

**2019 SENATE POLITICAL SUBDIVISIONS COMMITTEE**

**SB 2035**

# 2019 SENATE STANDING COMMITTEE MINUTES

## Political Subdivisions Committee Red River Room, State Capitol

SB2035-1  
1/4/2019  
Job Number 30409

- ☐ Subcommittee  
☐ Conference Committee

Committee Clerk: Mary Jo Wocken
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### Explanation or reason for introduction of bill/resolution:

Relating to notice and publication requirements

### Minutes:

Written testimony #1 List requested by Sen. Judy Lee Written testimony #2 Donnell Presky Hushka, ND Association of Counties
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**Chairman Randy Burckhard** opened the hearing for SB2035. Vice Chair Howard Anderson, Senators Jim Dotzenrod, Diane Larson, Judy Lee and Jordon Kannianen were present.

**Samantha Kramer: Legislative Council** here with neutral background on a bill that came out of the Interim Judiciary Committee. This bill started as a study to look at all the various fees associated with political subdivisions and state agencies for notice requirements. We received considerable testimony and ultimately the committee came up with a starting point. They were aware that this would not likely be how the bill would leave the legislative body. They wanted to give the committee a place to start so the sections that are included in the bill originally came from a couple of suggestions from the North Dakota Associations of Counties and cities. We reviewed our sections that would be a way to clean up existing law without making any considerable changes. The section 1-7 of the bill required the appropriate council or organization who was in elections to publish the notice versus the county extension agents shifting that burden to the appropriate pair to publish the notice. The final section 8 is a clean-up as there is some issues with the ability to get the statements in order by the date that is currently in code and so it is amended in this section to be November rather than March.

**Senator Anderson:** In the first part it talks about councils then later on in the bill you switch to commissions. Can you attempt to address the council form of government or the commission form of government or was it the council view?

**Samantha Kramer:** Each of those sections relate to specific chapter of the Century Codes. Section 1 deals with the Barley Council. Section 5 is dealing with the Oil Seed Council. So when you see commission in Section 7, that is relating to the Wheat Commission and their election process. So it doesn't relate necessarily to the specific

municipal or county or commission. Our government is specific to those various organizations.

**Senator Howard Anderson:** So the attempt is to get the money out of the county extension agent's budget and into the internet budget of the council or commission that is running the program?

**Samantha Kramer:** Yes.

**Senator Diane Larson:** So those commissions or councils will be required to publish, not just have on a web site, is that correct? **Samantha Kramer** replied, correct.

**Senator Jim Dotzenrod:** The references in here are sometimes the councils like Agriculture Commodity groups and then there are references on the bottom of page 3, a form of County Commissions so I assume that is dealing with the counties although I don't see any terms in that section that says council, or commission like they do in the others. Maybe the law is already clear in that regard. Is that what this bill does, it goes Ag related commodity groups plus city councils and county commissions?

**Samantha Kramer:** It is not limited to that type of commission or organizations. Section 8 is dealing with that reporting date for changing it from March to November that I mentioned. This version two, as you might notice at the top of your bill, this bill originally encompassed many more sections. It was narrowed down to include these sections as they were the ones that wouldn't have as much of an impact as the other sections that were originally included in the bill. The study was to look at all the notice requirements; these are the ones that left the interim committee.

**Chairman Burckhard:** Who chaired this interim committee? **Samantha Kramer** replied: Senator Hogue did.

**Senator Judy Lee:** Could we ask Alex if she could just zip through and tell us which of the councils that was affected so we can see which council these sections would refer too? Alex, the Senate Political Subdivisions law clerk provided a list of the seven councils or commissions this bill refers too. (Written testimony #1 requested by Sen. Judy Lee)

**Donnell Presky Hushka,** North Dakota Association of Counties, Executive Director for the Auditors Association which stands in support of this bill. (7:40-11:25) **Written testimony #2.**

**Senator Anderson:** I am not as familiar with these councils as I might be, but let's just pick one of them, the Soybean council. Does the county know who gets to participate in the election? That is the name and address of each soybean producer or how does that work.

**Donnell Presky Hushka:** When I looked at the different sections of code that are related to this, there is a process that is laid out as far as the relationship between the

county extension and the commodity groups and the dates that need to be notified so that process for initiating the election or the notice of election is listed in Century Code.

**Senator Anderson:** The individuals who took the voting wide election are the ones who are paying without money and then they sell the soybeans or wheat or some other product or does everybody get to participate in here if they didn't sell any soybeans?

**Donnell Presky Hushka:** I don't know that answer to that question.

**Sen. J. Lee:** Could you tell what the other suggestions were of the top 5 that were not included in this bill? If you don't recall, could you let the chairman know.

**Donnell Presky Hushka:** I can definitely supply you my own testimony from the interim. Off hand to mind are the notice of the official election results often time that is information that has already been recorded in the news and is known by most people; another one related to the listing of expenses and vouchers so basically the listing of every single check that the county writes and then the notice of meetings. I believe that we were floating that they could be listed on the web site then they wouldn't have to be published in the paper. This is what came out of the interim committee but I was more than willing to share what we provided for that committee.

**Sen. Judy Lee:** I realize that there is some contentious discussion possible about whether it's all website or including print material, but I think it should be if we could see the five top ones so that we might want to consider them too.

**Chair Burckhard:** Donnell you made reference to who pays. Where does that say that in here, I am looking but I am not seeing what you're saying so it isn't a question of who pays?

**Senator Dotzenrod:** Page 1 line 9. **Chair Burckhard:** So published notice of the new and official newspaper of the county for two consecutive weeks. **Sen. Dotzenrod:** Line 9 page 1 were covering where its overstriking county extension agent, and adding where council so that takes the burden off of the county and places it on the council or barley council or barley, soybean council, so we are changing who is responsible to pay this. That's the way it looks.

**Senator Diane Larson:** I was on this interim committee and I think that Ms. Hushka, and I agree with her statement too, that this came out of the committee, because this one was one that I think there was a lot more agreement on within the committee, than rather than having property taxes pay for some of this stuff; the council that is going to give notice of their meetings and so on are the ones that should be paying for that to be published. But other things like election results and things we've had a lot more disagreement on the committee with that because it's like you can go to the website for the Secretary of States' office as everybody does. You don't really need it in the newspaper so they shouldn't be required to have to publish that in the newspaper and so there were different reasons for publishing newspapers like Sr. Lee suggested that it was some kind of well should we say that they can just publish like because fewer people are buying newspapers or should we say this is something that should be provided. A lot of people still read the newspapers to find that, so this was the part that the interim

committee came out with to say we felt like this was probably something that should be put into newspapers but it shouldn't add to our property taxes. So if we're trying to be fiscally responsible we're going to say the property tax is probably not the way to support the newspaper industry.

**Senator Anderson:** These various councils were usually created by the producers themselves with the idea that they want to promote their products and so I totally agree that they should be totally responsible for the expense there, otherwise they can eliminate the council just like they created it in the first place. I am not clear how the people who participate in the council get elected. If we know who all these people are why not just write them a letter and say the election is coming up better than having to spend money to put it in the newspaper or do something else. But I am not sure how the barley people pay in their money and whether it comes from the elevator based on every bushel of barley sold and you don't really know who sold it dry, I am not really clear about that? Maybe somebody who raises those crops could tell us about that.

**Senator Dotzenrodt:** As someone who raises soybeans and corn, there is an election process and we usually get something in the mail based on sales and we get that from the elevator that gets reported to somebody. I understand that the cost of those elections are currently paid by those commodity groups. This only deals with the publication requirements that have been paid by the county but now should go to the commodity groups which this makes sense. I can't say that I am 100% certain that I know where they get the list from of whose doesn't vote. I am not sure of whether it's based on the last three years or more recently and most of these commodity groups have two organizations that have the council which is being funded by the money that is collected at the time of the sale; and then we have the private organization that is just a voluntary membership as a grower. Excuse me. I would have to do some research to find out exactly where they get the list from of who are the people in the state that are the current list of those raising these crops. I don't know the answer to that but I do think the bill essentially takes the burden off of the county and puts it on the council for the publication requirement and I think this makes sense.

**Senator Anderson:** My point is that if we know who all these people are and we can notice them by letter then why do we need to publish it at all? If they are already getting notices letter, I think if we delve deeper and look at eliminating the publication requirement altogether then we need to know how they are finding out who those people are. If there are people who get notice from the paper who wouldn't get a letter for example or whatever. That would depend on who gets to vote.

**Senator Judy Lee:** We're not going to decide or even discuss this so why are we even, why is it even in Century Code that producers' councils which handle their private business which they pay checkout fees, why is it even in there? Why do we care from the state law point of view about this? We care about production and farmers and all that stuff, but I just am curious if anybody could tell me why in the world this belongs in the century code in the first place when it out it be able to handle the new one. It's all their money.

**Senator Diane Larson:** There are others that are going to testify that can answer this far better than I can. But I think it had to do with just transparency and open government and this was the way to get the information to the people.

**Senator Judy Lee:** But this isn't government this is a council on who produces and businesses and all of that. Why are we going to do this, it is just a rhetorical question?

**Senator Anderson:** Sen. Larson said that there are other people who could answer, but the reason that it is in the century code is If Sen. Dotzenrod doesn't want to pay when he sells his soybeans this requires him to pay so that everybody has to pay not just a handful who say we should do that so that everybody who sells soy beans or wheat or corn pays into the council a certain percentage and that way it spreads the burden a little more. It's like a ruling where everybody has to pay or not.

**Senator Judy Lee:** I just wish when I was in the real estate business that we had a state law that says everybody has to pay a certain fee. It just never worked out that way.

**Senator Dotzenrod:** These councils were created they had to have a state law to grant them the authority to the elevators and to the associate's council to be able to extract that money from the producers whether the producer liked that or not. But the authority to take that at the time of sellers is in the law. Most of these councils do make provisions that you can apply for a refund. They make it a little bit cumbersome and difficult so it's not easy to do, but you have to do it within a few months and it has to be with receipts. The council can make the argument that if you really do object to have you participating in this, there is a refund provision that it is not a simple thing and most people just feel it's not worth the bother. As long as that authority is in the law to extract that money and charge those producers who create that council, I think those nominations for transparencies and to allow the producers who are in this pool to have a voice. They needed to have a system whereby the people who are paying these taxes to elect some members to oversee and take some responsibility for how the money is collected and its use and what kind of budget they draw, so I think that's where this publication and the elections come from. It is the state's think that if we're going to tax and extract from individual grower's there needs to be some system there that allows those growers to have electors self- direct where that money goes.

**Chairman Burckhard:** As for opposition and neutral testimony on this bill. None came forward.

**Chairman Burckhard** closed the hearing on SB2035.

# 2019 SENATE STANDING COMMITTEE MINUTES

## Political Subdivisions Committee Red River Room, State Capitol

SB2035  
1/4/2019  
Job # 30416

- ☐ Subcommittee  
☐ Conference Committee

Committee Clerk : Mary Jo Wocken
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### Explanation or reason for introduction of bill/resolution:

Relating to notice and publication requirements

### Minutes:

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**Chairman Burckhard** reopened the hearing on Senator Burckhard 2035.

He asked the committee for discussion on SB2035.

**Sen. Diane Larson** moved a Do Pass on SB2035

**Sen. Howard Anderson** 2<sup>nd</sup> on SB2035

**Senator Anderson:** I think the simple purpose is to move the expenses of the publication from the county taxpayer to the councils that are supposed to be funding the program. I think it is a good idea.

**Sen. Jim Dotzenrod:** If I understood the testimony right that the other costs that go with that election are already being paid by the commodity groups. It is just this one part of that process that the counties, the publication part. I think other parts do balance the way that they conduct their election and get the ballots out to the people that vote and get those back. I think that system is already being paid by the commodity groups. This was just overlooked when they set it up in the first place.

Roll call vote: 6 Yea, 0 no, 0 absent

Carrier: Sen. Howard Anderson

Date: January 4, 2019  
Roll Call Vote : /

**2019 SENATE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 2035**

Senate	Political Subdivisions	Committee
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☐ 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. Dennis Hanson Seconded By Sen. Howard Anderson

[illegible]

Total (Yes) 6 No 0

Absent 0

Floor Assignment *Sen. Howard Anderson*

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



**REPORT OF STANDING COMMITTEE**

**SB 2035: Political Subdivisions Committee (Sen. Burckhard, Chairman)** recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2035 was placed on the Eleventh order on the calendar.

**2019 HOUSE POLITICAL SUBDIVISIONS**

**SB 2035**

# 2019 HOUSE STANDING COMMITTEE MINUTES

## Political Subdivisions Committee

Prairie Room, State Capitol

SB 2035  
3/1/2019  
Job # 33073

☐ Subcommittee  
☐ Conference Committee

Committee Clerk Signature	Carmen Hickle
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### Explanation or reason for introduction of bill/resolution:

Relating to notice and publication requirements

### Minutes:

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**Chairman J. Dockter:** Opened the hearing on SB 2035.

**Samantha Kramer:** Legislative management. This bill came out of interim Judiciary committee and it was from a study asking them to look at various notice requirements within the Century Code and determine which of those could be eliminated or revised. This bill shifts the cost burden of the notice requirement fees from the County Extension Agent to the actual council or commission requesting it.

**Rep. Ertelt:** Where do the funds come from to publish the notices?

**Ms. Kramer:** As the law is today they come from County Extension budget. The changes in the bill would shift this.

**Rep. Ertelt:** Do you have any information on the financials, how much is spent on the notices?

**Ms. Kramer:** I do not but Association of County might be able to provide that.

**Rep. Magrum:** Why on line 6 the last page are we changing the recording requirement from March to November?

**Ms. Kramer:** The change in Section 8 it was a request from the counties and North Dakota Association of Counties. Relating to their budget preparation the committee received testimony that the March deadline is often extended due to the budgeting time frame. So November was the preferably date.

**Rep. Hatlestad:** Is there a reason the county couldn't just bill the organization rather than require a change in the law?

**Ms. Kramer:** Not that I am aware of.

**Rep. Ertelt:** The financial statements they are preparing that is for the prior calendar year is that correct?

**Ms. Kramer:** I think so.

**Chairman J. Dockter:** Recessed the hearing.

**Chairman J. Dockter:** Reopens the hearing.

**Donnell Preskey: (7:47-10:39)** (Handout #1) North Dakota Association of Counties. Read her testimony.

**Rep. Ertelt:** The total amount spent on publications, do you know the break out?

**Ms. Preskey:** It would be difficult to get that. When they set their budgets it's really a big bucket.

**Rep. Ertelt:** These are addressing just the county extension agents? Could we get the break down just for County Extension, what they spend on public notices?

**Ms. Preskey:** I can look into and get a sample from a couple of different counties.

**Rep. Ertelt:** Does the bill cover all the public notices the County Extension pays? On the financial statements, that's for the prior calendar year, correct?

**Ms. Preskey:** That is my understanding.

**Rep. Hatlestad:** Is there any reason why the county can't bill each group instead of having a law?

**Ms. Preskey:** It's specific in code that the county pays for this.

**Rep. Magrum:** In the Judiciary interim committee, we discussed in current law the county was paying for all of these councils and commissions. We wanted to get this sorted out so the county wouldn't have to pay for them at all they would publish their own notices. Why should the counties get involved at all? Why would you change the reporting for the financial statements from March to November because the county budgets are done then? Wouldn't you want it in March so they can include that in the preliminary budget?

**Ms. Preskey:** This is for the year before so the auditors are coming in and doing audits of their books.

**Rep. Magrum:** It seems like an odd time of the year because I would think they would want to report later like in June. Everyone is doing their preliminary budgets in July now.

**Vice Chairman Pyle:** There are some auditors that do counties, park boards, cities, school board so having that work load and having enough accounts to do that is why they are asking for an extension. It takes time to check the receipts and the expenses and to go through the system. They are asking for more time to publish the correct information.

**Rep. Magrum:** We are talking about the Extension Agent reporting to the counties and the counties put that in their budget, right?

**Ms. Preskey:** The notice of financial statement, while these are both in the same bill they are not, the notice of financial statement isn't Extension.

**Rep. Magrum:** I am wondering why it is being changed?

**Ms. Preskey:** We did bring it up in the interim committee and this bill is what came out of the interim Judiciary committee.

**Steve Andrist:** Newspaper Association. The commodity group advertising is done intermittently when each particular commodity group has an election in a particular region. They might not have an election every year.

**Rep. Ertelt:** Do you support the financial notice portion? You are supporting the bill but is it specifically for the public notices with regard to the County Extension Agents and the other councils?

**Mr. Andrist:** Yes, we are concerned about the public notices.

**Rep K. Koppelman:** The statute says the County Extension Agent shall publish. Shall publish implies they are the ones that is going to contact you, place the notice, and pay for it, correct?

**Mr. Andrist:** Correct.

**Rep K. Koppelman:** The change would be naming each entity that you would look to them for both the information and the payment?

**Mr. Andrist:** That is correct.

**Rep. Fegley:** Does the county get a special rate for notices compared to what a council would pay?

**Mr. Andrist:** The rates for all the public notices are set by the state Office of Management and Budget. What every newspaper charges are certified by the state to use that rate.

**Chairman J. Dockter:** Closed the hearing.

**Rep. Ertelt:** My main concern is for budgets, in section 2 moving the preparation of financial statement and the publication of the financial statements afterward. The reason it is rather late in the next year to know how the county has performed financially in the prior year. That

information is both valuable to the counties to make decisions but also the tax payers and voters. If the publication is not happening until November that is going to be after elections for that next year. I think financials of the county might be taken into consideration when casting their vote. I would be open to moving it somewhat.

**Rep. Magrum:** I think we should leave it the same or move it a little bit, by putting it in November your budget is done already. I would like to amend that part of the bill and take November out and remove the overstruck from March. We didn't discuss that in the interim committee. We agreed on the rest of the bill but not changing the dates.

**Rep K. Koppelman:** I'm sure it wasn't added after the interim committees work but I don't recall a discussion about it either.

**Rep. Magrum:** On the Section 8 line 6 remove the overstrike off of March. Made a motion to strike Section 8.

**Rep. Ertelt:** Second the motion.

**Amendment vote yes 7, no 6, absent 1.**

**Rep. Ertelt:** Made a do pass as amended motion.

**Rep K. Koppelman:** Second the motion.

**Rep. Hatlestad:** Does the county have the right to charge the council? The county will publish the notice and pay the cost, can't they charge the council the cost? Then we don't need this.

**Rep K. Koppelman:** In law when it says the Extension Service shall publish the notice the one publishing the notice is obligated to pay for the notice unless something in law gives them authority to charge someone else for it.

**Vote yes 9, no 4, absent 1.**

**Rep. Guggisberg:** Will carry the bill.

March 1, 2019

DP 3/1/19

PROPOSED AMENDMENTS TO SENATE BILL NO. 2035

Page 1, line 4, after the second comma insert "and"

Page 1, line 4, remove "and section 11-11-11 of"

Page 3, remove lines 28 through 31

Page 4, remove lines 1 through 9

Renumber accordingly

Date: 3-1-19  
Roll Call Vote #: 1

2019 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 2035

House Political Subdivisions Committee

☐ Subcommittee

Amendment LC# or Description: 19.0095.02001

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 Rep. Magrum Seconded By Rep. Ertelt

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) 7 No 6

Absent 1

Floor Assignment

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



Date: 3-1-19  
Roll Call Vote #: 2

2019 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 2035

House Political Subdivisions Committee

☐ Subcommittee

Amendment LC# or Description: 19.0095.02001

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 Rep. Ertelt Seconded By Rep. Koppelman

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) 9 No 4

Absent 1

Floor Assignment Rep. Guggisberg

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

**REPORT OF STANDING COMMITTEE**

**SB 2035: Political Subdivisions Committee (Rep. Dockter, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (9 YEAS, 4 NAYS, 1 ABSENT AND NOT VOTING). SB 2035 was placed on the Sixth order on the calendar.

Page 1, line 4, after the second comma insert "and"

Page 1, line 4, remove "and section 11-11-11 of"

Page 3, remove lines 28 through 31

Page 4, remove lines 1 through 9

Renumber accordingly

**2019 CONFERENCE COMMITTEE**

**SB 2035**

# 2019 SENATE STANDING COMMITTEE MINUTES

## Political Subdivisions Committee

Red River Room, State Capitol

SB2035

4/9/2019

Job # 34638

☐ Subcommittee

☒ Conference Committee

Committee Clerk: Mary Jo Wocken
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### Explanation or reason for introduction of bill/resolution:

Relating to notice and publication requirements.

### Minutes:

Written attachment # 1: Donnelle Presky
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**Senator Anderson** gathered the conference committee for HB2035. Senator Anderson, Senator Diane Larson, Senator Kannianen, Representative Pyle, Representative Hatlestad and Representative Toman were in attendance.

**Senator Anderson:** Typically, I would have the House explain why they did what they did, but I think we are pretty much all understand now, what happened with this bill. It sounds like it was a matter of moving the publication notices to the various councils and trade groups so that the county or extension agent aren't going to pay for them anymore. The trade groups can pay for themselves. That was basically the main part of the bill. Then, in Section 8, the counties wanted a change in the date that they were required to report because they couldn't get all their audits done by the March date. So they wanted us to move it to November. Is that pretty much, and you guys took that section out intentionally or whatever?

**Representative Pyle:** It was taken out. I remember when we made that motion, that when the audits go through a lot of times they are billed let's say they have a snow removal bill, December 31, they are not going to get that logically until February. So to do the accounting correctly, so it is accounted for in the correct time period, it needs to be done. So that pushes back the audit time period. From my knowledge, hardly any of the counties are in compliance with the March 15, publication date, so to publish the correct financial data they need an extended time. I know the McKenzie County auditor visited and she just got back her 2017 audit findings. I believe it was 2017 or 2018, just a couple of weeks ago. It was 2017 because they have to go to Bailey which is across the state and those are the only ones that are large enough to do the audits for the county of their size. So they are kind of limited in the private sector as to who they can go to, to get those audits done. Therefore, they do need the extension and therefore re-public when it's printed to get the correct information the first time.

**Senator Anderson:** If it is alright with all the committee, Donnell Presky is here from the Association of Counties. Step up and explain the counties logic for why they wanted Section 8 the way it was?

**Donnell Presky:** North Dakota Association of Counties: Written attachment #1. Again this bill came from a study from the interim, in the interim Judiciary Committee hearing. This was one item that was brought forward from the auditor's group basically just stating what you've already acknowledge here. I sent an email to each of you with a summary of what those financial statements are for, from Cass County Auditor Mike Montplaisir. He also talks about the dates and why that moving that it from March 15, to November 15, is really ideal in order for them to have what the public would want to see complete and ready for them. Really this isn't at fault to the counties its more of the audits that are done by auditing companies. They are not able to get all the work done for all the counties in time for that March 15<sup>th</sup> deadline. My understanding from when I testified in the House, is that maybe there was some misunderstanding on those financial statements. This is from the prior year. So this is not to do with the year that is coming up. This is the prior years. So again, like what Representative Pyle commented on is McKenzie County had their 2017 information that was sent to audit and then the financial statement is audited and prepared and what this notice is just saying that these financial statements have been completed.

**Representative Pyle:** I make a motion to put Section 8 back into the bill and amend the date or the time frame from March 15 to November 15.

**Senator Anderson:** I think that motion can be accomplished by saying that you **recede from the House amendments**.

**Representative Pyle:** Oh, yes I will do that. Is that okay with you, Representative Hatlestad?

**Senator Anderson:** Is that a 2<sup>nd</sup>?

**Representative Hatlestad:** That is a 2<sup>nd</sup>.

**Senator Anderson:** I think that was really the only significant change we made. The rest of them were just moving of the publications expenses from the county or extension agent to the commission or the council, whoever, is the group that was soybean farmers or whoever they were. Any questions from the Senators, from the House members?

**Roll call vote: 6 Yea 0 No, 0 Absent**

**Senate Carrier: Senator Anderson      House Carrier: Representative Pyle**

**Senator Anderson:** Closed the hearing on 2035. Thank you all.

**2019 SENATE CONFERENCE COMMITTEE  
ROLL CALL VOTES**

BILL/RESOLUTION NO. SB2035 as (re) engrossed

**Senate "Enter committee name" Committee**

- Action Taken**
- ☐ SENATE accede to House Amendments
  - ☐ SENATE accede to House Amendments and further amend
  - ☒ HOUSE recede from House amendments
  - ☐ HOUSE recede from House amendments and amend as follows
  - ☐ **Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Representative Pyle Seconded by: Representative Hatlestad

Senators	4/9			Yes	No	Representatives	4/9			Yes	No
Senator Anderson	X			X		Representative Pyle	X			X	
Senator Diane Larson	X			X		Representative Hatlestad	X			X	
Senator Kannianen	X			X		Representative Toman	X			X	
Total Senate Vote				3		Total Rep. Vote				3	

Vote Count      Yes: 6      No: 0      Absent: 0

Senate Carrier Senator Anderson House Carrier Representative Pyle

LC Number \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

**REPORT OF CONFERENCE COMMITTEE**

**SB 2035:** Your conference committee (Sens. Anderson, D. Larson, Kannianen and Reps. Pyle, Hatlestad, Toman) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ page 894 and place SB 2035 on the Seventh order.

SB 2035 was placed on the Seventh order of business on the calendar.

**2019 TESTIMONY**

**SB 2035**



1-4-2019  
SB 2035  
Written testimony #1

Senate Bill No. 2035

P. 1 line 1:	4.1-02-04	Barley Council
P. 1. line 7:	4.1-04-04	Corn Utilization Council
P. 1 line 17:	4.1-07-04	Dry Pea and Lentil Council
P. 1. line 22:	4.1-09-05	Oilseed Council
P. 2 line 4:	4.1-09-06	Oilseed Council
P. 2 line 9:	4.1-11-04	Soybean Council
P. 3 line 23:	4.1-13-05	Wheat Commission

Senate Political Subdivisions Committee  
1/4/19

Senate Bill 2035

Testimony Prepared by  
Donnell Preskey Hushka  
North Dakota Association of Counties

Chairman Burckhard and committee members, I am Donnell Preskey Hushka with the North Dakota Association of Counties. I serve as Executive Director for the North Dakota Auditors Association which supports SB 2035.

This bill is the result of work by the interim Judiciary Committee to which we were requested to provide information regarding publication requirements. We identified 142 various notices, documents and listings which counties are required to publish (generally in their official county newspaper) as mandated by state law. After surveying our counties on their 2018 budget for publications, we estimate \$450,000 was spent by counties in 2018 on meeting publication requirements.

This bill includes two suggestions from our counties:

- Sections 1-7 make changes to NDCC 4.1 in addressing notice of elections for the county representative on various commodity groups
- Section 8 is a date change to 11-11-11 Notice of Financial Statements

To offer an explanation on Sections 1-7, these are notices of elections for commodity groups that are paid for by the County Extension fund with property tax dollars. These groups include the barley council, corn council, dry pea and lentil council, oilseed council, soybean council and wheat commission. It is more fitting to have these notice of elections paid for by the commodity groups rather than an expense to our county taxpayers. It is important to point out that the commodity groups are responsible for the cost of the elections.

Section 8 makes a change to NDCC 11-11-11 subsection 4 under the general duties of board of county commissioners. Auditors say the date of March fifteenth should be changed to a later date such as November 15<sup>th</sup> as many counties are unable to meet the March deadline as audits most often times are not completed until the end of summer. This is really just a simple, house-cleaning item.

Mr. Chairman, many of the publishing requirements are more than a century old and are out-dated. NDACo has worked to make improvements over the years as we come across areas of concern. We understand there may be a couple other bills this session that will expand on what this bill proposes. It is easy to say that North Dakota counties go beyond what is mandated by using other tools and technology to inform, provide transparency and reach their citizens.

#1  
SB 2035

House Political Subdivisions Committee  
3/1/19

Testimony Prepared by  
Donnell Preskey Hushka  
North Dakota Association of Counties



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Section 8 makes a change to NDCC 11-11-11 subsection 4 under the general duties of board of county commissioners. Auditors say the date of March fifteenth should be changed to a later date such as November 15<sup>th</sup> as many counties are unable to meet the March deadline as audits most often times are not completed until the end of summer. This is really just a simple, house-cleaning item.

*S.B. 2035  
4.9.2019  
Conference Comm.  
att #1*



House Political Subdivisions Committee  
3/1/19  
Testimony Prepared by  
Donnell Preskey Hushka  
North Dakota Association of Counties

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*S.B. 2035  
4.9.2019  
Conference Comm.  
att #1 p.2*

**From:** Donnell Preskey Hushka <donnell.preskey@ndaco.org>  
**Sent:** Monday, April 8, 2019 2:36 PM  
**To:** Larson, Diane K.; Kannianen, Jordan L.; Anderson, Jr., Howard C.  
**Subject:** SB 2035 to conference committee  
**Attachments:** SB2035 Publications Interim Bill Donnell.docx

**CAUTION:** This email originated from an outside source. Do not click links or open attachments unless you know they are safe.

Good Afternoon,

I wanted to provide you some information regarding SB 2035. This is a bill that came out of the interim judiciary committee when studying the publication requirements. You will remember NDACo was the only party to testify on this bill. It was a pretty clean cut bill, I'm attaching my testimony for you to refer to on this bill.

The House Political Subs removed Section 8 of this bill that related to financial statements. I believe there was some confusion as to the use of financial statements. Cass County Auditor Mike Montplaisir prepared an explanation of the requirement. Please see his explanation below. NDACo would request the bill returned to the Senate version. Let me know if you have any other questions.

With the requirement to prepare statements in conformity with generally acceptable accounting principles it is impossible to have them completely done by March 15 in a large county. We submit our Comprehensive Annual Finance Report (CAFR) and our Popular Annual Finance Report (PAFR) to GFOA by June 30<sup>th</sup> each year. We are able to arrange our audit so that we get the opinion on our annual financial statements in June but it is a challenge each year to get the opinion in time to submit, until that time we are making changes to the statements based on recommendations from our auditors.

Having a requirement to have statements ready by March 15 each year ignores the reality of the making sure the statements include all the accruals – items received in January and February that are revenues for the previous year and final invoices that come in after year end, I think this year we received the last invoice sometime in March and the last revenue item the third week of February. Statements are not merely listing of revenues, expenditures and cash balances, they also include notes that are an integral part of the financial statements. Our goal has always been to make sure statements are accurate before making them available.

Michael Montplaisir  
Cass County Auditor  
[montplaisirm@casscountynd.gov](mailto:montplaisirm@casscountynd.gov)  
701-241-5627