

2019 HOUSE POLITICAL SUBDIVISIONS

HB 1212

2019 HOUSE STANDING COMMITTEE MINUTES

Political Subdivisions Committee Prairie Room, State Capitol

1/17/2019

HB 1212

Job # 31007

Subcommittee

Conference Committee

Committee Clerk: Carmen Hickle

Explanation or reason for introduction of bill/resolution:

Relating to county fair association membership

Minutes:

1

Chairman J. Dockter: Opened the hearing on HB 1212.

Rep Kreidt: (Handout #1) Introduced the bill. There is statute that says to be on the county fair board you must also be a member of that county. The proposed amendment passed out would protect the members from another counties serving on the board from becoming a majority of the board.

(6:55) Andy Zachmeier: Morton County Commission: Over the past year complaints have been coming to the Morton County Commission about dysfunction on the Morton County Fair Board. Certain board members being rude, bullying, and not following proper decorum, not following Roberts Rules of Order, arguments with vulgarities and insults at open fair board meetings. There was also concerns about fair board members putting forth their own agenda to make sure certain funds were being expended that would benefit their area of interest in the fair, so, higher premiums would be paid. We received complaints from vendors that were not pleased how they were treated at fair board meetings. Some of the fair board members wanted county commissioner to remove troubled members from the fair board. They were more concerned about their bylaws than state law. There was one particular person who was the problem on the fair board and was from Oliver County. I got called at home with demands that this person be allowed to stay on the fair board even though it violates state law. He started using racial slurs to me and about the county fair. This bill is before you from certain members to get this disruptive person back on the board. The overall budget for Morton County fair \$200,000 with \$99,000 as an appropriation from Morton County Commission to the fair board to make sure it is successful. Burleigh County

comes to the Morton County fair which helps with attendance and overall success. I would recommend that counties work with Association of Counties for the possibility of having the County Commission take over fair boards and name the members.

(15:05) Rep. Adams: How are the board member selected?

Mr. Zachmeier: It is handled from the county fair board; it is a 16-member board. We were able to tie some funding to the board and one of the county commissions is now on the board. If this bill passes we can cut funding by requiring the fair board to have Morton County citizens on it.

Chairman J. Dockter: Would you be ok with the amendment that was proposed?

Mr. Zachmeier: Right now I would not be because our fair board is healthy.

Rep. Magrum: Would it be easier to reduce the number of board members?

Mr. Zachmeier: That was a suggestion that was made not that the county commission would have authority to do it. That would take another section of the state law to change.

Rep. Magrum: The Century Code does not say how many board members they have to have.

Mr. Zachmeier: There is no minimum or maximum number that you have to have on the county fair board.

Rep. Magrum: In our area which is Tri-county we have a hard time getting members to serve.

Mr. Zachmeier: We can look into that. Morton County is a Home Rule Charter.

Rep. Johnson: If the county commission was to appoint board member would the requirement be incorporated as a not for profit go away? Because it is a non-profit the officers and directors should be responsible for all of these association members. Was your testimony that the officers and directors are in cohorts with the disruptive individual? I like the idea of the county commissions appointing these folks and do away with all not for profit.

Mr. Zachmeier: The officers are intimidated and afraid to speak out against the ones who are doing the bullying.

Rep K. Koppelman: Are you aware of other counties that have a problem not be able to find members for their fair boards that live in the county?

Mr. Zachmeier: I do not.

Rep K. Koppelman: Would it be a reasonable solution if a provisions were allowed if approved by the county commission?

Mr. Zachmeier: I think that would be fair as the county commission is elected. That would put an elected government board overseeing the county fairs instead of just being a non-profit.

(24:01) **Jim Boehm:** The simple solution is that we as a county can fix this ourselves. I would ask that counties add to the list that they control the fair board and determine the number of members and the length of time they may serve. Also how many can come from outside the district and how many from within.

Rep K. Koppelman: Short of your proposal that the commission take over the county fair boards, anything we do in state law affects the other 52 counties as well. Maybe have the people that serve from outside of the county to be approved by the commission. Would that be a reasonable solution?

Mr. Boehm: Anything that would fix this problem.

Rep. Johnson: If we follow the money, who owns the property that the fairs transact?

Mr. Boehm: I believe the park board owns the property where the fair is.

Rep. Johnson: Where do the proceeds go?

Mr. Boehm: They go into a fund in the county. This fair borrowed money for buildings that need to be paid off.

Rep. Johnson: Are the officers and directors compensated?

Dawn Rhone: Morton County Auditor; Any other board that is in a county that receives any property tax revenue to be on the board you must be a resident of that taxing district. I don't think a member of the board who is not a resident of the taxing district to have a say in how the money is spent. I think there are some other solutions for this, I don't think this is the solution.

Rep. Johnson: Does the not for profit rent the property from the park district to conduct the fair?

Ms. Rhone: It is owned by the New Salem city park district. The fair board owns the building that is on there. I don't know what the agreement is.

Rep. Johnson: My goal is to determine how separate this is from private.

(32:20) Aaron Burst: Association of Counties; Originally I was going to oppose this but I have not seen the amendments that was drafted. Whatever you do with this bill I hope you turn part of this into a study and pass that. County fair boards seem like they are county but they are not. They are not for profit that the county funds. There is no control from the county government, there is other revenue streams that come into the county fair boards. We do think the legislature should take a look at this to determine that is the most appropriate to run a county fair. This is not just a Morton County issue.

Rep. Johnson: Public and private is so intertwined so maybe some separation is necessary.

Mr. Burst: It is not clean.

Rep. Johnson: How many liked boards are there that get grants that don't come under the authority of the county commission?

Mr. Burst: All of them get funding from the county unless they don't have a county fair.

Rep. Johnson: I'm not talking about fair associations. How many other associations or like organizations are there that don't come under the auspices of the county commission but receive money from the county?

Mr. Burst: I am not aware that we have those partnerships. I need to find out.

Rep K. Koppelman: You began your testimony that fairs appear to be connected to the county because they use the term of county fair. Being nonprofit organizations they want some autonomy but there is the intertwining that is being discussed. In the short term might it be wise if the county commission approves it, that way in the two years it would take to study this, they could still deal with their issues?

Mr. Burst: There has to be some kind of county control if county money is going in there.

Linda Svihovic: Associations of Counties. County fair levies was consolidated in 2015 into county general fund. So county commissioners are responsible for funding fairs through their general fund levy. In McKenzie County the commissioners allocated on a case by case basis to other nonprofits.

Rep. Johnson: It is called a county fair levy?

Ms. Svihovic: You will not see a separate levy split out on your tax bill anymore because it is consolidated into the county general fund levy.

Rep. Johnson: This has so many twists.

Ms. Svihovic: That is probably why this is here.

Rep. Kreidt: Through the testimony today this is a state wide issue.

Chairman J. Dockter: Closed the hearing on HB 1212.

2019 HOUSE STANDING COMMITTEE MINUTES

Political Subdivisions Committee Prairie Room, State Capitol

1/24/2019

HB 1212

Job # 31454

Subcommittee

Conference Committee

Committee Clerk: Carmen Hickle

Explanation or reason for introduction of bill/resolution:

Relating to county fair association membership

Minutes:

Chairman J. Dockter: Opens for committee work.

Rep. Adams: Made a do not pass motion.

Rep. Magrum: Second the motion.

Rep. Johnson: Wasn't part of the problem that they couldn't get enough people?

Chairman J. Dockter: He did say there was some areas that couldn't fill the positions. We could put it into a study.

Rep. Longmuir: He also said there were people who wanted to serve on the fair board.

Rep. Ertelt: We expend county funds on my county fair board and they shouldn't be letting someone outside the county decide how the funds are being expended.

Rep K. Koppelman: I was thinking of an amendment that would say this could only happen if approved by the county commission.

Vote yes 14, no 0, absent 0.

Carrier: Rep. Strinden

Date: 1-24-19
Roll Call Vote #: 1

2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1212

House 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 Rep. Adams Seconded By Rep. Magrum

Representatives	Yes	No	Representatives	Yes	No
Chairman J. Dockter:	/				
Vice Chairman Pyle:	/				
Rep. Ertelt:	/				
Rep. Fegley:	/				
Rep. Hatlestad:	/				
Rep. Johnson	/				
Rep K. Koppelman:	/				
Rep. Longmuir	/				
Rep. Magrum:	/				
Rep. Simons:	/				
Rep. Toman:	/				
Rep. Strinden:	/				
Rep. Adams:	/				
Rep. Guggisberg	/				

Total (Yes) 14 No 0

Absent 0

Floor Assignment Rep. Strinden

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

REPORT OF STANDING COMMITTEE

HB 1212: Political Subdivisions Committee (Rep. Dockter, Chairman) recommends **DO NOT PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1212 was placed on the Eleventh order on the calendar.

2019 TESTIMONY

HB 1212

19.0534.01001
Title.

Prepared by the Legislative Council staff for ^{#1} HB1212
Representative Kreidt
January 14, 2019 1-17-19

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1212

Page 1, line 8, after "state" insert ", however, a majority of the officers and directors must be residents of the county, and in the case of a multicounty fair association, the majority of the officers and directors must be residents of the participating counties"

Renumber accordingly