2021 HOUSE POLITICAL SUBDIVISIONS

HB 1108

2021 HOUSE STANDING COMMITTEE MINUTES

Political Subdivisions Committee

Room JW327B, State Capitol

HB1108 1/14/2021 House Political Subdivisions

Relating to county notification requirements

Chairman Dockter: (9:00) Opened the hearing.

Representative Jason Dockter

Representative Brandy Pyle

Representative Mary Adams

Representative Claire Cory

Representative Sebastian Ertelt

Representative Clayton Fegley

Representative Patrick Hatlestad

Representative Mary Johnson

Representative Lawrence R. Klemin

Representative Donald Longmuir

Representative Dave Nehring

Representative Marvin E. Nelson

Representative Luke Simons

Representative Nathan Toman

Roll call all members present.

Discussion Topics:

Publication requirements

Vice Chairman Pyle: (9:03) Introduced the bill.

Donnell Preskey: (9:13) Association of Counties and Executive Director of Auditors and Treasurers Association. In favor, testimony #843.

Erica Johnsrud: (9:27) Auditor/Treasurer for McKenzie County. In favor, testimony #784.

Michael Montplasir: (9:35) Director of Cass County. In favor, testimony #774.

Jack McDonald: (9:48) ND Newspaper Association. In opposition, no written testimony.

Sarah Squires: (9:55) Director of ND Newspaper Association. In opposition, testimony #792.

House Political Subdivisions Committee HB1108 1/14/2021 Page 2

Chairman Dockter: (10:03) Adjourned the hearing.

Chairman Dockter: (11:31) Reopened the hearing.

Committee will wait to take action until amendments are complete.

Additional written testimony:

Jill Denning Gackle: testimony #681.

Hearing adjourned (11:38)

Carmen Hickle, Committee Clerk

Testimony Prepared for the **House Political Subdivisions** January 14th, 2021 By: Donnell Preskey, NDACo



RE: Support for HB 1108

Good morning Chairman Dockter and committee members, I'm Donnell Preskey with the North Dakota Association of Counties. In my role at NDACo, I serve as Executive Director for the Auditors and Treasurers Associations which are in support of this bill.

HB 1108 does not eliminate the requirement to list of bills paid by a county – it merely seeks to change *where* the information is published. This bill is about where can citizens get the best information. We believe the best place is on county websites. Currently, 11-11-37 in the Century Code is where counties are mandated to publish minutes. A 2012 Attorney General's opinion cites that expenditures are part of the minutes and therefore counties should publish the expenditure report.

Because most counties put their minutes on their websites already, most counties are already publishing this information. Several counties have also made the expenditure data available on their websites using transparency portals which are essentially an open checkbook for citizens to view expenditure and budget information. This information is easy to understand and navigate.

Often times this same information, when printed in the newspaper, is in very minute print and takes up a large amount of space making it a very expensive publication and one that is of interest to very few citizens. We know of papers who do not wish to publish this information due to the space it requires. This bill would allow for a county to avoid publishing this information in a newspaper if it is available on the county's website. We found that three counties do not have county websites.

In 2018, counties spent approximately \$450,000 on meeting publication requirements in total. A survey of counties shows the publication of minutes plus bills is approximately 30-35% of the total cost.

It is important to note that advertising rates are negotiated and set every biennium by OMB. Although this mechanism is efficient, local governments have little direct control of this cost.

It is no secret, many of the major newspapers in the state have reduced the number of days they are printing, which adds to our argument that the best place for this detailed information is with the county on their websites that is available 24-7.

Written Testimony for the **House Political Subdivisions**January 14, 2021

Erica Johnsrud, McKenzie County Auditor/Treasurer



RE: SUPPORT for HB 1108

Good morning, Chairman Dockter, and members of the Committee. My name is Erica Johnsrud and I am the Auditor/Treasurer for McKenzie County. I would like to add a few additional points to the testimony of Donnell Preskey, from whom you have already heard today.

While this bill is not highly technical, it is an important one to counties. A similar bill was presented during the 2019 Legislative Session and was defeated, but many things have changed since 2019, including the move of some newspapers to digital formats and the closure of others.

In 2019 McKenzie County spent a total of \$25,601.53 with our official newspaper, the McKenzie County Farmer. In 2020 that number was \$37,751.93. This amount includes many different types of publications and other services, such as commission minutes and bills, election notices and results, legal notices for our Planning & Zoning, notices of bid opportunities, job postings, notary stamps, newspaper subscriptions, and other printing needs. Last year alone McKenzie County spent \$13,220.50 for the publication of our meeting minutes and bills list, which are also published to the county's website approximately one week before their publication in the newspaper.

Analyzing information that was provided to me by several other counties, approximately 30% of the total minutes and bills publication cost is for the publication of the listing of bills. While not a staggering figure to some, it does represent funds that could be allocated to providing additional services to county residents.

I'm sure you are going to hear that these publications are vital to the revenue stream of local newspapers. In 2019 the ND Newspaper Association Executive Director, Steve Andrist, stated in a Bismarck Tribune article that about 10% of newspapers revenue is derived from county publications. Assuming that number is correct, that means that the

portion of the publication costs for the bills in McKenzie County is less than just 1.0% of the total revenue for our local newspaper.

It is important to note that I am <u>not</u> here to advocate for the removal of publishing items in the local newspaper. However, where information is posted has shifted and will likely continue to do so. This information is directly available in a more useful, public, and mobile friendly formats either from transparency portals used by several counties or from publications directly on county websites.

In 2018 McKenzie County moved to an electronic format of storing our bills/invoices and in conjunction with the County Recorder's Office we have established a "County Library" where citizens can not only search for information on deeds and other recorded documents, but also all invoices paid and all editions of our official newspaper. I know of other counties that are also moving to a more digital format, which will only increase the ease at which the public has the ability to access the information they are seeking.

Thank you for your time today and I urge a DO PASS recommendation on HB 1108.

Written Testimony To
THE HOUSE POLITICAL SUBDIVISIONS COMMITTEE
January 14, 2021
By Michael Montplaisir, Cass County Finance Director
Cass County Government

REGARDING HOUSE BILL 1108

Mr. Chairman and members of the House Political Subdivisions Committee, I am Michael Montplaisir, Cass County Finance Director. House Bill 1108 removes publishing requirements for bills approved by the County Commission if these items are available on the county's website.

We publish minutes from each County Commission meeting in the legal section of our official newspaper, and we publish our agendas as a display ad before each meeting. Publishing the minutes is required by law, but we also publish the agendas because we want to alert county citizens about items on our agenda. In contrast to other counties, we have two scheduled meetings a month in addition sometimes to special meetings, particularly when discussing county budgets.

Prior to 2019 we did not publish bills in the newspaper. I am not sure why the publishing of bills was stopped but it was over thirty years ago. The minutes contained the approval of the bills in total. In all that time we have never had a question or inquiry of bills paid by the county. When the county created a website, the commission minutes, and detailed bill listing were included on the web site. The listing on the web site also did not generate any questions from the public concerning bills the county pays.

After the 2019 session when this was brought to our attention, we did start publishing the bills with the publication of our commission meeting minutes in the official county newspaper. We also continue to include the commission minutes and listing of bills on the county website. The publication of bills did increase our costs. In 2018 the cost of publishing minutes was \$8,238.19 and in 2020 with bills included the cost was \$18,747.14—a \$10,508.95 dollar increase, to produce the same result...no questions from the public on our bills.

This is not a surprise because with an entity like Cass County, the bill listing is long and trying to read through the bills is a time consuming and difficult task. If you are looking for an individual bill, searching through three columns of a bills list is difficult.

A much easier solution for people is to look for the bills on our website. They are not only easier to read but also contain more information for the public, perhaps causing them to question more than if they only see the vendor and dollar amount in the bill listing. In addition, we upload our financial data to an OpenGov site linked to our website where people can search transactions by name—when searching by name they can see all transactions associated with that name for a period of years going back to 2016.

The county publishes a lot of different items in our official newspaper. Our total publishing costs for 2020 were \$46,365.77. We publish a lot of useful information for our citizens including meeting agendas, election information, financial information—some required and some not under state law. Publishing of the bills in the newspaper does nothing for the residents and taxpayers of Cass County except cost them \$10,000 a year in additional taxes.

I respectfully urge you to support and give a Do Pass recommendation to HB 1108.

Example of information on Cass County Website posted with Minutes of the meeting:

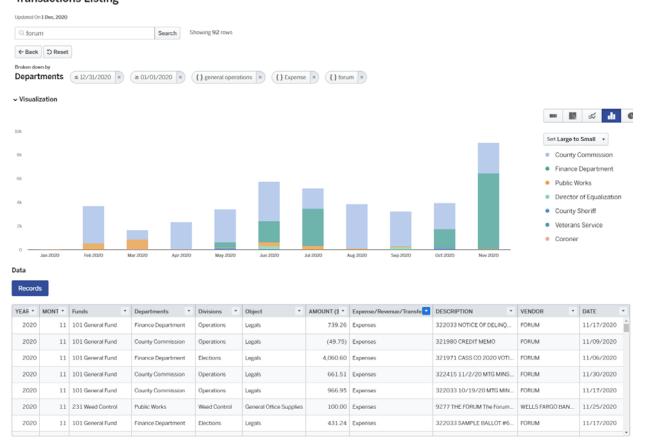
Reduced from landscape mode to fit on this page.

	Check Numbers 321931-322145			Electronic Payments 9114-9180	Purchase Card Transaction	
ACCOUNT NUMBER	DEPARTMENT	CHECK DATE	CHECK NUMBER	VENDOR NAME	AMOUNT	DESCRIPTION
101-1501-411.10-25	County Administrator	11/06/2020	321973	KELLY SERVICES, INC.	900.00	11/1 MGROSZ
101-1501-411.53-10	County Administrator	11/06/2020	321974	VERIZON WIRELESS	90.08	SVC 9/29-10/28/20 ADMINISTRATOR
101-1501-411.54-02	County Administrator	10/27/2020	9115	VALLEY NEWS LIVE EMPLOYME	598.00	PURCHASE CARD Job Postings
101-1501-411.57-01	County Administrator	10/27/2020	9115	QUALITY INN ND400	172.80	PURCHASE CARD SOLUM P-CARD EXPENSE
101-1501-411.57-02	County Administrator	10/27/2020	9115	FMWF CHAMBER CHAMBERMASTE	20.00	PURCHASE CARD WILSON P-CARD EXPENSE
101-1501-411.74-01	County Administrator	10/27/2020	9115	AMZN MKTP US MK7UY8OS1	72.98	PURCHASE CARD Surface Cases
101-1501-411.74-01	County Administrator	10/27/2020	9115	CDW GOVT #2032683	27.83	PURCHASE CARD DVD Burner
101-1501-411.74-01	County Administrator	10/27/2020	9115	CDW GOVT #2035041	303.02	PURCHASE CARD Surface Accessories
				DIVISION TOTAL	3,193.91	

Example of listing of bills in official paper:

PAYMENT REGISTER 8756 POSITIVE CONCEPTS 150.95 8881 ABT DATA TECHNOLOGIES, INC. 1,965.00 8882 ADAMS COUNTY RECORDER 1,952.75 8883 ADAPCO, INC. 2,757.71 8884 AMERICAN WELDING & GAS, INC. 116.04 8885 AMS 2,443.76 8886 AUTO VALUE 63.12 8887 BAUER BUILT 61.41 8888 BILLINGS COUNTY RECORDER 3,714.00 8889 BOB BARKER COMPANY, INC. 184.88 8890 BOTTINEAU COUNTY RECORDER 6,300.75 8891 BOWMAN COUNTY RECORDER 2,377.00 8892 BURLEIGH COUNTY RECORDER 34,233.50 8893 BUSINESS ESSENTIALS 543.90 8894 CHILLER SYSTEMS, INC. 1,295.00 8895 CODE 4 SERVICES 4,798.18 8896 CTS LANGUAGELINK 227.96 8897 CURT'S LOCK & KEY SERVICE, INC. 83.20 8898 DAKOTA REFRIGERATION, INC. 554.25 8899 DAVID-DONEHOWER FUNERAL HOME 2,000.00 8900 DESIGN SPECIALTIES,

Example of Transaction Inquiry on OpenGov: Transactions Listing



Sarah Elmquist Squires

North Dakota Newspaper Association

HB 1108

Against

Dear Chairman Dockter, Vice Chairwoman Pyle, and Reps. Adams, Cory, Ertelt, Fegley, Hatlestad, Johnson, Klemin, Longmuir, Nehring, Nelson, Simons, and Toman,

I'm writing today in opposition to HB 1108, which would remove the requirement of bill publication within minutes for our state's counties.

I think we can all agree that government should be accountable to taxpayers. Transparency of government spending is where the rubber hits the road when it comes to that key tenant of accountability. If citizens do not have access to these spending reports, folks will be in the dark when it comes to that oversight.

What happens when the lights are out when it comes to government spending? I'll tell you. Those "checks and balances" we take for granted disappear. Taxes go up. Government officials become looser with taxpayer dollars because they know no one is watching. That's not the direction North Dakotans want their government to go.

Taxpayers deserve the right to have access to these spending reports, no matter who they are. Yet we know that hiding them on government websites cuts out major segments of your constituents: 34% of seniors don't go online, and 22% of rural folks don't have access to the web. The vast majority of North Dakotans who do use the internet don't peruse government websites to find data; an independent survey we conducted last year proved it: nearly 90% of those surveyed said North Dakotas newspapers are where they go to find public notices. That's where they belong.

Publication of notices is not expensive, and in studying newspapers of various sizes over the last week, I can tell you the bill reports amount to less than 20% of the cost of publishing those minutes. The typical cost in Crosby for bill publication, for instance, is \$27. But how much do we save by ensuring there is oversight to that spending?

Taxpayer oversight of government spending is paramount to the kind of small, efficient and accountable government we expect and deserve. Please vote DO NOT PASS on HB 1108.

Respectfully submitted,

Sarah Elmquist Squires

North Dakota Newspaper Association

House Political Subdivisions HB 1108 9 a.m. Jan. 14, 2020

Chairman Dockter and Members of the Committee. I'm Jill Denning Gackle, publisher of the BHG newspapers, a group that serves town as far east as McClusky, as far west as Beulah and as far north as Garrison.

Please give HB 1108 a strong "no" vote. The bill would hide the county's most valuable information published in minutes of county meetings. In this day and age where we need more transparency, not less, let me give you an example.

Mercer County publishes its minutes in the Beulah Beacon. The Mercer County Commissioners talk a lot. The commissioners are often at odds with many votes that aren't unanimous. One county commissioner is calling for an audit of the books because he doesn't believe it's all above board. With pending tax increases and a \$2.5 million shortfall, the public is paying attention. Although a reporter of ours covers those meetings in details, we can't put every speck of information in our stories. The minutes fill that gap for the readers.

In December, the Mercer County Commission meetings took up 30 inches of one column in the Beulah Beacon. Within those 30 inches, 4 ½ inches raise some of the most interesting questions: Why is the county serving its vehicles in Bismarck (Eide Ford) when there are local mechanics? Why are they buying office supplies from Quill when local stores or even stores in the state sell office supplies? Whose cell phone bills does the county pay for to a tune of \$792/month? Why does one gas station get twice as much business as another?

These minutes are well read. And they're almost always read in print. Although we give a free online subscription with every paid print subscription, less than 15 percent of our subscribers take us up on it. They want a print subscription. They don't want to try to sit on a computer at the end of a day, they want to sit in their armchair and read the local news.

Newspapers remain a solid source for local information. In our communities we're the only source for local information, which creates a glue that brings our residents together. Let's give them all the information and not try to hide what our readers want and need.

Please vote "no" on HB 1108. Thank you for your consideration.

Jill Denning Gackle 701-460-7130

2021 HOUSE STANDING COMMITTEE MINUTES

Political Subdivisions Committee

Room JW327B, State Capitol

HB 1108 1/21/2021

Relating to county notification requirements

Chairman Dockter: (2:04pm) opened the hearing

All members present except Simons

Representatives	Attendance
Representative Jason Dockter	Р
Representative Brandy Pyle	Р
Representative Mary Adams	Р
Representative Claire Cory	Р
Representative Sebastian Ertelt	Р
Representative Clayton Fegley	Р
Representative Patrick Hatlestad	Р
Representative Mary Johnson	Р
Representative Lawrence R. Klemin	Р
Representative Donald Longmuir	Р
Representative Dave Nehring	Р
Representative Marvin E. Nelson	Р
Representative Luke Simons	Α
Representative Nathan Toman	Р

Discussion Topics:

- Amendment for publishing requirements of county treasury payments
- Requirements of publishing for individual checks written

Rep.Adams: (2:11pm). Made a motion to accept amendment LC#21.0597.01003 and further amend with the public or official newspaper shall publish the website address with the information available added to Section 3. #11695

Rep. Halvestad: Second the motion

Voice vote - Motion carried.

Rep. Johnson: Made a motion for do pass as amended.

Rep. Adams: Second the motion for do pass as amended.

Representatives	Vote
Representative Jason Dockter	Υ
Representative Brandy Pyle	Υ
Representative Mary Adams	Υ
Representative Claire Cory	Y
Representative Sebastian Ertelt	N
Representative Clayton Fegley	Υ
Representative Patrick Hatlestad	Υ
Representative Mary Johnson	Υ
Representative Lawrence R. Klemin	Υ
Representative Donald Longmuir	N
Representative Dave Nehring	N
Representative Marvin E. Nelson	N
Representative Luke Simons	Α
Representative Nathan Toman	N

Do pass as amended 8-5-1 carried

Floor assignment Rep. Adams

Chairman Dockter: (2:27pm). hearing closed

Carmen Hickle, Committee Clerk

Adopted by the Political Subdivisions Committee

DO 1/21/21

January 21, 2021

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1108

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact sections 11-11-37 and 40-01-09.1 of the North Dakota Century Code, relating to notification requirements.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 11-11-37 of the North Dakota Century Code is amended and reenacted as follows:

11-11-37. Proceedings of board of county commissioners to be published in official newspaper - When published.

The board of county commissioners shall supply to the official newspaper of the county a full and complete report of its official proceedings at each regular and special meeting no later than seven days after the meeting at which the report is read and approved. The publisher of the official newspaper shall publish the report in the issue of the paper next succeeding the time of its reception and shall file with the county auditor an affidavit of publication executed in the proper form. Orders and vouchers for payment of moneys from the county treasury are not required to be published in the minutes or report of the official proceedings if that information otherwise is made available on the county's official website. If orders and vouchers for payment are made available on the county's official website, the publisher of the official newspaper shall publish the website address where the information is available.

SECTION 2. AMENDMENT. Section 40-01-09.1 of the North Dakota Century Code is amended and reenacted as follows:

40-01-09.1. Publication of city government proceedings - Electorate to decide.

- 1. Beginning with the 1996 biennial municipal elections, and every four years thereafter, all cities in North Dakota, regardless of their form of government, must put on the ballot the question of whether the minutes of its governing body shall be published in its official newspaper. If voters approve publication, the governing body shall, within seven days after each of its meetings, give its official newspaper, for publication, the complete minutes, or a complete summary showing the substantive actions taken at the meeting.
- 2. Roll call votes must be published, but may be indicated as "unanimous" when appropriate. A list of the individual checks written by the city and approved by the governing body, showing the payee and the amount of each check, must be published. However, employee salary checks need not be published if the governing body elects to publish an annual salary schedule for each employee. When applicable, these minutes may be labeled as being published subject to the governing body's review and

Da 1/21/21

revision. The minutes shall continue to be published until disapproved at a succeeding quadrennial election.

3. Individual checks written by the city are not required to be published in the minutes or report of the official proceedings if that information otherwise is made available on the city's official website. If orders and vouchers for payment are made available on the county's official website, the publisher of the official newspaper shall publish the website address where the information is available."

Renumber accordingly

Module ID: h_stcomrep_08_012 Carrier: Adams Insert LC: 21.0597.01005 Title: 02000

REPORT OF STANDING COMMITTEE

HB 1108: Political Subdivisions Committee (Rep. Dockter, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (8 YEAS, 5 NAYS, 1 ABSENT AND NOT VOTING). HB 1108 was placed on the Sixth order on the calendar.

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Module ID: h_stcomrep_08_012 Carrier: Adams Insert LC: 21.0597.01005 Title: 02000

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Renumber accordingly

21.0597.01003 Title. Prepared by the Legislative Council staff for Representative Pyle January 20, 2021

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1108

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