursement rate be equal to the federal mileage expense reimbursement rate. The estimated cost of this increase for the Legislative Assembly and the Legislative Council is a total of approximately \$226,700 from the general fund for the 2009-11 biennium. The statutory change will also affect other agencies that reimburse employees for use of employees' vehicles in lieu of using Department of Transportation Services vehicles.

CHAPTER 54-35.2
STATE ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

54-35.2-01. Advisory commission on intergovernmental relations - Membership - Terms - Meetings.

1. The advisory commission on intergovernmental relations consists of twelve members:
 - a. The North Dakota league of cities executive committee shall appoint two members of the commission.
 - b. The North Dakota association of counties executive committee shall appoint two members of the commission.
 - c. The North Dakota township officers association executive board of directors shall appoint one member of the commission.
 - d. The North Dakota recreation and park association executive board shall appoint one member of the commission.
 - e. The North Dakota school boards association board of directors shall appoint one member of the commission.
 - f. The governor or the governor's designee is a member of the commission.
 - g. The legislative council shall appoint four members of the legislative assembly as members of the commission.
2. The legislative council shall designate the chairman and vice chairman of the commission.
3. All members of the commission shall serve for a term of two years, beginning July first of each odd-numbered year, and may be reappointed for additional terms.
4. If any member of the commission resigns or ceases to be a member of the class the member represents, that person's membership on the commission ceases immediately and the appropriate appointing authority may appoint a new member for the remainder of the term.
5. The commission shall meet at least semiannually.

54-35.2-02. Functions and duties. The advisory commission on intergovernmental relations shall:

1. Serve as a forum for the discussion of resolution of intergovernmental problems.
2. Engage in activities and studies relating to the following subjects:
 - a. Local governmental structure.
 - b. Fiscal and other powers and functions of local governments.
 - c. Relationships between and among local governments and the state or any other government.
 - d. Allocation of state and local resources.

- e. Interstate issues involving local governments, including cooperation with appropriate authorities of other states.
 - f. Statutory changes required to implement commission recommendations.
3. Present reports and recommended legislative bills to the legislative council for consideration in the same manner as interim legislative council committees.
 4. Prepare model ordinances or resolutions for consideration by officials of political subdivisions.

54-35.2-02.1. Local government efficiency planning grants. Repealed by S.L. 1999, ch. 468, § 1.

54-35.2-03. Staff services. The advisory commission on intergovernmental relations may request provision of appropriate staff services from the legislative council.

54-35.2-04. Finances.

1. A member of the advisory commission on intergovernmental relations who is a member of the legislative assembly is entitled to receive, from funds available to the commission, compensation per day for each day spent in attendance at commission meetings in the same amount as provided for members of the legislative council and reimbursement for travel and other necessary expenses incurred in the performance of official duties in the amounts provided by law for other state officers. Members of the advisory commission on intergovernmental relations who are appointed by an organization representing political subdivisions may be reimbursed for attendance at commission meetings by the organization by which they were appointed.
2. The commission may apply for, contract for, receive, and expend for its purposes any appropriation or grant from any public or private source.
3. Political subdivisions of the state may appropriate funds to the commission to share in the cost of its operations.

54-35.2-05. Reports. The advisory commission on intergovernmental relations shall report its findings and recommendations and any proposed legislation necessary to implement the recommendations to the legislative council at the time and in the manner reports are made by interim committees of the legislative council. The legislative council may accept, reject, or amend the report of the advisory commission on intergovernmental relations. The legislative council shall include the report, or any portion of it, as accepted, rejected, or amended, in the council's final report. Copies of the report of the advisory commission on intergovernmental relations, as accepted, rejected, or amended by the legislative council, must be available to counties, cities, townships, appropriate state departments and agencies, and the public.

- i. Any other necessary and proper matters agreed upon by the parties to the agreement.
2. Any county, city, township, city park district, school district, or other political subdivision of this state may enter into an agreement in the manner provided in subsection 1 with any agency, board, or institution of the state for the undertaking of any power or function which any of the parties is permitted by law to undertake. Before an agreement entered into pursuant to this subsection is effective, the respective governing body or officer of the state agency, board, or institution must approve the agreement and the attorney general must determine that the agreement is legally sufficient.
3. An agreement made pursuant to this chapter does not relieve any political subdivision or the state of any obligation or responsibility imposed by law except to the extent of actual and timely performance by a separate administrative or legal entity created by the agreement. This actual and timely performance satisfies the obligation or responsibility of the political subdivision.

54-40.3-02. Clarification of constitutional authority and effect of other statutes - Construction.

1. The specificity of this chapter, chapter 54-40, or any other law may not be construed to limit the general authority of a political subdivision to enter into agreements pursuant to section 10 of article VII of the Constitution of North Dakota, except for specific limitations on that authority, and subject to specific procedural requirements, imposed by this chapter, any other law, or a home rule charter.
2. This chapter does not dispense with the procedural requirements of any other statute providing for the joint or cooperative exercise of any governmental power.

54-40.3-03. Political subdivisions encouraged to file agreements with advisory commission on intergovernmental relations. A political subdivision entering into a joint powers agreement pursuant to this chapter or any other law is encouraged to file one copy of the agreement and explanatory material with the advisory commission on intergovernmental relations, to assist the commission in providing information for other political subdivisions exploring cooperative arrangements.

54-03-18. Penalty. Any person who commits any offense punishable under section 54-03-17 is guilty of a class A misdemeanor.

54-03-19. Seal to be affixed to bills. Repealed by S.L. 1997, ch. 30, § 4.

54-03-19.1. Legislative compensation commission - Appointment of members.

1. The legislative compensation commission shall develop recommendations for a long-term policy on legislative compensation, expense allowance, and insurance benefits, and recommend appropriate levels of compensation, expense allowance, and insurance benefits to be paid to or on behalf of members of the legislative assembly.
2. The governor shall appoint five members to the commission. No more than three appointees may represent the same political party. No member of the commission may hold state office or serve in state government in any capacity at the time of appointment or during service on the commission. The members must be appointed for a term of four years, and the governor shall appoint one of the members chairman of the commission.

54-03-19.2. Meetings - Powers and duties - Expenses. The commission shall meet at the call of the chairman as often as may be necessary, but at least once during each biennium. The commission shall determine levels of legislative compensation, expense allowance, and insurance benefits to be paid for service upon interim committees and during legislative sessions, which permit citizens to hold legislative office without undue financial sacrifice or disadvantage. In formulating recommendations, the commission may consult with the leadership of the legislative assembly, and review compensation, expense allowance, and insurance benefits for legislative service in other states and in other areas of state and federal service and private industry. The commission shall report its findings and recommendations regarding legislative compensation policy to the legislative assembly. The commission may file with the legislative council a bill incorporating its recommendations. Members of the legislative compensation commission must be compensated for time spent in attendance at meetings of the commission and for other travel as approved by the chairman of the legislative council at the rate of sixty-two dollars and fifty cents per day and must be reimbursed for their actual and necessary expenses incurred in the same manner as other state officials. The expense allowance must be paid from appropriations then in effect for the legislative assembly. The commission may solicit the assistance of the staff of the legislative council to provide information, aid, and assistance in carrying out its duties.

54-03-20. Compensation and expense reimbursement of members of the legislative assembly.

1. Each member of the legislative assembly is entitled to receive as compensation for services the sum of one hundred thirty-five dollars for each calendar day during any organizational, special, or regular legislative session and for each day that member attends a meeting of a legislative committee between the organizational session and the regular session as authorized by legislative rule.
2.
 - a. Each member of the legislative assembly is entitled to receive reimbursement for lodging, which may not exceed a maximum of nine hundred dollars per calendar month for lodging in state, at the rates and in the manner provided in section 44-08-04 for each calendar day during the period of any organizational, special, or regular session.
 - b. Notwithstanding subdivision a:
 - (1) A member of the legislative assembly may elect to be reimbursed for less than the amount to which the legislator is entitled under this



**North Dakota
Farm Bureau**

Bringing ag home

Attachment #2

1101 1st Ave. N., Fargo, ND 58102
P.O. Box 2064, Fargo, ND 58107-2064
Phone: 701-298-2200 • 1-800-367-9668 • Fax: 701-298-2210

4023 State St., Bismarck, ND 58503
P.O. Box 2793, Bismarck, ND 58502-2793
Phone: 701-224-0330 • 1-800-932-8869 • Fax: 701-224-9485

House Government & Veterans Affairs Committee

January 30, 2009

Testimony on HB 1462 by North Dakota Farm Bureau

presented by Sandy Clark, public policy team

Good morning, Madam Chair and members of the Government & Veterans Affairs Committee. My name is Sandy Clark and I represent the members of North Dakota Farm Bureau.

We stand in support of HB 1462 and limit our comments to the Advisory Commission on Intergovernmental Relations.

We have no problem with political subdivisions holding meetings to discuss issues of joint concern. However, we don't believe the state needs to provide a statutory venue to do so.

Most importantly, we oppose the authority of the commission to introduce legislation. That privilege should be reserved for legislators.

With 12 members on the commission and eight of those representing political subdivisions, the political subs can control the agenda and the outcome of legislative bills forwarded to the Legislature.

If political subdivisions want bills introduced, they can surface a legislator to introduce a bill to address their concerns. They shouldn't have their own commission to validate the bills they want to pursue.

Taxpayer citizens can testify at the ACIR hearings and we appreciate that opportunity. Unfortunately, we have found that with the commission heavily weighted with representatives of political subdivisions, citizen input doesn't always carry much importance.

We believe the ACIR is nothing more than one government entity advising another government entity.

Finally, the ACIR costs the taxpayers money to pay expenses for legislators through state funding and political subdivision representatives through property taxes. Repealing this Commission could save taxpayers money.

We hope you will give HB 1462 a do pass recommendation relative to the Advisory Commission on Intergovernmental Relations.

Thank you and I will try to answer any questions you may have.

Attachment #3

**Testimony To The
HOUSE GOVERNMENT & VETERANS AFFAIRS COMMITTEE
Prepared January 30, 2009 by the
Aaron Birst, Legal Counsel
North Dakota Association of Counties**

CONCERNING HOUSE BILL No. 1462

Chair Grande and members of the Government and Veterans Affairs Committee, I am here on behalf of the North Dakota Association of Counties to oppose the repeal of chapter 54-35.2 in House Bill 1462, which would eliminate the Advisory Commission on Intergovernmental Relations (ACIR).

Local government leaders and their organizations worked very hard for the creation of the ACIR and we believe that it has served, and continues to serve, a valuable purpose for North Dakota. This is the only formal, permanent link between State and local government for the discussion and resolution of issues that cut across the various authorities and responsibilities.

Unlike schools, which have the Department of Public Instruction and two regular Legislative interim committees; counties, cities, townships, and park districts did not have this official representation at the State government level before the ACIR was created. The ACIR gave these local government entities a connection to the Legislature when the standing political subdivisions committees are not meeting.

The ACIR benefits the Legislature as well as the political subdivisions by providing an official forum for these governmental entities to bring forth their issues and concerns. These concerns can then be addressed collectively and hopefully resolved in a collective manner, rather than forcing each group to appear before the Legislature with unilateral proposals to address individual concerns.

Without the ACIR, I don't believe there would have been the "Tool Chest" legislation in 1993 – a collective effort of local governments made possible through this forum. This body of legislation strengthened local government, and provided more and better options for providing services in the future. The ACIR has repeatedly examined the use of these "tools", and monitored their effectiveness. The ACIR has also studied property tax issues that cut across government lines and suggested improvements, as well as reviewed the extensive changes to local government implemented as court unification. For the last several interims it has monitored the success of the Record Preservation Fund at the county level, and recently did an commendable job of mediating the very contentious issue of extraterritorial zoning.

As this Committee is likely aware, of the eleven ACIR members, four are Legislators and the balance are appointed by several "organizations representing political subdivisions". Section 54-35.2-04 states that "*members of the advisory commission on intergovernmental relations who are appointed by an organization representing political subdivisions may be reimbursed for attendance at commission meetings by the organization by which they were appointed.*" Clearly, a significant share of the financial support of this Commission lies with the political subdivisions. Counties have very willingly provided this support in the past and are committed to its continuation. As the fiscal note shows, the cost of this committee is very small, particularly when compared to the large benefit it produces.

Chair Grande and committee members, county government believes that the ACIR is of great value, and should remain in-place. We therefore request that the repeal of chapter 54-35.2 be amended out of the bill, or that a Do Not Pass recommendation be returned on House Bill 1462.

HB1462

House Government and Veterans Affairs Committee

Testimony by ND Township Officers Ass'n

By Ken Yantes

Chairman Grande and Members of the House Government and Veterans Affairs Committee.

My name is Ken Yantes, I am the Executive Secretary of just under 6000 of this states locally elected grassroots government leaders. The ND township Officers Association.

We have developed a policy at our annual membership meetings that supports the continuance of the ACIR. We ask that you give HB1462 a do not pass and allow Advisory Commission on Governmental Relations to continue to serve the political subdivisions of our state.

I have brought with me a letter which I received in August of 1988. I would like you to have a copy to read. It is from Democratic Governor George Sinner, at this time I was serving as Chairman of the District 15 Republican Party.

Chairman Grande this committee has served in place of a committee on political subdivisions ever since 1988. In the 1989 legislative session a bill was passed establishing the ACIR in century code.

This committee's citizen members are funded by the organizations that they represent at no cost to our state government. The 2 Senators and 2 Representatives receive funding through the normal interim process.

From 1988 to 2008 I missed only one ACIR meeting as a member of the ACIR.

I well remember how it used to be here in the capitol hearing rooms and halls before the ACIR was established.

The governmental entities of our state would fill the hearing rooms and line up in the halls, waiting to appear in front of a committee and offer contradictory testimony and waste many hours of the legislators time.

Governor Sinner recognized this problem and established a forum whereby the Governmental entities of ND could come together and discuss there differences and come to a reasonable settlement.

This process really works, The toolbox bill that was passed so long ago was a creation of the ACIR. It said that governmental entities could cooperate to create efficiency and effectivity in local government.

To do away with this forum for discussion would be folly.

It would surely cost a great deal more money to have a Political Subdivision Committee paid out of tax dollars to serve in the same capacity.

With out the ACIR I can see a lot of extra bills and effort expended trying to reach a settlement during the legislative sessions.

Please let us have this forum for discussion of governmental problems.

Vote to do not pass HB1462.



GEORGE A. SINNER
GOVERNOR

State of North Dakota

OFFICE OF THE GOVERNOR
BISMARCK, NORTH DAKOTA 58505
(701) 224-2200



NORTH DAKOTA
CENTENNIAL

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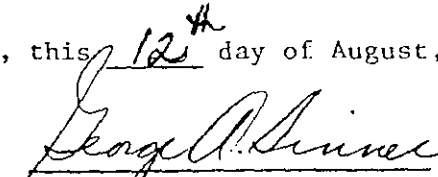
EXECUTIVE ORDER 1988-6

I, GEORGE A. SINNER, GOVERNOR OF THE STATE OF NORTH DAKOTA, BY THE AUTHORITY VESTED IN ME, DO HEREBY CREATE AND ESTABLISH AN ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS. THE COMMISSION WILL CONSIST OF ELEVEN MEMBERS SELECTED AS FOLLOWS: TWO MEMBERS APPOINTED BY THE PRESIDENT OF THE NORTH DAKOTA LEAGUE OF CITIES; TWO MEMBERS APPOINTED BY THE PRESIDENT OF THE NORTH DAKOTA ASSOCIATION OF COUNTIES; ONE MEMBER APPOINTED BY THE PRESIDENT OF THE NORTH DAKOTA TOWNSHIP OFFICERS ASSOCIATION; FOUR MEMBERS APPOINTED BY THE CHAIRMAN OF THE LEGISLATIVE COUNCIL; THE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET AND THE GOVERNOR OR AN APPOINTEE OF THE GOVERNOR, WHO WILL CHAIR THE COMMISSION. THE MEMBERS OF THE COMMISSION, EXCEPT FOR THE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET AND THE GOVERNOR, WILL SERVE FOR A TERM OF TWO YEARS, BEGINNING JULY 1 OF EACH ODD-NUMBERED YEAR AND MAY BE REAPPOINTED FOR ADDITIONAL TERMS. THE COMMISSION WILL MEET AT LEAST SEMI-ANNUALLY. THE ADVISORY COMMISSION WILL SERVE AS A FORUM FOR DISCUSSION AND RESOLUTION OF INTERGOVERNMENTAL PROBLEMS RELATING TO THE STRUCTURE OF LOCAL GOVERNMENT, THE FISCAL AND OTHER POWERS AND FUNCTIONS OF LOCAL GOVERNMENT, RELATIONSHIPS BETWEEN AND AMONG LOCAL GOVERNMENTS AND THE STATE OR ANY OTHER GOVERNMENT, ALLOCATION OF STATE AND LOCAL RESOURCES, AND INTERSTATE ISSUES INVOLVING LOCAL GOVERNMENTS. THE COMMISSION MAY APPLY FOR, CONTRACT FOR, RECEIVE, AND EXPEND FOR ITS PURPOSES ANY APPROPRIATION OR GRANT FROM ANY PUBLIC OR PRIVATE SOURCE. IT WILL REPORT ITS FINDINGS AND RECOMMENDATIONS AND ANY PROPOSED LEGISLATION NECESSARY TO IMPLEMENT THE RECOMMENDATIONS TO THE GOVERNOR, WHO MAY ACCEPT, REJECT OR AMEND THE REPORT OF THE COMMISSION.


THIS ORDER IS ISSUED UPON THE FOLLOWING BASES AND FOR THE FOLLOWING REASONS:

1. The Governor is vested with the executive authority pursuant to Article V, Section 1 of the North Dakota Constitution.
2. There is a substantial need for a forum for the discussion and resolution of intergovernmental problems before they reach crisis proportions.

Executed at Bismarck, North Dakota, this 12th day of August, 1988.


GEORGE A. SINNER
Governor

ATTEST:


Secretary of State

BY 
Deputy