2023 HOUSE GOVERNMENT AND VETERANS AFFAIRS

HB 1092

2023 HOUSE STANDING COMMITTEE MINUTES

Government and Veterans Affairs Committee
Pioneer Room, State Capitol

HB 1092
1/6/2023

A BILL for an Act authorizing the state of North Dakota acting through job service North Dakota to sell certain property.

Chairman Schauer called the meeting to order at 9:45AM.

Chairman Austen Schauer, Vice Chairmen Bernie Satrom, Reps. Landon Bahl, Claire Cory, Jeff A. Hoverson, Jorin Johnson, Karen Karls, Scott Louser, Carrie McLeod, Karen M. Rohr, Vicky Steiner, Steve Vetter, Mary Schneider. All present.

Discussion Topics:

- Federal government funding
- Property disposal
- Transfer of property
- Authority to sell property

Phil Davis, Workforce Services Director of Job Service North Dakota, introduced HB 1092 with supportive testimony (#12430).

Chairman Schauer closed the hearing on HB 1092.

Rep. Vetter moved a do pass on HB 1092.

Seconded by Rep. Schneider.

Roll Call Vote:

Representatives	Vote
Representative Austen Schauer	Y
Representative Bernie Satrom	Y
Representative Landon Bahl	Y
Representative Claire Cory	Y
Representative Jeff A. Hoverson	Y
Representative Jorin Johnson	Y
Representative Karen Karls	Y
Representative Scott Louser	Y
Representative Carrie McLeod	Y
Representative Karen M. Rohr	Y
Representative Mary Schneider	Y
Representative Vicky Steiner	Y
Representative Steve Vetter	Y

Motion carries 13-0-0.

Carried by Rep. Bahl.

Chairman Schauer adjourned the meeting at 9:54 AM.

Phillip Jacobs, Committee Clerk

REPORT OF STANDING COMMITTEE

HB 1092: Government and Veterans Affairs Committee (Rep. Schauer, Chairman) recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1092 was placed on the Eleventh order on the calendar.

2023 SENATE INDUSTRY AND BUSINESS

HB 1092

2023 SENATE STANDING COMMITTEE MINUTES

Industry and Business Committee
Fort Union Room, State Capitol

HB 1092
3/6/2023

A bill authorizing the state of North Dakota acting through job service North Dakota to sell certain property.

9:00 AM Chairman D. Larsen called the meeting to order. Members present: Chairman D. Larsen, Vice Chairman Kessel, Senator Barta, Senator Klein, Senator Boehm.

Discussion Topics:

- Property sale
- Property disposal
- Property transfer
- Staffing

9:00 AM Phil Davis, Workforce Service Director, Job Service North Dakota, testified in favor of HB 1092. # 21821

9:17 AM Chairman D. Larsen closed the hearing on HB 1092.

9:17 AM Senator Klein moved DO PASS HB 1092.
Senator Barta seconded the motion.

Roll Call Vote:

Senators	Vote
Senator Doug Larsen	Y
Senator Greg Kessel	Y
Senator Jeff Barta	Y
Senator Keith Boehm	Y
Senator Jerry Klein	Y

Vote: 5-0-0 Motion passed.

Senator Klein will carry the bill.

9:18 AM Chairman D. Larsen closed the meeting.

Brenda Cook, Committee Clerk

REPORT OF STANDING COMMITTEE

HB 1092: Industry and Business Committee (Sen. Larsen, Chairman) recommends **DO PASS** (5 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1092 was placed on the Fourteenth order on the calendar. This bill does not affect workforce development.

TESTIMONY

HB 1092

House Bill 1092
Testimony of Phil Davis
Job Service North Dakota
Before the
House Committee On
Government and Veterans Affairs
Representative Schauer, Chair
January 6th, 2023

Mr. Chairman, members of the committee, my name is Phil Davis, Workforce Services Director of Job Service North Dakota. I am here today in support of House Bill 1092.

Selling property owned by Job Service is somewhat unique based upon the fact that the agency is funded almost exclusively by the federal government, with our properties funded entirely by the federal government. Because of the federal investment, we are required to follow both state and federal laws when disposing of these properties.

There are a variety of requirements that federal law outlines as it relates to property disposal, with a key component being that properties must be appraised and subsequently sold at fair market value, eliminating our ability to transfer the property to another entity at no cost or at a significantly reduced amount.

The property we are seeking permission to sell is the Minot Workforce Center and the surrounding 2.75 acres it is located on. Although we have not expended any funds to complete an appraisal due to the lack of authority to sell the property, the insurance value of the property is approximately $2,265,100.

While there are several reasons why we are exploring selling the building, I will quickly focus on two major reasons. The first is staffing. Over the last 40 years, we have decreased our staff from 36 to 8 and no longer require a 17,000 square foot building. The second reason is location. The location was selected based on an understanding Minot would grow to the north. While Minot has grown, the current location is still inaccessible to public transportation resulting in individuals being unable to access our services in person. Ideally, we would co-locate or locate near another state agency providing services to the public in Minot, such as DHHS/Voc-Rehab.

Federal law also dictates how sale proceeds are to be disbursed, requiring that proceeds of any sale be returned to the program from which the funding originated. In the case of the Minot property, the Unemployment Insurance and Wagner-Peyser programs provided the funding for the acquisition of the property and any sale proceeds would be returned to these federal grant programs for use in North Dakota.

Mr. Chairman, this concludes my testimony. At this time, I would be happy to answer questions from the committee.

House Bill 1092
Testimony of Phil Davis
Job Service North Dakota
Before the
Senate Committee On
Industry and Business
Senator Larsen, Chair
March 1st, 2023

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