2015 SENATE POLITICAL SUBDIVISIONS

SB 2263

2015 SENATE STANDING COMMITTEE MINUTES

Political Subdivisions Committee
Red River Room, State Capitol

SB 2263
1/29/2015
Job number 22798

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

A Bill for An act to provide an appropriation to the department of transportation for matching grants for certain township streets and roads.

Minutes: Written testimony # 1 Vern Jacobson

Chairman Burckhard opened the hearing on SB 2263. All senators were present.

Senator O'Connell sponsor of SB 2263. Basically this was drafted for Lake Metigoshe. I did some research and tried to find the funding for it. The Strategic Improvement Fund (SIF fund) is for roads, streets, education and that kind of thing, but you cannot appropriate the money to a specific city or small town. So the reason it is appropriated to a county and then appropriated back to that person if that is clear. Basically Lake Metigoshe has about 900 homes on it. About 150 of them are full time households. The rest are the summer cabins. When I talk about the summer cabins there are some up in the $1M dollar plus range. What they are finding up there is the tax. The rural and township pays about 27% of the county taxes at this time. Evaluations have gone up tremendously up there. They feel the streets are in disrepair, with so much construction up there, with cement trucks and gravel trucks ruining their streets. So, they were looking at a two inch layer of asphalt over the top and it would cost about $2M dollars. If they went to the 4 inch asphalt it would be $4 M dollars. So, this was drafted as a matching. At least they would have skin in the game too. So, we appropriated $2 M dollars and they can match it for the $2 M or as the committee decides upon after hearing the testimony.

Senator Grabinger Do they have an association or something that the township is going to work through? They can do bonding and fund it like the rest of us with assessments? I mean why are they looking at this direction?

Senator O' Connell The reason they are looking at this direction is the taxes are that high now, another burden on them and what I am getting a lot of constituents, but not my constituents. About 150 live there of the 900, and why should we pay for the school when our children are going someplace else? We feel we're being taxed enough when we don't even live there. Now you're going to go and put another tax on, so this is going to be kind of a way to help ease the burden of the taxes and that's why I went through the SIF fund.

Senator Anderson It seems to me that other areas in the state would love to have a tourist attraction in their area that brings all those people in business and so forth to the area. I guess my question is why shouldn't the local people who are benefiting from that tourism and so forth, then pay the bills to keep the streets and roads and so forth up?

Senator O'Connell that is the reason I put in that they have to have some skin in the game too. I am trying to ease their burden. Most of them only live there three or four months of the year anyway. But, at the same time, I get a lot of kickback from the local people, why should we give anybody a break if you can take and afford a $1M dollar home you should be able to pay the taxes. Example cited (4:31- 4:55); Some of the residents are starting to sell and talking about selling because they can't afford the taxes to live on the lake anymore.

Vern Jacobson Written testimony #1. (5:07-9:00) in support of SB 2263.

Senator Grabinger You are the Chairman of the Township. Can you tell me what the township levy is? Have you been levying the max for these years?

Vern Jacobson We could levy about 11 more mills. We have tried to back off from levying those mills simply for the fact the taxes have risen so sharply in the last ten years. We try to keep as close to budget as we can to just maintain what goes on throughout the whole township. We are responsible. The lake pays 96% of rural and townships taxes. Of that amount, most of that money goes off the lake to pay for and take care of the roads throughout the whole township. To levy those taxes higher on everyone we get feedback from people that don't live on the lake or don't have property on the lake. They say why should we be paying higher taxes for you to take care of your roads? They don't realize how much of that budget goes out to the outlying areas.

Senator Anderson The park is administrated by the Park and Recreation. How about the Winter Park? Who runs the Winter Park?

Vern Jacobson It is run by a Board of Directors. The Bottineau Winter Park is basically owned by the Bottineau Parks, so they have a separate board that runs it. There is also a separate board that takes care of Annie's House and the Adaptive Ski Programs.

Senator Anderson Does the Parks and Rec Department have anything in their budget for the access to the roads going into the Peace Garden and so forth?

Vern Jacobson I can't answer that.

Senator Dotzenrod Were talking here about the dollar amount of around $4 M dollars for a 4 inch overlay. According to your testimony there are about 885 property owners. I am trying to compare this to a community or city. I you did the $4 M dollars and then divided by 885 your going to get about $4500. That is spread out over a 10 year period and you special assess that it will cost each home owner about $500 per year for 10 years. If you look at the similar project in just about any community in the state, if they came into the town and redid the roads and re-established a pretty good paved area, I think that you

would find that just about any community would be paying about a special assessment for that project of about $500 or somewhere give or take a $100. From the special assessment projects that I've seen, the paving projects, curb and gutter and similar projects that assessment to have that good road doesn't seem to me to be an unreasonable price to pay to have it really good, year around paved road at a cost per parcel of $500. I think it is pretty much on par on what you should expect in every community. It doesn't seem like the number is really, and this is without any state aid at all. I assume there is going to be some state aid paid on some of those roads. I don't know that. But, I am looking at it and thinking to get the job done, to get the work done, it doesn't appear to me to be unreasonable comparing that situation to what's going on in other communities around the state. If it's important for the people who live there, to just take it on as a special assessment project and do as any other community would. Can you comment on that?

Vern Jacobson We have already formed a Paving District. We're in the process and it's at the engineer for its preliminary estimate of what it is going to cost us. We hope to move forward whether this bill passes or not. This has been in our plans before we basically knew about this bill. So, keep in mind that just this past summer, at the State Park alone, there were 150,000 visitors. Those 150,000 people from all over the state, U.S. and Canada, use all of those roads. Their probably not the ones breaking them up, but they are the ones who come to us and say your roads are in bad need of repair and you need to do something. In addressing the special assessment there are miles of roads that have no property; that people do not live where cabins are not allowed so we have to assess those cabins accordingly. I agree with your figures, its maybe something that we all could live with. I look back at the people that have been there for decades living on a fixed income, trying to spend their retirement years at the lake, and our assessments have gone up so dramatically, that some of them have been forced to sell because they can't afford to pay the taxes. I agree that people in a town that size would be looking to if they wanted their roads paved they would be looking at the same type of assessment. I guess what we look at is we're trying to maintain a recreational area for basically the people of the state and outside the state.

Senator Bekkedahl Being from Williston, I am extremely sensitive of people on fixed income being forced out of their housing. It's happening to us. My guestimate is that it is over 1000 people to date since the boom started. That is a lot of displacement from your community and forced displacement is a difficult thing to deal with. So I understand that dilemma you have. But also, my understanding and I've spent time at Lake Metigoshe but the people even on fixed income, isn't there some type of a transition that generally occurs generationally from the parents to the kids, to the grandkids. If that does occur wouldn't those future generations be able to potentially assist because they're going to own the asset at some day? That is the first question.

Vern Jacobson I've been on the lake for 20 years. My taxes have gone from $500 to $3800 and I will be retiring the end of the year. I am going to be on a fixed income. I am going to be paying, basically renting my home. I don't think we should be forced out because of taxes. That's how I can answer that.

Senator Bekkedahl Roland Township generates 26-27% of the total dollar value of the county levy for Bottineau, is that correct? So, wouldn't Bottineau County have some ability

maybe not mandated, but an ability to help out more with your township roads in that situation since you do provide such a tax base?

Vern Jacobson Yes I believe that the county will help out some. Three years ago we re-surfaced the streets trying to maintain them. The county helped us with half of that project. Originally, they were only going to give us 10%. The county does maintain some of the roads. The county is trying to keep their budget tight too.

Senator O'Connell added that Highway 43 goes around the lake so the Department of Transportation takes care of that but the rest of the roads on the loop and stuff is taken care of by the township. The county tries to put money in there, but their local budget also. That is where the problem lies, and that is why I was trying to make the point is we were giving them tax relief but in the long run the tax went up 19.6%.

Chairman Burckhard closed the hearing on SB 2263.

2015 SENATE STANDING COMMITTEE MINUTES

Political Subdivisions Committee
Red River Room, State Capitol

SB 2263
1/29/2015
Job Number 22827

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

A Bill for an Act to provide an appropriation to the department of transportation for matching

Minutes: "Click to enter attachment information."

Chairman Burckhard brought the committee together to discuss SB 2263. All senators were present.

Senator Anderson We were presented with an amendment reducing it from $2M to $500,000 with 3 to 1match.

Chairman Burckhard Reducing it from $2 M to $500,000 with a 3 to 1 match.

Senator Anderson Continued for the purpose of providing 25% matching grants to townships that border whatever.

Senator Anderson made a motion to the bill
Senator Bekkedahl 2nd the motion

Discussion on the amendment followed:

Senator Anderson I just feel like these people came in and they have a real concern about the taxes and so forth. Senator O'Connell doesn't do very many bills. He is also on Appropriations so he is going to have to carry it there.

Chairman Burckhard right.

Senator Anderson I think this is a good thing to give those people who came in the idea that we're supportive of them and then we'll let Senator O' Connell worry about it when he gets to the Appropriations Committee.

Senator Grabinger I just think we're opening a can of worms here. All across the state many of us live in districts where we have special things that we would like to get money for. In fact, last session there was a bill to pave a certain road to a campground in my

district. Actually, it is in Terry Wanzeks' district. But, I think when we do things like this were setting a precedence that you gave it to them, so now we have to give it over here, and I guess I don't think this is something we want to start.

Senator Dotzenrod In some ways it is a little troublesome. But, I would support the amendment and pass it. I think as a courtesy to Senator O'Connell, he is on that money committee, and I think he is going to have this bill and I think he deserves an opportunity to try and explain it to them. I think they are going to be pretty skeptical. I am willing to give his that courtesy.

Chairman Burckhard asked for a roll call vote on the amendment 15.0318.02001.
5 Yea, 1 No, 0 Absent

Senator Judy Lee Do Not Pass as amended on 2263.
Senator Bekkedahl 2nd
Roll call vote: 4 Yea, 2 No, 0 Absent
Carrier: Senator Judy Lee

15.0318.02001
Title.03000

Adopted by the Political Subdivisions Committee

January 29, 2015

PROPOSED AMENDMENTS TO SENATE BILL NO. 2263

Page 1, line 6, replace "$2,000,000" with "$500,000,"

Page 1, line 7, replace "fifty" with "twenty-five"

Renumber accordingly

Date: 1.29.15
Roll Call Vote: 1

2015 SENATE STANDING COMMITTEE
ROLL CALL VOTES 2263
BILL/RESOLUTION NO.

Senate Political Subdivisions Committee

☐ Subcommittee

Amendment LC# or Description: 15.0318.02001

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 Anderson 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) 5 No 1

Absent 0

Floor Assignment _____

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

Date: 1.29.15
Roll Call Vote: 2

2015 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2263

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 Senator Judy Lee 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) 4 No 2

Absent 0

Floor Assignment Senator Judy Lee

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

REPORT OF STANDING COMMITTEE

SB 2263: Political Subdivisions Committee (Sen. Burckhard, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO NOT PASS** (4 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). SB 2263 was placed on the Sixth order on the calendar.

Page 1, line 6, replace "$2,000,000" with "$500,000,"

Page 1, line 7, replace "fifty" with "twenty-five"

Renumber accordingly

2015 TESTIMONY

SB 2263

S.B. 2263
1.29.15
#1

Mr. Chairman, members of the committee:

My name is Vern Jacobson from Bottineau, ND. I am currently the chairman of the Roland Township Board of Supervisors. Lake Metigoshe is entirely under the supervision of Roland Township and our board is responsible for the upkeep and maintenance of roads which service the lake and what most all consider a true natural wonder here in North Dakota. I strongly support Senate Bill 2263 and want you to be aware of the following.

1. Lake Metigoshe is located approximately 20 miles west of the International Peace Gardens. As such, thousands of Canadian and United States citizens visit the area each year. Many may think it is simply a summer vacation spot. However, it is so much more than that. The Bottineau Winter Park is located approximately 8 miles west of the lake and attracts skiing and winter sports participants all through the winter months. Hundreds of miles of snowmobile trails are groomed and maintained throughout the winter. During the past eighteen months, volunteers from New York State and places east converged on the ski hill to build "Annie's House," a state of the art ski lodge for special education and recreation to handicapped children. The Idea was a community effort to remember Annie Nelson, the only North Dakotan to die in the twin towers collapse on September 11, 2001. Additionally, every year, year around, local and nationally known fishing organizations sponsor fishing tournaments at Lake Metigoshe.

2. In 1998 approximately 20 miles of roads were paved at Lake Metigoshe. From 2000 through 2010 the number of building permits grew to over 360 new dwellings and other major buildings being constructed, with an additional 104 from 2011 through 2014. These projects require the use of heavy equipment and heavily loaded trucks. The construction projects have had a detrimental effect on the roads, requiring major preventative maintenance. It is important, I believe to not only maintain the investment

in those roads, but to bring them to the DOT standards required to carry those loads.

1. In addition to roads serving the 885 property owners, Lake Metigoshe is visited by thousands of people every year, summer and winter, making it known as "The Four Season Playground." The area serves as a major recreational getaway for citizens from a major portion of North Dakota, Manitoba and Saskatchewan. Lake Metigoshe State Park is filled to capacity during the summer weekends. The State of North Dakota owns roughly 1/3 of the shoreline of Lake Metigoshe, preserving it for the benefit of the citizens of the State and making it one of the State's best natural and environmental attractions.

2. The DOT generally projects a 20 year life expectancy of a paved road. Lake Metigoshe paved roads have been in service for 16 years, with the gross expansion shortening that life span. In addition, with property values that have soared in recent years, families who have owned their property for decades and now live on a fixed income, find it very difficult to pay an additional large special assessment to resurface the roads.

3. Senate Bill 2263 provides North Dakota with the opportunity to preserve one of its best recreational and environmental assets. The state, over the past decades, has had the foresight to keep a large portion of the lake open to the public, residents and visitors. With such an investment already in place, it only makes good common sense to pass Senate Bill 2263 to preserve the investment the State and the citizens have already made.

Thank you. I am certainly willing to answer any questions you might have.

SB 2263
1.29.15
#2

DRAFT AMENDMENT 2263

A BILL for an Act to provide an appropriation to the department of transportation for matching grants for certain township streets and roads.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1.APPROPRIATION.

There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of ~~$2,000~~500,000 or so much of the sum as may be necessary, to the department of transportation for the purpose of providing ~~fifty~~ twenty-five percent matching grants to townships that border Canada and contain a state park, for improvements to streets and roads to dwellings within the township, for the biennium beginning July 1, 2015, and ending June 30, 2017.