2015 HOUSE POLITICAL SUBDIVISIONS

HCR 3039

2015 HOUSE STANDING COMMITTEE MINUTES

Political Subdivisions Committee
Prairie Room, State Capitol

HCR 3039
3/5/2015
24374

☐ Subcommittee
☐ Conference Committee

Amanda Muscha

Explanation or reason for introduction of bill/resolution:

Directing the Legislative Management to study the software needs for all cities and counties in the state to make specified property tax information available online.

Minutes: Testimony 1, 2, 3

Chairman Klemin: Opened hearing on HCR 3039

Representative Hanson: Introduced the bill- I am in favor of this bill and I will start where I went to college. My professor once said 'There is all this debate what the meaning of life is and it is easy, I have discovered the meaning of life a long time ago. It is about learning more and more all the different things that are happening in the world and universe and realizing how insignificant you are.' House Bill 1069 was sent to the finance and tax committee. It was a bill I drafted when I discovered there are few counties that I could not find online. I could not find any property tax information available online. The bill got shot down based on cost and the more I looked into it I realized we have a stop start motion with our capacity to modernize our municipal and county governments. We have individual bills that start the debate that joins a larger debate but almost inevitably those individual points get killed on the basis of larger causes of not being able to do so. We had a meeting with the association of counties, the chairs of the finance and tax committees that want to move closer where many people recommended a study. My goal would be to have an interim where these people looking into the taxes and have available an idea for the next legislative session to make it all available for viewing. This will make it easier to do business and have access to information. This bills language right now- I want to make sure it doesn't limit to only property tax information should the interim committee deem there is other information necessary to have online. This was originally supposed to be in the finance and tax committee.

Representative Becker: Over the weekend I received emails referencing this but they said they would appreciate the money to do this study. Is there any connection between the request for the money and this bill?

Representative Hanson: I could see this costing the state as a one-time fee if we decided to get a program next session but certainly not that much.

Representative Hatlestad: Basically you are looking at standardization across the state at every level so that we can compare.

Representative Hanson: Correct. I see this coming up every session and it usually fails due to expenses. I was trying to address all the areas brought up.

Representative Kelsh: I think all counties use the same tax form. Is that true?

Representative Hanson: When you say form do you mean the application to pay the taxes?

Representative Kelsh: Yes

Representative Hanson: I didn't think that was the case.

Representative Kelsh: This doesn't have anything to do with the tax form. It is more of individual property being on the website that you could look up to find the property tax and the value? Is that what you are looking for?

Representative Hanson: Yes that would be the jist of it. I am looking for how we as a state can help all levels of government to get information online.

Representative Kelsh: You have cities and counties would they be listed separately?

Representative Hanson: The study is to figure that out.

Representative Koppelman: We have seen this many times about making information available online. Is there a reason yours is so narrow?

Representative Hanson: I think the other information should be involved as well.

Representative Maragos: Would you like to amend out the word property?

Representative Hanson: We do have a suggested amendment. If you add 'and public' after tax.

Blake Crosby: Testimony 1- During the interim there was discussion about data that is available out there and being able to compare. This is public information and there is concern about being able to use it. Some people brought up the idea of an open data platform. It was incredible software and dealt with everything from voter turnout to fireman response time and property taxes. We want to involve all of that. I like things done based on data and facts. We have all the data out there we just need to get it together to be comparable. The ability to consolidate all of the information would be there. The only way this will work is if the state will pay for it and it won't be much. Everyone needs to use the same software package.

Chairman Klemin: This refers to cities and counties and they aren't the only Political Subdivisions affected. Where it says cities and counties maybe it should say political subdivisions.

Blake Crosby: I agree.

Donnell Preskey: Testimony 2

Representative Toman: You gave us these stats and percentages seem kind of low. Are you support of expanding the study?

Donnell Preskey: We would be in support of that and that too relates to the other study SCR 4001.

Chairman Klemin: Any information may be useful but deadline is coming up.

Representative Koppelman: Do you see your organization playing a role in this to move it forward?

Donnell Preskey: That is difficult to answer. I am interested in contacting the 7 counties without websites. This is a business for most of them and we would have to take into consideration those factors. We visited with DPI because they did something similar with the schools.

Representative Koppelman: It appears that smaller counties have a higher percentage of people going online to find information.

Donnell Preskey: I believe that relates to some of the activities out west. A lot of the people who are viewing the information are in the real estate industry.

Representative Koppelman: I have written up some amendments for the resolution already (testimony 3) with that I move the amendments.

Representative Beadle: Second

A Voice Vote Was Taken: Motion Carries

Representative Zubke: I move do pass as amended and place on the consent calendar if the roll call is right for that.

Representative Koppelman: Second

Representative Kelsh: We have really broadened budgetary with all the information involved.

Chairman Klemin: The state will be financing that apparently.

Representative Koppelman: my only hesidnecy is exactly that point. I am concerned that after the study there may be a big fiscal note on a bill somewhere and I don't think that is necessary but that may be a battle we have to fight. In terms of Representative Kelsh's point I don't think expansion in fact, it was Mr.Crosby who suggested we include public information and that is much broader. I said other public information meaning not all of it because you would have every document. I don't think that is the intent. It seems to me that the property tax information is probably the most difficult to capture and publish on a website. The others may not be as difficult. This is simply a study so we would be looking at all those how to's in the study.

Chairman Klemin: I think it will be interesting to find out how much it will cost.

Representative Koppelman: My only other question is that it says this is a 'shall study'.

Chairman Klemin: I have been informed that all these resolutions are.

Representative Koppelman: I realize it is still up to them but the language doesn't say consider.

Representative Kelsh: On a resolution it does not matter on a bill it does.

Chairman Klemin: It doesn't always matter then either.

Representative Beadle: I think they do that because otherwise they are considering considering the study as opposed to considering the study itself. Pretty much most resolutions I have seen this session have not said consider they say shall.

A Roll Call Vote Was Taken: Yes 13, No 0, Absent 1 (Strinden)

Representative Zubke will carry the bill

PROPOSED AMENDMENTS TO HOUSE CONCURRENT RESOLUTION NO. 3039

Page 1, line 2, replace "cities and counties" with "political subdivisions"

Page 1, line 2, remove "property"

Page 1, line 2, after "tax" insert ", budgetary, and other public"

Page 1, line 6, remove "specific"

Page 1, line 7, remove "property tax"

Page 1, line 10, replace "cities and counties" with "political subdivisions"

Page 1, line 11, remove "property"

Page 1, line 11, after "tax" insert ", budgetary, and other public"

Renumber accordingly

2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 3039

House __Political Subdivisions__ Committee

☐ Subcommittee   ☐ Conference Committee

Amendment LC# or Description: __15.3107.01001__

Recommendation: ☒ Adopt Amendment
                  ☐ Do Pass   ☐ Do Not Pass   ☐ Without Committee Recommendation
                  ☐ As Amended   ☐ Rerefer to Appropriations
Other Actions: ☐ Reconsider   ☐ _____

Motion Made By __Koppelman__   Seconded By __Beadle__

Representative	Yes	No	Representative	Yes	No
Chairman Lawrence R. Klemin			Rep. Pamela Anderson		
Vice Chair Patrick R. Hatlestad			Rep. Jerry Kelsh		
Rep. Thomas Beadle			Rep. Kylie Oversen		
Rep. Rich S. Becker			Rep. Marie Strinden		
Rep. Matthew M. Klein					
Rep. Kim Koppelman					
Rep. William E. Kretschmar					
Rep. Andrew G. Maragos					
Rep. Nathan Toman					
Rep. Denton Zubke					

Voice vote motion carries

Total   (Yes) _____   No _____

Absent   _____

Floor Assignment   _____

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

2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 3039

House **Political Subdivisions** _____ Committee

☐ Subcommittee   ☐ Conference Committee

Amendment LC# or Description: _____

Recommendation: ☐ Adopt Amendment
                 ☒ Do Pass   ☐ Do Not Pass   ☐ Without Committee Recommendation
                 ☒ As Amended   ☐ Rerefer to Appropriations
Other Actions: ☐ Reconsider   ☒ consent calander _____

Motion Made By _Zubke_____   Seconded By _Koppelman_____

Representative	Yes	No	Representative	Yes	No
Chairman Lawrence R. Klemin	X		Rep. Pamela Anderson	X	
Vice Chair Patrick R. Hatlestad	X		Rep. Jerry Kelsh	X	
Rep. Thomas Beadle	X		Rep. Kylie Oversen	X	
Rep. Rich S. Becker	X		Rep. Marie Strinden	—	
Rep. Matthew M. Klein	X				
Rep. Kim Koppelman	X				
Rep. William E. Kretschmar	X				
Rep. Andrew G. Maragos	X				
Rep. Nathan Toman	X				
Rep. Denton Zubke	X				

Total   (Yes) _13_____   No _0_____

Absent _1 (Strinden)_____

Floor Assignment _Zubke_____

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

Motion carries

REPORT OF STANDING COMMITTEE

HCR 3039: Political Subdivisions Committee (Rep. Klemin, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HCR 3039 was placed on the Sixth order on the calendar.

Page 1, line 2, replace "cities and counties" with "political subdivisions"

Page 1, line 2, remove "property"

Page 1, line 2, after "tax" insert ", budgetary, and other public"

Page 1, line 6, remove "specific"

Page 1, line 7, remove "property tax"

Page 1, line 10, replace "cities and counties" with "political subdivisions"

Page 1, line 11, remove "property"

Page 1, line 11, after "tax" insert ", budgetary, and other public"

Renumber accordingly

2015 SENATE POLITICAL SUBDIVISIONS

HCR 3039

2015 SENATE STANDING COMMITTEE MINUTES

Political Subdivisions Committee
Red River Room, State Capitol

HCR 3039
4/2/2015
Job Number 25738

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature	*M Jworch*

Explanation or reason for introduction of bill/resolution:

A concurrent resolution directing the Legislative Management to study the software needs for all political subdivisions in the state to make specified tax, budgetary, and other public information available online

Minutes:

Attachment #1

Chairman Burckhard opened the hearing for HCR 3039. All senators were present.

Rep. Ben Hanson sponsor and testified in favor of HCR 3039. It came about due to a separate bill of mine that I had out this session involving or specifically requiring the counties to have their property tax record be available on line. Currently, 23 of our 53 counties offer them on line and another 30 do not. As per usual with some of these bills, the cost factor came up. Ultimately it kind of doomed that bill and I thought to myself, I've seen numerous other bills around this topic trying to put what is already public information available and make it available on line. I watched the inertia kind of not follow through. There are a lot of stops and starts and individual aspects like tax records being on line, budgets being made on line, on one big state website with every county having their own website. I thought to myself, in speaking with the Chairs of Finance and Tax, where the bill was at the time, maybe our study should be proposed maybe over the course of the interim and speaking with the Association of Counties and League of Cities maybe there could be a study throughout interim, if I could I would be able to guide it through if it were to pass to help come with a solid set of recommendations for the 2017 session that we decide exactly which pieces of already publicly available information we deem to be required to be on line and one of the very cheapest way of getting it on line or making it so there is truly a one-time cost to getting this up versus a continual website creation, software updating, training, local staff. I thought from the real estate perspective it would be easier to look up specific documents on line and open for business.

Senator Anderson As you probably know, there is no such thing as a one- time cost when you're talking about software or maintenance of a website. Somebody got to not only pay to keep this software up, but they also have to find somebody who will monitor the website and make sure it is current and active an everything else. Can you talk a little bit about that and who ought to be responsible for those on-going costs?

Rep. Ben Hanson What we're hoping to do with the study and I believe some of the folks are here will testify to the fact, is I find that where governments usually stumble when it comes to updating things on line or getting updated with the new technology as it were is when they try and create their own packages. We are seeing more and more now especially in specifically designed for rural areas for states like ours pre-made software packages that can simply be bought off the shelf, handed to these counties and they simply are able to update that information. Now there will definitely be some back logging, that we have a lot of paper records that we have to do and do we want to hire extra staff to that or do we just want to let that take place over a set period of time. I don't know. I think that is part of the degrees that we have to get into while studying it in the interim. But I do take your point that there is no such thing as one time cost, but I know it can be made vastly more affordable than some of our fun experiments we've done with websites in the recent past with state level government.

Senator Anderson Do you think we should put a provision in the study that ITD does not get the responsibility for it, is that what I hear you're saying?

Rep. Ben Hanson I just figured I would let the interim committee make those decisions.

Senator Judy Lee Do you recall because I think this is the case, if Cass County did not. Cass developed its own website and I have been spoiled and I use that and frustrated when I go someplace else in an adjoining county where it isn't available. But, I thought that they developed their program for all of the disclosures about the previous year's taxes and so forth also. I know they are willing to sell it to other counties. Do you know anything about that?

Rep. Ben Hanson I actually had not heard the last part where they are willing to sell it to the other counties. So I don't know in my conversations with the Association of Counties, it hasn't come up but I think it would be a great question for them. I hadn't heard that particular aspect.

Senator Bekkedahl Good study and you've got some great sponsors on here. What intrigues me about this is the transparency and the ability to have the interaction between counties as Senator Lee has talked about which we don't have now. I know that my county has a website that when I go on is not the easiest to work with. But I guess it works for them. But, what intrigues me about this as well is the ability possibly we have all these studies and information requests from Legislatures from agencies and even from the general public, and you're going to all these different source points is very difficult to manage. You never get really the true picture. But this could bring some congruence to even me wanting to access some state tax information and data. It could accessible from my home and not necessarily going through Legislative Council with my requests. They have enough to do. Maybe this makes it easier for all of that to occur to so I would support the study from that aspect as well.

Rep. Ben Hanson Briefly, one of the goals we are hoping to achieve with this is making a one-stop shop where someone can. I mean the Association of Counties, League of Cities, our numerous government entities, can have. We have ran into a lot of trouble I know in my 2 sessions here trying to require folks to have a website. But if you have a hub-site where

these counties because there are 7 counties that I discovered when doing this, in House Finance and Tax committee, that do not have websites. The conversation kind of became well were not there yet. I remember the chairman said it is 2015 if we're not here yet, are we ever going to be there, become the question. If you have that hub-website it becomes the one stop shop that allows someone like yourself to go there and say I wonder what that is compared to Ransom County. Well how does that compare to Golden Valley County and we can do side-by-side comparisons

Senator Bekkedahl So do you see this as being a pick them off the shelf packages of software, and do you see them as being sophisticated enough to allow those types of queries where you could just query in a search word and it would compile the data for you and give it out on the state wide basis, is that how that is how that software works when its that generic?

Rep. Ben Hanson I shouldn't pretend to know too much about it. Actually it was brought to me by Blake from League of Cities. I cannot imagine in this day age that software package couldn't be able to give you that compare and contrast when we have an international movie data base I can give you every box office gross for the past 30 years.

Senator Judy Lee Just for the committee's information, we spent $400,000 I think it was maybe 4 years ago, so that we've got everything in the state on line and that maybe 6 people there have accessed it. That is part of the challenge as well. We are really want, to be transparent in state government but honestly, there aren't that many users. I think there is way more likely of being used for local and county information. I would personally find that even more useful than the stuff that the state budget whether or not the Department of Human services bought a new computer. I see a real benefit to having a local and state health information hub, county/city information hub.

Blake Crosby Executive Director, North Dakota League of Cities. Written testimony #1. (11:11-18:21) in favor of HCR 3039. Respectfully ask for a do pass on this study if selected.

Senator Anderson This might have an obvious answer, but you've obviously decided that rather than the Association of Counties and the League of Cities getting together and endorsing a particular package that you think people could generally agree on, that it would be better to have the state do the RFP and then mandate everybody using it. Is that what I understand?

Blake Crosby Yes, that is correct because I want this to be driven top down. I don't want it to kind of come into the middle or from the bottom because I think that allows for too much gray area. If the political subs answer to the state and I would just assume stay that way.

Terry Traynor Association of Counties The association does support this resolution probably not with the enthusiasm of my counterpart from the cities. We have done a number of initiatives with counties trying to bring them together on software packages. The needs as been talked about are very different from Cass County to Slope County and there is a reluctance sometime to incur the cost administratively as well as financially for the small counties to meet all of the needs of the big counties. The bit counties are reluctant to lose the functionality they see if they move the other way. So there is a lot of give and take

that needs to take place and that's why I think the study is so important. I am less enthused by the top down approach. I like the idea of collaborative decision making where everyone can come together and agree, but that can be hard because of the differences. We do have 23 counties that have tax data on-line right now. If you go to ndtaxpropertytax.com is the website where one of the tax software vendors. Counties who have the responsibility for maintaining all of the tax data have 7or 8 different software packages that calculate bills and maintain that information. One of the vendors provides that service as part of their software and they've created this site for their software purchasers but they've also opened the site to at least provide pointing to those other counties that do it independently, separately or with another software package, which I think is great that they have that. So there is one location you can find all 23 counties and go to that information. But you will find if you go to several of them, you're not going to see it exactly the same either, because it is handled by different software. That is the challenge and I think that is what the study will show, that there are challenges but I do think we can get there. As Senator Lee pointed out though, in our survey of the counties that can track the page views of their specific tax information or financial information, unfortunately, unless you have a really robust real estate community that is looking for that information for business purposes you really don't see an awful lot of use. So you have to look at the cost benefit as well.

Chairman Burckhard for those in the audience who were opposed or in neutral testimony for HCR 3039.

Chairman Burckhard closed the hearing on HCR 3039.

Senator Grabinger I move do pass on HCR 3039
2nd **Senator Bekkedahl**
Roll call vote
6-0-0
Carrier: Senator Judy Lee

2015 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. *3039*

Senate   Political Subdivisions   Committee

☐ Subcommittee

Amendment LC# or Description: _____

Recommendation: ☐ Adopt Amendment
                  ☑ Do Pass   ☐ Do Not Pass   ☐ Without Committee Recommendation
                  ☐ As Amended   ☐ Rerefer to Appropriations
                  ☐ Place on Consent Calendar
Other Actions: ☐ Reconsider   ☐ _____

Motion Made By _Sen. Grabinger_   Seconded By _Senator Bekkedahl_

Senators	Yes	No	Senators	Yes	No
Chairman Burckhard	X				
Senator Anderson	X		Senator Dotzenrod	X	
Senator Bekkedahl	X		Senator Grabinger	X	
Senator Judy Lee	X				

Total   (Yes) _____6_____   No ____0____

Absent _____0_____

Floor Assignment _Sen. Judy Lee_

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

REPORT OF STANDING COMMITTEE
HCR 3039: Political Subdivisions Committee (Sen. Burckhard, Chairman) recommends
DO PASS (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HCR 3039 was
placed on the Fourteenth order on the calendar.

2015 TESTIMONY

HCR 3039

March 5, 2015

HOUSE POLITICAL SUBDIVISIONS COMMITTEE
HCR 3039

CHAIRMAN KLEMIN AND MEMBERS OF THE COMMITTEE:

For the record my name is Blake Crosby. I am the Executive Director of the North Dakota League of Cities and I am here in support of HCR 3039 as amended.

We now have the capability through a number of software vendors to take public sector data and use open data platforms to increase transparency and create a better informed citizenry. Timely and understandable data make for better public policy and a public that has an informed voice. Using data to drive decision making increases operational efficiency and economic impact.

The public sector data is there. It already is public information but it is not consumer friendly, it is not understandable and it does not allow for usable analysis. There is a nationwide trend to open that data to consumers, political subdivisions and policy makers. North Dakota would be wise to get on board.

I ask for your support of HCR 3039 as amended.

THANK YOU FOR YOUR TIME AND CONSIDERATION. I will try to answer any questions.

Testimony to the
House Political Subdivisions
3/5/15
ND Association of Counties

Relating to HCR 3039: Study Property Tax Info Online

Chairman Klemin and committee members, I'm Donnell Preskey with the North Dakota Association of Counties. The County Auditors Association supports the study proposed in HCR 3039. This concept of putting property tax information online is more complicated than many people may realize and therefore, the study is a necessary step in ensuring the many components involved in getting the end result are given proper consideration.

We understand the desire for this information to be available online state-wide. Currently 23 of the 53 counties display property tax information online. The ndpropertytax.com website shows 1/3 of the counties online property tax information. A vendor hosts that information. This may be a good example to build from.

We want to stress that another piece of the research should be cost. Counties who've already taken this on have found it is not a cheap process. There are a variety of software vendors and the cost varies with the detail of service being provided. Burleigh just signed a contract for $356,000 and will be paying $62,000 for first year maintenance. Stutsman paid $210,000 and will be paying $20,000 a year for maintenance. It may be necessary for the study to look into possible funding strategies to help the smaller counties pay for whatever the legislature may require so the mandate doesn't fall on the backs of the taxpayers.

We were asked by another committee to reach out to our counties and provide information on how often their property tax information is accessed online. I thought you may be interested in that information as well. I also used 2013 population data from the counties to calculate a percentage of views based on population in those counties.

In Morton County, views to the property tax page account for 2.9% of the total website use. In Cass County 10% of the website users are looking at the property tax page. The percentage of views based on population varies but the numbers represent a minority of the residents and in most counties it is a relatively small percentage of residents who are looking up their property tax information online.

COUNTY	VIEWS PER MONTH	POPULATION	% of VIEWS BASED ON POP
Cass	12,345	162,829	8%
Morton	2,500	28,990	9%
Burleigh	6,500	88,457	7%
Barnes	705	11,190	6%
Dunn	600	4,162	14%
LaMoure	450	4,166	11%
Mountrail	3,435	9,376	37%
Pembina	490	7,181	7%
Ransom	465	5,516	8%
Sargent	435	3,890	11%

We would encourage this study to include the experts. A group designed much like the Property Tax Reform Task force would be ideal. The group should include legislators, City and County auditors and tax directors along with representatives from the League of Cities and NDACo.

Proposed Amendment to HCR 3039

Page 1, line 2, replace "cities and counties" with "political subdivisions"

Page 1, line 2, overstrike "property"

Page 1, line 2, after tax insert ", budgetary, and other public"

Page 1, line 6, overstrike "specific"

Page 1, line 7, overstrike "property tax"

Page 1, line 10, replace "cities and counties" with "political subdivisions"

Page 1, line 11, overstrike "property"

Page 1, line 11, after "tax" insert ", budgetary, and other public"

April 2, 2015

SENATE POLITICAL SUBDIVISIONS COMMITTEE
HCR 3039

CHAIRMAN BURCKHARD AND MEMBERS OF THE COMMITTEE:

For the record my name is Blake Crosby. I am the Executive Director of the North Dakota League of Cities representing the 357 cities across the State.

This study has my fingerprints on it, so a brief history. During the interim in Taxation Committee and the Governor's Tax Reform there was much discussion about transparency of and accessibility to publicly available data and being able to compare apples to apples for determination of public policy. Part of the discussion lead to the idea of a uniform chart of accounts which is really a bad idea because most people don't understand financial statements and even fewer understand fund accounting.

At the National League of Cities conference there were a number of vendors offering open data platform software using public sector data for analytics driven process and performance management. The software was especially geared towards transparency, public use, and policy makers. For instance:
- Budgets and how tax dollars are used
- Operational efficiency...using data to reduce cost of government
- Accountability...open data belongs to the public
- Improving public services...data driven decision making
- Economic impact

When I returned from the conference I met with Senator Cook and shared some of the information. Then, at the beginning of the session, Reps. Beadle and Hanson had a bill requiring property tax data to be on line so I met with them, Sen. Cook and representatives from the ND Association of Counties and suggested we pursue an inclusive study.

Page 2
HCR 3039
Senate Political Subdivisions

I am advocating the State RFP for an open data software package and offer it to the political subs. The packages are modular so they can use only what fits. The intent is to have a common software package being used by at least the larger political subs. Some cities and counties have already purchased modules from various providers and I would prefer this not go too far.

On behalf of the North Dakota League of Cities I respectfully request a do-pass and encourage your support of the study being selected.

THANK YOU FOR YOUR TIME AND CONSIDERATION. I will try to answer any questions.