

2015 HOUSE POLITICAL SUBDIVISIONS

HCR 3040

2015 HOUSE STANDING COMMITTEE MINUTES

Political Subdivisions Committee
Prairie Room, State Capitol

HCR 3040
3/5/2015
24373

- Subcommittee
 Conference Committee

Amanda Muscha

Explanation or reason for introduction of bill/resolution:

Directing Legislative Management to study the Airport Authorities Act, with particular attention to airport finances.

Minutes:

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Chairman Klemin: Opened discussion on HCR 3040. The bill sponsor has asked me to hold the bill until tomorrow but we will still open it in case anyone is here to testify.

Chairman Klemin: Due to there being no support, opposition, or neutral testimony we will close the hearing until tomorrow.

2015 HOUSE STANDING COMMITTEE MINUTES

Political Subdivisions Committee Prairie Room, State Capitol

HCR 3040
3/6/2015
24373

- Subcommittee
 Conference Committee

Amanda Muscia

Explanation or reason for introduction of bill/resolution:

Directing Legislative Management to study the Airport Authorities Act, with particular attention to airport finances.

Minutes:

Testimony 1, 2, 3

Chairman Klemin: Opened discussion on HCR 3040.

Representative Schreiber-Beck: Testimony 1

Representative Koppelman: In your experience operating the airport have you seen a marked change? In a smaller airport are more people flying? Do you see more activity?

Representative Schreiber-Beck: Some increased activity is due to economic development. We house sprayers at our airfield. As far as take off and landings the largest number is attributed to the sprayers. The largest area of activity is sprayers.

Kyle Wanner: Testimony 2

Representative Anderson: Do you think we will ever get to the point where we will have an airline that will just go from Fargo to Bismarck and Bismarck to Fargo in the same day?

Kyle Wanner: It has happened in the past but I don't see it happening again. What has happened recently is multiple businesses have started up providing charter services to our communities because it makes sense for them. I don't see any airline activity in trust date but airline activity has increased.

Chairman Klemin: I recall flying from Minneapolis to Grand Forks and stopping four times on the way.

Matthew Remyse: Testimony 3

Representative Koppelman: It sounds like your association represents a few airports and is that a growing trend? Are more people flying, getting their pilots license, and smaller business flying?

Matthew Remyse: Absolutely. My experience was with the Dickinson Airport and we did see an increase in general aviation at that airport. As far as private pilot numbers that is up too.

Katy Anderson: I am the mayor of Jamestown and we served on this interim. During the interim we looked at political subdivisions that were appointed boards like airport authorities and that resulted in SB 2056. In looking at that John Walstad mentioned there are a lot of areas where the airport authorities asked about that need to be studied. From Jamestown perspective traffic is up. Under this last authorization we were able to attract a great provider so we have SkyWest serving Jamestown and Devils Lake. We have also seen a general increase in aviation.

Representative Koppelman: Since you mentioned the central service piece- recently I saw those towns and on the news and it made them the poster children for arguably expensive sub-cities for smaller airports. Do you see a threat from the federal government for tailing that act?

Katy Anderson: It is not a new topic that essential air service is on a list for certain representatives on the federal government that they attack that service or feel like it is unnecessary. We see it is essential to economic development and for us to be hub for our industries that we host there. I think there is a lot of miscommunication and it happens about that funding source for the essential air service. I think some people feel it is their federal income tax dollar that is being spent. It is related to airports and following deregulation back when we did the milk-stop runs, after they deregulated airlines and they tried to create a more market driven system that is when the essential air service came into play and it created the sub-cities so that airlines would continue to serve communities like Jamestown and Devils Lake. The funding for that is out of the airport trust fund which is funded by fees that come from air travelers.

Representative Koppelman: I move a do pass and placement on the consent calendar

Representative Kelsh: Second

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

Representative Toman will carry the bill

**2015 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. HR 3040**

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 calendar

Motion Made By Koppelman Seconded By Kelsh

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		
Rep. Rich S. Becker	X		Rep. Marie Strinden	X	
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 (Oversen)

Floor Assignment Toman

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

Motion carries

REPORT OF STANDING COMMITTEE

HCR 3040: Political Subdivisions Committee (Rep. Klemin, Chairman) recommends DO PASS and BE PLACED ON THE CONSENT CALENDAR (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HCR 3040 was placed on the Tenth order on the calendar.

2015 SENATE POLITICAL SUBDIVISIONS

HCR 3040

2015 SENATE STANDING COMMITTEE MINUTES

Political Subdivisions Committee
Red River Room, State Capitol

HCR 3040
3/26/2015
Job Number 25474

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A concurrent resolution directing the Legislative Management to study the Airport Authorities Act, with particular attention to airport finances

Minutes:

Written testimony # 1 Matthew Remynse
Written testimony # 2 Kyle Warner

Chairman Burckhard opened the hearing on HCR 3040. All senators were present.

Rep. Cynthia Schreiber Beck I manage the Harristown- Wapheton, ND and serve as a commissioner on the North Dakota Aeronautics Commission. Additionally my business is located on the airport. House Concurrent Resolution 3040 is to direct Legislative Management to study the Airport Authority Act which is Ch. 2-06 of the North Dakota Century Code. The act has undergone minor changes since first enacted in 1959. Most recently within SB 2056 the act was modified to comply with the limitations of unelected or appointed boards including airport authorities. The modifications of it are to tax levy requests and bonding. The mandated changes in SB 2056, and the changes in aviation in ND since 1959 it was determined that the Airport Authority Act should undergo an review and specifically address the current financing and revenue needs of airports that are an integral part of the infrastructure of North Dakota.

Senator Bekkedahl The language is directive to study, not a "shall" consider, is that correct? That is what you're asking for?

Rep. Cynthia Schreiber Beck yes.

Senator Grabinger If I go might go back and ask Rep. Schreiber Beck for a question. Since this is a legislative study, this is directing a legislative study and mandating, is there a fiscal note with it to cover the cost?

Rep. Schreiber Beck no there was note a fiscal note connected to this. As a result of Senator Cooks 2056 that changed that airport authorities are not elected officials and therefore this has complicated the code a little bit and resultant in how airports are able to be bonded and such so we really need to review the fact. Yes, no official fiscal note has been attached.

Senator Judy Lee I think it would be appropriate and you can tell me if it is to say that this would be a conventional legislative management study, it would just be a mandated study. They are not asking for consultant but rather that the stakeholders who are involved would that be accurate?

Rep. Schreiber Beck Yes.

Matthew Remyne, President of the Airport Association of North Dakota, written testimony # 1, in support of HCR 3040.

Senator Bekkedahl On the resolution itself, it talks about Line 12, whereas the total passengers on the flights at regional North Dakota airports, can you just give a definition to the committee of regional North Dakota airports. I believe the others are considered commercial.

Matthew Remyne Regional airport in this case would be Dickinson, Williston, Jamestown and Devils Lake. That would be considered a regional airport. Of those four airports, Williston is a city owned and operated airport, so they are not an Airport Authority.

Senator Judy Lee Are there any other city owned airports in the state, besides Williston?

Kyle Warner Director of the Aeronautics Commission, in support of HCR 3040, written testimony # 2. (6:59-8:23)

Senator Anderson Rather than involve the Legislative Management in this one, why don't we direct the Airport Commission to do the study, since your affiliates are going to provide most of the information anyway?

Kyle Warner It is a very good question. We felt that involving all parties to provide a solution was the best practical way to ensure that when we bring the solution to the table in two years that there is buy-in from all the multiple facets of a legislative study.

Senator Anderson You realize that we approve this into the legislative management they may or may not pick the study, even though it says "shall study" that doesn't have much more effect as a 'might' or a 'may'.

Kyle Warner We do understand that, and we hope the Legislative body will prioritize this study as an important part to our transportation system in North Dakota.

Senator Bekkedahl I am just going to the language on the bill, Line 12 again, can you define what total passengers is? Is that enplanements statistics only, or total passengers counts enplanements and deplanements?

Kyle Warner As written in the language that is enplanements, so that is the numbers of people actually boarding a flight in North Dakota. If you were to also incorporate deplanements, which are people getting off plane the number would be at least twice that much.

Chairman Burckhard closed the hearing on HCR 3040.

Senator Judy Lee I move do pass on HCR 3040.

Senator Bekkedahl 2nd

Committee Discussion

Senator Dotzenrod Before we vote, I should note for the record that the in these bills that we've had in the session, 2144 and 2056, we've had Mr. John Walstad down to the tax committee and he has pointed out to us that this chapter is badly in need of some work. It is a very disjointed with a lot of parts of it that don't seem to connect and he has told us in the Tax Committee that this chapter really has some old sections to it and really needs some major work. From a standpoint of getting the pieces to fit, it really falls into the kind of work product that normally would come out of the people who draft and put together the things in the Council rather than is something like the Airport Commission or the Aeronautics Commission could do. It think it needs to be in an environment like a code reviser type of environment to get the work done.

Roll call vote:

6 Yea, 0 No, 0 Absent

Carrier: Senator Dotzenrod

REPORT OF STANDING COMMITTEE

HCR 3040: Political Subdivisions Committee (Sen. Burckhard, Chairman) recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HCR 3040 was placed on the Fourteenth order on the calendar.

2015 TESTIMONY

HCR 3040

HCR 3040

3/6/2015

1.1

HCR 3040 --- March 5, 2015 9:30am Political Subdivisions Committee; continued on March 6, 2015

Chairman Klemin and members of the Political Subdivision Committee, I am Cindy Schreiber-Beck, District 25 Representative.

I manage the Harry Stern Municipal Airport, Wahpeton ND and serve as a Commissioner on the North Dakota Aeronautics Commission. Additionally, my business is located on the airport.

House Concurrent Resolution 3040, is to direct Legislative Management to study the Airport Authorities Act, which is Chapter 2-06 of the North Dakota Century Code. The Act has undergone minor changes since first enacted in 1959. Most recently, within Senate Bill 2056, the Act was modified to comply with the limitations of unelected or appointed boards including airport authorities. The modifications are related to tax levy requests and bonding.

With the mandated changes in senate bill 2056 and the changes in aviation in North Dakota since 1959, it was determined that the Airport Authorities Act should undergo a review and specifically address the current financing and revenue needs of airports that are an integral part of the infrastructure of North Dakota.

Thank you for your time and consideration of HCR 3040.

Cynthia Schreiber-Beck

1251 Pegasus Road

Wahpeton ND 58075

701-642-5777

Mobile: 701-899-3232

tsa@702com.net

HGR 3040

3/6/2015

2.1

**TESTIMONY OF
KYLE C. WANNER
EXECUTIVE DIRECTOR, NORTH DAKOTA AERONAUTICS COMMISSION
BEFORE THE
HOUSE POLITICAL SUBDIVISIONS COMMITTEE
MARCH 6th, 2015
HOUSE CONCURRENT RESOLUTION NO. 3040**

Chairman Klemin and members of the committee, my name is Kyle Wanner and I am the Director of the Aeronautics Commission and will be providing testimony today in support of House Concurrent Resolution 3040.

The airports throughout North Dakota are currently experiencing a large increase in activity due to the rapid population growth of the state and strong economic conditions. Airport infrastructure investment is needed now more than ever and the short and long term needs have been identified within two independent, professional studies that have recently been conducted by the commission.

The Aeronautics Commission has long felt that one of its primary goals is to provide grant funding for airports to help meet the local cost share needed to maximize the use of available federal and state funds. Federal grants can be provided up to a 90% level on certain projects and if the local cost share is not available to accept the federal grant, then the communities are in danger of losing federal funds and critical airport projects. 36 out of 89 public use airports throughout North Dakota are also reliant solely upon state and local dollars to remain operational.

Due to the fact that such large infrastructure needs are present at the airports throughout the State and that an in-depth review of the Airport Authorities Act has not been conducted for over 50 years; the commission feels that now is the time to study and take action to modernize this Act. Due to the challenges of rising construction costs, it is of the opinion of the Commission that the current mill levy structure does not currently recognize the varying needs of each airport and many of our public airports are currently falling short of the local share needed to supplement federal and state grants.

On behalf of the Aeronautics Commission, I appreciate your support of this resolution.

HCR 3040
3/6/2015 3.1



Airport Association of North Dakota

Matthew Remyse - President Anthony Dudas - Vice President

Samuel Seefeldt - Sec. / Treasurer

PO Box 1560 Jamestown, North Dakota 58402-1560

(701) 355-1808

March 6, 2015

RE: Testimony to House Political Subdivisions Committee on HCR NO. 3040

Chairman Klemin and Committee members,

I am Matthew Remyse President of the Airport Association of North Dakota (AAND). Thank you for the opportunity to provide testimony in support of HCR 3040. AAND is an organization of North Dakota's airports and exists to promote aviation in North Dakota. AAND has among its members 77 of 89 North Dakota airports, including all eight commercial service airports.

This year's session has brought about several bills that offer changes to airport authorities. These suggested changes have prompted several meetings and discussions between Legislators, the Governor, the North Dakota Aeronautic Commission, Legislative Council and AAND. Through these discussions and meetings the parties have found the Airport Authorities Act to be in some cases conflicting and in need of clarification.

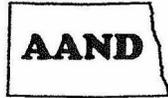
As you are aware, North Dakota airports are growing at a tremendous rate. They are balancing large financial and infrastructure needs with leaner budgets and funding provided by the Federal Aviation Administration. The Airport Authorities Act plays a large role in airport funding as it regulates bonding and mill levies for airports and with 84 of North Dakota's 89 airports subject to these laws, now more than ever is the time to conduct an in-depth study of the act.

It has been over fifty years since the Airport Authorities Act was put into law. In that fifty years the way airports are funded and managed has changed drastically. Just as airports have grown so should the authorities act and I would appreciate your support of HCR 3040. In addition I would like to add that AAND stands ready to participate in this very important study, if approved.

Sincerely,

A handwritten signature in blue ink that reads "Matthew Remyse".

Matthew Remyse
President AAND



Airport Association of North Dakota

HCR 3040
3.26.15
#1

Matthew Remynse - President Anthony Dudas - Vice President
Samuel Seafeldt - Sec. / Treasurer
PO Box 1560 Jamestown, North Dakota 58402-1560
(701) 355-1808

March 26, 2015

RE: Testimony to Senate Political Subdivisions Committee on HCR NO. 3040

Chairman Burckhard and Committee members,

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Sincerely,

Matthew Remynse
President AAND

H.C.R. 3040
3.26.15
#2

TESTIMONY OF
KYLE C. WANNER
EXECUTIVE DIRECTOR, NORTH DAKOTA AERONAUTICS COMMISSION
BEFORE THE
SENATE POLITICAL SUBDIVISIONS COMMITTEE
MARCH 26th, 2015
HOUSE CONCURRENT RESOLUTION NO. 3040

Chairman Burckhard and members of the committee, my name is Kyle Wanner and I am the Director of the Aeronautics Commission and will be providing testimony today in support of House Concurrent Resolution 3040.

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On behalf of the Aeronautics Commission, I appreciate your support of this resolution.