**2023 SENATE STATE AND LOCAL GOVERNMENT**

**SB 2133**

# 2023 SENATE STANDING COMMITTEE MINUTES

**State and Local Government Committee**
Room JW216, State Capitol

SB 2133
1/12/2023

Relating to a volunteer fire department private donation and contribution fund; relating to collection and auditing of rural fire district funds.

10:15 AM Chair K Roers opened the hearing. Present: Chair Roers, Vice Chair Barta, Sen Cleary, Sen Estenson, Sen J Lee, and Sen Braunberger.

**Discussion Topics:**

- State auditor
- State funds
- Private donations

Sen Vedaa, Dist 6, testified in support #13028 and introduced the bill. He read #12990-written by Mark Jorgenson, private citizen from Antler, ND.

Stephanie Dassinger Engbetson, League of Cities, testified neutral. No written testimony

Josh Gallon, ND State Auditor, answered committee questions. No written testimony.

10:48 AM Chair Roers closed the hearing.

*Pam Dever, Committee Clerk*

# 2023 SENATE STANDING COMMITTEE MINUTES

**State and Local Government Committee**
Room JW216, State Capitol

SB 2133
1/12/2023

A bill relating to a volunteer fire department private donation and relating to collection and auditing of rural fire district funds.

**2:24PM Chair Roers** opened the meeting.
Present: Chair Roers, Vice Chair Barta, Sen Cleary, Sen Estenson, Sen J Lee, and Sen Braunberger.

**Discussion Topics:**

- Rural Fire contributions
- Non- Profit donations
- Audit
- Separate Entity
- Gift
- Public Officials
- More review needed

Committee Discussion

**2:30PM Chair Roers** closed the meeting.

*Carie Winings, Chief Clerk*

# 2023 SENATE STANDING COMMITTEE MINUTES

**State and Local Government Committee**
Room JW216, State Capitol

SB 2133
1/19/2023

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| Relating to a volunteer fire department private donation and contribution fund; relating to collection and auditing of rural fire districts funds. |

10:47 AM Chairman Roers opened meeting.
Present: Chairman Roers, Vice Chairman Barta, Senator Cleary, Senator Estenson, Senator J Lee, and Senator Braunberger.

**Discussion Topics:**

- Bill review

Senator Estenson moved a DO NOT PASS.
Senator Braunberger seconded.

| Senators | Vote |
|---|---|
| Senator Kristin Roers | Y |
| Senator Jeff Barta | Y |
| Senator Ryan Braunberger | Y |
| Senator Sean Cleary | Y |
| Senator Judy Estenson | Y |
| Senator Judy Lee | Y |

Motion passed
VOTE: YES 6 NO 0 Absent 0

**Senator Barta will carry the bill.**

10:50 AM Chairman Roers adjourned the meeting.

*Pam Dever, Committee Clerk*

**REPORT OF STANDING COMMITTEE**

**SB 2133: State and Local Government Committee (Sen. K. Roers, Chairman)** recommends **DO NOT PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2133 was placed on the Eleventh order on the calendar. This bill does not affect workforce development.

**TESTIMONY**

**SB 2133**

Senate Bill 2133
Testimony of Mark Jorgensen
1/11/23

I support senate bill #2133 as a way for volunteer fire departments to have some discretion in how they spend non-tax receipts.

It's understood that tax receipts must be spent specifically on fire department expenses. Many volunteer departments have other sources of income and should have some discretion on how those non-tax receipts are spent.

Our fire department was questioned by the ND State Auditor's Office about a $2,646 expense in 2021 for meals paid for by the fire district during our monthly meetings. Our meetings start at the fire hall with training and maintenance and are completed at a local restaurant over a meal. The State Auditor's office deemed these "Fireman Appreciation Dinners'. These meals only occur during an official meeting. There is an element of appreciation that goes with the meals but the primary purpose is the official monthly meeting. On April 7, 2022 I had a phone conversation with Dan Cox, Audit Manager regarding his concerns. I had several questions that Dan couldn't immediately answer. Dan told me he'd do some research and get back to me before our next fire department board meeting scheduled for April 14th. I've never received any answers to my questions.

In 2021 our department had total receipts of $110,589. Of that amount we received $13,500 in tax receipts, $67,461 in grants, $10,222 in donations, $8,708 in rental income and $10,696 in other income. Tax receipts accounted for only 12% of our income. We work hard to secure grants, donations and host an annual pancake breakfast fundraiser, all of which constituted 88% of our income in 2021. The $2,646 spent on meeting meals accounted for 2.4% of our total receipts. The past few years we've also awarded two $500 scholarships to area high school students.

Our volunteers receive zero pay. Almost all of our volunteers live outside of the city limits. They have to drive several miles to respond to a fire or other emergency by either going to the fire hall or directly to the scene.

Our fire district borders Canada. On October 13, 2022 a large wildfire broke out north of our district in Canada on a very windy day. It appeared likely that the fire would cross into the U.S. with the potential to cause serious destruction. Our fire department staged along the international border in order to rapidly respond if the fire jumped the border. Other departments were ready to help. Not long after our trucks arrived at the border I look to the south of us and see two large, four-wheel drive tractors with disks & cultivators heading our way. Then from the west come three more large tractors with disks and cultivators. Our local farmers (most of them also serve as volunteers) showed up with their own equipment worth hundreds of thousands of dollars to help fight the wildfire should the need arise. None of these people receive any type of compensation for their equipment, service and dedication.

Our volunteers also donate their time and sometimes materials to do maintenance on the trucks and building, move snow in the winter, mow grass in the summer and the list goes on and on.

If we were to pay our volunteers for the actual value of their services it would be in the tens of thousands of dollars. To have a little discretion in spending to include a simple thing like paying for a meal during a meeting or awarding a scholarship to a couple of local kids seems like common sense to me, as long as the funds being spent are non-tax receipts.

Senate bill 2133

For the record my name is Senator Shawn Vedaa District 6. The reason I am here today on this subject about audits of are Volunteer Fire departments is because of a constituent of mine who was quite surprised that they could not even by their own volunteer firefighters a meal because they had commingled funds that their Volunteer Fire Department had raised through private donations. These firemen are volunteers that take time out of their busy schedules to not only fight fires but to raise money for their departments and for their cities many of them probably are volunteers for their ambulance as well, and at the end of the day they can't even say thank you to the members of their departments without breaking a law and without having a negative audit for their Volunteer Fire departments. This bill simply states that those Volunteer Fire departments can have a separate account of monies that they raised specifically for their fire departments and from private funds to be left out of the state audit. They still can be audited by their Volunteer Fire Department or their political subdivision that they serve. I believe our elected state auditor and his staff was following the law and with this change it will allow those volunteers to receive a meal and the department to give out a scholarship or two. This concludes my testimony and if I may I'd like to read you the testimony that was sent in by my constituent.