

FISCAL NOTE
Requested by Legislative Council
01/15/2019

Bill/Resolution No.: SB 2279

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2017-2019 Biennium		2019-2021 Biennium		2021-2023 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$167,000		\$167,000	
Appropriations			\$167,000		\$167,000	

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2017-2019 Biennium	2019-2021 Biennium	2021-2023 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

The bill provides for annual legislative sessions and continues standing committees during the interim.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The bill provides for the Legislative Assembly to meet annually with the number of days each year determined by the Legislative Assembly and for House and Senate standing committees to continue to meet during the interim. The bill becomes effective on August 1, 2019.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

For the 2019-21 biennium, additional estimated costs of \$265,000 would be incurred for the reconvened session in 2020 with an estimated length of 3 legislative days. The 2021 regular session is anticipated to be 75 days rather than the 77 days budgeted, resulting in reduced costs of \$98,000. For the 2021-23 biennium, assuming the Legislative Assembly met for 3 days in 2022 and 75 days in 2023, the estimated additional costs again would be \$167,000. These estimates are based on current legislative compensation rates and mileage and lodging reimbursement rates. No additional costs are included for standing committees meeting during the interim. It is anticipated the standing committees would replace certain interim committees currently included in the budget and the total number of committees and members would remain the same in total as the current interim committee structure.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

Appropriation amounts would need to be adjusted to reflect the estimated expenditure amounts shown above.

Name: Allen Knudson

Agency: Legislative Council

Telephone: 328-2916

Date Prepared: 01/18/2019

2019 SENATE GOVERNMENT AND VETERANS AFFAIRS COMMITTEE

SB 2279

2019 SENATE STANDING COMMITTEE MINUTES

Government and Veterans Affairs Committee Sheyenne River Room, State Capitol

SB2279
1/31/2019
31895

- Subcommittee
 Conference Committee

Committee Clerk Signature : Pam Dever

Explanation or reason for introduction of bill/resolution:

Relating to annually reconvened sessions of the legislative assembly & the replacement of interim committee with standing committees.

Minutes:

Att #1 & #2—Sen Bekkedal;

Chairman Davison: Let's open SB2279.

Sen. Bekkedal, Dist 1, Willison: (1.23—6.41) I am the prime sponsor. (see att #1)

Sen. Erin Oban: Would water topics even exists any more with this bill? It is not a standing committee. This bill does away with interim committees.

Sen. Bekkedal: It will. I keep it in there because it is critical. He continues (7.19-) (see att #2) Please take time to read this handout.

Sen. Erin Oban: The House that removed references to No Child Left Behind, to let you know. (10.33)

Sen. Bekkedal: I don't remove so No Child stays in statute. Goes on reading handout. You may want to amend to add 'tax committees' language. Now is just goes to legislative management. (11.48) Page 5, section 12 is the operative change in the bill. Nothing changes for the odd number of years' session. They still pass a biennial budget, and still is the prime policy bill session. For even numbered sessions, the primary focus is for full legislative body review of the state financial situation and budget update. Right now, all these decisions are delayed until next session, 20 months away, or a special session is called. (13.09) I heard people talking in the hall about the budget section taking action after this last session or 2015. That reversed a decision that the legislative body made. I was taken aback by that. That should not happen in any context.

Chairman Davison: In regards to that, the vetoes the governor did and the Supreme Court decision in regards to those decisions. These were focused on the budget section. Does this bill help alleviate those challenges?

Sen. Bekkedal: (14.59) The Attorney General brought in this question. The Supreme Court decided that Budget Section cannot allowed to make those decisions independently, unless there is statute authority. By having this flexibility, the governor can call us in. If something happened right after session, this bill makes the wait shorter. We still cannot go past 80 days under the constitution. (21.07 end) Any questions?

Chairman Davison: We can't vote to do zero days?

Sen. Bekkedal: Not my intent to do zero.

Sen. Erin Oban: I am thinking about the intersection of what we have with standing committees now and what we have in interim committees. This would only continue to require those interim committees that have been around awhile to stay and other to go away.

Sen. Bekkedal: Correct. I don't know the mechanism on how to add Standing Committees.

Sen. Erin Oban: Why do we need a budget section at all? (23.48) I am very uncomfortable with what budget section does now. I think certain people have questioned that for a long time. That is an awfully large committee of legislators that don't reflect equal representation from across the state like we do in a legislative body. I would rather have a joint appropriations committee to be reviewing and suggest changes before the odd number session meets. I see the power of that committee and glad it has been challenged. I hope we respond the way the Supreme Court told us to. (25.05)

Sen. Bekkedal: I think this could be the mechanism. I agree with what you have said.

Chairman Davison: More questions? Thank you. More in support of SB2279? Agency? Any against.

Joe Morrissette, OMB: I am hear listening and see if I can answer any questions. (28.05)

Chairman Davison: How did we get to the fiscal side of this?

Joe: That is a question for legislative council. I can't answer that. I think the assumption is that all 80 days would be used.

Chairman Davison: Do you see this bill as an advantage? Would this help predict from budget stand point? Does it spread the work out more?

Joe: I am not here to testify. The three-year window is a challenge. We are heavily influence by agriculture and oil commodity. I am not sure what impact it would have on state agencies.

Chairman Davison: The executive allotment process takes the same amount of dollars across the board for each as opposed to having a closer look to say where will it do the least amount of harm.

Joe: Statute says it is across the board equally. (31.37)

Chairman Davison: Seeing no more testimony, we are closed. It has a fiscal so we need to address this Friday.

Sen. Erin Oban: Can we just talk about this?

Chairman Davison: My name is on this bill. Just so you know this.

Sen. Erin Oban: We have had annual sessions come up in the past. My first session I voted on it. I had no idea about the impact it could have. Now that I have done this a couple times, I see absolute benefit in have yearly, without begging the governor to do it. The allotment process works, but not strategically. I wish we had longer to discuss. I have questions of who would review things. (34.33)

Chairman Davison: I have some concerns, but I want this to pass. It may not be perfect. You have to have faith that this is a leap. There will be bumps in the road, but eventually the vision and process will come together and be great. I have to compromise.

Vice Chair Meyer: You can come back in two years no matter what. Some interims committee meet and still wait 18 months to get back when session starts again. (36.34) What are we accomplishing. I think it is inefficient.

Sen. Kristin Roers: I grew up in S.D. and we had annual. I think annual is good. This bill gives us a step so it is not such a big jump. This allows us to have flexibility to come together and not wait 20 months.

Sen. Shawn Vedaa: I dido what Sen. Meyer said. I had a great interim chair person. I question what we are accomplishing in the interim also. (38.40)

Sen. Erin Oban: We have talked lots about what do interim committees really accomplish. They allow us to have longer and deeper conversations. Since it would be joint standing committees meeting in even years, they would come up with recommendations already to go when the big session arrives. I like that. We will have more well thought out decisions.

Chairman Davison: Sometime you run out of momentum between sessions. If you have a legislator who goes south, they may not want annual.

Sen. Richard Marcellais: I have been here since 2007, and have seen many changes. Not every legislator had a computer. Crazy. This will affect all legislators. My wife and I have spoken about this. Why don't we meet every year? Why not in the summer? Winter is dangerous. (45.30) It is a safety thing, too. The people who did not learn computers are gone now. (43.10)

Chairman Davison: We will take this up Friday. If you have an amendment get it ready. We are adjourned until this afternoon.

2019 SENATE STANDING COMMITTEE MINUTES

Government and Veterans Affairs Committee Sheyenne River Room, State Capitol

SB2279
2/1/2019
31998

- Subcommittee
 Conference Committee

Committee Clerk Signature : Pam Dever

Explanation or reason for introduction of bill/resolution:

Relating to annually reconvened session of the Legislative Assembly & the replacement of interim committee with standing committees.

Minutes:

Chairman Davison: Yesterday we heard from Sen Bekkedal regarding annual sessions. This bill came in a bit late. There is a fiscal note. He did a great job explaining it.

Sen. Kristin Roers: As I was listening to the redistricting bill and it referred to interim committees working on redistricting. I want to make sure if we take that word out, we are fixing something in one bill and causing a problem in another. What passes last, is what is law.

Chairman Davison: Good point. This bill is a work in progress. Do you believe in the concept? It will get worked over in conference committee if it passes the house. (1.52) I am supporting the bill because we can move forward. I don't like the fiscal note, but that is not my job.

Vice Chair Meyer: I agree. As our budget keeps growing and the issue that happened two years ago, I think this is a step in the right direction. I will support.

Sen. Kristin Roers: Annual sessions is what my brain thinks is normal, coming from South Dakota. I hear people talk about annual sessions. This is a very measured approach. I like it.

Sen. Erin Oban: The process we went through cutting budgets did not have to happen that way. The governor could have called a special session. People know there are options but they choose not to use them. (3.58) This bill may not be perfect, but the system we have right now is not either.

Chairman Davison: Any more discussion?

Sen. Kristin Roers: I move a DO PASS and rerefer to Appropriations.

Sen. Richard Marcellais: I second.

Vice Chair Meyer: No place I would rather be in January than Bismarck.

Chairman Davison: Take the roll: **YES -- 7 NO -- 0 -0-absent.**

Chairman Davison will carry. SB2279 PASSED and rerefer to Appropriations.

(done – 5.19)

2-1-19

Date:
Roll Call Vote #: /

2019 SENATE STANDING COMMITTEE
ROLL CALL VOTES SB 2279
BILL/RESOLUTION NO.

Senate Government and Veterans Affairs 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. Roers Seconded By Sen. Marcellais

Senators	Yes	No	Senators	Yes	No
Chair Davison	/		Sen. Oban	/	
Vice Chair Meyer	/		Sen. Marcellais	/	
Sen. Elkin	/				
Sen. K. Roers	/				
Sen. Vedaa	/				

Total (Yes) 7 No 0

Absent 2

Floor Assignment Chair Davison

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

REPORT OF STANDING COMMITTEE

SB 2279: Government and Veterans Affairs Committee (Sen. Davison, Chairman) recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2279 was rereferred to the **Appropriations Committee**.

2019 SENATE APPROPRIATIONS

SB 2279

2019 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

SB 2279
2/7/2019
Job # 32355

- Subcommittee
 Conference Committee

Committee Clerk Signature Rose Laning / Florence Mayer

Explanation or reason for introduction of bill/resolution:

Relating to annually reconvened sessions of the legislative assembly and the replacement of interim committees with standing committees.

Minutes:

Testimony Attached # 1 – 2.

Legislative Council: Adam Mathiak
OMB: Becky Deichert

Chairman Holmberg: Called the committee to order on SB 2279. All members were present.

Senator Bekkedahl, Bill Sponsor, District 1, Williston, ND:

Attached # 1 – Testimony by Senator Bekkedahl
Attached # 2 - SB 2279 Analysis and Changes in Statute

(10:04) Chairman Holmberg: Does this allow the legislature to set up special interim committees that are not listed in your bill? Example, after next session there will be a redistricting committee, is that allowed under the language?

Senator Bekkedahl: I brought that up to Legislative Counsel in the drafting of the bill, and they said it is.

Chairman Holmberg: There are 2 concepts. One is the legislature meets in odd numbered years and the even number years. The other has to do with the structure of those meetings. Legislature meeting in 2019 and 2020 could be accomplished without any changes in statute? (Correct.)

Senator Sorvaag: The standing committees stay? (Correct.) Do the bills introduced on 50 day have to be done on that day? Or can they be delayed and do bill hearing during the interim? We get our work done, but will this allow us to not to get our work done? Are they going to do bill hearings? Now we just study things?

Senator Bekkedahl: LC budgets for a 77-day session. The reason for the fiscal note for \$167,000 is they add 3 days as if we would use the 80-day maximum. We would use as many days as we needed. And dedicate the minimum number of days for the even number

year. There would be very limited bills introduced through the bill review committee. But they would still have to follow the process with the public hearing and vote. This would be 3-5 days, it's all up to the legislature at this point. The latitude is here to do that.

(13:17) Senator Sorvaag: In the long one we'd get our work done? I'm worried we'd just drag things out. This is a major change.

Senator Bekkedahl: That is exactly what is intended here. This session would operate just as it does now. We would take care of all our policy bills, they would be voted on and not carried over. The next session would be for study at standing committees. That would come through funding issues or revenue issues to bring back to that session. This is not intended to do everything we do in this session for every year.

Chairman Holmberg: The issue of using standing committees is a topic of conversation. Under current system, a legislator who is on Appropriations, could also serve on a policy committee. They might want to be on another committee. That is a huge topic when legislative management has looked at it.

Senator Bekkedahl: That was one of the major cons, we couldn't work around it other than some would be on other committees.

Senator Dever: Interim just passed and we had all our review committees. We had the Human services and Health committees, but health care reform review was headed by the IBL Chairman. How do we include those people?

Senator Bekkedahl: My thought process was, those first two committees and the IBL committee. We could still form an interim committee; the bill could be amended to include that. Legislative management can form that committee and it can be accommodated.

Senator Dever: The interim committee would be the standing committee and then bring in others? (That was confirmed) Recognizing the House has twice as many people as the Senate.

Senator Bekkedahl: I agree. I serve on the Tax committee, essentially the interim committee was the standing committees from both chambers. My first interim it was not that way.

Chairman Holmberg: If you're looking at education, where do you put the study because it's a financial issue as well. How would you answer the question? Some committees don't have much work even during session. Ag usually has just a handful of bills, whereas Human Services which has tons of bills. How do you balance that out?

Senator Bekkedahl: With a good legislative management chairman.

Senator Erbele: My concern is the policies that we pass now, don't go into effect until July 1. It takes a while to get things up and rolling. Sometimes they don't like it and drag their feet for 18 months, but this way they would have to be done in a few months.

(20:36) Senator Robinson: This bill has been around for a while. Our present system is when the cats away the mice will play. There's no perfect plan, but maybe it's a concept whose time has come. We've experienced highs and lows with energy.

Senator Poolman: Your fiscal note is for a 3-day budget, but they can choose in the prior session. I'm concerned they'd keep increasing it. Then standing committees could go longer and longer. Is there anything that can stop that from happening?

Senator Bekkedahl: I think that's the wisdom of the legislature. I can't imagine getting this done in 50 days. We need to be most reactive in this session and more review in the next. In the simplest terms, my fiduciary responsibilities are to the state and we take 40 out of 141. I felt like I was giving my responsibilities to a fewer number of people. Now you're going to have session where people say I'm not going to vote for it because I can't introduce a bill. We are just trying to be as flexible as possible. Let's look at this again in an even number year, just so the full legislative body gets a budget review opportunity.

Chairman Holmberg: If we are, as a body, cut down on length of time and ratchet down on the number of bills. New people come into the legislature and they have many new ideas. Will you have to limit people? Last session, Senator Campbell had a bill limiting the number of bills. Will the legislature have to protect shorter time?

Senator Bekkedahl: That might be part of the discussion. I envisioned we'd do 77 days on the odd numbered year and 3 days in the fiscal review year. I can't put any more flexibility in here than I already have.

Senator Grabinger: I brought an annual sessions bill two years ago, that was in the 50-30 numbers, so we can get the fiscal review every year. The size of the budget we now have; is something we need to review.

(27:11) Senator Dever: There is nothing in this bill that we can't do right now with self-discipline. The 4 states with bi-annual sessions are ND, UT, MT, and TX. If this bill passes, would there be a session in 2020?

Senator Bekkedahl: I was under impression that it wouldn't be in effect until next biennium. I will get that clarified.

Senator Krebsbach: I applaud your efforts. One of the biggest concerns was things were being left to the budget section. We've had ruling so we have to make our changes. I've been around when we've gone a full 80 days, where we have no extra time. How would we constrain ourselves during the regular session to save days in your estimations?

Senator Bekkedahl: Just by the fact you have a deadline. I am told that for the legislature to come back here and do anything, it requires 3 days minimum. We would not have 80 days. We would have 77 and need to act appropriately.

Chairman Holmberg: For the passage of bills you're supposed to have 3 days. Although we did a short cut once. Anyone else who will testify on this?

Closed the hearing on SB 2279.

2019 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

SB 2279
2/8/2019
Job # 32464
 Subcommittee
 Conference Committee

Committee Clerk Signature Rose Laning

Explanation or reason for introduction of bill/resolution:

Relating to annually reconvened sessions of the legislative assembly and the replacement of interim committees with standing committees.

Minutes:

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Legislative Council: Adam Mathiak
OMB: Becky Deichert

Senator Grabinger: Moved Do Pass.
Senator Bekkedahl: Seconded the motion.

Chairman Holmberg: this would set up to have the legislature meet in the odd numbered and even numbered years.

Senator Dever: We could do this now if we had the discipline to do it. Unless we change the constitution and make it a unicameral legislature, we're not likely to get to that point.

Senator Grabinger: This isn't as much as an appropriation bill as it is a policy change. We've been talking about this for years. I had a bill that was 50-30, but I think this is a step in the right direction and it will lead to more efficient business in what we get done.

A Roll Call Vote was taken: Yes: 4 No: 9 Absent: 1.

Senator Wanzek: Moved DO NOT PASS
Senator Krebsbach: Seconded the motion.

A Roll Call Vote was taken: Yes: 9 No: 4 Absent: 1.

Senator Holmberg will carry the bill.

Date: 2-8-19
 Roll Call Vote #: 1

**2019 SENATE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 2279**

Senate Appropriations 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 Grabinger Seconded By Bekkedahl

Senators	Yes	No	Senators	Yes	No
Senator Holmberg		X	Senator Mathern	X	
Senator Krebsbach		X	Senator Grabinger	X	
Senator Wanzek		X	Senator Robinson	X	
Senator Erbele		X			
Senator Poolman		X			
Senator Bekkedahl	X				
Senator G. Lee	A				
Senator Dever		X			
Senator Sorvaag		X			
Senator Oehlke		X			
Senator Hogue		X			

Total (Yes) 4 No 9

Absent _____

Floor Assignment /

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

Date: 2.8.19
 Roll Call Vote #: 2

**2019 SENATE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 2279**

Senate Appropriations 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 Wanzek Seconded By Krebsbach

Senators	Yes	No	Senators	Yes	No
Senator Holmberg	X		Senator Mathern		X
Senator Krebsbach	X		Senator Grabinger		X
Senator Wanzek	X		Senator Robinson		X
Senator Erbele	X				
Senator Poolman	X				
Senator Bekkedahl	X	X			
Senator G. Lee	A				
Senator Dever	X				
Senator Sorvaag	X				
Senator Oehlke	X				
Senator Hogue	X				

Total (Yes) 9 No 4

Absent 1

Floor Assignment Holmberg

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

REPORT OF STANDING COMMITTEE

SB 2279: Appropriations Committee (Sen. Holmberg, Chairman) recommends DO NOT PASS (9 YEAS, 4 NAYS, 1 ABSENT AND NOT VOTING). SB 2279 was placed on the Eleventh order on the calendar.

2019 TESTIMONY

SB 2279

SB 2279
1-31-19
AH #1
PS 1

Senate Government and Veterans Affairs Committee

January 31, 2019

Honorable Senator Kyle Davison, Chairman

Senate Bill 2279

Testimony by Senator Brad Bekkedahl

Chairman Davison and Committee,

Good morning. For the record, my name is Brad Bekkedahl, and I am the Senator from District 1, Williston. I am the prime sponsor for Senate Bill 2279, a bill for annual sessions of the North Dakota State Legislature. The bill is a response to several issues in our State. First, we have a biennial budget of over \$14 billion, and a process to prepare that budget that starts almost 3 years before the end of that operational biennium. Couple that with a state economy that is predominately tied to global commodities production and global market swings, and the need to react better to changing revenue environments becomes apparent. In my first two sessions here, I have seen both extremes. One session with record revenues and one with record reductions in spending. Second, if mistakes are made in legislation that require correction, we live with that mistake or suffer its consequences for as much as 20 months before the next biennium session opens. Third, meeting annually would enhance the authority of the legislative branch to make budget decisions and corrections, and allow the legislature to react faster to across the board governor allotment reductions or prevent them altogether. And, if there were priorities that were left unfunded in a session and the revenue collected is significantly better than expected, we could act on funding those priorities. Conversely, if revenues were less than projected, the legislature could also act to correct that with budget revisions sooner. These are the major issues, but I am sure there are other issues that support the changes in this bill as well.

SB 279
1-31-19
AK #1
pg 2

Operationally, nothing changes in how we do business now in the odd-numbered session years. We still have an organizational session in December after the general election, we still meet in January and produce a biennial budget. We still have bills introduced and hearings on policy. We still cannot exceed the 80-day constitutional limit for the biennium that the legislature can be in session. The emergency commission still operates, as does the Budget section. Legislative management committee stays in place. What does change is the legislature is required by statute to meet annually, not to exceed the constitutional 80-day limit. The legislative body votes in the odd-numbered year session how long the even-year session will be. And, anticipating the need for more days in the odd-numbered year session, the even-year session has a bill review committee, like our now delayed bills committee, that evaluates bills based on priority and critical importance for admission to the shorter session. There are no limits on the number of bills that may be submitted, and if they are not selected for that session, the bill sponsor is able to introduce them to the next odd-numbered year session, just as we do now. Also, this bill removes interim committees and replaces them with the standing committees having authority to meet between sessions as needed. The standing committees from both House and Senate would meet jointly when they are not in session. And, as you will see in the bill analysis sheet, all the committees such as Employee benefits programs committee remain too.

Chairman Davison, thanks to you and your committee for this hearing today and your consideration of my testimony. I encourage the committee to give serious consideration for a Do Pass recommendation. The best way to explain the bill and changes is to go through them section by section, so I have prepared an analysis that does that. With your permission Mr. Chairman, I will go through that now, and then stand for questions from you and your committee.

Senate Bill 2279 Analysis and Changes in Statute

Prepared by Senator Brad Bekkedahl

SB 2279
1-31-19
AH #2
pg 1

In general, in the pages on this bill, you will see multiple references to removal of the word "interim" and replacing with the words "other than during legislative sessions" to accommodate the replacement of interim committees with standing committees continuing to operate between sessions. During the time between sessions, the intent is to allow studies to be placed to standing committees, and that the meetings would be joint with House and Senate committees together.

Page 1, Section 1 - This section deals with compensation for Legislative Assembly members and removes reference to "interim" committees and allows reimbursement and compensation to occur for committee meetings held "other than during legislative sessions". (Remember, the intent of this bill is for standing committees to be able to meet jointly during times between Legislative sessions.)

Page 2, Section 2 - Removes the word "interim" and allows for application of board provisions and pay and expenses for board members that are members of the Legislative assembly to be compensated for committee meetings "other than during the legislative sessions.

Page 3, Section 5(a) - removes the reference to "session or interim" from committees so that this section applies to any committees of the assembly.

Page 3, Section 6 - Cleanup language for statute referencing the No Child Left Behind Act of 2001, removing "an interim" and "or by a standing committee" so the language again refers properly to any committee.

Page 3, Section 7 and 8 - Removes "an interim" language so that it references a committee.

Page 4, Section 10 - Cleanup that removes "interim" and adds "other than during a legislative session" to accommodate the replacement of interim committees with standing committees continuing to operate between sessions.

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1-31-19
AH #2
Pg 2

Page 4, Section 11 - removes all reference language to the "interim committee on taxation issues or upon request of any other interim committee of the legislative management" so that these issues are reported to legislative management. (May want to amend here to add language "and tax committees")

Page 5, Section 12 - This section is the operative change in the bill that allows and defines annual sessions in the odd-numbered years and the even-numbered years. Operationally, nothing changes for the odd number year legislative session. We still have the organizational session in December following the election of members. This session is still required to pass a biennial budget, and it still operates as the primary policy bill session. For even-numbered legislative sessions, the primary focus is full legislative body review of the state financial situation and budget update. It could allow for consideration of priorities from the previous session for funding opportunities if increased revenue allows, and for consideration of budget revisions if needed by serious revenue declines, without the use of allotments independently by the Governor, or to adjust the allotments if implemented by the Governor. Right now, all these decisions are delayed until the next regular session, sometimes 20 months away. Also, the emergency commission still has the authority to operate as now, and the budget section, if given the proper authority in statute (as is now the case) can act on emergency needs. But, issues that can wait should for the whole assembly in the Budget Review year, and the Assembly could also ratify emergency decisions made. And remember, through all of this, we still cannot exceed the number of natural days under the Constitution in a two-year period, currently 80 days.

Page 6, Section 13 - Defines the establishment and operation of a bill review committee in even-numbered years. Occasionally, we do make mistakes in legislation that should not wait two-years to correct, especially if they relate to citizens health, safety, and quality of life.

Page 6, Section 14 - Mandates that during the organizational session, standing committees must be appointed for the biennium, and that House and Senate committees will meet jointly when not in legislative session and separately when in session.

Page 7, Section 18 - Removes the investigating committee as an interim committee. Any investigating committee during a session acts through majority of members. If application to investigate is made when not in session, it may be made to district court in Burleigh County, as is now allowed.

Page 8, Section 19 - This section is cleanup with removal of references to interim committee language that no longer applies in this bill.

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Page 13, Section 29 - Allows legislative management to issue a call for the legislature to convene, if days are available, outside of the days set aside by the legislative assembly for the even-numbered session.

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Page 14, Section 31 - Keeps the Workers' compensation review committee as a standing committee and removes the word "interim" and replaces with "biennium".

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Page 15, Section 33 - Removes excess language referring to economic development tax incentives and sets up that review of programs to a legislative management assignment, presumably, but not in statute, to the standing tax committees that currently have jurisdiction. Also removes multiple references to the word "interim".

Page 18, Section 34 - Removes the word "interim" in the application of compensation and expense reimbursement.

Page 19, Section 35 - Allows for presentation of budget data to the legislative assembly at other dates and times requested outside of the organizational session.

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Senate Appropriations Committee

February 7, 2019

Honorable Senator Ray Holmberg, Chairman

Senate Bill 2279

Testimony by Senator Brad Bekkedahl

Chairman Holmberg and Committee,

Good morning. For the record, my name is Brad Bekkedahl, Senator from District 1, Williston. I am the prime sponsor for Senate Bill 2279, a bill for annual sessions of the North Dakota State Legislature. The bill is a response to several issues in our State. First, we have a biennial budget of over \$14 billion, and a process to prepare that budget that starts almost 3 years before the end of that operational biennium. Couple that with a state economy that is predominately tied to global commodities production and global market swings, and the need to react better to changing revenue environments becomes apparent. In my first two sessions here, I have seen both extremes. One session with record revenues and one with record reductions in spending. Second, if mistakes are made in legislation that require correction, we live with that mistake or suffer its consequences for as much as 20 months before the next biennium session opens. Third, meeting annually would enhance the authority of the legislative branch to make budget decisions and corrections, and allow the legislature to react faster to across the board governor allotment reductions or prevent them altogether. And, if there were priorities that were left unfunded in a session and the revenue collected is significantly better than expected, we could act on funding those priorities. Conversely, if revenues were less than projected, the legislature could also act to correct that with budget revisions sooner. These are the major issues, but I am sure there are other issues that support the changes in this bill as well.

Operationally, nothing changes in how we do business now in the odd-numbered session years. We still have an organizational session in December after the general election, we still meet in January and produce a biennial budget. We still have bills introduced and hearings on policy. We still cannot exceed the 80-day constitutional limit for the biennium that the legislature can be in session. The emergency commission still operates, as does the Budget section. Legislative management committee stays in place. What does change is the legislature is required by statute to meet annually, not to exceed the constitutional 80-day limit. The legislative body votes in the odd-numbered year session how long the even-year session will be. And, anticipating the need for more days in the odd-numbered year session, the even-year session has a bill review committee, like our now delayed bills committee, that evaluates bills based on priority and critical importance for admission to the shorter session. There are no limits on the number of bills that may be submitted, and if they are not selected for that session, the bill sponsor is able to introduce them to the next odd-numbered year session, just as we do now. Also, this bill removes interim committees and replaces them with the standing committees having authority to meet between sessions as needed. The standing committees from both House and Senate would meet jointly when they are not in session. And, as you will see in the bill analysis sheet, pertinent committees such as Employee benefits programs committee remain too. While the fiscal note shows an expense of \$167,000, the explanation does not take into account any savings that could occur with less interim committee activity meeting potential.

Chairman Holmberg, thanks to you and your committee for this hearing today and your consideration of my testimony. I encourage the committee to give serious consideration for a Do Pass recommendation. The best way to explain the bill and changes is to go through them section by section, so I have prepared an analysis that does that. With your permission Mr. Chairman, I will go through that now, and then stand for questions from you and your committee.

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Senate Bill 2279 Analysis and Changes in Statute

Prepared by Senator Brad Bekkedahl

In general, in the pages on this bill, you will see multiple references to removal of the word "interim" and replacing with the words "other than during legislative sessions" to accommodate the replacement of interim committees with standing committees continuing to operate between sessions. During the time between sessions, the intent is to allow studies to be placed to standing committees, and that the meetings would be joint with House and Senate committees together. Studies would be referred to the appropriate standing committee.

Page 1, Section 1 - This section deals with compensation for Legislative Assembly members and removes reference to "interim" committees and allows reimbursement and compensation to occur for committee meetings held "other than during legislative sessions". (Remember, the intent of this bill is for standing committees to be able to meet jointly during times between Legislative sessions.)

Page 2, Section 2 - Removes the word "interim" and allows for application of board provisions and pay and expenses for board members that are members of the Legislative assembly to be compensated for committee meetings "other than during the legislative sessions.

Page 3, Section 5(a) - removes the reference to "session or interim" from committees so that this section applies to any committees of the assembly.

Page 3, Section 6 - Cleanup language for statute referencing the No Child Left Behind Act of 2001, removing "an interim" and "or by a standing committee" so the language again refers properly to any committee.

Page 3, Section 7 and 8 - Removes "an interim" language so that it references a committee.

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Page 4, Section 10 - Cleanup that removes "interim" and adds "other than during a legislative session" to accommodate the replacement of interim committees with standing committees continuing to operate between sessions.

Page 4, Section 11 - removes all reference language to the "interim committee on taxation issues or upon request of any other interim committee of the legislative management" so that these issues are reported to legislative management. (May want to amend here to add language "and tax committees")

Page 5, Section 12 - This section is the operative change in the bill that allows and defines annual sessions in the odd-numbered years and the even-numbered years. Operationally, nothing changes for the odd number year legislative session. We still have the organizational session in December following the election of members. This session is still required to pass a biennial budget, and it still operates as the primary policy bill session. For even-numbered legislative sessions, the primary focus is full legislative body review of the state financial situation and budget update. It could allow for consideration of priorities from the previous session for funding opportunities if increased revenue allows, and for consideration of budget revisions if needed by serious revenue declines, without the use of allotments independently by the Governor, or to adjust the allotments if implemented by the Governor. Right now, all these decisions are delayed until the next regular session, sometimes 20 months away. Also, the emergency commission still has the authority to operate as now, and the budget section, if given the proper authority in statute (as is now the case) can act on emergency needs. But, issues that can wait should for the whole assembly in the Budget Review year, and the Assembly could also ratify emergency decisions made. And remember, through all of this, we still cannot exceed the number of natural days under the Constitution in a two-year period, currently 80 days.

Page 6, Section 13 - Defines the establishment and operation of a bill review committee in even-numbered years. Occasionally, we do make mistakes in legislation that should not wait two-years to correct, especially if they relate to citizens health, safety, and quality of life.

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Page 6, Section 14 - Mandates that during the organizational session, standing committees must be appointed for the biennium, and that House and Senate committees will meet jointly when not in legislative session and separately when in session.

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