

2009 SENATE GOVERNMENT AND VETERANS AFFAIRS

SB 2064

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2064

Senate Government and Veterans Affairs Committee

☐ Check here for Conference Committee

Hearing Date: 1/16/09

Recorder Job Number: 7156

Committee Clerk Signature

Kathleen Aiser

Minutes:

Roxanne Woesty: For the record my name is Roxanne Woesty, I am a fiscal analyst with the legislative council. In past interims we have had separate bills, however this time the commission chose to have just one bill. Section 1 amends section 44.08.04 to increase the state daily lodging reimbursement from \$55+ tax to \$60+ tax. This would be effective July 1, 2009 the estimated impact to the legislative branch would be \$20,300. Section 2 amends 54.03.02 to increase the regular special organizational sessions compensation from \$135 to \$140 per calendar day, effective July 1, 2009. Assuming a 77 day legislative session that cost approximately \$88,000. Section 3 addresses the maximum monthly lodging reimbursement that is allowed during legislative session. It would increase from \$900 to \$1,000 a month this change would be retroactive and effecting January 1, 2009. Section 4 amends 54.03.20 to increase legislator's monthly compensation by 4% or of \$15 \$378 to \$393 effective July 1, 2009 the estimated cost of this increase approximately \$54,600. Section 5 amends 54.06.09 to make it equal to the federal rate of \$.85. Section 6 amends 54.35.10 interim compensation from \$135 to \$140 this change would be effective July 1, 2009 and the

Mr. Chairman and members of the committee the remaining sections of the bill 7, 8, & 9 are effective dates, retroactive dates, in the emergency clauses to apply to the bill. That ends my summary of the bill and I can answer any questions.

Senator Nelson: The mileage rate, according to the fiscal note is \$226,700 from the general fund, is that only for legislative council or that statewide for all agencies?

Roxanne Woesty: That is our estimate for costs of the legislative branch. The statutory change does affect other state agencies but it depends on their travel.

Senator Dever: Section 1 & 5 affect all agencies and the other sections affect the legislature?

Roxanne Woesty: That is correct.

Mike Motschenbacher: See attached testimony #1.

Senator Cook: What is your special AARP rate?

Mike Motschenbacher: \$69.95+tax, which is approximately \$10 off a night.

Senator Cook: Is that the lowest special rate that you have now?

Mike Motschenbacher: The lowest rate we offer right now is \$64.95+tax a night. That is for our corporate/frequent members.

Senator Nelson: Do each of the hotels that you are representing honor state rate and monthly rate during the legislature?

Mike Motschenbacher: I know everyone on this list is housing legislatures and is at this time charging the \$1,000. As far as a state rate, I can tell you for sure, I know Kelly Inn, Comfort Inn, Select Inn and Expressway Inn do honor the state rate of \$55 at this time.

Senator Nelson: Do you limit the number of rooms available to legislators?

Mike Motschenbacher: Yes we do, at our property we limit it to 6 and Expressway Suites limits it to 12.

Senator Nelson: Are you usually full?

Mike Motschenbacher: During session we see an increase.

Senator Dever: Do the legislators that stay there vacate their rooms during the weekend?

Mike Motschenbacher: Some go home on the weekend but do not remove their things. We do not make the room available.

Bill Shalhoob: See attached testimony #2.

Senator Nelson: What is the average rent on a 2 bedroom apartment in Bismarck?

Bill Shalhoob: I do not know, in 2005 it was a separate rate for hotel versus houses. As it moved through the legislature it was melded into one.

Senator Dever: Wasn't there consideration given to the fact that some legislators share an apartment?

Bill Shalhoob: I believe in 2005 the rate called for an increase to \$700 if you were staying in housing and \$900 if you were staying in a hotel. I think that the numbers are about 50% that stay in hotels and 50% that stay in houses/apartments.

Senator Dever: Is it true that some hotels do not honor the \$900 rate they charge more but some legislators choose to stay there and pay the difference?

Bill Shalhoob: Yes that is true. I know that the Radisson's rates are around \$1350 or \$1400 a month. To make the record really clear when the legislators are staying with us, we told them we would charge them the state rate.

Senator Cook: What is your AARP rate? What is the lowest rate?

Bill Shalhoob: \$39.95 is the lowest business rate; \$59.95 is our AARP rate; \$44.95 is the next lowest rate.

Senator Ohelke: What is the Federal Rate? What is the average vacancy rate in Bismarck?

Bill Shalhoob: \$70 is the Federal Rate. Our average occupancy is 70.6% that was for 2007, the reports for 2008 are not out yet.

Senator Dever: Are room rates across the state pretty consistent?

Bill Shalhoob: I would say overall, they have experienced the same kind of growth that Bismarck has. I didn't comment on that because at the rate that is there now the Select Inn is generally below that.

Senator Cook: When we travel out of state to conventions where there is a block of rooms reserved and rather than make my reservation through that block of rooms I will make my own reservation and ask for the state government rate. Do you give our state rate to state employees that are traveling from other states?

Bill Shalhoob: We do not, but I would have no idea about the other hotels in the area.

Senator Dever: The amount of money for actual expenses I think in the public perception, legislators are paid that amount and then from that they pay for their costs. That is not true, actual expenses Bismarck/Mandan legislators are specifically excluded from that. Am I correct in my understanding that includes meals, they don't receive any additional expenses to cover the cost.

Bill Shalhoob: This is intended to cover specifically housing costs.

Rudie Martinson: See attached testimony #3

Senator Nelson: Will this make it easier to find a state rate in Fargo?

Rudie Martinson: Yes it will, it's getting harder to find a state rate as it remains at \$55 across the state. There are several properties that are members of ours that would honor a state rate if it was \$60 that are not currently honoring it at \$55.

Jeff Larshus: I am Jeff Larshus I am with the fiscal management of OMB. I am here for OMB in support of section 1 and also the language in section 5 subdivision C in regards to the mileage rates. We currently use the GSA rates for out of state meal allowances and that we support OMB setting these rates for the mileage.

Senator Dever: How often does the federal government change their mileage rates?

Jeff Larshus: To be honest we have not paid that much attention because we have always had in statute what the mileage is. Currently it is \$.58.5 prior to that it was \$.55 and I think that was 6 or 8 months ago. So what we will do if this is past is we will be notified when the GSA changes their mileage rates and then we will adjust the OMB policy and let agencies know that the rate has gone up or gone down. Normally like in the meal situation, once a year they may change their out of state meal allowances and we have a link on our website that agencies are able to access to get the meal allowances for a particular city or state.

Senator Dever: Do you know what was factored in the fiscal note?

Jeff Larshus: I believe it was \$.58.5 I didn't prepare the fiscal note but I am pretty sure that is what they used.

Senator Cook: You say you are going to adopt rules, does that mean there will be an administrative rules hearing on the process you are going through here?

Jeff Larshus: I believe not, what we will do is set that in OMB policy and agencies follow the OMB policy on the mileage rates.

Senator Horne: As the federal change their mileage rates the state will automatically follow that pattern. Is this happening in other states?

Jeff Larshus: I believe so, I think that there are other states out there that follow the GSA rates for mileage and they would automatically adjust it if you are going to follow their rates.

Senator Dever: What are we currently reimbursing at?

Jeff Larshus: \$.45 a mile is what is in Century Code for mileage.

Senator Dever: What kinds of people, besides legislators, use their own vehicle?

Jeff Larshus: Basically any state employee can use their own vehicle. I know we encourage within OMB to use motor pool whenever possible and I think that most agencies do. Their rate

is lower but they will charge back to the agencies, and I think their rate is \$.31 but again if there is a situation where motor pool is not available then an employee would have to use their own vehicle.

Senator Dever: Any other questions for Jeff? Anyone here to speak in opposition to SB2064? Anyone in a neutral position to SB2064?

Stuart Savelkoal: For the record I am Stuart Savelkoal I am the Executive Director of the North Dakota Public Employees Association. I wanted to offer some clarification on the federal mileage reimbursement rate because we have organizers that work on a national level and are reimbursed by American Federation of Teachers we follow the national rate rather closely. That rate does go both up and down, it recently went down from \$.58.5 to \$.55 with the start of the New Year. I thought for the purposes of your consideration today it might help to have that information.

Senator Dever: Anyone else to speak in a neutral position on SB2064? If not we will close the public hearing on SB2064.

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2064

Senate Government and Veterans Affairs Committee

☐ Check here for Conference Committee

Hearing Date: 1/16/09

Recorder Job Number: 7559

Committee Clerk Signature

Kate Ouse

Minutes:

Senator Nelson: April comes along and some of us have to move out of our houses and into a motel and they are still going to be getting \$55 until July 1 because that \$55 thing does not kick in until then, it is only the \$1,000 thing that kicks in. It was only section 3 that kicks in. The bills says that section 1, 2,4,&6 become effective July 1 and section 3 on January 1. A lot of people come home around Easter and we move into a hotel for the last 2 weeks. What rate do they get?

Senator Cook: I think that someone should call Roxanne to clarify.

Senator Dever: Do we need any additional information for SB2064? Sheila Peterson gave me a copy of the history of mileage rates if want to look at those I can make copies.

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2064

Senate Government and Veterans Affairs Committee

☐ Check here for Conference Committee

Hearing Date: 1/16/09

Recorder Job Number: 8862

Committee Clerk Signature

Katie Oliver

Minutes:

Senator Nelson: I have a problem with sections 8 and 9.

Senator Dever: Appropriations would like to provide some amendments to this. I had some amendments drafted that would include that. I could pass them out if you like.

Senator Nelson: Where did the 41 come from, is that just 5%?

Senator Dever: 5 and 5 is what it supposed to be.

Senator Nelson: Why does it need to be an emergency if it is retroactive? Is it because it is effective after July 1?

Senator Dever: I think it would.

Senator Nelson: Section 3 6, 9. There is not section 9 anymore, how can we make it effective on July 1?

Senator Horne: Are we adding something?

Senator Nelson: What is now section 9?

Senator Nelson: I was to be reassured that there is no retroactive stuff.

Senator Dever: Can the committee entertain the idea of a do pass on SB2064

Senator Ohelke: I move a do pass on SB2064 and a re-referral to appropriations.

Senator Nelson: I second.

Roll call was taken and the motion passed 5-0 in favor. And the bill will be carried by Senator Dever.

FISCAL NOTE
Requested by Legislative Council
04/28/2009

Amendment to: Engrossed
 SB 2064

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			\$946,929	\$480,826	\$946,929	\$480,826
Appropriations			\$270,588	\$480,826	\$270,588	\$480,826

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).*

The bill increases legislators' compensation and travel expense reimbursement levels for legislators and other state employees.

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 following is a brief description of the fiscal impact of the measure on the budget for the Legislative Assembly and Legislative Council:

Increases legislators' monthly compensation from \$378 to \$396 effective July 1, 2009, and to \$415 effective July 1, 2010 - \$100,179 from the general fund for the 2009-11 biennium

Increases the compensation for regular, special, or organizational sessions from \$135 to \$141 per calendar day effective July 1, 2009, and to \$148 per calendar day effective July 1, 2010 - \$228,894 from the general fund for the 2009-11 biennium

Increases the interim compensation rate from \$135 to \$141 per day effective July 1, 2009, and to \$148 per day effective July 1, 2010 - \$49,108 from the general fund for the 2009-11 biennium

Increases the maximum monthly lodging expense reimbursement allowed during legislative sessions from \$900 to an amount that is 30 days multiplied by 55 percent of the state lodging rate (estimated at \$1,040 per month) - \$71,424 from the general fund for the 2009-11 biennium

Increases the state daily lodging expense reimbursement rate per night from \$55 plus tax to 90 percent of the federal lodging reimbursement rate plus tax effective August 1, 2009 (estimated at \$63 per night plus tax) - \$32,496 from the general fund for the 2009-11 biennium

Provides that the state mileage expense reimbursement rate be equal to the federal mileage expense reimbursement rate (estimated at 55 cents per mile) - \$169,570 from the general fund for the 2009-11 biennium

Total - \$651,671 from the general fund for 2009-11

The following is a brief description of the fiscal impact of the measure on the budget for other state agencies,

excluding higher education, as provided by the Office of Management and Budget:

Increases the state daily lodging expense reimbursement rate per night from \$55 plus tax to 90 percent of the federal lodging reimbursement rate plus tax effective August 1, 2009 (estimated at \$63 per night plus tax) - \$428,460, of which \$142,808 is from the general fund, for the 2009-11 biennium

Provides that the state mileage expense reimbursement rate be equal to the federal mileage expense reimbursement rate (estimated at 55 cents per mile) - \$347,624, of which \$152,450 is from the general fund, for the 2009-11 biennium

Total - \$776,084, of which \$295,258 is from the general fund, for 2009-11

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 expenditure amounts reflect the estimated cost of the proposed increases for the 2009-11 biennium.

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 appropriation for the Legislative Assembly and the Legislative Council could be decreased by \$24,670 from the general fund to account for the proposed increases, as amended.

According to information provided by the Office of Management and Budget, appropriations for state agencies would need to be increased by \$776,084, of which \$295,258 is from the general fund, for the 2009-11 biennium.

Name:	Allen H. Knudson	Agency:	Legislative Council
Phone Number:	328-2916	Date Prepared:	04/28/2009

FISCAL NOTE
Requested by Legislative Council
04/13/2009

Amendment to: Engrossed
SB 2064

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			\$785,125	\$383,239	\$785,125	\$383,239
Appropriations			\$108,744	\$383,239	\$108,744	\$383,239

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).*

The bill increases legislators' compensation and travel expense reimbursement levels for legislators and other state employees.

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 following is a brief description of the fiscal impact of the measure on the budget for the Legislative Assembly and Legislative Council:

Increases legislators' monthly compensation from \$378 to \$396 effective July 1, 2009, and to \$415 effective July 1, 2010 - \$100,179 from the general fund for the 2009-11 biennium

Increases the compensation for regular, special, or organizational sessions from \$135 to \$141 per calendar day effective July 1, 2009, and to \$148 per calendar day effective July 1, 2010 - \$228,894 from the general fund for the 2009-11 biennium

Increases the interim compensation rate from \$135 to \$141 per day effective July 1, 2009, and to \$148 per day effective July 1, 2010 - \$49,108 from the general fund for the 2009-11 biennium

Increases the maximum monthly lodging expense reimbursement allowed during legislative sessions from \$900 to 55 percent of the state lodging rate times the number of days in each month (estimated at \$1,040 per month) - \$71,424 from the general fund for the 2009-11 biennium

Increases the state daily lodging expense reimbursement rate per night from \$55 plus tax to 90 percent of the federal lodging reimbursement rate plus tax effective August 1, 2009 (estimated at \$63 per night plus tax) - \$32,496 from the general fund for the 2009-11 biennium

Provides that the state mileage expense reimbursement rate be equal to 90 percent of the federal mileage expense reimbursement rate (estimated at 50 cents per mile) - \$83,991 from the general fund for the 2009-11 biennium

Total - \$566,092 from the general fund for 2009-11

The following is a brief description of the fiscal impact of the measure on the budget for other state agencies,

excluding higher education, as provided by the Office of Management and Budget:

Increases the state daily lodging expense reimbursement rate per night from \$55 plus tax to 90 percent of the federal lodging reimbursement rate plus tax effective August 1, 2009 (estimated at \$63 per night plus tax) - \$428,460, of which \$142,808 is from the general fund, for the 2009-11 biennium

Provides that the state mileage expense reimbursement rate be equal to 90 percent of the federal mileage expense reimbursement rate (estimated at 50 cents per mile) - \$173,812, of which \$76,225 is from the general fund, for the 2009-11 biennium

Total - \$602,272, of which \$219,033 is from the general fund, for 2009-11

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 expenditure amounts reflect the estimated cost of the proposed increases for the 2009-11 biennium.

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 appropriation for the Legislative Assembly and the Legislative Council could be decreased by \$110,289 from the general fund to account for the proposed increases, as amended.

According to information provided by the Office of Management and Budget, appropriations for state agencies would need to be increased by \$602,272, of which \$219,033 is from the general fund, for the 2009-11 biennium.

Name:	Allen H. KNudson	Agency:	Legislative Council
Phone Number:	328-2916	Date Prepared:	04/13/2009

FISCAL NOTE
Requested by Legislative Council
02/13/2009

Amendment to: SB 2064

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			\$963,741	\$432,259	\$963,741	\$432,259
Appropriations			\$491,941	\$432,259	\$491,941	\$432,259

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).*

The bill increases legislators' compensation and travel expense reimbursement levels for legislators and other state employees.

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 following is a brief description of the fiscal impact of the measure on the budget for the Legislative Assembly and Legislative Council:

Increases legislators' monthly compensation from \$378 to \$396 effective July 1, 2009, and to \$415 effective July 1, 2010 - \$100,136 from the general fund for the 2009-11 biennium

Increases the compensation for regular, special, or organizational sessions from \$135 to \$141 per calendar day effective July 1, 2009, and to \$148 per calendar day effective July 1, 2010 - \$228,858 from the general fund for the 2009-11 biennium

Increases the interim compensation rate from \$135 to \$141 per day effective July 1, 2009, and to \$148 per day effective July 1, 2010 - \$49,108 from the general fund for the 2009-11 biennium

Increases the maximum monthly lodging expense reimbursement allowed during legislative sessions from \$900 to \$1,000 per month effective July 1, 2009 - \$51,200 from the general fund for the 2009-11 biennium

Increases the state daily lodging expense reimbursement rate per night from \$55 plus tax to \$60 plus tax effective July 1, 2009 - \$20,300 from the general fund for the 2009-11 biennium

Provides that the state mileage expense reimbursement rate be at the federal mileage expense reimbursement rate of 58.5 cents per mile - \$226,700 from the general fund for the 2009-11 biennium

Total - \$676,302 from the general fund for 2009-11

The following is a brief description of the fiscal impact of the measure on the budget for other state agencies, excluding higher education, as provided by the Office of Management and Budget:

Increases the state daily lodging expense reimbursement rate per night from \$55 plus tax to \$60 plus tax effective

July 1, 2009 - \$267,788, of which \$89,255 is from the general fund, for the 2009-11 biennium

Provides that the state mileage expense reimbursement rate be at the federal mileage expense reimbursement rate - \$451,910, of which \$198,184 is from the general fund, for the 2009-11 biennium

Total - \$719,698, of which \$287,439 is from the general fund, for 2009-11

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 expenditure amounts reflect the estimated cost of the proposed increases for the 2009-11 biennium.

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 appropriation for the Legislative Assembly and the Legislative Council would need to be increased by \$204,502 from the general fund to provide for the proposed increases.

According to information provided by the Office of Management and Budget, appropriations for state agencies would need to be increased by \$719,698, of which \$287,439 is from the general fund, for the 2009-11 biennium.

Name:	Allen H. Knudson	Agency:	Legislative Council
Phone Number:	328-2916	Date Prepared:	02/16/2009

FISCAL NOTE
Requested by Legislative Council
12/08/2008

Bill/Resolution No.: SB 2064

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	\$51,200	\$0	\$759,239	\$432,259	\$759,239	\$432,259
Appropriations			\$287,439	\$432,259	\$287,439	\$432,259

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).*

The bill increases legislators' compensation and travel expense reimbursement levels for legislators and other state employees.

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 following is a brief description of the fiscal impact of the measure on the budget for the Legislative Assembly and Legislative Council:

Increases legislators' monthly compensation from \$378 to \$393 effective July 1, 2009 - \$54,600 from the general fund for the 2009-11 biennium

Increases the compensation for regular, special, or organizational sessions from \$135 to \$140 per calendar day effective July 1, 2009 - \$88,000 from the general fund for the 2009-11 biennium

Increases the interim compensation rate from \$135 to \$140 per day effective July 1, 2009 - \$31,000 from the general fund for the 2009-11 biennium

Increases the maximum monthly lodging expense reimbursement allowed during legislative sessions from \$900 to \$1,000 per month effective January 1, 2009 - \$51,200 from the general fund for both the 2007-09 and 2009-11 bienniums

Increases the state daily lodging expense reimbursement rate per night from \$55 plus tax to \$60 plus tax effective July 1, 2009 - \$20,300 from the general fund for the 2009-11 biennium

Provides that the state mileage expense reimbursement rate be at the federal mileage expense reimbursement rate of 58.5 cents per mile - \$226,700 from the general fund for the 2009-11 biennium

Total - \$51,200 from the general fund for 2007-09 and \$471,800 from the general fund for 2009-11

The following is a brief description of the fiscal impact of the measure on the budget for other state agencies, excluding higher education, as provided by the Office of Management and Budget:

Increases the state daily lodging expense reimbursement rate per night from \$55 plus tax to \$60 plus tax effective July 1, 2009 - \$267,788, of which \$89,255 is from the general fund, for the 2009-11 biennium

Provides that the state mileage expense reimbursement rate be at the federal mileage expense reimbursement rate - \$451,910, of which \$198,184 is from the general fund, for the 2009-11 biennium

Total - \$719,698, of which \$287,439 is from the general fund, for 2009-11

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 expenditure amounts reflect the estimated cost of the proposed increases for the 2007-09 and 2009-11 bienniums.

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 2007-09 appropriation for the Legislative Assembly and the 2009-11 budget requests for the Legislative Assembly and the Legislative Council include the additional funding needed to provide for the proposed increases.

According to information provided by the Office of Management and Budget, appropriations for state agencies would need to be increased by \$615,412, of which \$241,705 is from the general fund, for the 2009-11 biennium.

Name:	Allen H. Knudson	Agency:	Legislative Council
Phone Number:	328-2916	Date Prepared:	12/29/2008

Date: 2-5-09
Roll Call Vote #: 2

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

2016
Carrie
Devel

Senate Government and Veterans Affairs Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number ~~2009-0001~~

Action Taken Do Pass in Ref to App Proti

Motion Made By Carrie Seconded By Nelson

Senators	Yes	No	Senators	Yes	No
Dick Dever	X		Dwight Cook	X	
Dave Oehlke	X		Carolyn Nelson	X	
Robert M. Horne	X				

Total Yes 5 No 0

Absent _____

Floor Assignment _____

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

REPORT OF STANDING COMMITTEE

SB 2064: Government and Veterans Affairs Committee (Sen. Dever, Chairman)
recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee**
(5 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2064 was rereferred to the
Appropriations Committee.

2009 SENATE APPROPRIATIONS

SB 2064

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2064

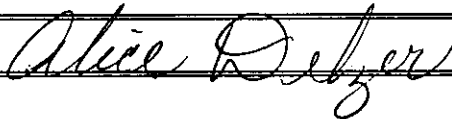
Senate Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: 02-10-09

Recorder Job Number: 9091

Committee Clerk Signature



Minutes:

Chairman Holmberg called the committee hearing to order at 8:30 am on SB 2064 regarding legislative compensation, state officer and employee lodging and mileage reimbursement.

Senator Dever, District 32, Bismarck, testified in support of SB 2064, explaining the bill and the proposed amendment. (04.52) Their committee ran out of time to get the amendments on the bill.

Mike Mutschenbacher, hotel managers from Bismarck Mandan, testified in support of SB 2064 providing written testimony #1, however, he requested that the Emergency Clause be kept on the bill. The emergency clause allows the housing rates for legislators to be adjusted from \$900.00 to \$1000.00 monthly, and to be retroactive to January of 2009. (10.35)

Vice Chairman Grindberg complemented him on his testimony. Senator Grindberg requested an example of your vacancy rates during the winter months.

Mike Mutschenbacher indicated his hotel they average 65 to 75 % that means 30% of time rooms are sitting unoccupied.

Senator Mathern asked why their motel rent to legislators.

Mike Mutschenbacher stated they are doing their part and they enjoy renting to legislators, they currently have 18.

Chairman Holmberg closed the hearing on SB 2064.

Chairman Holmberg opened discussion on SB 2064.

Senator Warner moved a do pass on the amendment 0201; **Senator Grindberg** seconded. A voice vote was taken resulting in a DO PASS ON AMENDMENT 0201.

Vice Chairman Bowman moved a do pass as amended on SB 2064, **Senator Grindberg** seconded. A roll call vote was taken resulting in a DO PASS AS AMENDED with 13 yes, 0 no, and 1 absent.

Chairman Holmberg closed the discussion on SB 2064.

PROPOSED AMENDMENTS TO SENATE BILL NO. 2064

Page 1, line 4, remove the second "to"

Page 1, line 5, remove "provide for retroactive application;"

Page 1, line 17, replace "forty" with "forty-one"

Page 1, after line 20, insert:

"SECTION 3. AMENDMENT. Subsection 1 of section 54-03-20 of the North Dakota Century Code is amended and reenacted as follows:

1. Each member of the legislative assembly is entitled to receive as compensation for services the sum of one hundred ~~forty-one~~ forty-eight 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."

Page 3, line 7, replace "ninety-three" with "ninety-six"

Page 3, after line 18, insert:

"SECTION 6. AMENDMENT. Subsection 7 of section 54-03-20 of the North Dakota Century Code is amended and reenacted as follows:

7. a. In addition, each member is entitled to receive during the term for which the member was elected, as compensation for the execution of public duties during the biennium, the sum of ~~three~~ four hundred ~~ninety-six~~ fifteen dollars a month, which is payable every six months or monthly, at the member's option.
- b. If a member dies or resigns from office during the member's term, the member may be paid only the allowances provided for in this section for the period for which the member was actually a member.
- c. The majority and minority leaders of the house and senate and the chairman of the legislative council, if the chairman is not a majority or minority leader, are each entitled to receive as compensation, in addition to any other compensation or expense reimbursement provided by law, the sum of two hundred seventy dollars per month during the biennium for their execution of public duties."

Page 5, line 13, replace "forty" with "forty-one"

Page 5, after line 21, insert:

"SECTION 9. AMENDMENT. Section 54-35-10 of the North Dakota Century Code is amended and reenacted as follows:

54-35-10. Compensation of members and leadership.

1. The members of the council and the members of any committee of the council are entitled to be compensated for the time spent in attendance at sessions of the council and of its committees at the rate of one hundred ~~forty-one~~ forty-eight dollars per day and must also be paid for expenses incurred in attending said meetings and in the performance of their official duties in the amounts provided by law for other state officers.
2. In addition to the compensation provided in subsection 1, the chairman of the council shall receive an additional five dollars for each day spent in attendance at sessions of the council and of its committees, and the chairman of each of the council's committees shall receive five dollars for each day spent in attendance at sessions of the council or of the committee which the person chairs."

Page 5, line 22, replace "4" with "5" and replace "6" with "8"

Page 5, line 23, replace "section 3 of this Act becomes effective on January 1, 2009" with "sections 3, 6, and 9 of this Act become effective on July 1, 2010"

Page 5, remove lines 24 and 25

Renumber accordingly

Date: 2/10/09
Roll Call Vote #: 1

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2069

Senate _____ Committee _____

☐ Check here for Conference Committee

Legislative Council Amendment Number adapted amendments 90201 0201

Action Taken d.p.

Motion Made By Warner Seconded By Grindberg

Representatives	Yes	No	Representatives	Yes	No
Senator Wardner			Senator Robinson		
Senator Fischer			Senator Lindaas		
V. Chair Bowman			Senator Warner		
Senator Krebsbach			Senator Krauter		
Senator Christmann			Senator Seymour		
Chairman Holmberg			Senator Mathern		
Senator Kilzer					
V. Chair Grindberg					

Total Yes all aye No _____

Absent _____

Floor Assignment Dever

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

Date: 2/10/09
Roll Call Vote #: 2

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2064

Senate _____ Committee _____

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken ☒ Do Pass ☐ Do Not Pass ☒ Amended

Motion Made By BB Seconded By Tg

Representatives	Yes	No	Representatives	Yes	No
Senator Krebsbach	<input checked="" type="checkbox"/>		Senator Seymour	<input checked="" type="checkbox"/>	
Senator Fischer	<input checked="" type="checkbox"/>		Senator Lindaas	<input checked="" type="checkbox"/>	
Senator Wardner	<input checked="" type="checkbox"/>		Senator Robinson	<input checked="" type="checkbox"/>	
Senator Kilzer	<input checked="" type="checkbox"/>		Senator Warner	<input checked="" type="checkbox"/>	
V. Chair Bowman	<input checked="" type="checkbox"/>		Senator Krauter	<input checked="" type="checkbox"/>	
Senator Christmann	<input checked="" type="checkbox"/>		Senator Mathern	<input checked="" type="checkbox"/>	
V. Chair Grindberg	<input checked="" type="checkbox"/>				
Chairman Holmberg	<input checked="" type="checkbox"/>				

Total Yes ~~14~~ 13 No 0

Absent 1

Floor Assignment GVA.

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

Jewell

REPORT OF STANDING COMMITTEE

SB 2064: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2064 was placed on the Sixth order on the calendar.

Page 1, line 4, remove the second "to"

Page 1, line 5, remove "provide for retroactive application;"

Page 1, line 17, replace "forty" with "forty-one"

Page 1, after line 20, insert:

"SECTION 3. AMENDMENT. Subsection 1 of section 54-03-20 of the North Dakota Century Code is amended and reenacted as follows:

1. Each member of the legislative assembly is entitled to receive as compensation for services the sum of one hundred ~~forty-one~~ forty-eight 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."

Page 3, line 7, replace "ninety-three" with "ninety-six"

Page 3, after line 18, insert:

"SECTION 6. AMENDMENT. Subsection 7 of section 54-03-20 of the North Dakota Century Code is amended and reenacted as follows:

7. a. In addition, each member is entitled to receive during the term for which the member was elected, as compensation for the execution of public duties during the biennium, the sum of ~~three~~ four hundred ~~ninety-six~~ fifteen dollars a month, which is payable every six months or monthly, at the member's option.
- b. If a member dies or resigns from office during the member's term, the member may be paid only the allowances provided for in this section for the period for which the member was actually a member.
- c. The majority and minority leaders of the house and senate and the chairman of the legislative council, if the chairman is not a majority or minority leader, are each entitled to receive as compensation, in addition to any other compensation or expense reimbursement provided by law, the sum of two hundred seventy dollars per month during the biennium for their execution of public duties."

Page 5, line 13, replace "forty" with "forty-one"

Page 5, after line 21, insert:

"SECTION 9. AMENDMENT. Section 54-35-10 of the North Dakota Century Code is amended and reenacted as follows:

54-35-10. Compensation of members and leadership.

1. The members of the council and the members of any committee of the council are entitled to be compensated for the time spent in attendance at sessions of the council and of its committees at the rate of one hundred ~~forty-one~~ forty-eight dollars per day and must also be paid for expenses incurred in attending said meetings and in the performance of their official duties in the amounts provided by law for other state officers.
2. In addition to the compensation provided in subsection 1, the chairman of the council shall receive an additional five dollars for each day spent in attendance at sessions of the council and of its committees, and the chairman of each of the council's committees shall receive five dollars for each day spent in attendance at sessions of the council or of the committee which the person chairs."

Page 5, line 22, replace "4" with "5" and replace "6" with "8"

Page 5, line 23, replace "section 3 of this Act becomes effective on January 1, 2009" with "sections 3, 6, and 9 of this Act become effective on July 1, 2010"

Page 5, remove lines 24 and 25

Renumber accordingly

2009 HOUSE GOVERNMENT AND VETERANS AFFAIRS

SB 2064

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. Senate Bill 2064

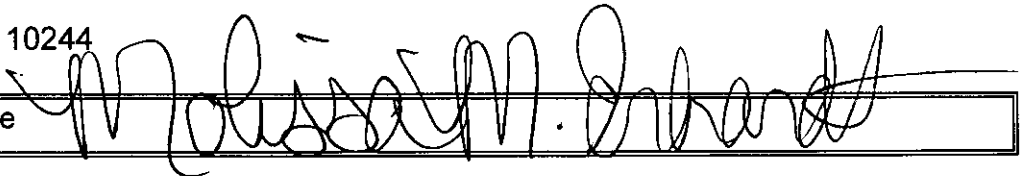
House Government and Veterans Affairs Committee

☐ Check here for Conference Committee

Hearing Date: 3/5/2009

Recorder Job Number: 10244

Committee Clerk Signature



Minutes:

Chairman Grande: Open the hearing on SB 2064. Clerk read the title.

Mike Motschenbacher, Management Team, Expressway Inn and Suites:

Testimony. Attachment # 1.

Rep. Wolf: I do have a couple of questions for you. The way I look at this bill the section that deals with the increase in the monthly fee falls under the emergency clause of the bill.

Mike Motschenbacher: It was removed by the Senate. The retro-active clause was for the housing allowance was removed.

Rep. Wolf: Correct. But it still falls under the emergency part of this bill. Unless I'm completely wrong. The last Section on Page 6, Section 11, the emergency clause, it declares it to be an emergency, and in the Section 10 directly above it, sets forth the effective dates of certain sections but it does not include Section 4 of the bill which is the housing for the monthly fee. So I am assuming that that Section would fall under the Emergency Clause.

Mike Motschenbacher: Is that the amendments?

Rep. Wolf: No the bill.

Rep. Froseth: Rep. Wolf I believe the way the bill is, the Emergency Clause would take effect if it wasn't signed by the Governor which wouldn't include January, February and March. The rate would be \$900.

Rep. Wolf: But it would go into effect as soon as he would push it through and the Governor would sign it and it could go into effect as of April 1st.

Rep. Froseth: So at April 1st they would have one month of the \$1000 rates. There is no bill retro-active to this as of January 1, 2009.

Rep. Wolf: Some motels already do charge more than \$900 a month. I know several legislators in this room that are paying more than \$900, I paid more than \$900 last session, and some motels want \$2100, I have checked around. So you can go over and above the \$900 if you so choose with the motel, you just choose not to?

Mike Motschenbacher: I can tell you from a personal experience with some other hotels that I have spoke with on this, we all are charging a \$1000 with the assumption that it is what the Legislators are going to get reimbursed. When the retro-active clause was removed I have gotten, we have 18 Legislators staying at our places, the majority of them come up to me now and say "well now we are stuck paying \$100 out of pocket every month" and they want to know if we are

going to go down to the \$900. So from a business point of view I have two choices, I can stick with what we what we were planning on and what we were told we were going to get reimbursed and charge a \$1000 and upset 18 customers, which I really don't want to do in the meantime, or I can eat the \$7200 that is going to affect me and our business and hopefully keep the customer happy instead. There is the customer service aspect I have to deal with too.

Rep. Amerman: I guess from looking at your chart you say that the 2005 to 2008 payroll has gone up 22%, can you explain that. I'd like to know how your payroll has gone up 22% in three years?

Mike Motschenbacher: We have had two minimum wage increases over the past two years here. With the tight labor market we are forced to pay much higher wages than we did four years ago. As you can see there are several of the hotels on there that have put out numbers there and we are all very similar, we are all in the same boat, 22% over four years is about as (can't make out) increase.

Chairman Grande: Anyone else wishing to testify in favor of 2064? Favor?

Josh Churchill, Management, Comfort Inn and Comfort Suites: Well as a I missed my fellow hotel industry cohorts testimony just a moment ago. I am here on behalf of the Comfort Inn and Comfort Suites here in Bismarck and on behalf of every other interested hotel party in the City of Bismarck and surrounding

areas. My primary focus here is with regard to SB 2064 is the actual State Employee per diem and the \$55 as opposed to \$60 after this Legislative Session of course. I guess I just need to re-iterate all the facts that have come before you by Mike and just to re-iterate the need for incremental increases. They are completely necessary, just to cover are base increases on operational expenses, not to mention the State of ND and City of Bismarck in particular has encountered in the last couple of years a tremendous challenge in terms of labor, finding help, having to compete with other entry level service type industries, and of course the wages have adjusted accordingly there. The increases that are above historical annual increases for retainment and to recruit new staff and so a \$5 increase there is completely in line with the fees we have encountered on the labor side, not to mention the utilities and every other operational expense. The other thing I definitely would like to mention is that Armed Kelsch (not sure if spelled right) the company in particular, Expressway Inn, fall within the limited service world of hotels. This has kind of become the standard for your middle of the road traveler, the government traveler, or your corporate traveler kind of on a budget. What we have encountered in the limited service world is something that we call "amendy creep" and basically travelers have become more discerning as time goes on and we need to keep up with the times and maintain our competitiveness within the limited service market and nowadays when a new

limited service hotel is built the chance of that hotel taking on the State rate is zero. It is simply not possible for these operations to take it on. So in effect we have continued to maintain the State rate is a benefit to all the State travelers. I know that the Motel 6, Super 8's there on the budget side of things but we would prefer that we are able to accommodate State government travelers on the limited service side of things rather than having your State government travelers drop down to the budget side and having to stay at the Motel 6's and the Super 8's. It has become an amenity that everyone has become used to, the expanded breakfast, the exercise rooms, the indoor pools, etc, etc., and in order to maintain those things and be fixed expenses that go along with maintaining a facility offering these amenities we need to do these increases period. In order for us to keep all these things available and it is our belief that it is a State government in ND that are going to provide a facility for all the State travelers that will maintain a productive (can't understand) and one where you are not going to have to worry about noise, not worry about parties in the middle of the night, and again have all the amenities, have their (can't understand) so that they can get up in the morning and be on the road and again maintain productivity. To touch on retro-activity of the Legislators in particular, we were counting on it and we, speaking for the Comfort Inn, see it as a public service to offer this rate to the Legislators and nothing more to be completely honest. If you look at the

numbers it is not good business. It is not good business for us to be taking on a rate that is over 50% less than our average daily rate period and again we are seeking a little bit from the Legislators and that is where we are at. I will take any questions.

Rep. Wolf: Do you have any Legislatures that live in your motels during the interim for the \$900 a month?

Josh Churchill: No.

Rep. Wolf: So it is only just the four months every other year?

Josh Churchill: That is correct.

Rep. Wolf: Is that pretty common with all the hotels?

Josh Churchill: Yes.

Rep. Nathe: What is the Federal daily rate?

Josh Churchill: \$70, currently and that goes up incrementally every year as well. I mentioned newly built properties and they are taking on the Federal rate to a point and that is being tightly controlled. For example, the Holiday Inn Expresses and Hampton Inn's, their newly built properties, we offer at the Comfort Inn and Comfort Suites and I can say with confidence Expressway Inn and Expressway Suites we offer the same products as these newly built, but they are not taking on the State rate, but they will regularly take on the Federal rate.

Rep. Amerman: Can you tell me on your motel and maybe industry wide at the \$55 a night rate, is there XXX number of rooms to be set aside or if I came there and I can get any room regardless if some of them are already filled or how does that work?

Josh Churchill: Generally speaking that rate is managed within the daily revenue management of the weekly forecast and the weekly revenue management. Our particular operation, no, but we are atypical, considering revenue management out there. So I guess the answer is yes. There are a limited number of rooms available. But there again, the lower the rate is, the lesser number of rooms that can be offered at any given time. So if we can steer that higher rate the lesser the likelihood that State travelers maybe staying at your lower end spectrum hotels, like the Super 8's and Motel 6's.

Chairman Grande: Any other questions from the committee? Favor of? Oppose? Neutral? Closed the hearing on SB 2064.

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. Committee Work One 2064

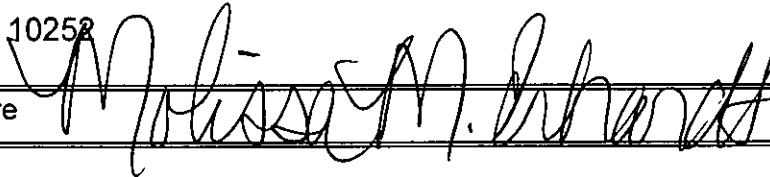
House Government and Veterans Affairs Committee

☐ Check here for Conference Committee

Hearing Date: 03/05/2009

Recorder Job Number: 10252

Committee Clerk Signature



Minutes:

Committee Work One:

Rep. Froseth: Chairman Grande are we taking up any more bills this morning because I would like to discuss 2064 briefly.

Chairman Grande: Discussion on SB 2064.

Rep. Froseth: The housing allowance, I think, I don't know whether the Senate took it out to raise it from \$900 to \$1000 but I think a lot of us were under the opinion that it was going to be raised to a \$1000. I know I had a commitment from the motel that I stay in that the rate would be \$900 and the first bill I got was a \$1000. I said I thought you told me \$900, well we are under the presumption it is going to be raised to a \$1000. I have long felt that we should have a dual rate for the people that provide the homes. I don't think that is a sacrifice on their part I think it is a money maker for most of them because they go South for the Winter and their homes are empty. So they really have a home sitter and it should be worth something to them and I don't think any of the Legislators cause much

wear and tear on the homes but I have always felt that by moving the rate we kind of direct or dictate what the rent in Bismarck is going to be. I have always felt that we shouldn't do that. In a motel you are offered daily room service, offered daily breakfast, and I think the rate should be different than a home. In a home you are doing your own laundry, your taking care of their driveway a lot of times, and I feel that that rate probably doesn't need to be adjusted. Maybe we can leave that rate at \$900 and increase the motel rates to \$1000 or the commercial rates to a \$1000. That is kind of my opinion or take on it.

Chairman Grande: About three sessions ago I had set up my contract with one of the hotels and they said well we see that there is a bill in for a rate increase and if the rate increase goes in place and it is retroactive at the end of my contract with you I will reimburse you back that direction. If we don't get that rate increase I still want my contract to be at \$800. That was agreed upon and that was how we worked it out. At the end we did vote it in and it was retro, I wrote him another check and covered those amounts, otherwise he wasn't going to charge me for it. But they know we as the Legislative body aren't guaranteeing those increases. Nobody ever told the hotels here that the rate would go up. I think they have been in business long enough in Bismarck here to do know that you can't go on the wind as to the Legislature is going to do. I understand they are wanting more money and understand that and am not arguing that point but I

do know a lot of you were offered contracts at different rates and stuff and I think that is something that you need to talk to the people you are renting from. I have been able to get a variable rate whenever I use the apartments. I agree with you on the housing though. This guy here they are probably making \$600 off of me because my rent compared to what the utility bill would be and that is all that they are paying if I wasn't staying there. So I see what you are saying Rep. Froseth. Any other discussion?

Rep. Wolf: Some of us selected to not stay in motels this session because they were going to do the \$1,000 and went to the one that would do the \$900 too.

That is the other flip side. I choose not to stay at Candlewood Suites because I paid a \$100 last session extra because that is what Kelly Inn charged and this session when they were going to do \$1,200 and came down to a \$1,000, I went to Fairfield Inn because they were cheaper.

Chairman Grande: If I was going to pay \$1,200 I personally would have went to the Radisson Inn because then my car is parked inside. I guess you shop it around. I shopped it around and I found different condos and different apartments. I worked out a deal with my renters because there was no way I was shoveling, that was included in my rent.

Rep. Kasper: The issue I don't think is the \$1,000. The issue is the retro-activity. We have SB 2353 that deals with the motels and the cost of lodging. I

have talked with our leadership and I don't know where you guys are at on your leadership but our leadership does not like the idea of that retro-active with lodging that will send a message that is retro-active with the Legislator's pay raise which is taken care of in SB 2064. I'd like to consider that we amend all the lodging into SB 2353 and deal with the hotel and motel thing in this bill and let SB 2064 be a stand alone on Legislative compensation. Then first of all we separated that issue on retroactivity, and I for one support retro-activity, I think our hotel people have been very, very good to us at least since I have been in the Legislature, they have taken less than what they should have but they do like the fact that we are there. I don't agree with leadership on our side but have you guys had a discussion or concern about any of that on your side.

Rep. Winrich: No, we haven't.

Rep. Kasper: Try to keep it totally non-partisan they can put all the lodging in 2353 and let it go with retro-active or not and let the committee come out with where we come out with and do it on the floor and see where we go. Then with 2064 it will be a Legislative Compensation bill.

Rep. Wolf: Even in Mike's testimony he talked about us being retro-active or Emergency Clausung our pay and we are not.

Rep. Kasper: That is right.

Rep. Wolf: So I agree with what you are saying about making it be a stand-alone because we get enough flack over it anyway and if we are doing anything with retro-activity, whether we do it or not. But if it is combined into a bill that has anything to do with our pay, I agree with Rep. Kasper.

Rep. Winrich: I thought Mike had a valid point to in that the Legislature has established a policy for this and through the Legislative Compensation committee and so on. They tried to follow that policy, they went to the compensation committee, they got a positive recommendation from that committee and so on, and then it gets to the floor and somebody's personal little point of view messes up the thing after all of that work and I think that is a consideration too.

Rep. Kasper: I am going to talk to our leadership and maybe you guys can talk to your leadership to see what their feelings might be on doing that. Maybe it will solve some heartburn at least on our side and let the bills go where they may.

Rep. Winrich: I think it will call for major negotiation in the Senate.

Rep. Kasper: That is where the problem is.

Rep. Froseth: Point of information, How did we get a pay raise in our pay check this session? We never approved it last time did we, two years ago?

Chairman Grande: Yes we did. So for these two bills let's put together the information and we will discuss them next Thursday.

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. Committee Work One SB 2064

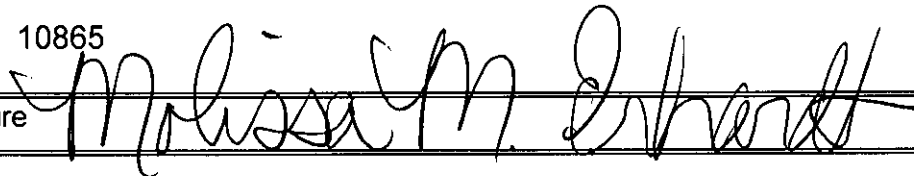
House Government and Veterans Affairs Committee

☐ Check here for Conference Committee

Hearing Date: 03/12/2009

Recorder Job Number: 10865

Committee Clerk Signature



Minutes:

COMMITTEE WORK ONE:

Chairman Grande: We will discuss SB 2064. This is the Legislative Compensation Commission and this is about the salary increases, the hotels, the lobbying during the interim, and the travel reimbursement. The bill is in front of us.

Rep. Conklin: Move for a Do Pass.

Chairman Grande: Discussion.

Rep. Winrich: On Page 3, Sect 5, Lines 15 and 16 where it says how much we are going to be paid the sum of \$396 a month which is payable every six months or monthly at the members option and then the same thing occurs again in Section 6 that deals with the following year and that is down on Line 31. When I was filling out the personnel forms at the beginning of the session this year with Karen Mund I was going to opt for the six month payment of the salary and Karen talked me out of it. Because in order to pay that six month option they have to

make a manual entry in PeopleSoft and it takes staff time and they have to make special deductions because any deductions for health insurance or something like that has to come out in a lump sum ahead of time that PeopleSoft is so orientated to monthly payments to salary's that it is much cheaper especially if you have direct deposit that it runs automatically and I think we should consider removing the six month option because that is the system that we seem to be working with now.

Vice Chairman Randy Boehning: On Page 3, Line 14, would it be better to say \$96 a month period and then strike over the rest of that language.

Rep. Winrich: That is basically what I am suggesting yes.

Chairman Grande: We need to remove the motion off the table.

Rep. Conklin: Remove the Do Pass motion.

Rep. Winrich: I would just like to hear other people's idea's if the six month option is really crucial and important to anyone I don't know I will reconsider it. But I think it will be better to take it out.

Vice Chairman Randy Boehning: I agree with Rep. Winrich. If we come up for a Legislative meeting in between are they going to hold that for six months then too or are they going to take and pay that out monthly and then this will build up. I think it will probably be easier for them to do their monthly payroll without having a string of consecutive paperwork. I wish to 2nd the motion.

Rep. Wolf: I can tell you the reason for the every six months and that is because when we are only paid once a month there are no Federal taxes withheld. That monthly salary on its own does not qualify for enough to have Federal taxes withheld. So by lumping it to do it once every six months then you qualify to have Federal taxes taken out, if it is a high enough amount in the pay chart. There is an alternative and you could elect on your W-4 form to have a certain amount per month withheld. But I can tell you that is the reason that some of us do it every six months.

Rep. Kasper: You found out how very few people are using it?

Rep. Winrich: Yes. I thought I had a copy of that memo in my folder and I don't. But as I recall it is something like 13 people in the House and nine in the Senate.

Chairman Grande: So 13 and nine, and that is all the people that is affecting. So she is making all this effort for just that small group of people.

Rep. Kasper: I would like to offer a different amendment for consideration on getting to the same thing because I am concerned if we don't make a statement it could be misconstrued as staying the same way. On Line 15, Page 3, I would like to have you consider, \$96 a month payable monthly, and now we know it is monthly and we are not going to question it if we have a choice. We are saying it is paid monthly. So we would strike "which is" and we would strike "every six months or" and strike "at the members option" and also on Line 31.

Rep. Wolf: What if we just said \$96 a month period?

Rep. Kasper: They could come back and say "Yeah, I want mine paid every two months."

Chairman Grande: We have that amendment before us. Any other discussion on that amendment? All in favor of the amendment say I? Consent. All. Opposed? None. We have the amended bill in front of us. Any other amendments or discussion? We are good in this form.

Rep. Wolf: Move a Do Pass As Amended with re-referral to appropriations.

Rep. Conklin: 2nd:

Chairman Grande: We have a Do Pass As Amended by Rep. Wolf and a 2nd by Rep. Conklin. Discussion and seeing none the clerk will call the roll.

Clerk Erhardt: Roll Call. Yes: 11. No: 1. Absent: 1. Carrier: Chairman Grande. With Re-Referral to Appropriations.

March 12, 2009

V/R
3/13/09

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2064

Page 3, line 15, overstrike "which is payable every six months or" and insert immediately thereafter "paid" and overstrike ", at the"

Page 3, line 16, overstrike "member's option"

Page 3, line 31, overstrike "which is payable every six months or" and insert immediately thereafter "paid" and overstrike ", at the member's option"

Renumber accordingly

Date:

3/12/9

Roll Call Vote #:

1

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2064

House **Government and Veterans Affairs**

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken

☒ Do Pass☐ Do Not Pass☒ Amended

Motion Made By

Wolf

Seconded By

Conklin

Representatives	Yes	No	Representatives	Yes	No
Chairman Grande	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Rep. Amerman	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Vice Chairman Boehning	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Rep. Conklin	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Rep. Dahl	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Rep. Schneider	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Rep. Froseth	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Rep. Winrich	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Rep. Karls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Rep. Wolf	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Rep. Kasper	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
Rep. Meier	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
Rep. Nathe	<input checked="" type="checkbox"/>	<input type="checkbox"/>			

Total (Yes)

11

No

1

Absent

1

Floor Assignment

Chairman Grande

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

Re-Refer to appropriations.

REPORT OF STANDING COMMITTEE

SB 2064, as engrossed: **Government and Veterans Affairs Committee (Rep. Grande, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (11 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). Engrossed SB 2064 was placed on the Sixth order on the calendar.

Page 3, line 15, overstrike "which is payable every six months or" and insert immediately thereafter "paid" and overstrike ", at the"

Page 3, line 16, overstrike "member's option"

Page 3, line 31, overstrike "which is payable every six months or" and insert immediately thereafter "paid" and overstrike ", at the member's option"

Renumber accordingly

2009 HOUSE APPROPRIATIONS

SB 2064

2009 HOUSE STANDING COMMITTEE MINUTES

SB 2064

House Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: March 24, 2009

Recorder Job Number: 11452

Committee Clerk Signature

Carmen Hart

Minutes:

Rep. Bette Grande approached the podium to explain SB 2064 – legislator compensation and travel bill. Rep. Grande distributed “Summary of 2009 Engrossed Senate Bill No. 2064” (Attachment A). Section 1 takes the lodging from \$55 to \$60. Section 2 takes the daily pay for the interim and it has your effective dates. The legislative compensation regular special organized session goes up by \$6 per day. That breaks down then in the next section for the next part of the biennium goes up to \$7 per day. This Section 4 lodging piece is our legislative session lodging going from \$900 to \$1,000 per month. Section 5 deals with monthly compensation. It is going up 5% or \$18 for July 09 and then up 5%, another \$19 on July 2010. Section 7 gets into the mileage reimbursement and again you are going to see that tie into the federal. This one here plays into exactly how we are doing our taxes. Remember when we do our mileage and when you go to do your taxes, you have to do that amendment piece to get your federal. This would get rid of us having to do that amendment piece to our taxes. Section 8 deals with the interim compensation and that goes up in two different years. Section 10 sets the effective date for the various sections with 09-10, and the emergency clause pertains only to Section 4 and Section 7. Section 4 is our legislative session housing allowance so as soon as this was to get to the Governor if there is time, we would at least get that month at a \$1,000.

The mileage would also go into effect as soon as the Governor signs it. Initially this bill in the senate was heard with this being retroactive for lodging. The senate took out the retro.

Amendment .0304 was distributed (Attachment B).

Rep. Kempenich: On the mileage part, the feds go back and forth. They went from 58. They are at 50.5 now. Is that tied in or is it one rate set?

Rep. Grande: We would set this up with OMB and it would have to be done by rule.

Rep. Kempenich: It wouldn't necessarily be \$58 then would it?

Rep. Grande: This process allows OMB to make those adjustments when necessary.

Rep. Berg: None of these are retroactive?

Rep. Grande: That's correct.

Rep. Wald moved that we change all of the Sections that deal with legislative compensation and leave it as it is today with no increase. My reason is that if we are going to make cuts in the budget, we could do a good stroke of business.

Chm. Svedjan: I am going to seek clarification on the exact sections. Roxanne, could you help verify that for us.

Roxanne: It would be Sections 2, 3, 5, 6, 8, and 9.

Chm. Svedjan: The intent of this is to leave legislative compensation exactly where it is today.

Rep. Kerzman seconds the motion.

Rep. Thoreson: I guess I am going to oppose that motion. We are also looking at increasing salaries in agencies. We should get an increase if we are doing our jobs as others are.

Rep. Wald: We're not settled with state employees' salaries yet. It's possible that will also be reduced. To be hypocritical would not wash with the public.

Rep. Berg: I don't like that we are bumping our pay 5 percent. I don't think we should tie our pay to state employees' pay. The average compensation for state employees is \$60,400 per

year. That includes their total package. That would work out to about \$260 per day. I don't think it's unjustified to have an increase as laid out in this bill. I would be opposed to this motion and support an increase in pay.

A voice vote was taken. Motion failed.

Rep. Delzer: OMB has to do this by rule. Do they have to go through the Administrative Rules process?

Rep. Grande: I think the rules are set within the agency.

Roxanne: That's correct. I believe OMB is exempt from Administrative Rules process. Legal counsel has recommended this particular process be set up.

Rep. Delzer: If we are concerned about delegation of legislative authority, how can we go to OMB? We are delegating to them too.

Roxanne: I could call Jon Bjornson on that.

Chm. Svedjan: Is there anything with this bill relative to lodging?

Rep. Grande: With the passage of SB 2353, Section 1 will need reconciliation.

Rep. Berg: I would move that Section 1 would be the same as we passed—90% of the federal rate.

Rep. Kreidt seconded the motion.

A voice vote was taken. Motion carries.

Rep. Berg: I think we need a formula to follow for the mileage and lodging.

Rep. Grande: When gas prices went up, this would have allowed OMB to make those adjustments for us. Council is saying we don't want to turn that over to the federal but let OMB do that for us.

Rep. Kempenich: We sat at \$.24 per mile when the fed was at \$.40 for years. I don't like OMB—I think that if there is that drastic of a change, we either have some mechanism that

Council and the budget section approve, some type of temporary measure or something until we get back into session and change it permanently. The state fleet changed in mid-stream this year. They went up from \$.32 to \$.37. I think we should have this under our direction.

Rep. Skarphol: Just in case there is a decrease in the civility between executive and legislative branch, I would move that the budget section must approve any changes in mileage established by the Office of Management and Budget in relation to legislative mileage.

Rep. Berg seconded the motion.

Chm. Svedjan: Any changes to the mileage rate during the interim would require budget section approval?

Rep. Berg: Correct.

Rep. Kerzman: (15:55) If you don't track this and are audited, you can get into all kinds of trouble. If you are reimbursed and the federal government drops below that, you are suppose to report that difference as taxable income and vice versa. If you let it follow the guidelines it's easier to track.

Rep. Grande: It is an important piece to have that tied in with the fed. This eliminates having to readjust at tax time.

Rep. Kerzman: It's probably not so bad if you are employed by someone else, but if you are self-employed it's harder.

Rep. Kempenich: That's why we've never tried to track to the fed rate. We've always been a little below.

Rep. Kerzman: My concern with the amendment is can we react quickly enough.

Rep. Berg: I think we can react quickly to the feds. This is a substantial increase to the mileage we have been paid for years. We could always look at 90 percent of the fed rate.

A voice vote was taken. Motion fails.

Rep. Kempenich: I make a motion that we do 90% of the federal rate.

Rep. Berg seconded the motion.

Rep. Wald: In effect all we are changing at this point is Section 7. Am I right?

Chm. Svedjan: I believe that is correct. I believe that is the only section on mileage.

Rep. Delzer: Is that amendment just for car mileage?

Rep. Berg: Yes.

Rep. Delzer: The airplane would stay at what they put in at \$.70.

Rep. Berg: I have another amendment that I was going to hand out to deal with that. Take this motion and we can talk about that.

Rep. Skarphol: What if the feds have a 15 percent drop? We are out of compliance, right?

Chm. Svedjan: No. It would be 90% of the fed. rate.

Rep. Skarphol: Not until OMB takes action.

Rep. Berg: I think we still have an issue with legislative authority. The motion would just address the formula that it is 90%. This issue is do we want OMB to deal with this issue or do we want the legislature to finally put their stamp of approval somehow.

Chm. Svedjan: This motion to go to 90% of the fed rate, is it your understanding that this would place it in the legislature's hands?

Rep. Berg: No. It would leave Section 7c the way it is. If the feds changed the rate, OMB would change the rate and it would be automatic.

Chm. Svedjan: Back to your issue about this being a legislative matter.

Rep. Berg: Let's discuss this after this motion.

A voice vote was taken. Motion carries.

Rep. Berg: I handed out amendment 0302. The current reimbursement is \$.70. It is \$.45 for vehicles. This amendment takes the mileage for vehicles and multiply it by 1.5. That would

equal \$.67. The numbers on this – for me to go from Fargo to Bismarck, it maybe costs another \$45 each way. The savings to the state are no motel room which is probably \$60 and no half day per diem which is another \$60-\$65. What we want to do here is not set it up so anyone makes money on it but recognize that there is potentially some savings to the state if someone does that. (24:44) I would move the amendment 0302.

Rep. Kempenich seconded the motion.

Rep. Skarphol: Is there anything in the amendment that prohibits the person from flying in a day early and using that motel stay anyway?

Rep. Berg: I would not be opposed to putting some language in there that it is more cost effective.

A voice vote was taken. Motion carries.

Rep. Bellew: (26:02) I thought our interim pay was \$108 a day. It says \$135 to \$141 and \$141 to \$148. Am I missing something? Have I not been giving my right pay?

Rep. Grande: I will defer to Council.

Roxanne: Interim pay is at \$108 effective July 1, 2008. Statutory code is set to go to \$135 effective July 1, 2009 even if this bill would be defeated.

Rep. Berg explained amendment .0304 (Attachment B). That is an attempt to really also address the monthly lodging that we pay during the legislative session. What it does it sets up a formula based on our average daily rate, and so that would adjust as well. (27:37)

Rep. Dosch: This takes care of the problem we seem to have every session regarding what the monthly lodging reimbursement is going to be. Compensation at \$1,000 for this session.

The Senate took away the retroactive clause which means that the \$1,000 rate would not go into effect until the 2011 session. It's been four years since the lodging rate was increased.

This amendment gives the direction to Legislative Council that on August 1st of every even

numbered year, they will look at the rate, take 65 percent of that and that will be the monthly rate. We're discounting 35 percent off the state per diem rate because it will be a monthly rate. This will help us avoid continually not knowing. It's unfair to the hotels and the legislators. Some hotels may not even collect the full \$1,000 for this session. This will take care of it. Everyone will know what that amount will be and this will greatly simplify things and correct this issue.

Rep. Glassheim (31:03) My multiplication says that if we go to the \$63 per day that we already passed, times 30 days, I get \$1,890 times 2/3, I get \$1,260 next time. If it goes up to \$70 which is likely to the year after that, I get \$1,400 a month. I think that is excessive myself.

Rep. Berg: Currently we get \$55 per day, \$900 per month. (32:02) If you took \$55 times 30 days times 54% you end up with \$900. If we took \$63 a day times 30 days times 55%, we end up with \$1,040 a month. I like the formula. What is an appropriate percentage? I think we should take the motion up and if that doesn't pass maybe well . . .

Chm. Svedjan: Amendment 0304 has not yet been moved.

Rep. Berg: So moved.

Rep. Klein seconded the motion.

Rep. Kempenich: Can we take that to 55 instead of 65? I substitute the motion. That would be a lot closer to what was kind of recommended. It would be \$39 more.

Rep. Metcalf seconded the motion.

Rep. Dosch: That brings it to \$907. Are you going to go back and reimburse the hotels the \$100 a month for the last three months for each legislator? Using the 55 percent formula you are not taking that into account.

A voice vote was taken on the substitute motion. Motion carries.

Rep. Wald: I would move that we change Section 5 and 6 from 5% to 3%. I am looking at the spreadsheet that Rep. Grande handed out where it says monthly compensation by 5%. My motion would change that to 3%. I'll let Council make the adjustment obviously.

Rep. Kempenich: On the monthly it would be about \$11.34 increase, 3% would.

Rep. Klein seconded the motion.

A voice was taken. Motion was defeated.

Rep. Williams: We are in these bills basically setting policy. They've gone through a policy committee and we are dictating what they should do. What we're doing is, in spite of the Commission and Policy Committee, we are dictating what should be done. (37:00)

Chm. Svedjan: That feeling is probably shared by others. The bill came to us because of the fiscal impact. There's a fine line, but there is no clear cut separation between the two.

Rep. Kempenich moved a Do Pass as Amended. Rep. Kroeber seconded the motion.

DO PASS AS AMENDED. 12 YEAS, 11 NAYS, 2 ABSENT AND NOT VOTING. Rep.

Kempenich is the carrier of the bill.

Date: 3/24/09
Roll Call Vote #: 1

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2064

Full House Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number TBD

Action Taken see below

Motion Made By Wald Seconded By Klugman

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan					
Vice Chairman Kempenich					
Rep. Skarphol			Rep. Kroeber		
Rep. Wald			Rep. Onstad		
Rep. Hawken			Rep. Williams		
Rep. Klein					
Rep. Martinson					
Rep. Delzer			Rep. Glassheim		
Rep. Thoreson			Rep. Kaldor		
Rep. Berg			Rep. Meyer		
Rep. Dosch					
Rep. Pollert			Rep. Ekstrom		
Rep. Bellew			Rep. Kerzman		
Rep. Kreidt			Rep. Metcalf		
Rep. Nelson					
Rep. Wieland					

Total (Yes) _____ No _____

Absent _____

Floor Assignment Voice Vote - failed

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

Sections 2, 3, 5, 6, 8, 9

Leave leg. comp. where it is today.

Date: 3/24/09
Roll Call Vote #: 2

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2064

Full House Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number TBD

Action Taken Change Section 1 to 90% of fed.

Motion Made By Berg Seconded By Kreidt

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan					
Vice Chairman Kempenich					
Rep. Skarphol			Rep. Kroeber		
Rep. Wald			Rep. Onstad		
Rep. Hawken			Rep. Williams		
Rep. Klein					
Rep. Martinson					
Rep. Delzer			Rep. Glassheim		
Rep. Thoreson			Rep. Kaldor		
Rep. Berg			Rep. Meyer		
Rep. Dosch					
Rep. Pollert			Rep. Ekstrom		
Rep. Bellew			Rep. Kerzman		
Rep. Kreidt			Rep. Metcalf		
Rep. Nelson					
Rep. Wieland					

Total (Yes) _____ No _____

Absent _____

Floor Assignment Voice Vote carries

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

Date: 3/24/09
Roll Call Vote #: 3

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2064

Full House Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number TBD

Action Taken Budget Section must approval for any
adj. to rate during session.

Motion Made By Skarphol Seconded By Berg

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan					
Vice Chairman Kempenich					
Rep. Skarphol			Rep. Kroeber		
Rep. Wald			Rep. Onstad		
Rep. Hawken			Rep. Williams		
Rep. Klein					
Rep. Martinson					
Rep. Delzer			Rep. Glassheim		
Rep. Thoreson			Rep. Kaldor		
Rep. Berg			Rep. Meyer		
Rep. Dosch					
Rep. Pollert			Rep. Ekstrom		
Rep. Bellew			Rep. Kerzman		
Rep. Kreidt			Rep. Metcalf		
Rep. Nelson					
Rep. Wieland					

Total (Yes) _____ No _____

Absent _____

Floor Assignment Voice Vote - fails

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

Date: 3/24/09
Roll Call Vote #: 4

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2064

Full House Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number TBD

Action Taken 90% of fed. ret or mileage

Motion Made By Kempnich Seconded By Burg

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan					
Vice Chairman Kempnich					
Rep. Skarphol			Rep. Kroeber		
Rep. Wald			Rep. Onstad		
Rep. Hawken			Rep. Williams		
Rep. Klein					
Rep. Martinson					
Rep. Delzer			Rep. Glassheim		
Rep. Thoreson			Rep. Kaldor		
Rep. Berg			Rep. Meyer		
Rep. Dosch					
Rep. Pollert			Rep. Ekstrom		
Rep. Bellew			Rep. Kerzman		
Rep. Kreidt			Rep. Metcalf		
Rep. Nelson					
Rep. Wieland					

Total (Yes) _____ No _____

Absent _____

Floor Assignment Voice Vote - Carries

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

90201.0302
Title.

Prepared by the Legislative Council staff for
Representative Berg
March 12, 2009

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2064

Page 4, line 22, replace "the" with "a" and replace "of seventy cents per mile [1.61 kilometers]" with "equal to one and one-half times the mileage reimbursement amount established under subdivision c for travel by motor vehicle"

Renumber accordingly

Date: 3/24/09
Roll Call Vote #: 5

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2064

Full House Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number TBD

Action Taken adopt amendment . 0302

Motion Made By Bry Seconded By Kempnich

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan					
Vice Chairman Kempnich					
Rep. Skarphol			Rep. Kroeber		
Rep. Wald			Rep. Onstad		
Rep. Hawken			Rep. Williams		
Rep. Klein					
Rep. Martinson					
Rep. Delzer			Rep. Glassheim		
Rep. Thoreson			Rep. Kaldor		
Rep. Berg			Rep. Meyer		
Rep. Dosch					
Rep. Pollert			Rep. Ekstrom		
Rep. Bellew			Rep. Kerzman		
Rep. Kreidt			Rep. Metcalf		
Rep. Nelson					
Rep. Wieland					

Total (Yes) _____ No _____

Absent _____

Floor Assignment Voix Not - carrier

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

March 20, 2009

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2064

In addition to the amendments adopted by the House as printed on page 921 of the House Journal, Engrossed Senate Bill No. 2064 is further amended as follows:

Page 2, replace lines 6 through 10 with:

- "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 the amount established under this subdivision by the director of the office of management and budget for lodging in state, at the rates and in the manner and which may not exceed the rate provided in section 44-08-04 for each calendar day during the period of any organizational, special, or regular session. On August first of each even-numbered year, the director of the office of management and budget shall set the maximum monthly reimbursement for the subsequent two-year period at an amount equal to the number of days in each month times sixty-five percent of the daily lodging reimbursement in effect on that date as provided under subdivision d of subsection 2 of section 44-08-04."

Page 2, replace lines 30 and 31 with:

- "b. A member of the legislative assembly who does not receive reimbursement for lodging and whose place of residence in the legislative district that the member represents is not within the city of Bismarck is entitled to reimbursement at the rate provided for state employees for necessary travel for not to exceed one round trip taken per day between the residence and the place of meeting of the legislative assembly when it is in session and may receive reimbursement for lodging at the place of meeting of the legislative assembly as provided in section 44-08-04 for each calendar day for which round trip travel reimbursement is not claimed, provided that the total reimbursement may not exceed ~~nine hundred dollars per month~~ the maximum monthly reimbursement allowed under subdivision a of subsection 2."

Page 3, remove lines 1 through 9

Renumber accordingly

Date: 3/24/09
Roll Call Vote #: 6

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2064

Full House Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number TBD

Action Taken Adopt amendment .0304

Motion Made By Bug Seconded By Klein

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan					
Vice Chairman Kempenich					
Rep. Skarphol			Rep. Kroeber		
Rep. Wald			Rep. Onstad		
Rep. Hawken			Rep. Williams		
Rep. Klein					
Rep. Martinson					
Rep. Delzer			Rep. Glassheim		
Rep. Thoreson			Rep. Kaldor		
Rep. Berg			Rep. Meyer		
Rep. Dosch					
Rep. Pollert			Rep. Ekstrom		
Rep. Bellew			Rep. Kerzman		
Rep. Kreidt			Rep. Metcalf		
Rep. Nelson					
Rep. Wieland					

Total (Yes) _____ No _____

Absent _____

Floor Assignment Voice Vote - no vote

If the vote is on an amendment, briefly indicate intent: Subst. motion made.

Date: 3/24/09
Roll Call Vote #: 7

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2064

Full House Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number TBD

Action Taken Change 65% to 55% for amend. .0304

Motion Made By Kempenich Seconded By Metcalf

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan					
Vice Chairman Kempenich					
Rep. Skarphol			Rep. Kroeber		
Rep. Wald			Rep. Onstad		
Rep. Hawken			Rep. Williams		
Rep. Klein					
Rep. Martinson					
Rep. Delzer			Rep. Glassheim		
Rep. Thoreson			Rep. Kaldor		
Rep. Berg			Rep. Meyer		
Rep. Dosch					
Rep. Pollert			Rep. Ekstrom		
Rep. Bellew			Rep. Kerzman		
Rep. Kreidt			Rep. Metcalf		
Rep. Nelson					
Rep. Wieland					

Total (Yes) _____ No _____

Absent _____

Floor Assignment Vice Vote - Carried

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

Date: 3/24/09
Roll Call Vote #: 8

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2064

Full House Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number TBD

Action Taken see below

Motion Made By Wald Seconded By Klein

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan					
Vice Chairman Kemperich					
Rep. Skarphol			Rep. Kroeber		
Rep. Wald			Rep. Onstad		
Rep. Hawken			Rep. Williams		
Rep. Klein					
Rep. Martinson					
Rep. Delzer			Rep. Glassheim		
Rep. Thoreson			Rep. Kaldor		
Rep. Berg			Rep. Meyer		
Rep. Dosch					
Rep. Pollert			Rep. Ekstrom		
Rep. Bellew			Rep. Kerzman		
Rep. Kreidt			Rep. Metcalf		
Rep. Nelson					
Rep. Wieland					

Total (Yes) _____ No _____

Absent _____

Floor Assignment Voice Vote - fails

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

Change percentage from 5% to 3%
(Actions 5 & 6)

VR
3/26/09
182

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2064

In addition to the amendments adopted by the House as printed on page 921 of the House Journal, Engrossed Senate Bill No. 2064 is further amended as follows:

Page 1, line 10, remove "sixty" and overstrike "dollars" and insert immediately thereafter "an amount established by policy by the director of the office of management and budget. The director shall establish a policy to set the lodging reimbursement at an amount not to exceed ninety percent of the rate established by the United States general services administration for lodging reimbursement in this state"

Page 2, replace lines 6 through 10 with:

- "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 the amount established under this subdivision by the director of the office of management and budget for lodging in state, at the rates and in the manner and which may not exceed the rate provided in section 44-08-04 for each calendar day during the period of any organizational, special, or regular session. On August first of each even-numbered year, the director of the office of management and budget shall set the maximum monthly reimbursement for the subsequent two-year period at an amount equal to the number of days in each month times fifty-five percent of the daily lodging reimbursement in effect on that date as provided under subdivision d of subsection 2 of section 44-08-04."

Page 2, replace lines 30 and 31 with:

- "b. A member of the legislative assembly who does not receive reimbursement for lodging and whose place of residence in the legislative district that the member represents is not within the city of Bismarck is entitled to reimbursement at the rate provided for state employees for necessary travel for not to exceed one round trip taken per day between the residence and the place of meeting of the legislative assembly when it is in session and may receive reimbursement for lodging at the place of meeting of the legislative assembly as provided in section 44-08-04 for each calendar day for which round trip travel reimbursement is not claimed, provided that the total reimbursement may not exceed ~~nine hundred dollars per month~~ the maximum monthly reimbursement allowed under subdivision a of subsection 2."

Page 3, remove lines 1 through 9

Page 4, line 22, replace "the" with "a" and replace "of seventy cents per mile [1.61 kilometers]" with "equal to one and one-half times the mileage reimbursement amount established under subdivision c for travel by motor vehicle"

Page 5, line 16, replace "the same" with "ninety percent of the"

Page 6, line 29, remove "1,"

Page 6, line 30, after the second comma insert "section 1 of this Act becomes effective on August 1, 2009,"

Renumber accordingly

Date: 3/24/09
Roll Call Vote #: 9

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2004

Full House Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number TBD

Action Taken De Pass as Amended

Motion Made By Kempenich Seconded By Kroeber

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan		✓			
Vice Chairman Kempenich	✓				
Rep. Skarphol		✓	Rep. Kroeber	✓	
Rep. Wald		✓	Rep. Onstad	✓	
Rep. Hawken	✓		Rep. Williams		✓
Rep. Klein	✓				
Rep. Martinson	✓				
Rep. Delzer		✓	Rep. Glassheim		✓
Rep. Thoreson	✓		Rep. Kaldor	✓	
Rep. Berg	✓		Rep. Meyer		✓
Rep. Dosch		✓			
Rep. Pollert			Rep. Ekstrom		
Rep. Bellew	✓		Rep. Kerzman		✓
Rep. Kreidt	✓		Rep. Metcalf		✓
Rep. Nelson	✓				
Rep. Wieland		✓			

Total (Yes) 12 No 11

Absent 2

Floor Assignment Rep. Kempenich

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

REPORT OF STANDING COMMITTEE

SB 2064, as engrossed: Appropriations Committee (Rep. Svedjan, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (12 YEAS, 11 NAYS, 2 ABSENT AND NOT VOTING). Engrossed SB 2064 was placed on the Sixth order on the calendar.

In addition to the amendments adopted by the House as printed on page 921 of the House Journal, Engrossed Senate Bill No. 2064 is further amended as follows:

Page 1, line 10, remove "sixty" and overstrike "dollars" and insert immediately thereafter "an amount established by policy by the director of the office of management and budget. The director shall establish a policy to set the lodging reimbursement at an amount not to exceed ninety percent of the rate established by the United States general services administration for lodging reimbursement in this state"

Page 2, replace lines 6 through 10 with:

"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 the amount established under this subdivision by the director of the office of management and budget for lodging in state, at the rates and in the manner and which may not exceed the rate provided in section 44-08-04 for each calendar day during the period of any organizational, special, or regular session. On August first of each even-numbered year, the director of the office of management and budget shall set the maximum monthly reimbursement for the subsequent two-year period at an amount equal to the number of days in each month times fifty-five percent of the daily lodging reimbursement in effect on that date as provided under subdivision d of subsection 2 of section 44-08-04."

Page 2, replace lines 30 and 31 with:

"b. A member of the legislative assembly who does not receive reimbursement for lodging and whose place of residence in the legislative district that the member represents is not within the city of Bismarck is entitled to reimbursement at the rate provided for state employees for necessary travel for not to exceed one round trip taken per day between the residence and the place of meeting of the legislative assembly when it is in session and may receive reimbursement for lodging at the place of meeting of the legislative assembly as provided in section 44-08-04 for each calendar day for which round trip travel reimbursement is not claimed, provided that the total reimbursement may not exceed ~~nine hundred dollars per month~~ the maximum monthly reimbursement allowed under subdivision a of subsection 2."

Page 3, remove lines 1 through 9

Page 4, line 22, replace "the" with "a" and replace "of seventy cents per mile [1.61 kilometers]" with "equal to one and one-half times the mileage reimbursement amount established under subdivision c for travel by motor vehicle"

Page 5, line 16, replace "the same" with "ninety percent of the"

Page 6, line 29, remove "1,"

Page 6, line 30, after the second comma insert "section 1 of this Act becomes effective on August 1, 2009,"

Renumber accordingly

2009 SENATE GOVERNMENT AND VETERANS AFFAIRS

CONFERENCE COMMITTEE

SB 2064

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No.2064

Senate Government and Veterans Affairs Committee

☒ Check here for Conference Committee

Hearing Date: 04/22/09

Recorder Job Number: 12084

Committee Clerk Signature

Kate Oliver

Minutes:

Chairman Dever called the conference committee to order, roll was taken and all members were present.

Representative Berg: Obviously it is hard issue when dealing with legislative pay. Over the years we have arbitrarily set the number and what section 1 does is provide rational for what we reimburse legislators for. Federal lodging reimbursement rate for North Dakota is \$70, our reimbursement is \$55. The discussion lead to saying that we amend it to say 90% of the federal rate and apply that, so if we have a changing market where rates go up we are not delaying it or if rates go down it is being reflected. That is what section 1 does, it refers to the lodging rate

Senator Dever: Senate bill 2353 had exactly the same provision and we did concur with that and passed it out on the Senate side.

Representative Berg: Section 2 is dealing with legislative compensation, currently we are at \$135 a day, you kind of have to go to the end of the bill to get the date, there is nothing retroactive in there; section 10 talks about the effective date. Section 2 would go up to \$45 in July of 2009. Section 3 would go up to \$148 effective July 2010.

Senator Dever: I think that those numbers were in the bill as we sent it to you correct? As I went through it the changes were to the daily lodging rate and to the monthly lodging rate, I am not sure if anything else changed.

Representative Berg: Section 4 relates to establishing a fair lodging rate, I think that currently the rate is \$900 a month which works out to \$30 a day for rooms, it has been fixed for a number of years. The thought here was to take a formula which would be the federal rate X 90% X 30 days X \$55. That would be current rate, again this is not retroactive. This would take effect when it passes again the objective here is to have a formula. As we move forward the monthly allowance is reflective of changes in the market.

Senator Dever: I had some conversations and if this session ended on the 30th of April it would be \$3,984 for the entire session. Part of the problem is when you get into May this would pay \$34.65 a day.

Representative Grande: This piece does not pertain to those days; we would be paid for the legislative day. I was going to draft amendments to address is. Council said that when you finish in April, when you submit the May dates the rate would be \$55.

Representative Berg: I think that is what we want to accomplish.

Senator Dever: This language also applies to organizational and special sessions.

Representative Berg: Not sure what this does to change current statutes, but I think that the intention of the House is that it would remain the same as it has in the past. Partial months at the end of the session would be at the daily rate.

Senator Dever: When I visited with Karen Mund, she says they pay \$55 a day with a cap of \$900. The daily lodging rate now multiplied by that.

Representative Grande: I think that Legislative Council should explain that.

Representative Berg: If you support the concept of the formula, we need an amendment to make sure your concerns are addressed.

Senator Dever: I look at this as policy but it is also negotiation; the willingness of those people who provide housing and the ability of the legislature to be compensated for their cost of accessing that. I don't want legislators digging into their own pockets

Representative Berg: The reason for having an adjustment is critical. No one disagrees with the daily rate, partial month, ect. If you would like us to draft those amendments we can get those.

Senator Oehlke: In the current 0500 version, on line 15 on page2 it says that the rate may not exceed the rate provided.

Senator Dever: Right now it would go to \$63 as amended here

Senator Oehlke: Isn't that the daily rate?

Representative Berg: I would really like to sit down with council and have them read it. I think that what they are saying is that if we are in a partial month, they can't charge you \$1,000 for the 10 days you are there. I think that we should have the council look into this. The first issue is the formula.

Senator Horne: I don't know if I like this concept. I like \$1,000 a month. Why complicate it with the formula.

Representative Berg: I think that there are several factors. We can set it at \$1,000 and the average rate is \$75 a day for a hotel and then we can come back out here and the hotel will have raised their rate. And it may put some legislators in a difficult spot; we may end up doing that and trying to get it reimbursed or you would see a bill like this come through that is retroactive in nature. This issues can be very controversial and if we have an opportunity to do

what is appropriate. If we put something in place that creates fairness I think that it is worth doing.

Senator Horne: In your judgment this would be the best for both the legislators and the hotel proprietors over the long stretch?

Representative Berg: We are seeing 90% of that is what the fair rate is. Part of the problem is that the public views the reimbursements as benefits for legislators and they are really not. It gets to be a real mess by not thinking in the future and setting these.

Senator Horne: If we adopted this plan, and we come back in 2 years how do we explain what the rates will be?

Representative Berg: If we pass this bill, they will all know what the rate will be.

Senator Dever: Part of the problem is the legislative compensation commission put it together as retroactive and then they set the rate in anticipation of that

Senator Oehlke: Line 16 page 2 it says 'On August 1st of each even numbered year the director of OMB shall set the maximum monthly rate for the next 2 years.'

Representative Berg: I think that the point is that in August if they hotel doesn't like it the will not invite the legislators back. Some of these hotels charge that the important thing is not to do those retroactively.

Senator Dever: We set the mileage at the GSA rate.

Representative Grande: We changed that.

Representative Berg: What we did is change that to 90% of the GSA rate because if we get reimbursed that is higher than the GSA rate we may have to claim that as income. Maybe it is just trying to be more conservative, on the bottom of page 5. When we meet once every 2

years the gas prices goes up and down and I am not sure if there is concern as to what the formula will be. We don't expect people to gain or lose money by driving their vehicle. There

was one other thing on the top of page 5 that came in. They have been struggling to make ends meet with the \$.70 a mile. The current rate is \$.45 rather than put \$.70 put 1 ½ \$.45 now we are using the federal.

Senator Dever: I think that the federal rate was \$.58 that can be deducted.

Senator Horne: On the mileage, how often does the state re adjust the mileage payment?

Senator Dever: It is done every biennium

Representative Berg: What we did in the past is the mileage is changed by the legislature. If it was too low we would up it and then it is set by statute, and it would take legislative action to change it. What we are proposing is to use the GSA rate and change when it would be appropriate by whatever measure they used to have a different mileage reimbursement.

Senator Dever: I could look back at some info that Dale Wetzel gave to me.

Senator Dever: Sound to me like we need to visit with council to make

Representative Grande: I have amendment to solve one of the problems that we are dealing with. I have those let's have council check with those one more time.

Senator Dever: Who drafted these?

Representative Grande: Jon Bjornson

Chairman Dever then closed the conference committee on SB 2064.

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No.2064

Senate Government and Veterans Affairs Committee

☒ Check here for Conference Committee

Hearing Date: 04/22/09

Recorder Job Number: 12195

Committee Clerk Signature

Kathleen Oliver

Minutes:

There were technical difficulties with the digital recording for this hearing.

Chairman Dever opened the conference committee on 2064, roll was taken, and all members were present.

Senator Dever: I may have been mistaken when it refers to the lodging rate. Does not define what they are paying it defines what the cap is. The daily lodging rate is \$63+tax, approximately \$72 on top of that.

Bill Shaloo: The rate in terms of what the...all the taxes go away. Any person who stays in a hotel over 30 days all state and local taxes go away.

Representative Berg: Flat tax that applies to all things.

Senator Dever: I have had some conversations with people who have a problem with things like this. I have a feeling that OMB will set the cap, the number of days in a month, is there a way to average it to make it 30 days a month?

Representative Berg: When we are calculating this that we are using a 30 day month.

Representative Grande: Take out equal on page 2.

Representative Schneider: If it read equal to 30 days times 55 daily rate and strike number of in each month. On line 19 equal to 30 days times 55% of the daily lodging reimbursement.

Representative Grande: Amount not to exceed. Does that mean that OMB has the discretion or not? What if they decide that?

Senator Dever: The existing amount is not to exceed so in the next sentence. Similar to what we have.

Representative Grande: never had OMB set our rates before.

Senator Dever: Applies only to legislators and not allowed to compensate them and not the other.

Representative Grande: Why does it set the rate?

Bill Shaloo: Daily rate of allowance is less than the state rate. That is why reads not to exceed is.

Representative Berg: I think that this is a temporary issue; I guess that some of the people reporting to the industry. I think that they will make it happen.

Senator Dever: I would like to take a look at what we set at the mileage rate.

Representative Grande: I would like to throw out the idea of car travel making it equal to the federal rate.

Senator Dever: Bottom of page 5.

Discussed the amendments that House amendments might be 0400

Representative Grande: 0300

Representative Grande: Page 5 line 16 director shall amend the rules.

Senator Dever: Restoring the language in the 0200 version.

Representative Grande wanted to set at the GSA rate and the bill as is says 90% of the federal rate.

No other discussion points.

Representative Grande: You alluded to what the House Government and Veterans Affairs committee did when out legislative. It should be the 0400 version. 9 Sen and 13 Reps. For that to be done, LC has to go through a bunch of changes and it requires a whole new PC they have to keep things separate. It is a burden by a small group of people. By doing it like that they don't have any of those manual tasks.

Senator Oehlke: I am surprised that LC

Senator Dever: I think that in the 0500 version that it is addressed.

Representative Berg: Did you talk to the 23 people that this would affect??? It could have been an option that they itemized.

Representative Grande: Those amendments were voted on the floor a few weeks ago and they have already been passed.

Senator Dever: Senate exceeds and further amends?

Representative Berg: The % on the formula. Do you feel that it is appropriate? The way it was proposed was 55% and it would rep what our daily rate is. \$900 for a long time and that relationship between the daily and monthly rate have been compressed a lot

Senator Dever: 65%

Senator Horne: The 6 month possible arrangement is going now?

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No.2064

Senate Government and Veterans Affairs Committee

☒ Check here for Conference Committee

Hearing Date: 04/22/09

Recorder Job Number: 12219

Committee Clerk Signature

Kate Oliver

Minutes:

Chairman Dever called the conference committee to order, roll was taken, and all members were present.

Representative Grande had some amendments to go over

Representative Grande: Starting with section 1, 'amount not to exceed' we were told it was because if you paid less for a hotel room that is actually not how this stood. What it actually means is that OMB can set our rate at less than 90% and I thought that was not what we had intended.

Senator Dever: If you stay at hotel less than that then you won't be reimbursed for more than the actual expense.

Representative Grande: And this wouldn't allow for that.

Senator Dever: One of my concerns is that we passed SB2359 that has the same language.

Representative Grande: This will supersede it because this comes last. We will have to have council double check that this actually says that OMB can set the rate below 90%. You only are reimbursed what you have paid up to this amount. That is how counsel interpreted that.

That still all comes into effect, council says that if we put it in there OMB will set it at a lower rate than the GSA lodging reimbursement rate. I just want to be clear on that.

Senator Nelson: Even if we say 'shall establish'.

Representative Grande: That is why I want that amended language put in. On the 2nd section that is the setting of the monthly rate and we wanted to set it by a 30 day month. As the rate goes in and is being formulated out, it used to say per month and now it is 30 days. Section 3 deals with the travel portion, round trip reimbursement for mileage and it just sets it at whatever the federal rate is. Anything else that is there is currently what was amended and we are just keeping it that way. Those were the issues that we have discussed and that are in the amendment.

Senator Dever: The bill initially had the mileage reimbursement at the GSA rate and now it automatically comes out. What were we removing on page 3 lines 1-9?

Senator Oehlke: That is on a different version.

Representative Grande: That is being able to be paid every 6 months, I believe. The House had put the language on because of the manual work that is required for just those few people.

Senator Oehlke: That is actually on page 3 line 15 not line 1-9, they replace by paragraph B. A lot if it is the same words.

Senator Nelson: It says replace line 30 and 31 and 1-9 on the next page.

Senator Dever: As I read this is it appears to me that it applies to somebody that does not take the monthly lodging rate but they commute on a daily basis. Any questions regarding the amendments?

Senator Nelson: Were there any other points of discussion?

Representative Berg: The bottom line is to go at the federal rate for mileage. What the House did was look at setting up a formula that these items get reimbursed for; part of this says that we are going to use the federal lodging amount and we are going to take 90% of it that is about \$70 now, get reimbursed for the 90% plus tax. Currently we are at \$55 a night, federal rate is

\$70 a night, 90% of that would be \$63+tax. We will never argue if it should be a certain amount, it will just go by the percent. The second thing that we change was the month-long lodging, where in the past we have said \$650 for 4 biennium's and \$600 for 4 biennium's before that and now we are at \$900 for the 3rd biennium. We have a committee that says what the rate should be; many times we are in a position and we are voting for something that is retroactive. If our rate is \$63 multiplied 30 days and multiply that by a factor of 55% then you will get the monthly lodging rate.

Senator Nelson: Where did the 55% come from?

Senator Dever: That approximated 55% work out best. Now it will be indexed to the GSA.

Senator Nelson: We were going to go up to \$60 and then \$65 until we reached the GSA rating?

Representative Berg: When I look at the Bismarck market and it is \$75 or \$80 a night. \$30 a night for a month is great. The only thing is maybe going from 55% to 60%. I think that it would then go up to \$1,100.

Senator Dever: If we index it to the GSA that is what will inflate it later.

Representative Grande: How often does the GSA change?

Representative Berg: It is not as fast as I thought. Right now it is \$.70, in 2007 it was \$.60, & 2003 it was \$.50 apparently that this would remain. When they set it they look at the area as a whole and they set the rates up to that.

Senator Dever: Part of the argument is that the Hospitality Association needs to raise their rate because the GSA is raising their rates. Then we have the automatic inflator because they are following what the market is doing.

Representative Berg: If there are a lot of vacancies they drop the rate,

Representative Schneider: I am comfortable with the 55%. Not everybody stays in a hotel.

Senator Dever: The only question I have is regarding the daily lodging rate.

Representative Berg: At the time taking 90% of the rates seemed like a prudent thing to do, is there rational as to why we should pay 10% less than the federal rate. Are you suggesting that we not have the 90%?

Senator Dever: Do we want to make it equal to 90% or up to 90%?

Senator Nelson: If we tell them it has to be 90% it has to be 90%. The upper limit is 90%, you can get something for \$30 a night at a cheaper estimate then that is all you get reimbursed at.

Representative Grande made a motion to adopt the amendment and the House recede from it's amendments with a second by Representative Schneider. There was no discussion, roll was taken and the motion passed 6-0.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2064

That the House recede from its amendments as printed on pages 1333 and 1334 of the Senate Journal and page 921 and pages 1356 and 1357 of the House Journal and that Engrossed Senate Bill No. 2064 be amended as follows:

Page 1, line 10, remove "~~sixty~~" and overstrike "dollars" and insert immediately thereafter "an amount established by policy by the director of the office of management and budget. The director shall establish a policy to set the lodging reimbursement at an amount equal to ninety percent of the rate established by the United States general services administration for lodging reimbursement in this state"

Page 2, replace lines 6 through 10 with:

- "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 the amount established under this subdivision by the director of the office of management and budget for lodging in state, at the rates and in the manner and which may not exceed the rate provided in section 44-08-04 for each calendar day during the period of any organizational, special, or regular session. On August first of each even-numbered year, the director of the office of management and budget shall set the maximum monthly reimbursement for the subsequent two-year period at an amount equal to thirty times fifty-five percent of the daily lodging reimbursement in effect on that date as provided under subdivision d of subsection 2 of section 44-08-04."

Page 2, replace lines 30 and 31 with:

- "b. A member of the legislative assembly who does not receive reimbursement for lodging and whose place of residence in the legislative district that the member represents is not within the city of Bismarck is entitled to reimbursement at the rate provided for state employees for necessary travel for not to exceed one round trip taken per day between the residence and the place of meeting of the legislative assembly when it is in session and may receive reimbursement for lodging at the place of meeting of the legislative assembly as provided in section 44-08-04 for each calendar day for which round trip travel reimbursement is not claimed, provided that the total reimbursement may not exceed ~~nine hundred dollars per month~~ the maximum monthly reimbursement allowed under subdivision a of subsection 2."

Page 3, remove lines 1 through 9

Page 3, line 15, overstrike "which is payable every six months or" and insert immediately thereafter "paid" and overstrike ", at the"

Page 3, line 16, overstrike "member's option"

Page 3, line 31, overstrike "which is payable every six months or" and insert immediately thereafter "paid" and overstrike ", at the member's option"

Page 4, line 22, replace "the" with "a" and replace "of seventy cents per mile [1.61 kilometers]" with "equal to one and one-half times the mileage reimbursement amount established under subdivision c for travel by motor vehicle"

Page 6, line 29, remove "1,"

Page 6, line 30, after the second comma insert "section 1 of this Act becomes effective on August 1, 2009,"

Renumber accordingly

Move Amend ment
0308

**REPORT OF CONFERENCE COMMITTEE
(ACCEDE/RECEDE)**

Bill Number 20104 (, as (re)engrossed):

Date: 4-24-09

Your Conference Committee Cost + Veterans Affairs

For the Senate:

For the House:

	YES / NO			YES / NO	
Sen Denver	X		Rep Beng	X	
Sen Oelke	X		Rep Grande	X	
Sen Nelson	X		Rep Schneider	X	

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)

the (Senate/House) amendments on (SJ/HJ) page(s) _____ - _____

____, and place _____ on the Seventh order.

____, adopt (further) amendments as follows, and place _____ on the Seventh order:

____, having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

((Re)Engrossed) _____ was placed on the Seventh order of business on the calendar.

DATE: _____

CARRIER: Denver

LC NO.	of amendment
LC NO.	of engrossment
Emergency clause added or deleted	
Statement of purpose of amendment	

MOTION MADE BY: Grande

SECONDED BY: Sch

VOTE COUNT YES NO ABSENT

REPORT OF CONFERENCE COMMITTEE

SB 2064, as engrossed: Your conference committee (Sens. Dever, Oehlke, Nelson and Reps. Berg, Grande, Schneider) recommends that the **HOUSE RECEDE** from the House amendments on SJ pages 1333-1334, adopt amendments as follows, and place SB 2064 on the Seventh order:

That the House recede from its amendments as printed on pages 1333 and 1334 of the Senate Journal and page 921 and pages 1356 and 1357 of the House Journal and that Engrossed Senate Bill No. 2064 be amended as follows:

Page 1, line 10, remove "sixty" and overstrike "dollars" and insert immediately thereafter "an amount established by policy by the director of the office of management and budget"

Page 1, line 11, after the period insert "The director shall establish a policy to set the lodging reimbursement at an amount equal to ninety percent of the rate established by the United States general services administration for lodging reimbursement in this state."

Page 2, replace lines 6 through 10 with:

- "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 the amount established under this subdivision by the director of the office of management and budget for lodging in state, at the rates and in the manner and which may not exceed the rate provided in section 44-08-04 for each calendar day during the period of any organizational, special, or regular session. On August first of each even-numbered year, the director of the office of management and budget shall set the maximum monthly reimbursement for the subsequent two-year period at an amount equal to thirty times fifty-five percent of the daily lodging reimbursement in effect on that date as provided under subdivision d of subsection 2 of section 44-08-04."

Page 2, replace lines 30 and 31 with:

- "b. A member of the legislative assembly who does not receive reimbursement for lodging and whose place of residence in the legislative district that the member represents is not within the city of Bismarck is entitled to reimbursement at the rate provided for state employees for necessary travel for not to exceed one round trip taken per day between the residence and the place of meeting of the legislative assembly when it is in session and may receive reimbursement for lodging at the place of meeting of the legislative assembly as provided in section 44-08-04 for each calendar day for which round trip travel reimbursement is not claimed, provided that the total reimbursement may not exceed ~~nine hundred dollars per month~~ the maximum monthly reimbursement allowed under subdivision a of subsection 2."

Page 3, remove lines 1 through 9

Page 3, line 15, overstrike "which is payable every six months or" and insert immediately thereafter "paid" and overstrike ", at the"

Page 3, line 16, overstrike "member's option"

Page 3, line 31, overstrike "which is payable every six months or" and insert immediately thereafter "paid" and overstrike ", at the member's option"

Page 4, line 22, replace "the" with "a" and replace "of seventy cents per mile [1.61 kilometers]" with "equal to one and one-half times the mileage reimbursement amount established under subdivision c for travel by motor vehicle"

Page 6, line 29, remove "1,"

Page 6, line 30, after the second comma insert "section 1 of this Act becomes effective on August 1, 2009,"

Renumber accordingly

Engrossed SB 2064 was placed on the Seventh order of business on the calendar.

2009 TESTIMONY

SB 2064

Chairman Dever, and Committee Members

My name is Mike Motschenbacher. I'm part of the management team at Expressway Inn and Suites here in Bismarck. I'm speaking on behalf of several other hotels in Bismarck-Mandan besides ours, including Fairfield Inn North, Fairfield Inn South, Kelly Inn, Comfort Inn, Comfort Suites, and the numbers on the chart include Select Inn.

Each of you has a copy in front of you of this testimony. It includes actual numbers from each hotel for other increases each of our businesses has incurred over the past 4 years since the last time the legislature adjusted the monthly allowance for legislative housing. These numbers include ADR, which is the Average Daily Rate of which each hotel has increased over that amount of time. It also includes increases in payroll expenses and property taxes that have incurred over that same four years.

For example, since the 2005 session when the housing allowance was adjusted to \$900.00 per month, our ADR has gone up 22%, our payroll has gone up 24.80%, and our property taxes have risen 18.70%. Over that same time period, legislative reimbursement has remained stagnant.

Senate Bill 2064 Section 3 calls for the legislative reimbursement to be increased from it's current rate of \$900.00 monthly to \$1,000.00 monthly. This represents a 11% increase. As you can see, that is significantly less than increases we have seen in our actual expenses, and is even less than inflation. We think that is fair and would ask you to consider voting YES to pass this bill. Section 7 states that this be retroactive to January 1st, 2009, and we also ask you to keep that in place.

I would be happy to answer any questions you may have.

Thank you very much.

Mike Motschenbacher
Expressway Inn Bismarck
200 East Bismarck Expressway
Bismarck, ND 58504
701-222-2900
bisinn@expresswayhotels.com

Hotel	ADR increase 2005-2008	payroll increase 2005-2008	property tax 05	2006	2007	2008	% increase
Expressway Inn	22%	24.80%	72205.42	75603.81	76623.24	85674	18.70%
Expressway Suites	24.50%	25.30%	54269.58	56902.63	57717.16	61450.66	13.23%
Comfort Inn	25.71%	20.11%	70243.6	69572.85	70373.71	75847.7	7.98%
Comfort Suites	24.55%	22.08%	54659.06	57125.08	56711.68	60629.39	10.92%
Fairfield North	26.99%	21.58%	40382.67	42500.17	42829.53	45574.55	12.85%
Fairfield South	25.19%	21.33%	41962.77	46706.35	43387.14	46140.42	9.96%
Kelly Inn	18.20%	20% not including benefits	55747.55	58479.07	59544.45	63584.14	14.06%
Select Inn	18.80%	12.3% not including benefits	35577.87	41675.54	41075.79	43344.4	21.82%

*Same numbers
given to House.*

Testimony of Bill Shalhoob
Select Inn Bismarck
Managing Partner
SB 2064

Mr. Chairman and members of the committee, thank you for the opportunity to appear before your committee. I am testifying on behalf of the Select Inn Bismarck to ask you to consider a legislator reimbursement item, namely the housing allowance a legislator not from Bismarck or Mandan receives during the session. The current allowance is \$900.00 per month and was raised to that level effective for January of 2005.

As background information I can tell you that the occupancy for Bismarck-Mandan for 2007 was 70.6% and the Average Daily Rate (ADR) was \$63.30. This means each occupied room produced \$1,899.00 in revenue each 30 day month. The current legislative rate is less than 50% of that average. Rack rates, ADR and DMA revenue have increased at a rate of a 6% average for the last four years. Since the last session there have been two increases to the minimum wage. More significantly, the success of our growth efforts has caused us to raise our wage scales to compete for employees. This is a good thing. Goods and services, spurred by rising fuel and manufacturing costs, have also increased. We understand these factors are part of the cost of doing business and must be factored into budgets and business plans. Rates are increased for customers but in this case we are not free to raise this rate and must rely on the legislature to make adjustments.

We are asking for two things. First is to raise the allowance. We support the increase to \$1,000.00 per month for hotels. This represents less than 67% of the ADR we achieve throughout the rest of the biennium. In addressing the Legislative Compensation Committee we suggested the appropriate rate be \$1,200.00 per month. The Select Inn has long term stay rooms. Our rate for these rooms averages over \$1,650.00 per month so the \$1,000.00 specified in SB 2064 represents a substantial discount. The second request is to support the emergency clause on this bill to make it effective for the 2009 session. Without this provision we increase the rate lag and compound the problem.

Thank you for your consideration. I would be happy to answer any questions.

Testimony of Rudie Martinson
ND Hospitality Association
Executive Director
SB 2064

Mr. Chairman and committee members, thank you for the opportunity to appear before you today. My name is Rudie Martinson, and I am here on behalf of the ND Hospitality Association in support of SB 2064.

Section 1 of the bill addresses the state employee reimbursement rate for hotel rooms. In 2007, when the state per diem was last raised from \$50 to \$55, the Average Daily Rate in the more heavily populated areas of the state hovered just below \$65. In 2008, the Average Daily Rate in those same areas was just below \$71. The disparity between the state rate and the market value of a room has risen from \$10 to \$16 since the last legislative session.

The increase in ADR reflects our industry's attempt to keep up with rising business costs. The minimum wage alone has risen twice since the last legislative session. Industry wide, we have been forced to raise wage scales to compete with other employers in North Dakota's growing economy. Overall, our labor costs have increase 10-15% over the last two years. We have also experienced increases in expenses in terms of taxes, payroll expenses, and the general cost of goods.

We understand that increased costs are a fact of life in business. This \$5 increase for state employees will allow our industry to keep up with and manage those rising costs, while still allowing us to offer a discounted rate to agents of the state of North Dakota.

Section 3 of the bill addresses the housing allowance a legislator not from Bismarck or Mandan receives during the session. The ND Hospitality Association is also in favor of this change, for the reasons stated by Mr. Shalhoob and Mr. Motschenbacher.

I am here today to ask you to support the increase in both the state employee reimbursement rate and the housing allowance for state legislators by giving this measure a "Do Pass."

Thank you for your time, and I would be happy to answer any of your questions.

Attachment
#1

Madam Chair Grande and members of the committee,

My name is Mike Motschenbacher. I'm part of the management team at Expressway Inn and Expressway Suites here in Bismarck. I'm also speaking on behalf of other hotel managers from the Bismarck Mandan area, all of which are currently housing legislators. Some of them have joined us here today. Others wanted to be here but could not make it. We are suggesting a DO PASS recommendation on SB 2064.

Section 1 of the bill addresses the state per-diem that affects any state employee that needs lodging on a nightly basis while out of town. Currently that nightly rate is \$55.00 per night. SB 2064 would increase that to \$60.00 per night. Currently the \$55.00 nightly rate is the lowest rate we offer anyone. It is even lower than our best customers receive. If it is increased to \$60.00 per night, it will STILL be the lowest rate that we charge anybody. This will also make it easier for state employees to find state rate hotel rooms, as more hotels will then choose to honor that rate.

Section 4 of the bill refers to the increase in housing allowance for legislators to be increased from \$900.00 to \$1000.00 monthly. The requested adjustment of \$100.00 monthly is approximately a 2.7% increase annually or \$25.00 per year since our last adjustment four years ago. This is less than the rate of inflation, and SIGNIFICANTLY less than increases we have seen in our property taxes, our labor costs, and our cost of goods over that same four year period. Attached to this testimony is a chart showing actual percentage increases for several area hotels in some of those categories. As you can see, payroll has gone up approximately 22% and our property taxes have increased approximately 13%. Cost of goods has risen approximately 24% during that same four year period. I don't think a 2.7 percent annual increase is too much to ask.

The real problem however with this section is that the Senate removed the retroactive part of the bill which would have made it effective January 1, 2009, the start of this session, which is exactly what the Legislative compensation committee recommended.

What this means to the hotel industry, is that we won't see this increase until the 2011 session, making it 6 years since the housing allowance will have been adjusted.

The lodging industry feels that the senate literally pulled the rug out from under our feet. Let me explain. After the last increase in 2005, the industry was happy, and not only accepted the \$900 rate for that session, we did not seek any increase for the 2007 session. We knew however that one would be needed for the 2009 session (4 years later). We thus were going to present legislation during the 2007 session to address and establish a rate for this session 2009. We were told at that time, it would be best to go before the legislative compensation committee in the interim, and make our case for a rate increase for this session. We did what was recommended. We met with the LCC, made our case, they agreed, and put forth the recommendation for a \$100 increase for this session, making it effective on January 1, 2009.

The bill sailed thru committee unanimously, and then referred to appropriations, where to our astonishment, the retroactive clause was removed. Why? Because we were told that "they don't like retro clauses". Wait a second! This is what we were told to do, and how we were to handle it, and now they change their minds?

What is even more unbelievable, is at the same time the senate decided that the hotel industry can wait another 2 years to get their increase (which would now mean 6 years since our last increase), they elected not only to increase their pay, but to increase it over and above what the LCC recommended, and it INCLUDES an emergency clause so they get their money right away!

Take a look at the increase our business has incurred the last few years. How much has the State increased it's spending over the past 4 years?

We provide legislators with a safe home for four months. It is clean, comfortable, quiet, and peaceful. We have given legislators the best rates we offer, substantially less than even our best customers, saving the state thousands each session. This is the thanks we get?

We do however have confidence in the House, that you will do the right thing. We are asking you to please consider this amendment that will do two things. One, restore the retroactive date back to January 1, 2009 to the start of the session, which was the original intent of the LCC, and secondly to establish an increase which will be effective January 1st, 2011, and thus preventing us from dealing with this issue next session.

Our industry very much appreciates what you do as legislators for our State, and recognizes the tremendous sacrifices you make to serve the people of ND. We do not feel that you should be put into the situation of having to pay for lodging out of your own pockets, simply because some are not willing to allow reasonable increases. We simply can not afford to keep our rates at these levels. Please, all we are asking for, as a wage paying, and tax paying business is to be treated fairly by our own State.

We respectfully ask you to support SB 2064 with our proposed amendments. Like I said, our employees deserve a raise too.

Thank you for your consideration, with that, I'd be happy to answer any questions.

February 26, 2009

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2064

Page 1, line 4, after the second semicolon insert "to provide for retroactive application;"

Page 3, after line 9, insert:

"SECTION 5. AMENDMENT. Subsections 2 and 3 of section 54-03-20 of the North Dakota Century Code are amended and reenacted as follows:

2. a. Each member of the legislative assembly is entitled to receive reimbursement for lodging, which may not exceed a maximum of one thousand two hundred fifty 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 subsection by claiming the lesser amount on a voucher submitted with the receipt required by section 44-08-04.
 - (2) The legislative council may establish guidelines that may result in a reduced maximum reimbursement for a single dwelling in which two or more legislators share lodging and the total rent for that dwelling exceeds the amount to which a legislator is entitled under subdivision a.
3. a. Members of the legislative assembly who receive reimbursement for lodging are also entitled to reimbursement for travel for not to exceed one round trip taken during any calendar week, or portion of a week, the legislative assembly is in session, between their residences and the place of meeting of the legislative assembly, at the rate provided for state employees with the additional limitation that reimbursement for travel by common carrier may be only at the cost of coach fare and may not exceed one and one-half times the amount the member would be entitled to receive as mileage reimbursement for travel by motor vehicle.
- b. A member of the legislative assembly who does not receive reimbursement for lodging and whose place of residence in the legislative district that the member represents is not within the city of Bismarck is entitled to reimbursement at the rate provided for state employees for necessary travel for not to exceed one round trip taken per day between the residence and the place of meeting of the legislative assembly when it is in session and may receive reimbursement for lodging at the place of meeting of the legislative assembly as provided in section 44-08-04 for each calendar day for which round trip travel reimbursement is not claimed, provided that the

total reimbursement may not exceed one thousand two hundred fifty dollars per month."

Page 6, replace lines 29 and 30 with:

"SECTION 11. EFFECTIVE DATE. Section 4 of this Act becomes effective on January 1, 2009; sections 1, 2, 6, and 9 of this Act become effective on July 1, 2009; sections 3, 7, and 10 of this Act become effective on July 1, 2010; and section 5 of this Act becomes effective on January 1, 2011.

SECTION 12. RETROACTIVE APPLICATION. Section 4 of this Act is retroactive in application."

Renumber accordingly

Chairman Holmberg and committee members.

My name is Mike Motschenbacher. I'm part of the management team at Expressway Inn and Expressway Suites here in Bismarck. I'm also speaking on behalf of other hotel managers from the Bismarck Mandan area, all of which are currently housing legislators. Some of them have joined us here today. Others could not make it.

The main concern we have today with SB 2064 is the emergency clause that would allow the housing increase for legislators to be adjusted from \$900.00 to \$1000.00 monthly, and be retroactive to January of 2009. As Senator Dever stated, the suggestion is to remove the emergency clause that will cause this to go into effect this coming summer, which essentially puts the housing allowance at six years without an increase. Due to that fact, we are asking that you consider NOT removing the emergency clause and to keep it in place.

The requested adjustment of \$100.00 monthly is approximately a 2.7% increase annually or \$25.00 per year, less than the rate of inflation, and SIGNIFICANTLY less than our increases in cost of doing business over that same time period. The amount that we are requesting is small compared to requests made from nearly every other organization or agency. Our property taxes have skyrocketed, costs of goods has skyrocketed, and labor costs have increased significantly over the past four years. Last session, state employees were given a 4% annual increase in wages for two years. Our employees would like raises also. A tight labor market has caused wages we pay to be increased at an average of 6% per year. I don't think 2.7 percent is too much to ask. Our employees deserve raises also.

When we met with legislative compensation committee this past summer, we wanted a \$1200.00 monthly rate that would be more in line with increases in costs we have incurred over the past four years. The committee told us that \$1,000.00 per month is realistically what we could succeed in getting for the 2009 session, and we decided we would compromise. We were disappointed with this amount, but decided to live with it. Our best customers that walk through the door and stay a month will still pay \$1300.00 or more a month. We believe that by offering legislators rates below that amount, we are essentially "doing our part" to help North Dakota. Now we are being told that we might not even get that? \$1000.00 a month equates to \$33.33 per day. I'm sure many of you travel. I would be curious to know when the last time any of you found a hotel room for that amount, or even \$50.00 per day. Not very likely.

The hotels have already compromised \$200.00 a month this session by accepting the \$1000.00 instead of the \$1200.00 allowance. We also don't believe it will be fair to the legislators staying in hotels that would now have to make up the difference and pay \$100.00 per month out of their pocket if this emergency clause is removed. I would also like to point out that during the committee hearing on this bill a couple of weeks back, not one person stood in opposition to this bill.

It seems that the main reason why they are stripping the emergency clause off the bill is due to the fact that in 2005, we received a fairly significant increase in housing allowance. I wanted to remind the committee of why that happened. Before 2005, it had been several years since the last increase. We were getting \$21.67 per day before 2005. Even the worst hotels could not break even at \$21.67 per day. The housing allowance had fallen so far behind, that it needed to catch up to a reasonable amount that the hotels could at least break even. In 2005, \$900.00 a month was acceptable. In 2007, thankful that the legislature was kind enough to give us a nice increase, we didn't even ask for an increase. Now, four years later, we simply cannot operate without this minimal increase. How many agencies did not ask for an increase in 2007? Not many I'm sure.

Mr. Chairman and committee members, the Bismarck-Mandan hotels are only asking to be treated fairly. A 2.7% annual increase is very reasonable and needed for us to continue to operate and treat our employees fairly as well. Please honor the recommendation of your legislative compensation committee and keep the emergency clause in place.

I would be happy to answer any questions.

SUMMARY OF 2009 ENGROSSED SENATE BILL NO. 2064

This memorandum provides a summary of 2009 Engrossed Senate Bill No. 2064 relating to legislative compensation and state employee lodging and mileage reimbursement.

Section 1 - State employee lodging reimbursement	Amends North Dakota Century Code (NDCC) Section 44-08-04(2)(d) to 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
Section 2 - Legislative compensation for regular, special, or organizational sessions	Amends NDCC Section 54-03-20(1) to increase the compensation for regular, special, or organizational sessions by \$6 per day from \$135 to \$141 per calendar day effective July 1, 2009
Section 3 - Legislative compensation for regular, special, or organizational sessions	Amends NDCC Section 54-03-20(1) to increase the compensation for regular, special, or organizational sessions by \$7 per day from \$141 to \$148 per calendar day effective July 1, 2010
Section 4 - Maximum monthly lodging expense reimbursement allowed during legislative sessions	Amends NDCC Section 54-03-20(2) and (3) to increase the maximum monthly lodging expense reimbursement allowed during legislative sessions by \$100 from \$900 to \$1,000 per month. This section becomes effective the date the bill is signed by the Governor.
Section 5 - Legislators' monthly compensation	Amends NDCC Section 54-03-20(7) to increase legislators' monthly compensation by 5 percent, or \$18, from \$378 to \$396 effective July 1, 2009
Section 6 - Legislators' monthly compensation	Amends NDCC Section 54-03-20(7) to increase legislators' monthly compensation by 5 percent, or \$19, from \$396 to \$415 effective July 1, 2010
Section 7 - State employee mileage reimbursement	Amends NDCC Section 54-06-09(1) to provide that the director of the Office of Management and Budget adopt rules establishing mileage reimbursement for state employees, including legislators. The director is to amend the rules when necessary to set reimbursement at the same rate as established by the United States General Services Administration for privately owned vehicles. This section becomes effective the date the bill is signed by the Governor.
Section 8 - Legislators' interim compensation	Amends NDCC Section 54-35-10 to increase the interim compensation rate by \$6 per day from \$135 to \$141 per day effective July 1, 2009
Section 9 - Legislators' interim compensation	Amends NDCC Section 54-35-10 to increase the interim compensation rate by \$7 per day from \$141 to \$148 per day effective July 1, 2010
Section 10 - Effective date clause	Provides that Sections 1, 2, 5, and 8 become effective July 1, 2009, and Sections 3, 6, and 9 become effective July 1, 2010
Section 11 - Emergency clause	Declares the bill to be an emergency measure



U.S. General Services Administration



WHAT GSA OFFERS

Design & Construction
Environmental Programs
GSA Management
Historic Preservation
Construction Management & Services
Realty Services
Place Innovation

Interagency Travel Mgmt
Committee (ITMC)
Charge Card Services
Energy & Environmental
Facilities, Supplies, Equipment, & Tools
Office Support Services
Professional & Technical Solutions
Travel & Disposition
Security, Fire, & Law Enforcement
Shared Services
Personnel & Communications
Transportation, & Vehicles

Commutated Rate Schedule
Regulations: FMR, FTR, & FAR
Acquisition Policy Guide
Aircraft Management
Information Management
Mail Management
Travel & Transportation
Real Property Management
Technology Strategy
Travel, Transportation, & Relocation
Vehicle Management

GSA Schedules
Technology Programs
Assisted Acquisition
Requisition Programs
GSA Fleet & Automotive
GSA Global Supply
GSA Travel Programs
Personal Property Management
SmartPay Card Services

Finding Business Opportunities
For Federal Customers
For Workers in Federal Buildings
Property for Disposal/Sale

Government Customers
State and Local Governments
Federal Employees
Customer Support
Businesses
Citizens & Consumers

Presidential Transition
New to GSA?

Background & History
Events
Training Programs
News Room
Organization
Regions
Careers
Budget, Performance, & Agency Reports
Reference
Catalogs, Publications, & Newsletters
Staff Directory

DOING BUSINESS WITH GSA

LEARN MORE

Home > Policy & Regulations > Travel, Transportation, & Relocation > Travel Management > POV Mileage Reimbursement Rates

Privately Owned Vehicle (POV) Mileage Reimbursement Rates

Current Privately Owned Vehicle Reimbursement Rates

Modes of Transportation	Effective Date	Rate per mile
Airplane	August 1, 2008	\$1.26
Automobile		
If no Government Owned Vehicle available	August 1, 2008	\$0.585
If Government Owned Vehicle available	January 1, 2007	\$0.285
If committed to use Government Owned Vehicle	January 1, 2007	\$0.125
Motorcycle	August 1, 2008	\$0.585

Previous automobile rates

Effective Date	Rate per mile
March 19, 2008	\$0.505
February 1, 2007	\$0.485
January 1, 2006	\$0.445
September 1, 2005	\$0.485
February 4, 2005	\$0.405
January 1, 2004	\$0.375
January 1, 2003	\$0.360
January 21, 2002	\$0.365
January 22, 2001	\$0.345
January 14, 2000	\$0.325
April 1, 1999	\$0.31
September 8, 1998	\$0.325
June 7, 1996	\$0.31
January 1, 1995	\$0.30

The shortcut to this page is www.gsa.gov/mileage.

☐ RATE THIS PAGE

Last Reviewed 1/2/2009

Printer Friendly format

CONTACTS

Additional Contacts For
Travel Management Policy

REFERENCE

[Federal Travel Regulation \(FTR\)](#)

RELATED GSA TOPICS

[Per Diem Rates](#)

[Meals and Incidental Expense](#)

[Breakdown](#)

[Airlines \(City Pair Program\)](#)

GOVERNMENT LINKS

[Alaska, Hawaii, Puerto Rico, and
U.S. possessions Per Diem Rates](#)

[Foreign Per Diem Rates](#)

[GSA Board of Contract Appeals Off
Portal Website](#)

[GSA's Contracted Travel
Management Centers](#)

[Hotel and Motel Fire Safety](#)

[Ask a Travel Question](#)

[U.S. Government Car Rental
Program](#)

NONGOVERNMENT LINKS

[Federal Premier Lodging Program](#)

[National Association of Counties
\(NACo\) Website](#)

[Help](#) | [Sitemap](#) | [Accessibility Aids](#) | [Linking](#) | [Privacy and Security](#) | [Contact Us](#)

Also of Interest: [Whitehouse.gov](#) | [USA.gov](#) | [E-Gov.gov](#) | [ExpectMore.gov](#) | [Other Suggested Sites](#)