

**2011 HOUSE POLITICAL SUBDIVISIONS**

**HB 1449**

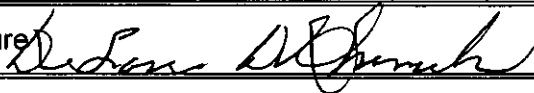
# 2011 HOUSE STANDING COMMITTEE MINUTES

## House Political Subdivisions Committee Prairie Room, State Capitol

HB 1449  
January 27, 2011  
Job #13588

☐ Conference Committee

Committee Clerk Signature



### Explanation or reason for introduction of bill/resolution:

Relating to requiring political subdivisions to submit budget information for inclusion in the state budget database website; and to provide an effective date.

### Minutes:

Testimony #1, 2, 4, 5, 6, 7

Chairman Johnson: Opened the hearing on HB 1449.

Rep. Thoreson: (See testimony #1). When this bill was drafted one line 8 that talks about the budget there may be a language change necessary because of what they refer to their website as a transactional data base so that might be something for the committee to correct.

Rep. Zaiser: I am totally supportive of this. Have you or anyone else talked to the smaller political subdivisions that don't have some of the time and staff and know how in some cases to do this. Would that be a problem?

Rep. Thoreson: I have not done this and I do realize it may be a bit of a time issue and I am not certain how each political subdivision does their books electronically. I hope we can all come together and work that out if it does become an issue.

Rep. Devlin: I see some real staff and cost issues for the counties or I see the staff adding about 10 FTE's to convert that to make it work. I am not sure how that will go through the budget committee.

Rep. Thoreson: I would hope there would be some way it would make it easy enough for them to get this information to the person that is putting it on the data base. We don't have to create a new additional data base; that structure is already there. When this goes live they would probably easily upload the information and have it checked by OMB. I have not had the opportunity to meet with all the people from all the political subdivisions. I am sure they would have plenty of commits on that.

Rep. Hatelstad: Don't a lot of political subdivisions have their own website and wouldn't it just make sense to leave it and have them put it on their website rather than everything to the state?

Rep. Thoreson: I don't know if they have specific websites dealing with budget information. I think it is important that the citizens of our state regardless of whether they are in a small or large town or if they are county or city or whatever political subdivision that has not created a website would know that we have one central place to go to.

Rep. Heilman: I don't know if I have been to the database website. What would your intentions be? Would it be a link to an attachment and it is a scanned piece of information if it happens to be some form that they have filled out and it would just be available at this central website?

Rep. Thoreson: It would be an actual website where people can drill down with as few clicks as possible being able to extract the individual pieces of data. PDF documents would work until we could get it all together and working; eventually the goal would be to have it by clicking onto one website with dropdowns.

Chairman Johnson: Is it to be able to compile all the data into one area?

Rep. Thoreson: There already is a website developed by another organization that is known as Sunshine on Schools and they have done a very good job going ahead and exposing that information for the people to see. I don't know if they have it by person; perhaps by job title. I think as tax payers we should have the ability to see where our dollars are being spent. When we created the original data base we did have language in there for things that were exempt under state or federal law because it is obviously some payments for child support and that type of thing where we don't want to expose the people who are getting those payments. Otherwise I would like to see as much detail as possible so any citizen in our state could easily find it on line.

Chairman Johnson: You are thinking like cities, schools, park districts, library districts; all of those.

Rep. Thoreson: I feel it is important that we have that level of information throughout our state.

Senator Miller: We have townships that are very rural and probably don't even have internet available and the township officers don't ever care to own a computer. How do we make this work rather than how do we make it not work. We shouldn't come in here opposing an idea of making information readily available at the touch of a finger. Auditors already collect all this information. Also the DPI, they collect all the school board information already so we have the information. We just need to put it on a website. Those challenges could be addressed perhaps by creating some kind of pilot program with this project. We want to figure out how to make this work without putting extra work on the township officers, small cities and park districts. We don't want to have them fill out multiple forms. Maybe we input that data at the auditors offices in the counties and then upload it to our state website. The DPI can hand their information to the OMB. The Sunshine on School project was done for less than \$20,000. There are a number of people that are going to come up here and tell you why this won't work because they are afraid of extra work for the already stressed out staff or very small staff. Maybe some kind of

standardized budgeting practice. A form that is the same statewide for park districts, cities and that would be something to think about.

Rep. Maragos: The Sunshine on Schools that you referred to and so did Rep. Thoreson. Do they have every school and what kind of budget did they have. You say it cost \$20,000 to develop the data base or something.

Senator Miller: They have every school in there. It has pretty detailed budget analysis and you can understand it. That is all I can tell you about it.

Dustin Gawrylow, ND Taxpayers Association: (See testimony #2). On the staffing issue we have eleven state institutions of higher education and we have duplicated accounting programs, management programs in all of them. I am sure there are plenty of students that would love to have an opportunity to have an internship and plug these numbers into a data base. Every county and every school district, every city complies things differently. If you ask for budget information each one is going to give you a separate data set. There is a lack of continuity in the process of requesting information. My hope would be that once this would be implemented it would become part of the budgeting process so there is not the duplicating of inputs. Politicians over time all become addicted to spending tax dollars with virtually no accountability to the tax payer. Legislation has been introduced this year to provide tax payers with transparency and accountability they deserve in the form of a free website for all tax payers that will show how every dollar of their tax money is being spent. The federal government has launched websites to tract spending as well as Oklahoma, Alaska, and Missouri.

Brent Norlock: I was the brains behind Sunshine on Schools.

Rep. Maragos: Basically you are the organization?

Brent Norlock: I am the head of it. There are others involved.

Rep. Maragos: How is it funded?

Brent Norlock: By people who are interested in what we do.

Rep. Maragos: Do you have a budget on Sunshine for Schools?

Brent Norlock: Senator Miller was a little bit off on his budget estimate. We spent about \$30,000 to get it off the ground not including our staff time, which wasn't as much as you would think it would be. We work with a computer company out of Jamestown so it is hard to get the actual figure. They are interested in what we do so I don't think we get billed as much as we should. We spent about \$4- \$5,000 a year on maintenance.

Rep. Maragos: So this company in Jamestown gathers the information and does the inputting.

Brent Norlock: The data is already available from the DPI however it is very hard to understand and what we do is go through it and make it easily consumable by the public.

Another website we do called Sunshine on Cities we actually go and find from the State Auditor's office we go through every city audit and manually input that data of that is more time consuming and we use intern and college students who are looking for part time jobs to input that data.

Rep. Maragos: How many hits to you get on that website at any given time?

Brent Norlock: We have all teachers and administrative salaries for school districts on that site to see that data on the website you have to give us your email address and a name and it has to be a valid email address so we know how many people are viewing the salary data and it is thousands of hits every year. On Sunshine on Schools it is probably 30,000 a year.

Rep. Zaiser: Have you communicated with ND Newspaper Association or ND Media and if so what kind of response you had from them.

Brent Norlock: I think the newspaper association will be testifying here.

Jack McDonald: ND Newspapers Association and ND Broadcasters Association: Since both of these organizations have declared this month to be National Sunshine Month and this is sunshine day in the ND Legislature and you all have nice large oranges at your desk when you go back down we had to take this opportunity to support this bill. We have always taken the position to support anything that makes records more available. The general concept of making more records available to the general public we believe is a good concept; particularly if it is the aggregation and availability in one area.

Opposition:

Marlys Oberhausen: Emmons County Auditor: (See testimony #3).

Rep. Koppelman: You are right not everybody has computers or reads the newspapers either. You talk about preparing these in electronic form and being able to send them to a client who calls and says I want to know about this. Wouldn't it be easier to just refer them to a website or this state website has this?

Marlys Ohehausen: Emmons County is a population of senior citizens. We do have a website designed already. I put my mill levy on there and monthly agenda on there. People don't utilize it. They want to come in and talk to someone in person.

Rep. Zaiser: What would you think if we would make an amendment to this bill where we would give the governing body of the county the authority to participate in this program and put it into a centralized website, therefore make it permissible to the elected officials in your county?

Marlys Ohehausen: It would be better than making it a priority form. Even with my office I have two gals working under me and we are busy. If this bill would pass I probably would be forced to hire additional staff. I looked at the fire department the parks; they are all

volunteers. They are not paid to do this. I am afraid it would cause problems within some of these smaller fire departments and county parks.

Rep. Kilichowski: By law you are required to publish certain things from the county so what are they?

Marlys Ohehausen: Preliminary budgets, every governmental fund and any special revenue funds; the road funds; we publish what the appropriations are, the amounts we think are going to have to be levied and the total estimated number of mills. We do that in September in our preliminary budget and then we also publish it in October after the official budget meeting. When I type up my monthly proceedings I also put in there the expenditures for the month. It is already given to the people every month.

Terry Traynor, Association of Counties: I like this bill. I just think it is premature. We are not ready in local government to comply with this. In the language of the bill it talks about budget information, but if you look at the section of code it goes into and the sponsors comment about the transactional data base. For state government what is being proposed is every transaction; every vender; how much they got and the city of the vender. That is what the section of law says. That isn't what the bill says because it just gets inserted in there. Budget information is one thing. I do need to correct Sen. Miller's comment; county auditors don't get everybody's budget information. They do get townships but they don't get city budgets. They don't get information on all the other jurisdictions out there. So it isn't something they would be able to input. My concern is we are not talking about budget information; we are talking about transactional information. For the state to do it I am sure it was a challenge, but the state pays all their bills on one system. If we could all be on that system that would be one thing, but they aren't. Counties are on six different systems and even within those six every county has the opportunity to twist those. I would love to have that. When I come before you I would love to have that ability and pull it off and give it to you but I don't think the level of automation is there. Truly to do this right we should start at the other direction and say OK we are all as government going to go on the same system. Obviously for all of us to go on the ITD system there would be a cost. We are talking about a whole different level of automation at the county government than state government. Jurisdictions smaller than counties is a whole different story. We are opposed to it at this time. Passed out testimony from the Cass County Auditor (See testimony #4).

Rep. Koppelman: I noticed the bill does have a delayed effective date of about a year from now; is that not sufficient? Should be give them more time the political subdivisions?

Terry Traynor: I would think a study would be very helpful. I think you are going to find that there are many subdivisions that don't have computer systems. What are they going to do and who is going to input that information? I think you should look at the whole section. I believe the level of detail is tremendous at what is being asked for here. I would say for the smallest jurisdictions we are ten years away or more. Rep. Zeiser's idea; make it permissive. Maybe the city of Fargo is ready to throw the switch and just start sending that information down here, but I suspect that most of them it is many years away. Unless there is financial support to upgrade and unify automation among them.

Rep. Koppelman: I do thank you for bringing up the concern about the section. We will check that with council.

Connie Sprynczynaty, League of Cities: Please take time to look through these. Cities pass their budgets by ordinances and ordinances require a legal notice published in the paper in advance of the public hearing. It also requires a public hearing. You had a request to do a rebuttal. I spent 20 years on the Bismarck City Commission and 12 years on the Bismarck Park Board. You were told there was absolutely no accountability. You were told local officials get addicted to spending public money. Our state is ripe with government waste fraud and abuse. Frankly as a former elected official that kind of surprised me because in my experience there is a lot of accountability. Everything is done in the public. There are only 52 cities that are over 1,000 in population. I think we are far away from the data system. Some city auditors are supposedly part time employees. Many of them use their own computers because the city does not own a computer. Maybe we should amend the bill to support it so on line 7; the state auditor's office shall submit political subdivision budget information to the director of budget for inclusion. That way the reports that exist would exist in state hands and they could be just transferred to another state agency and we don't have this mandate to provide the information without any money to do it. I asked city auditors and here are their responses so the names are there if you want to contact them. (See handout #5). The average size city in this state is 179 in population. (See handouts #6).

Rep. Koppelman: How many budgets does the state auditor compile?

Connie Sprynczynaty: cities have a requirement to provide an annual statement and a requirement to publish a financial statement after the end of the year. I think the current level is 300 and under doesn't have to be audited. I don't think there is any interest in lack of accountability. The question is how do you make it practical to implement something like this. We do a lot of training for city auditors and we try to bring in the state experts so it is a partnership with the auditor's office and state tax department. In a small community it can be hard to find somebody who has the interest and where with all to take on the financial part of city business.

Rep. Koppelman: What would it take to implement the program? All the bill says is the governing body of each subdivision shall submit budget information to the director for inclusion in the budget data website. Then it says the director shall include the budget information that is submitted etc. So it sounds like no more stringent requirement that is currently resting with the auditor.

Connie Sprynczynaty: We went to Section 54-44.1.18 to see what was established for the state and because the language seems to mirror that it seems that is what we are going to have to do now.

Rep. Koppelman: We will check on this.

Connie Sprynczynaty: If this means that we are going to have to generate more information; something that is not already available it would be a lot of work. There are a number of cities that have only one employee; that is our concern.

Bev Nelson, School Board Association: We do report to DPI in a standardized form our budget and in the end our expenditures so if the committee determines that they are going to give a do pass to this as written and you are only talking about budget information and it said DPI shall provide to the State Director Budget the information and if it is up to them to interface it with the state system; then we have no dog in the show since we already give the information to DPI; it is all uniform and right there. Our concern is that we not have to adopt a new system to report in a different format. If it is budget information only and DPI sends it to them. If you are truly talking about transactions now you are talking about 180 districts; some who write checks by hand out of the checkbook; some very elaborate like Fargo and they wrote 9,000 checks a month. I don't know how we would ever interface that? It is available now and published in the Fargo form.

Larry Syverson, a farmer from Mayville: (See testimony #7).

Neutral:

Pam Sharp, Director of OMB: In the fiscal note it is about \$580,000 and we did get those numbers from ITD as their estimate to create a searchable data site for the political subdivisions. This would be a separate data site from what state is currently working on for state agencies. Two years ago you passed a bill requiring us to create a searchable data base for state agencies and higher education. That will be up and running in about 2 weeks so you will be able to take a look at it. As Rep. Thoreson mentioned we did have a conversation about the proper wording in here. It would be searchable transactional database. Because all state agencies are using the same accounting system and have the same chart of accounts it wasn't too difficult to do that searchable transactional database for the state. We would need a separate one for political subdivisions because they have many different accounting systems. So the fiscal note of about \$580,000 would only account for the work to create the database. It would not account for any interfaces that political subdivisions might need or effort to get the information in there. The last sentence on line 10 and 11; it says shall include any information submitted by a body of political subdivision which the director determines is relevant and is not confidential or exempt under state or federal law. I would not be able to make that determination. Even in our state searchable website that we are working on right now we asked each one of the agencies themselves to determine what information they had was confidential or exempt and could not be on the searchable website. That would have to be the situation here because I could not determine that.

Chairman Johnson: Would there be a timeframe to establish the second database?

Pam Sharp: The current one we are working on for the state has taken about 6 months.

Chairman Johnson: Would everyone have to go to the same system?

Pam Sharp: I might be the wrong person to ask. There would have to be two separate databases. ITD is saying they would be leveraging what we already have but it would still be two separate data bases.



Chairman Johnson: How would counties; townships, cities, school districts all get into that particular database?

Tracy Komso, ITD: The entities would be given a web application to answer and be put into the database.

Hearing closed.

# 2011 HOUSE STANDING COMMITTEE MINUTES

## House Political Subdivisions Committee Prairie Room, State Capitol

HB 1449  
February 3, 2011  
Job # 13982

☐ Conference Committee

Committee Clerk Signature



### Minutes:

Proposed amendment #1

Chairman Johnson: reopened the hearing on HB 1449. Has probably the biggest fiscal note of any bill.

Rep. Koppelman: I thought the bill was to just make for sure the budget information in these communities already have and whatever form they have it would be available on this state website or a link. I think any size of political subdivision whatever the budget is that would work. Maybe they could fax it in and the state make a PDF out of it and puts that on line you can do that or whatever they have. The amendment would remove the requirement that every transaction be published. It would just say that the legend information as the bill actually says would need to be published. I suspect that would reduce the fiscal note significantly, but I don't know. (Handed out proposed amendment #1).

Rep. Klemin: If there was just a link on the state website to the county website containing that information would that be sufficient?

Rep. Koppelman: I think it probably would be. The amendment says the director of the budget shall include in the budget data base website any information submitted by the governing body of a political subdivision, which the director determines is relative. If they submitted a link or a web address and the director said that is relative that would work.

Rep. Zaiser: Would all these political subdivisions have to format it for the feds or would the state do all the formatting.

Rep. Koppelman: I think the way the amendment reads it is pretty open. The governing body of each political subdivision shall submit the annual budget adopted by the governing body to the director of the budget for inclusion in the budget database website. It says whatever they get is what they make public. In terms of formatting I think that is left open so from an administrative standpoint they could decide what that needs to do.

Rep. Zaiser: Would hand written notes work. I am guessing a small municipality of 10 people or a township of 50 or something may just have a few numbers written on a scratch piece of paper. Would that suffice?

Rep. Koppelman: I think it would. The testimony we heard that day was that when you tie it to the code it is in by implication it is going to mean every transaction and all of that. So that is when I talked to the sponsor about it and he said that was his original intention; that every transaction be public. If you want to change it to just budget information that was fine. I think with this change the fiscal note might be zero.

Rep. Shirley Meyer: I am opposed to this amendment as I am to the bill simply because Pam Sharp; it is not her job to decide what is relative or what is not. She cannot do that; she is prohibited by law from doing that I believe. This information is public now. The people that want to go into Dunn County and get their budget information they will get it for you. Why would we put \$500,000 to put more data out that nobody is going to look at and nobody is going to read?

Rep. Koppelman: I understand your point. It seems to me this is a pretty basic way to provide this information. The question about who provides what; maybe there is a better way to say that. I am open to suggestions there. You live in Dunn County you can go there and get the information. What if you were trying to do a state wide comparison of what every county spends on roads and you wanted to find information on Cass County or Grand Forks County you could go all over the state or make a bunch of phone calls or you could get on line maybe to all their websites if they have them. The point of this as amended would be that it would be a one stop shop.

Rep. Shirley Meyer: That is my point. Unless you are going to make the data comparable and this doesn't do that. It is whatever they want to submit in whatever format they want to submit so unless you are willing to spend the money on the computer data base to make these all compatible it isn't going to work anyway.

Rep. Koppelman: I don't know if they need to be compatible for them to just look at them. That is all this would do.

Rep. Kilichowski: I am going to oppose this bill and the amendment. The budgets of all political subdivisions are printed in the county paper when they are finalized just like the cities and counties said. This is a great idea, we have no problem with it, but we are not there. I think that is something they could work on and get it together and maybe in the next session or two have something to come back with us and be able to do it all.

Rep. Maragos: What this issue studied in the intern?

Chairman Johnson: I don't think so.

Rep. Koppelman: The state has been working on this and it is ready to go live this summer. We are debating the amendment without a motion.

Motion Made by Rep. Koppelman to approve the amendment: Seconded by Rep. Maragos:

Chairman Johnson: We do have a motion on the floor that would read in the section below the asterisk it would read as such except deleting the 4<sup>th</sup> line which the director determines is relativent.

Rep. Klemin: The way I read this it doesn't seem to give the governing body the option to just give the director of OMB a hyperlink to where it can be found on the governing body's own website. Instead it says you must submit the annual budget to the director for inclusion in the date base. It would be better if it gave a little flexibility rather than submitting budget to OMB; just to submit a reference to where you can find it.

Rep. Koppelman: I would consider that a friendly amendment if Rep. Klemin wants to add something to that affect.

Chairman Johnson: I think we should figure out the words before we act on the amendment at all. We have not taken a vote on the amendment.

Rep. Koppelman: I wish to withdraw the motion; Seconded by Rep. Maragos has been withdrawn.

Hearing closed.

# 2011 HOUSE STANDING COMMITTEE MINUTES

## House Political Subdivisions Committee Prairie Room, State Capitol

HB 1449  
February 4, 2011  
Job # 14007

☐ Conference Committee

Committee Clerk Signature



### Minutes:

Proposed amendment # 1,

Chairman Johnson: This is the bill on the data base; setting up the political subdivisions to submit budget information.

Rep. Koppelman: I think this is what the intern prepared after our changes. Maybe she could touch on what the changes are, Jessica?

Jessica went over the changes for the committee.

Rep. Koppelman Made a Motion to move the amendment; Seconded by Rep. Maragos:

Discussion:

Rep. Klemin: I am wondering how this would work in practice. It says it is to be included in the budget database website. I am familiar with the OMB website.

Rep. Koppelman: That was legislation that was passed last session and it has taken until now to get it live.

Rep. Devlin: I don't know if the fiscal note is going to drop any because the fiscal note has always been what it is going to cost the state of ND to get this thing into some kind of format that you can actually read it on their state database. It would have to be formatted and into some type of thing that they can use. I think the internet link is a noble thing but I can tell you that there is no inter link south for any of those townships that I know about and many of the cities and counties really don't have anything that would work well. I don't know if the amendment is any worse than the bill itself and I am not going to vote for the bill. I think the cost to the state government will still be there you are going to want it in the same format as everything else to read. I don't see this working without a ton of money and state government to put it up.

Chairman Johnson: I will vote for the amendment because I think it makes it a little clearer about who does what. Right now every budget around the state is an open record and you can get that information.

Voice vote carried.

Do Pass as Amended Motion Made by Rep. Koppelman: Seconded by Rep. Maragos: and refer to appropriations.

Discussion:

Rep. Koppelman: what we have done with the amendment is make is sort of a bulletin board. Discussed problems with the information being scattered throughout the state and this would bring it to one location; even though it might be a different formats in one place.

Rep. Klemin: Was there any discussion about how many political subdivisions there are in ND; cities, counties, townships, park districts, water districts, school boards that would be doing this? Are there thousands of political subdivisions then?

Rep. Shirley Meyer: Connie Sprynczyntky said it was almost incalculable.

Rep. Hatelstad: If it can paraphrase Rep. Klein the bill is unnecessary, kill it.

Vote: 3 Yes 9 No 2 absent Failed

Do Not Pass as Amended Motion Made by Rep. Shirley Meyer: Seconded by Rep. Hatelstad:

Rep. Kretschmar: It seems to me that the idea behind

Vote 8 Yes 4 No 2 Absent Carrier: Rep. Hatelstad:

Hearing closed.

## FISCAL NOTE

Requested by Legislative Council

01/19/2011

Bill/Resolution No.: HB 1449

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.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$579,580			
Appropriations			\$579,580			

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

2009-2011 Biennium			2011-2013 Biennium			2013-2015 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 would require OMB to develop a database for political subdivisions to report financial data. Fiscal note does not include expenditures of political subdivisions as that cannot be determined.

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

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

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

Name:	Pam Sharp	Agency:	OMB
Phone Number:	328-4606	Date Prepared:	01/25/2011

Date: 2-3-11  
Roll Call Vote #: 1

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1449

House Political Subdivisions Committee

☐ Check here for Conference Committee

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

Action Taken ☐ Do Pass ☐ Do Not Pass ☒ Amended ☐ Adopt  
Amendment

☐ Rerefer to Appropriations ☐ Reconsider \_\_\_\_\_

Motion Made By Rep. Koppelman Seconded By Rep. Maragos

Representatives	Yes	No	Representatives	Yes	No
Chairman Nancy Johnson			Rep. Kilichowski		
Vice Chairman Hatelstad			Rep. Shirley Meyer		
Rep. Beadle			Rep. Mock		
Rep. Devlin			Rep. Zaiser		
Rep. Heilman					
Rep. Klemin					
Rep. Koppelman					
Rep. Kretschmar					
Rep. Maragos					
Rep. Pietsch					

Total (Yes) \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

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

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

Withdrawn



February 4, 2011

VK  
2/4/11

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1449

Page 1, line 7, after "submit" insert "the annual"

Page 1, line 7, replace "information" with "adopted by the governing body"

Page 1, line 10, remove "which the director determines is relevant and"

Page 1, line 11, replace "is not" with ". The official who submits the annual budget to the director of the budget may not submit any information that is"

Page 1, line 11, remove "or exempt"

Page 1, line 11, after the underscored comma insert "In lieu of submitting the annual budget adopted by the governing body to the director, the governing body may provide to the director a publicly accessible internet link on which the annual budget adopted by the governing body is available."

Renumber accordingly

Date: 2-4-11  
Roll Call Vote #: 1

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1449

House Political Subdivisions Committee

☐ Check here for Conference Committee

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

Action Taken ☐ Do Pass ☐ Do Not Pass ☒ Amended ☐ Adopt  
Amendment

☐ Rerefer to Appropriations ☐ Reconsider \_\_\_\_\_

Motion Made By Rep. Koppelman Seconded By Rep. Maragos

Representatives	Yes	No	Representatives	Yes	No
Chairman Nancy Johnson			Rep. Kilichowski		
Vice Chairman Hatelstad			Rep. Shirley Meyer		
Rep. Beadle			Rep. Mock		
Rep. Devlin			Rep. Zaiser		
Rep. Heilman					
Rep. Klemin					
Rep. Koppelman					
Rep. Kretschmar					
Rep. Maragos					
Rep. Pietsch					

Total (Yes) \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

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

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

*Vote  
Carried*

Date: 2-4-11  
Roll Call Vote #: 2

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1449

House Political Subdivisions Committee

☐ Check here for Conference Committee

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

Action Taken ☒ Do Pass ☐ Do Not Pass ☒ Amended ☐ Adopt  
Amendment

☒ Rerefer to Appropriations ☐ Reconsider \_\_\_\_\_

Motion Made By Rep. K. Koppelman Seconded By Rep. Maragos

Representatives	Yes	No	Representatives	Yes	No
Chairman Nancy Johnson		<input checked="" type="checkbox"/>	Rep. Kilichowski		<input checked="" type="checkbox"/>
Vice Chairman Hatelstad		<input checked="" type="checkbox"/>	Rep. Shirley Meyer		<input checked="" type="checkbox"/>
Rep. Beadle			Rep. Mock	<input checked="" type="checkbox"/>	
Rep. Devlin		<input checked="" type="checkbox"/>	Rep. Zaiser		
Rep. Heilman		<input checked="" type="checkbox"/>			
Rep. Klemin		<input checked="" type="checkbox"/>			
Rep. Koppelman	<input checked="" type="checkbox"/>				
Rep. Kretschmar		<input checked="" type="checkbox"/>			
Rep. Maragos	<input checked="" type="checkbox"/>				
Rep. Pietsch		<input checked="" type="checkbox"/>			

Total (Yes) 3 No 9

Absent 2

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

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

Failed

Date: 2-7-11  
Roll Call Vote #: 3

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1449

House Political Subdivisions Committee

☐ Check here for Conference Committee

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

Action Taken ☐ Do Pass ☒ Do Not Pass ☒ Amended ☐ Adopt  
Amendment

☐ Rerefer to Appropriations ☐ Reconsider \_\_\_\_\_

Motion Made By Rep. Meyer Seconded By Rep. Hatelstad

Representatives	Yes	No	Representatives	Yes	No
Chairman Nancy Johnson	✓		Rep. Kilichowski	✓	
Vice Chairman Hatelstad	✓		Rep. Shirley Meyer	✓	
Rep. Beadle			Rep. Mock		✓
Rep. Devlin	✓		Rep. Zaiser		
Rep. Heilman		✓			
Rep. Klemin	✓				
Rep. Koppelman		✓			
Rep. Kretschmar	✓				
Rep. Maragos		✓			
Rep. Pietsch	✓				

Total (Yes) 8 No 4

Absent 2

Floor Assignment Rep. Hatelstad

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

**REPORT OF STANDING COMMITTEE**

**HB 1449: Political Subdivisions Committee (Rep. N. Johnson, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO NOT PASS** (8 YEAS, 4 NAYS, 2 ABSENT AND NOT VOTING). HB 1449 was placed on the Sixth order on the calendar.

Page 1, line 7, after "submit" insert "the annual"

Page 1, line 7, replace "information" with "adopted by the governing body"

Page 1, line 10, remove "which the director determines is relevant and"

Page 1, line 11, replace "is not" with ". The official who submits the annual budget to the director of the budget may not submit any information that is"

Page 1, line 11, remove "or exempt"

Page 1, line 11, after the underscored comma insert "In lieu of submitting the annual budget adopted by the governing body to the director, the governing body may provide to the director a publicly accessible internet link on which the annual budget adopted by the governing body is available."

Renumber accordingly

2011 TESTIMONY

HB 1449

#1

House Political Subdivisions Committee

Rep. Nancy Johnson, Chair

Prairie Room

Thursday, January 27, 2011

**Testimony in support of HB 1449 by  
Representative Blair Thoreson, District 44**

Madam Chair and members of the committee:

I stand before this committee in support of HB 1449, which will expand the soon-to-be-launched state database of government expenditures to include political subdivisions. This action will lead to increased government transparency.

Thomas Jefferson once said, "We might hope to see the finances of the Union as clear and intelligible as a merchant's books, so that every member of Congress and every man of any mind in the Union should be able to comprehend them, to investigate abuses, and consequently control them." These words still ring true today.

My goal with this bill is a simple one: to place expenditures on an easily searchable website. Soon, the citizens of North Dakota will be able to quickly and easily research budget issues on their own in the comfort of their homes, when our state government database goes live. This database was created by the 61<sup>st</sup> Legislative Assembly in SB 2018. All budget information for the state will be at their fingertips. Now, we need to include the budget information for cities, counties, school boards, and other subdivisions within North Dakota. By doing so, our state will become a nationwide leader in allowing its citizens to be a watchdog on government at all levels.

In addition, by placing all expenditure data on a website, political subdivisions will show that they have nothing to hide. By requesting that budget data be placed online, citizens aren't accusing the government of wrong-doing. They are giving their elected leaders the

opportunity to show taxpayers that power still does rest with the people and that government wants citizens to be more informed.

Opponents of placing budget data on the internet commonly give two reasons to justify their position. They say that North Dakota already has good open records laws and that citizens are already able to get budget information. They also say that the cost of building and maintaining such a website would not be worth the price. I agree that our open records laws are good, but this legislation will give citizens an increased level of openness.

As for the cost of building this database, it is already being built and the only new requirement will be for subdivisions to share their budget info with the director of the Office of Management and Budget.

All levels of budget data within North Dakota should be easily searchable on a website because, let's face it, it's the 21st century. Jefferson stated that the government's books should be as accessible as a merchant's. Most, if not nearly all, businesses now do their finances on computers. If we are to heed Jefferson's words, then we should keep pace with what the private sector is doing and deliver government transparency through a vehicle that citizens use and understand: the internet.

Madam Chair and members of the committee, government transparency through a searchable database is soon to be available in our state, like it is in at least 13 others. At the national level, the "Federal Funding Accountability and Transparency Act of 2006" created a database of expenditures by federal government. Interestingly, two of the co-sponsors of this legislation were then Senator, and now President Barack Obama, and Senator John McCain.

I believe, along as they did, that both parties can agree that we need to be accountable to those who pay government's bills: the taxpayer.

Putting political subdivisions expenditure data on a website, along with state governments, isn't an indictment against government leaders; it isn't an attempt to poke anybody in the



eyes; it isn't an attempt to use information against political opponents. It's a common-sense idea that brings government into the 21st century and will go a long way towards curing apathy, which, in the world of politics and government, has become all too prevalent.

It has been noted that government transparency is "like an x-ray machine, allowing taxpayers to look inside government and see how the money is being spent: every check written, every contract let and every vendor receiving money." It's time to provide our citizens with receipts for the purchases made on their behalf by all levels of government. Remember, sunshine is the best disinfectant. I ask that the House Political Subdivisions Committee give a DO PASS recommendation to HB 1449.

Madam Chair, this concludes my testimony. I would be happy to answer any questions.



# 2

**Subject: Transparency****Bill: HB1449****Testimony Provided By: Dustin Gawrylow****Lobbyist #160****Presented To: Political Subdivisions****January 27<sup>th</sup>, 2011**

Madam Chairwoman, Members of the Committee:

Politicians at all levels of government, over time, more often than not become addicted to spending tax dollars with virtually no accountability to the taxpayers who fund their habit. Legislation has been introduced this year to provide taxpayers with the transparency and accountability they deserve, in the form of a free website for all taxpayers that will show how every dollar of their tax money is actually being spent.

The federal government recently launched an easy-to-use website to track spending, as have other states including Oklahoma, Alaska, Nebraska and Missouri to name a few. A state spending database will help eliminate any perception of impropriety since all expenses will be subject to public scrutiny. These tools allow taxpayers to review and propose more efficient uses of their tax dollars.

By making details available to the public, government can leverage the expertise of engaged citizens and grassroots groups that work on fiscal issues. Traditional budget publications are difficult for experts — let alone ordinary citizens — to understand. That's why it's time for taxpayers to lower our tolerance for a system that's ripe for government waste, fraud and abuse. We need access to the resources that reveal exactly how state government spends money.

House Bill 1449 builds upon the work the legislature achieved last session on state government transparency, and soon we will hopefully see those results.

By covering the cost of the software for local governments, this bill furthers that effort of Open Government.

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*The North Dakota Taxpayers' Association is a membership-funded advocacy group designed to get taxpayers a voice in legislative matters. NDTA is 100% in-state funded, and counts over 500 North Dakotans as current members. NDTA is the only organization with a full time lobbyist dedicated to advocating on behalf of the taxpayer.*

**North Dakota Taxpayers' Association**

**NDTaxpayers.com • 1720 Burnt Boat Drive Suite 102 • Bismarck, ND 58503 • (701) 751-2530**

## HOUSE BILL 1449

As a County Auditor, I do have some questions and concerns relating to this bill.

1. First of all, the bill states that the director of the budget shall include in the budget database website any information submitted by the governing body of a political subdivision which the director determines is relevant and is not CONFIDENTIAL OR EXEMPT - "I want to stress that when us auditors prepare the county budgets, there is nothing confidential about it." These budgets are open record and are already available for public viewing. Most counties do their budgets in word excel and have them saved in a file which can easily be emailed to any interested party.
2. Secondly, pursuant to North Dakota Century Code 11-23-03 and 11-23-04, county auditors already publish a budget statement with a notice of a budget hearing in their local newspaper. The preliminary budget that is published in the local newspaper details the appropriations and the amounts to be levied in the general government fund, human service fund and all other special revenue funds including the road funds. We also publish a notice to appear if there's any objections to the preliminary budget, but very seldom does anyone show up to these hearings. The information is already available to them so why should we spend funds that we don't have by making it available on the website. Counties are strapped with funds the way it is and we could sure use this money for other needed services.
3. I also question "what information can be put on the website that county auditors don't already provide to the citizens." When I publish the monthly county commissioner minutes, I list all the monthly expenditures which include payroll amounts, all expenditures listing the voucher number, the vendor, the source of the funds and the dollar amounts. And like I said, this is done on a monthly basis.
4. Finally, to be totally honest with you all, I personally feel that by publishing our preliminary budgets and monthly commissioner minutes in our local newspapers is more convenient for our citizens as some taxpayers don't even have access to computers or don't want to utilize this information from any website. If this bill passes, I don't know what the expense would be for programming but I truly believe that the taxpayers would be very upset knowing that we are spending tax dollars for information that is already available to them by newspaper publication or by visiting or emailing their county auditor.

Marilee Overhauser  
Emmons County Auditor

# 4

**Written Testimony To  
THE HOUSE POLITICAL SUBDIVISION COMMITTEE  
Thursday, January 27, 2011 by  
Michael Montplaisir, Cass County Auditor  
Cass County Government**

**REGARDING HOUSE BILL 1449**

Chairman Johnson and committee members my name is Michael Montplaisir and I am the County Auditor in Cass County. I wanted to send you a few thoughts on HB 1449 as I am unable to attend the hearing today.

NDCC 54-44.1-18 has a lofty goal of making state budget information available to all citizens of the state. House Bill 1449 extends that section to include all political subdivisions within that same system regardless of what the local political subdivision is already doing to provide information to its citizens.

In Cass County we already mail budget information to all of our taxpayers and send out more than 50,000 Budget in Briefs every year with annual property tax statements. In addition, we post both the Budget in Brief and the county's detail budget on the county's web site at [www.casscountynd.gov](http://www.casscountynd.gov).

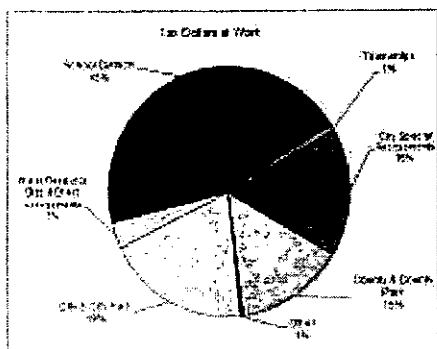
Besides the budget information, we prepare a Comprehensive Annual Financial Report (CAFR) and a Popular Annual Financial Report (PAFR), both of which are submitted to the Governmental Financial Officers Association (GFOA) for their awards program. Cass County has received awards for both of these publications on an annual basis. These publications are also published on our web site; the PAFR is also included as an insert in the official county newspaper, *The Forum*.

Through our efforts we are reaching our citizens. We do receive calls asking about different items in both publications and it gives us an opportunity to explain a little about county government and the funding of local services. The provision in House Bill 1449 is not needed and is an added expense to both the local units of government and the state government at a time when we are trying to use our limited dollars to provide much needed service to the public.

I urge a do not pass on House Bill 1449.

Each year, in early December, the county sends out property tax statements. For the 2011 budget year, those statements represented \$208 million in real estate taxes. Of this, the county levy (including the county park) amounted to over \$31 million, or approximately 15%. City levies and city special assessments accounted for another 35%. School Districts accounted for the largest percent of tax dollars, over 45%. Other taxing districts, such as townships, water resource districts and fire districts made up the remaining 5%.

With these tax dollars, the local governments are able to provide vital services to the citizens of Cass County. These services include education, public safety, water management, and social welfare just to name a few.



For your convenience, you can pay your taxes using any of the following methods:

- The treasurer's office accepts cash, check or Discover Card.
- Through the mail, you can either pay by check or Discover Card.
- Most major banks in Cass County also accept property tax payments.
- On the Internet at <http://www.casscountynd.gov>. Payments may be made with credit cards or electronic check. Convenience fees will apply.

Cass County Government  
211 9th Street South  
P.O. Box 2806  
Fargo, ND 58108

Phone: 701-241-5600  
Fax: 701-241-5728

Email: [auditor@casscountynd.gov](mailto:auditor@casscountynd.gov)

## CASS COUNTY GOVERNMENT



### Budget in Brief 2011

#### Cass County Commission

Scott Wagner (Dist 1)  
Vern Bennett (Dist 2)  
Ken Pawluk (Dist 3)  
Darrell Vanyo (Dist 4)  
Robyn Sorum (Dist 5)

#### County Auditor

Michael Montplaisir  
[auditor@casscountynd.gov](mailto:auditor@casscountynd.gov)  
[www.casscountynd.gov](http://www.casscountynd.gov)

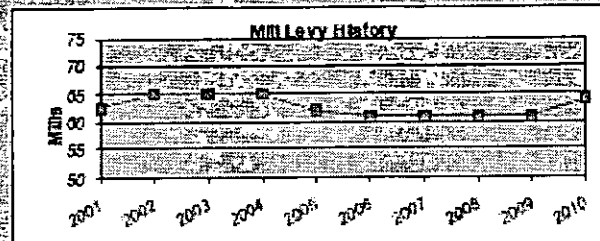
A copy of the detail budget may be viewed at the County Auditor's Office.  
211 9th Street South, Fargo,  
North Dakota, or on line at  
[www.casscountynd.gov](http://www.casscountynd.gov)

### Budget in Review

In 1994, the voters approved a Home Rule Charter for the county. This charter sets a limit of 75 mills. Since then, the Commission has approved final budgets well within that 75 mills.

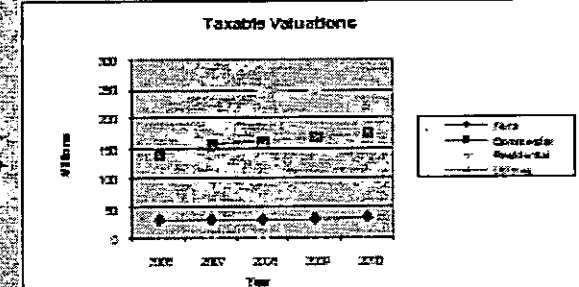
The mill rate for 2011 is 64 mills, which is a 3 mill increase from the 2010 budget.

The increase includes one mill for the emergency fund and 2 mills for the courthouse addition bonds. These mills represent the levies of the general special revenue and debt service funds of the county. The mills do not include levies made by separate boards, such as Noxious Weed, Vector Control, County Park and Water Boards.



The taxable valuation continues to increase in

the county, 3.5% in 2010. The growth in the tax base over the past five years has been over 20 percent - making Cass County the fastest growing county in North Dakota. The taxable valuation of Cass County for the 2010 tax year is \$481,032,464.



	2006	2007	2008	2009	2010
Farm	30,096,870	30,032,475	29,980,555	31,422,255	33,870,651
Commercial	140,920,480	156,380,125	162,648,174	169,533,176	175,816,329
Residential	217,107,787	234,881,372	247,339,051	256,030,498	262,258,763
Utilities	7,882,533	7,143,167	7,003,544	8,379,156	9,086,524
Total	395,777,450	428,417,209	446,981,324	464,385,075	481,032,464

# Cass County Budget

The 2011 budget is \$64.9 million, compared to \$60.6 million in 2010. The major difference is adding the Court-House Addition Sinking and Interest Fund to cover the principal and interest payments on the \$8.9 million general obligation bonds for this new construction. The Red River Joint WRD also increased their budget from 1 mill to 2 mill.

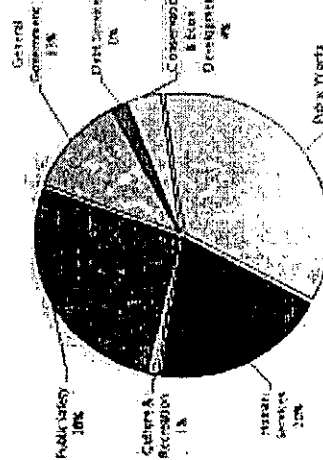
2010 was a difficult year for many departments in the county as they dealt with spring flooding issues once again. The county has added a 1 mill levy for 2010 to replenish the Emergency Fund that has been depleted over the past two years.

Personnel costs increased 7.9% over 2010. Personnel costs include salaries, retirement contributions, health and dental insurance, and federal matching benefits. Personnel costs for the 2011 budget accounts for \$17 million of the \$64.9 million dollar budget.

The County Commission budget includes salaries and benefits for the county commissioners as well as donations to various public service agencies such as Fargo Public Health and Rural Cass Ambulance. The commission budget also includes centralized costs such as property insurance and auditing fees.

The County Sheriff's budget includes the cost of the department operations as well as the cost of operations of the county jail and detention center.

2011 Expenditures



The mills and taxable valuation are used to compute the property tax dollars the county will receive to support the county budget. Taxable value is computed as a percentage of the true and full value of property (market value). Market value times 50% equals Assessed Value. Assessed Value times a property classification percentage (10% for commercial and agricultural property, 9% for residential property) equals the taxable value.

To determine taxes on any parcel, the taxable value is multiplied by the total mills, then divided by one thousand.

$$(\text{Taxable Value} \times \text{MHI Rate}) / 1000 = \text{Tax}$$

Notwithstanding, the County is not levied in the City of Fargo. The County Park is levied only in those areas without a city park levy. All areas within the county are included in one of the water resource districts (WRD).

## Cass County Levy

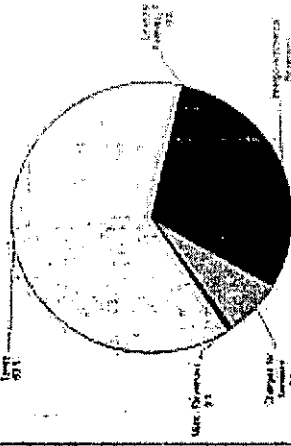
(Expressed in Mills)

	2010	2011
<b>General Fund</b>	<b>12.25</b>	<b>13.25</b>
<b>Special Levies:</b>		
Road and Bridges	10.15	10.15
Human Services	12.50	12.50
Emergency Fund	1.00	1.00
Construction Addition Sinking	1.00	1.00
Senior Citizens Fund	1.00	1.00
<b>Total Special Levies</b>	<b>25.75</b>	<b>25.75</b>
<b>Total General and Special Levies</b>	<b>38.00</b>	<b>39.00</b>
<b>Other Levies:</b>		
Water Control Board	1.00	1.00
Wind Control Board	2.00	2.00
County Park	0.35	0.35
Southeast Cass WRD	3.60	3.60
Rush River WRD	4.00	4.00
Plain River WRD	4.00	4.00
North Cass WRD	4.00	4.00
Red River Joint Board	1.00	1.00

## General Fund Departments

	2010	2011
<b>County Commission</b>	<b>2,182,923</b>	<b>2,248,111</b>
<b>County Administrator</b>	<b>1,994,153</b>	<b>2,007,111</b>
<b>Information Services</b>	<b>975,847</b>	<b>1,184,111</b>
<b>County Auditor</b>	<b>951,535</b>	<b>944,111</b>
<b>County Treasurer</b>	<b>265,352</b>	<b>339,111</b>
<b>County Recorder</b>	<b>335,425</b>	<b>354,111</b>
<b>Deputy Commissioner</b>	<b>22,121</b>	<b>22,111</b>
<b>County Auditor</b>	<b>2,351,629</b>	<b>2,417,111</b>
<b>County Sheriff</b>	<b>11,457,535</b>	<b>12,119,111</b>
<b>Emergency Management</b>	<b>25,817</b>	<b>196,111</b>
<b>Public Works</b>	<b>77,823</b>	<b>80,111</b>
<b>Construction Services</b>	<b>522,109</b>	<b>486,111</b>
<b>Veteran's Services</b>	<b>230,256</b>	<b>251,111</b>
<b>Total</b>	<b>\$12,177,558</b>	<b>\$13,074,111</b>

2011 Revenues



The 2011 revenue budget is \$58.2 million, compared to budget of \$55.3 million in 2010. The county is heavily dependent on local property taxes (61%) as a source of revenue. Intergovernmental revenues, including the county share of State Aid Distribution, Highway Gas Tax and other burzums for the Human Service Program accounts for another 30% of the county's revenue. Charge for services include charges to the public and other agencies for services provided by the county. Revenues are expected remain stable as a result of the strong economic growth in the county.

**Questions asked: What it would take to implement the requirement. For example, does your current software allow you to easily extract this data (source, vendor, amount, program)? Would you need to search manually for the information? Would you need additional staff to do this or could you comply with existing staff?**

**What are you doing today to ensure your citizens have access to information? For example, are you posting meeting notices, agenda, financial information on your city web site?**

\* \* \*

I believe this will cause a serious hardship to all of us in the smaller cities. We do not have the type of resources required and will never acquire them. If they are concerned about our budget they should consider the impact this request will place on those of us cities that are financially strapped without reserves due to trying to maintain the infrastructure. As of tomorrow I will be the only employee the City of Hazelton has. Being overworked and under paid doesn't make it any more desirable to work for a small city.

Roxanne Schrantz  
City of Hazelton Auditor  
City of Hazelton Municipal Clerk  
City of Hazelton Municipal Airport  
Emmons County CERT Coordinator

Our current software will not allow me to extract the data needed. I would have to manually search and I do not have additional staff to help with this. This bill would add many hours that would take away from the normal duties of my job.

We post all special meetings at city hall and post at the local papers building. Our agenda is posted at city hall, our regular meetings are always the same day, time and place every month. Our minutes are posted on our website and the annual financial report is published in the local newspaper.

Shirley Robillard  
City Auditor, Walhalla

On behalf of a small city – this... would be extremely burdensome and time consuming. We only have one employee in the office and I'm it.

Trish Pearson  
Auditor, City of Forman

The City of Oakes posts our budget information on our website and also places notices in the paper, Facebook, website, and on the door. I have the budget available at the office for review also. Our current software would allow us to search the information but we would end up having to go through and verify the information manually to make sure everything was listed correctly. I think this would be very time consuming and if a resident is concerned, my desk is always open. I have even emailed the pdf of the budget to citizens that requested the information.

April Haring  
Auditor  
Community Development Director  
City of Oakes

The dates would not work as we operate on a calendar year and there would be no way to have accurate budgets ready that early.

Revenues and expenditures are kept separate so it would be nearly impossible to show source of funds.

- a. For example: Street light purchased in electric department, you would not be able to tell (from city budget files) if that came from general supplies, a specific project or maybe even a grant.

Depending on their interpretation of the terms used...

- b. For example: When we have an expense it would be 100-4161-420 which means general fund, city hall, supplies
- c. We can separate that far but not any further without going into individual project files.

Other information as needed ... just like miscellaneous duties as applied ... too vague for state law.

What format is it needed in – would all the software companies work together? To go any further than our existing software (see 3a) would have to be done manually by real people without extra time on their hands

We advertise for the budget hearing in the local newspaper, post at city hall, place the agenda on the local ad channel which is also uploaded to the city website weekly.

**Marcy Douglas**

**City Administrator, City of Northwood**

Information could be extracted from our software to the extent of our software program's ability but if they want information that is not automatically on a "canned" report, it could additional time to manually get this information.

Diane Fugere

Auditor, City of Burlington

The State reviews our budget each year already. Entering this data again would be timely and what would the State be using this information for?

Diane Affeldt

Garrison City Auditor

I don't have time to fill out surveys, let alone another task. Why would this be necessary, all our budgets are reviewed by the state.

Bev Gleave

Stanley City Auditor

I would be in favor of this bill if the State would provide and pay for a uniform financial and budgeting software suite that all municipalities would be required to use. Otherwise, the City of Mandan does a good job in providing financial and budget information that can easily be found on the City's website.

Greg Welch, Finance Director

City of Mandan



We put notices in the paper for the budget for anyone to look at, we have the minutes published, and we have notices for the meeting dates along with agendas. If this bill were to pass, it would certainly put a burden on the entities with the time it would take to establish and maintain such data input. Many cities are already stretched for time with the ever growing industries and development throughout North Dakota. The information that would be required in this bill is already available to the public, this seems redundant for all entities involved.

Dawn Marquardt  
Killdeer City Auditor

I don't like the idea of adding another reporting requirement. We already have to have a state audit and have our budgets reviewed by the public. I was already stressed about getting the information for what is required for the transportation funding report. I don't know how long it would take to put together more information for another specific report or how easily the information would be retrieved. There is enough in smaller cities to keep one busy.

As for getting information out, we post at city hall and publish the agendas prior to the meetings in the local newspaper. We are working on setting up a new website to get information posted online.

*Farrah Saxberg*  
*Cooperstown City Auditor*

In general, I'm concerned that they are reviewing or micro managing our local government agencies.

*Sandy Bohrer*  
*Hazen City Auditor*

As people look for transparency in government, it always amazes me that they don't usually start at the beginning, the city or township they live in. We all have our budgets on file and would quickly be able to answer most questions as they arise. People are also able to go to their County Auditor's office where our budgets are also on file, but most questions would again be referred back to the city or township office.

Diane Schell  
Underwood City Auditor

Well, it would be more work, I imagine Black Mt. Software would come up with something that would transfer this info to the state, but it would cost dollars. Our park district does not have their financial info on a computer, they are a fairly small entity and have just never done it, so it would be a huge burden to them.

Penny Nosedahl  
Bottineau City Auditor

I don't understand what the point of this would be the budgets already are submitted to the County Auditors before they are sent to Bismarck. This would just put extra burden on the smaller cities that have smaller offices. Some of us have software that would require extensive time to transfer data into a format that they would like. Most software will allow you to track monetary amounts into the funds but from there it is part of the pool. Therefore if they want to become more transparent this is not the way to do it. Currently the budget isn't on our website, but our meeting minutes are. We do have a copy of the budget out for anyone to review if they come into the office.

Jason Vaagen  
Surrey City Auditor

I have been with the City of Carson for 8 years now and there just isn't enough time for us to publish more budget information. I keep a monthly fund balance total sheet, the current budget, and other reports on hand at all times that may be viewed by the public. Cities have to publish our budgets and year end financials, so the public is aware of our spending. We are also required to amend our budget for any extra expenditures and that is published as well in the city minutes.

I can say one thing for sure and that is with all the extra paperwork being created for us already there will probably be more city auditor openings.

Sonja Sprenger  
Auditor, City of Carson

Has anyone mentioned the impact and expense on both the state and political subdivision end? The state would have to hire additional staff to monitor, regulate and set up the data base system. The political subdivision would then have to hire additional staff or pay their current staff additional hours to complete the data entry. Let's do a cost/benefit analysis. I think our tax dollars could be put to better use.

Joni Morlock  
Auditor, City of Cando

Since our budgets already get sent in to the State Auditor's office, shouldn't they be the ones to post this information online? We already post notice of the budget meeting, (along with the proposed levies) and the public never shows up. I have the budget on the counter for anyone to review at any time. Our local newspaper usually has a large article on the budget on the front page.

We all use different software, and I think this would be a big waste of time. After the frustration we have had implanting the new NDPERS online system, I'm not really confident the state can create something that would be user friendly. Then would cities have to hire a technology expert to get this information posted?

Karla Harmel  
Rugby City Auditor

This could be difficult for very small communities that have 1 or 2 employees (including the maintenance person) regarding this request for the budget from each individual city. The county already provides this information so it seems redundant. It will take additional labor for the state to compile the information and additional money to pay the costs. Every city has had to hire independent accountants to do their yearly audits at a huge cost to each city. Then the state also charges the city for the "review and approval" of the audits that they require be sent to them.

Jackie Buchwitz  
Hatton City Auditor

Small towns do not have the hours budgeted to have extra help to comply with all the reports/research etc. they are requesting. I'm all for being accountable for what is done, however, it should be to our Mayor, council and our residents.

Deb Matheson, City of Larimore

This certainly would make our budgets go up and where do they think we can find the dollars to do this it is hard enough to find the dollars for the items really needed to get done. We can't afford any more added expenses.

Cindy Zahn  
Zap City Auditor

First of all, we don't completely understand some of the requirements listed: What is considered a budget unit? Is this by fund? Budget program or the expenditure? We would address the following concerns:

- Lack of a standardized database
- Entities have different fiscal years
- Staff is already over-extended and this would require extra staff time
- Current software - information not extracted easily

Here are a few things that we already do as a city government to ensure citizens have access to the information:

- The budget is posted on the City's website - both preliminary and final budgets with contact numbers if any questions CAER is posted on the City's website
- City budget work sessions, committee meetings, and council meetings are televised and open to the public
- Meetings and agendas are posted on the City's web site as well as published in the Grand Forks Herald
- Check listings are published in the Grand Forks Herald
- Annual Receipts and Disbursements are published in the Grand Forks Herald
- City's web site includes information regarding property tax and how to calculate
- City's web site also includes information regarding City sales tax

Maureen Storstad  
City Of Grand Forks

This would certainly create a tremendous amount of work for all of us. I would have to question how much the information would actually be used once it is inputted.

Renee Arneson, City of McVile

The State Auditor's office should input the information based on the budgets. The entire budget could be emailed or mailed to the State Auditor for that office to input the data. These reporting requirements are a hardship on small city offices, township and park boards since the budget information is already made available to the public in several ways. The one size fits all report creates more work as there is will be some data that has to be pulled out from the user's software program and put in another category on the report.

If the state is finding their employees overworked and offices understaffed, have them think about how it is out in the cities, counties, etc. Less staff, less funding... Also, the new report for the highway distribution is more involved than the first statement of reporting on the use of the weather related disaster funds. At first the reporting was to track the expenditure of those disaster funds only - not the entire street fund. Look what happened on that issue.

The saying "If you want something done, give it to a busy person" may be true- but that only works just so long.

Mae Murphy  
Rolla City Auditor

The current information is here at City Hall.

Gary Winger  
Mayville City Auditor

All small town auditors have more than enough to do without the state asking for one more report and for what reason?

Joe Neis  
Edgeley City Auditor

This bill would definitely put a hardship on the City of Hettinger and the Hettinger Park District. Neither one of our computer programs would be able to extract the data they are looking for. Both entities operate with limited staff and funds, so hiring another staff person to input the data would be out of the question. We post our meeting notices on the Hettinger city web-site as well as the local TV station web-site. We also ask our local radio station to announce upcoming meetings and of course the local newspaper is always notified. We publish the minutes of our meetings in the official newspaper and publish the year end financial statement.

Pat Carroll  
Hettinger City Auditor

Our small towns just don't have the manpower or finances to handle this. Arnegard, too, is a one person office. I'm already working more than twice my scheduled office hours and I have trouble keeping up. My records are available to anyone who wishes to review them. I use MS Excel for most accounting functions including the budget and audit, and I use QuickBooks for city garbage and sewer bills. There isn't money in the budget for a software package like Black Mountain or Banyon. We publish budget meeting notices in the weekly newspaper, and post notices at the Post Office and City Hall.

Maggie Woollings  
City Auditor

This sounds very time consuming. I know our city would have a very hard time complying without having to burden existing employees with overtime, or hiring additional help. We post agenda according to the Century Code (on the door of the meeting site). Much information is shared via e-mail at the resident's request. We do have a website, but it isn't the first place we go to do post info.

Terri Herbert - Administrator  
City of Thompson

It is the feeling of the mayor and the city auditor that this would be very burdensome on us as a small town. We have a very limited staff, as most small cities do, so a requirement such as this would take away precious time from other areas that need attention. Since the budget is readily available at the city and county level we feel like it is unnecessary work to have to submit on a state level.

Melanie Kitzan  
Lincoln City Auditor

This proposed change appears to me to make more work for our offices. Everything asked for is on file in my office. I'm not in favor of this change.

Judy Pond  
Bowman City Auditor

We post meeting notice on web and in the last six months, the local paper. Transparency is good government and seems to generate more participation in city government. Positive comments from the public so far.

Bob Werkhoven, Mayor, Valley City

#6

**Source:** S.L. 1887, ch. 73, art. 6, §§ 1, 2, 3; R.C. 1895, §§ 2168 to 2170; R.C. 1899, §§ 2168 to 2170; S.L. 1905, ch. 62, §§ 69 to 71; R.C. 1905, §§ 2700 to 2702; S.L. 1907, ch. 45, §§ 39, 42; 1911, ch. 77, §§ 39, 42; C.L. 1913, §§ 3624 to 3626, 3809, 3812; S.L. 1927, ch. 181, §§ 1, 2; 1927, ch. 191, § 1; R.C. 1943, § 40-1603; S.L. 1973, ch. 80, § 13; 1973, ch. 320, § 7; 1975, ch. 366, § 6; 2001, ch. 122, § 5.

**Cross-References.**

Assessment list changes necessitated by changes in wards, duty to make, see § 40-52-06.

Cash book and register to be footed daily and closed annually, see § 21-01-09.

Depositories of public funds, see ch. 21-04.

Duties as clerk of city board of equalization, see § 57-11-02.

Duties as park district treasurer, see § 40-49-08.

Gravel assessment book, duty to keep, see § 40-54-07.

Issuance of registered warrants, see ch. 21-01.

**Claims Against City.**

The city auditor is the official representative of the city council for the purpose of receiving claims against the city, including claims for personal injuries. *Pyke v. Jamestown*, 15 N.D. 157, 107 N.W. 359 (1906), decided prior to the amendment of N.D.C.C. § 40-42-04. *City of Grand Forks v. Allman*, 153 F. 532 (8th Cir. 1907).

**Election Duties.**

It is the duty of the city auditor to furnish ballots and election supplies for the conduct of an election of city commissioners. *State ex rel. Shaw v. Thompson*, 21 N.D. 426, 131 N.W. 231 (1911).

**40-16-04. Reports of city auditor.** The city auditor of each city shall prepare and submit to the governing body of the city reports as follows:

1. Monthly financial statement. A monthly financial statement shall be prepared showing the revenues, expenditures, transfers, and fund balances.
2. Annual financial statement. An annual financial statement shall be prepared, on or before March first, showing the revenues, expenditures, transfers, and fund balances of the city for the year ended December thirty-first. This financial statement shall be retained in the office of the city auditor as a permanent public record.

**Source:** S.L. 1887, ch. 73, art. 6, § 2; R.C. 1895, § 2169; R.C. 1899, § 2169; S.L. 1905, ch. 62, § 70; R.C. 1905, § 2701; S.L. 1907, ch. 45, §§ 25, 42; 1911, ch. 77, §§ 25, 42; C.L. 1913, §§ 3625, 3795, 3812; S.L. 1927, ch. 181, § 1; 1927, ch. 191, § 1; 1927, ch. 192, § 1; R.C. 1943, § 40-1604; S.L. 1983, ch. 457, § 1; 2003, ch. 344, § 1.

**40-16-05. Auditor to publish statement.** Within sixty days after the close of each fiscal year, the auditor of each city shall make and cause to be published in the official city newspaper a financial statement of the city showing the receipts and disbursements on account of each fund during the last preceding year.

**Source:** S.L. 1907, ch. 45, § 39; 1911, ch. 77, § 39; C.L. 1913, § 3809; R.C. 1943, § 40-1605; S.L. 2003, ch. 344, § 2.

**Cross-References.**

Official newspaper of municipality, see § 40-01-09.

**40-16-06. Claims and demands against city filed with auditor — Duty of auditor.** All claims and demands against a city, whether founded on contract or otherwise, and to be paid from any fund, including a municipal utilities fund, shall be filed with the city auditor. The city auditor shall examine each claim filed and determine whether or not it is properly

# City Population

<u>Population</u>	<u>City</u>		
6	RUSO	26	AMIDON
9	GRANO	28	MONANGO
11	BERGEN	28	HAMBERG
12	HANSBORO	28	LEITH
13	PERTH	28	LANDA
13	KIEF	29	BRINSMADE
19	LORAINÉ	29	LUDDEN
19	BANTRY	30	WALES
19	MYLO	31	FORTUNA
19	OVERLY	35	BERLIN
19	HAYNES	36	LEAL
20	HANNAH	38	GARDENA
20	BALFOUR	42	LAWTON
21	LOMA	42	HENSEL
23	AYR	43	REGAN
23	VENTURIA	43	BRADDOCK
23	GASCOYNE	44	KRAMER
23	AMBROSE	44	LUVERNE
23	CONWAY	44	ELLIOTT
24	CALIO	46	SIBLEY
24	PILLSBURY	47	ANTLER
25	SARLES	48	ROSS
26	BUCYRUS	49	EGELAND
26	YORK	50	WOLFORD
26	CALVIN	51	VOLTAIRE
26	SPRING BROOK	51	FAIRDALE
		51	NEKOMA
		51	ALAMO
		51	CLIFFORD
		51	FREDONIA
		53	BENEDICT
		53	COURTENAY
		56	ALICE
		56	CATHAY
		57	NIAGARA
		57	DICKEY
		59	KNOX
		60	HAMPDEN
		61	ROGERS
		61	CAYUGA
		61	ARDOCH
		62	SENTINEL BUTTE
		63	TOLLEY
		63	KATHRYN
		63	WHITE EARTH
		64	FORBES
		64	DOUGLAS
		65	NORTH RIVER
		65	BROCKET
		66	PINGREE
		66	BATHGATE
		68	PRAIRIE ROSE
		68	ALSEN
		69	BARNEY
		70	FORT RANSOM
		70	NOME
		71	GRACE CITY
		71	MCHENRY

71 ROBINSON	91 COLFAX	131 LANKIN
71 MANTADOR	91 MAXBASS	131 PORTAL
72 SPIRITWOOD LAKE	91 HAGUE	133 FINGAL
73 HAMILTON	91 DAZEY	133 MOUNTAIN
73 FLAXTON	91 HURDSFIELD	134 GLENFIELD
73 BALTA	92 BUTTE	135 SHELDON
75 DAWSON	92 RYDER	139 BOWDON
75 DWIGHT	94 HAVANA	140 MARMARTH
75 WARWICK	96 MARTIN	141 ZEELAND
76 JUD	96 PISEK	145 MAKOTI
77 CHURCHS FERRY	100 MEDORA	146 MARION
77 PALERMO	102 INKSTER	147 ARGUSVILLE
77 BUCHANAN	103 MONTPELIER	148 CARPIO
78 BRIARWOOD	105 ARNEGARD	149 CRARY
79 EPPING	106 TUTTLE	150 TAYLOR
80 GARDNER	106 GOLVA	151 COLUMBUS
80 PEKIN	106 COLEHARBOR	153 CHRISTINE
80 WOODWORTH	108 VERONA	153 SYKESTON
81 OBERON	109 SHARON	154 NOONAN
83 SOURIS	112 CLEVELAND	154 FOREST RIVER
85 MILTON	114 LEHR	155 UPHAM
85 FULLERTON	118 DEERING	157 STARKWEATHER
86 MERCER	118 GREAT BEND	157 GALESBURG
86 SOLEN	119 KARLSRUHE	159 ESMOND
88 PETTIBONE	122 DUNN CENTER	161 KENSAL
88 NEWBURG	124 WING	163 GOODRICH
89 AMENIA	125 DODGE	165 COGSWELL
89 ALMONT	128 ORISKA	166 PICK CITY
90 DONNYBROOK	129 WILDROSE	167 BISBEE

167 PLAZA  
167 CRYSTAL  
172 STREETER  
174 OSNABROCK  
174 LIGNITE  
181 HANNAFORD  
181 GRANDIN  
181 REEDER  
183 GOLDEN VALLEY  
189 WALCOTT  
189 RHAME  
191 LITCHVILLE  
194 ROCK LAKE  
194 SANBORN  
195 PETERSBURG  
201 BINFORD  
202 TOLNA  
202 GRENORA  
203 ADAMS  
204 MOORETON  
209 DES LACS  
209 BUFFALO  
210 TAPPEN  
211 REGENT  
217 ALEXANDER  
220 RUTLAND  
221 WILLOW CITY  
223 SELFRIDGE  
225 PAGE

227 HALLIDAY  
228 FORT YATES  
231 ZAP  
237 WIMBLEDON  
237 HAZELTON  
243 GILBY  
248 OXBOW  
248 GLADSTONE  
252 EDINBURG  
252 TOWER CITY  
253 LANSFORD  
254 REILES ACRES  
255 LEONARD  
255 SHERWOOD  
256 EDMORE  
261 DAVENPORT  
266 FORDVILLE  
268 MUNICH  
273 RIVERDALE  
273 FRONTIER  
274 NEW LEIPZIG  
278 MAX  
282 ANAMOOSE  
284 ANETA  
285 FLASHER  
286 GRANVILLE  
292 HOOPLE  
296 ABERCROMBIE  
303 HOPE

304 SCRANTON  
307 SOUTH HEART  
309 POWERS LAKE  
318 SHEYENNE  
318 MINNEWAUKAN  
319 CARSON  
322 DRAKE  
326 HUNTER  
335 MEDINA  
335 GACKLE  
345 STANTON  
345 MICHIGAN  
350 REYNOLDS  
350 BUXTON  
358 ST. JOHN  
370 MANVEL  
374 GLENBURN  
377 SAWYER  
402 ARTHUR  
406 FAIRMOUNT  
406 BOWBELLS  
415 MCCLUSKY  
422 KULM  
437 NECHE  
447 ST. THOMAS  
464 LEEDS  
466 BERTHOLD  
470 MCVILLE  
498 MADDOCK



506 FORMAN	781 LAKOTA	1279 STANLEY
510 EMERADO	803 HEBRON	1307 HETTINGER
515 FINLEY	807 WILTON	1318 GARRISON
533 WESTHOPE	808 MOTT	1321 LINTON
533 WYNDMERE	812 UNDERWOOD	1342 CANDO
534 RAY	812 MOHALL	1367 NEW TOWN
538 ROLETTE	857 NAPOLEON	1389 WASHBURN
549 STRASBURG	865 GLEN ULLIN	1417 ROLLA
555 NEW ENGLAND	866 BELFIELD	1433 LARIMORE
574 TOWNER	882 ASHLEY	1435 WATFORD CITY
580 TURTLE LAKE	913 DRAYTON	1463 NEW ROCKFORD
604 PORTLAND	917 SURREY	1535 PARK RIVER
606 MAPLETON	918 HORACE	1537 CAVALIER
607 HARWOOD	938 NEW SALEM	1559 ELLENDALE
614 KINDRED	944 LAMOURE	1563 HILLSBORO
619 RICHARDTON	947 ENDERLIN	1600 BOWMAN
625 FESSENDEN	959 NORTHWOOD	1730 LINCOLN
637 EDGELEY	981 PARSHALL	1855 CASSELTON
642 PEMBINA	1006 THOMPSON	1953 MAYVILLE
657 MINTO	1049 VELVA	1979 OAKES
659 ELGIN	1053 COOPERSTOWN	1989 HARVEY
678 CENTER	1057 WALHALLA	2101 LANGDON
707 HATTON	1058 HANKINSON	2268 CARRINGTON
711 MILNOR	1081 KENMARE	2292 LISBON
713 KILLDEER	1089 CROSBY	2336 BOTTINEAU
717 GWINNER	1096 BURLINGTON	2457 HAZEN
738 LIDGERWOOD	1116 BEACH	2939 RUGBY
739 DUNSEITH	1122 WISHEK	3152 BEULAH
761 STEELE	1125 TIOGA	4516 GRAFTON

6826 VALLEY CITY

7222 DEVILS LAKE

8586 WAHPETON

12512 WILLISTON

14940 WEST FARGO

15527 JAMESTOWN

16010 DICKINSON

16718 MANDAN

36567 MINOT

49321 GRAND FORKS

55532 BISMARCK

90599 FARGO

#7

In opposition of HB1449

Good morning Chairperson Johnson and members of the House Political Subdivision Committee. I am Larry Syverson, a farmer from Mayville and Chairman of the Board of Township Supervisors of Roseville Township of Traill County. I am also the President of the North Dakota Township Officers Association. NDTOA represents nearly 6,000 township officers in 1,340 dues paying member townships.

In the 2009 session Senate Bill 2012 provided some much needed funding to township roads, it also created a reporting requirement that each subdivision that receives funding must report the uses of funding. We feel that the legislature having this information is beneficial to townships; it can only help us when it is known how the great majority of our funds are spent on roads and road maintenance.

A new form "the Transportation Funding Report" was developed for use by all that were required to file. But townships were already reporting their financial details with their county auditors each year, the same numbers on a different form. The new form contains many items that are not used or even understood by local officials that have never had to deal with those items. "Do we have that? I don't even know what that is?" were common questions we faced.

Now HB 1449 would create another reporting requirement, how many times will public servants working for little or nothing, be required to fill in the same numbers in varying orders? If a taxpayer is curious about the finances of a township he can get the information from the auditor of that county, they are public records, if that taxpayer is a resident of that township he can even move amendments to the budget of that township at the annual meeting held in that

township every third Tuesday in March. How much more “transparent” can a government get. Representatives of the League of Cities have indicated that some of the smallest cities share the same problems with these reports.

Do residents and taxpayers need to see the resources of their townships, towns and counties diverted from roads and other necessities to satisfy yet another reporting requirement? To satisfy some curiosity? Information is not knowledge. I recall in a past session a legislator with some numbers that indicated that North Dakota had an inordinate number of public “employees”; surely reducing that number would reduce spending, logical right? The reason there are so many employees is that Township Officers are counted as employees. Replacing hoards of officers that receive little or no compensation with even a few “FTE’s” would very likely result in even greater expense. A few numbers, taken out of context, may be information but again they are not knowledge.

The North Dakota Township Officers Association asks that you give HB Bill 1449 a do not pass recommendation.

Thank you Chairperson Johnson, that concludes my prepared testimony this morning and I will try to answer any questions you or the Committee may have.

#1

Prepared for: Rep. Kim Koppleman  
Prepared by: Jessica Braun, Legislative Intern, House Political Subdivisions Committee

PROPOSED AMENDMENT TO HOUSE BILL 1449

Page 1, line 7, replace "budget information" with "the annual budget adopted by the governing body"

Page 1, line 10, remove "which the director determines is relevant and"

Page 1, line 11, replace "is not" with ". The official who submits the annual budget to the director of the budget may not submit any information that is"

Page 1, line 11, remove "or exempt"

Page 1, line 11, after the underscored period insert "In lieu of submitting the annual budget adopted by the governing body to the director, the governing body may provide to the director a publicly accessible internet link on which the annual budget adopted by the governing body may be found."

Renumber accordingly

\* \* \* \* \*

"The governing body of each political subdivision shall submit the annual budget adopted by the governing body to the director of the budget for inclusion in the budget database website. The director of the budget shall include in the budget database website any information submitted by the governing body of a political subdivision. The official who submits the annual budget to the director of the budget may not submit any information that is confidential under state or federal law. In lieu of submitting the annual budget adopted by the governing body to the director, the governing body may provide to the director a publicly accessible internet link on which the annual budget adopted by the governing body may be found."

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