

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1060

2001 HOUSE NATURAL RESOURCES

HB 1060

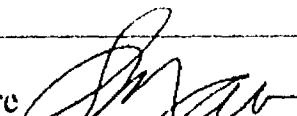
1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1060

House Natural Resources Committee

☐ Conference Committee

Hearing Date January 19, 2001

Tape Number	Side A	Side B	Meter #
1	x		2757 to end
1		x	1 to 660
Committee Clerk Signature 			

Minutes: Chairman Earl Rennerfeldt, Vice Chair Jon O. Nelson, Rep. Brekke, Rep. Drovdal, Rep. Galvin, Rep. Keiser, Rep. Klein, Rep. Nottestad, Rep. Porter, Rep. Weiler, Rep. Hanson, Rep. Kelsh, Rep. Solberg, Rep. Winrich.

Chairman Rennerfeldt: I will open the hearing on HB 1060. Is there anyone here to introduce this bill?

Myron Koppang - ND Legislature - District 25: (See written testimony amendment).

Rep. Keiser: In your statement, this eliminates the requirements of the County Treasurer to assess the fees, a management fee, however the bill doesn't address that issue. And the County Treasurer is still collecting the fees. In some instances they would not be required to maintain that account once the money is transferred but they would still have the fee and would assume still charge a fee. Would you expect them to have two rates of fees, one for transfer and one for management?

Koppang: I am not sure I can give you a complete answer, because I don't the details well enough. I would assume though that they would have to have two sets of fees for this. If we had requested this from the employees in our district in eastern ND but with the change and weather we did not ask them to attend the hearing on this bill.

Rep. Drovdal: Every once in a while we catch a county treasurer with their hands in the cash register, do we have the same auditing procedure in place for the Water Boards.

Koppang: Yes, they are audited by the state auditing office. They have supported this change for Water Resource Boards because of the size of the districts. They are audited annually.

Chairman Rennerfeldt: Anymore questions from the committee?

Koppang: One other thing, if this committee do pass this bill there would need to be several amendments in other drain funds that relate to the handling of the funds themselves. (See amendments).

Chairman Rennerfeldt: Pass the amendments around.

Tom Fischer - Sen. District 46, Fargo and also Chairman of SE Cass Water Resource District and chairman of Cass County Joint Water District: I am here to testify on behalf of HB 1060. I am for the option of letting the Secretary of Treasure of the Water Resource District Board handle the funds from assessment districts and projects is very important. We have talked to our County Treasurer who doesn't want anything to do with our funds because there are so many drains and projects going on. It seemed reasonable to appoint her to handle the funds and she has for many years. We have a couple of multi-million dollar projects in Cass County and our Secretary of Treasurer is responsible for handling the funds and answering the questions if someone calls in and asks what the payoff on their assessment is. I know other counties would want to allow the

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House Natural Resources Committee

Bill/Resolution Number HB 1060

Hearing Date January 19, 2001

treasurer to handle the funds. Other than that, I would just say I support 1060 and hope you give it a Do Pass.

Chairman Rennerfeldt: Does the committee have any questions? Is there anyone else here to testify in favor of this bill?

Mike Dwyer - ND Water Resource District Assn.: We unanimously support this bill that would enable the current practice going on to remain.

Chairman Rennerfeldt: Anyone else here to testify in favor of this bill? Any opposition to this bill? If not, I will close the hearing on HB 1060.

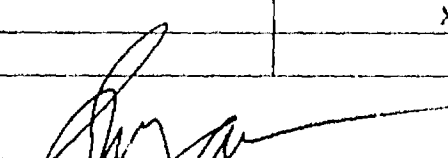
1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1060

House Natural Resources Committee

☐ Conference Committee

Hearing Date January 25, 2001

Tape Number	Side A	Side B	Meter #
3	x		5866 to end
3		x	1 to 430
Committee Clerk Signature 			

Minutes:

Chairman Earl Rennerfeldt, Vice Chair Jon O. Nelson, Rep. Brekke, Rep. DeKrey, Rep. Drovdal, Rep. Galvin, Rep. Keiser, Rep. Klein, Rep. Nottestad, Rep. Porter, Rep. Weiler, Rep. Hanson, Rep. Kelsh, Rep. Solberg, Rep. Winrich.

Chairman Rennerfeldt: We will take a look at HB 1060. Custody of drain funds. Here are these amendments. The way I understand it, they want to make legal what they have already been doing So is there any discussion? Someone want to make a motion? The county treasurer collects the drain funds now, with this bill the Water Resource Board would control the funds unless they choose not to do that, then the County Treasurer would still do that.

Vice Chair Nelson: Help me to remember the testimony, didn't they say if a water district chooses to manage their own funds they would be subject to the same auditing procedure?

Chairman Rennerfeldt: Yes.

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House Natural Resources Committee

Bill/Resolution Number HB 1060

Hearing Date January 25, 2001

Rep. Winrich: The way I understand it - this allows Water Resource Districts that are large enough to have their own staff to essentially manage their own funds, instead of always going to the County Treasurer. In our district the County Treasurer will still do it.

Chairman Rennerfeldt: That is the way I understand it.

MORE DISCUSSION

Vice Chair Nelson: What do the amendments do?

Rep. Winrich: Essentially other changes need to be made to several other sections of the code. So the amendment does that.

Chairman Rennerfeldt: Do you want someone down here to explain this further?

Rep. Keiser: I move the amendment.

Rep. DeKrey: I second.

Chairman Rennerfeldt: All those in favor of the motion signify by saying Aye. Opposed? Motion carries. Okay.....

Rep. Keiser: I move a Do Pass as Amended.

Rep. Droydal: I second.

Chairman Rennerfeldt: Any further discussion. If not call the roll.

**MOTION FOR DO PASS AS AMENDED**

**YES, 15            NO, 0**

**Motion carries**

**CARRIED BY REP. FRANK KLEIN**

VR  
1/26/01  
1082

HOUSE AMENDMENTS TO HB 1060

NATURAL RESOURCES

1/26/01

Page 1, line 1, replace "section" with "sections 61-21-19," and after "61-21-28" insert ",  
61-21-29, and 61-21-50"

Page 1, after line 3, Insert:

**"SECTION 1. AMENDMENT.** Section 61-21-19 of the North Dakota Century Code is amended and reenacted as follows:

**61-21-19. Right of way - How acquired - Assessment of damages - Issuance of warrants.** The right of way for the construction, operation, and maintenance of ~~any~~ a proposed drain, if not conveyed to the county by the owner, may be acquired by eminent domain in ~~such the manner as may be~~ prescribed by law. ~~Where~~ If lands assessed for drainage benefits are not contiguous to ~~such the~~ drain, access right of way thereto over the land of others may be acquired in the same manner. ~~Such The~~ The right of way, when acquired, ~~shall be~~ is the property of the county. The board may issue warrants in a sum sufficient to pay the damages assessed for ~~such the~~ right of way. ~~Such The~~ warrants ~~shall must~~ be drawn upon the proper county treasurer or, if the water resource district treasurer is custodian of the drain funds, water resource district treasurer, and shall be payable out of ~~any~~ drain funds in the hands of the treasurer ~~which that~~ have been collected for the construction of the drain for which ~~such the~~ right of way is sought to be obtained. The board shall negotiate the warrants at not less than the par value thereof and shall pay into court for the benefit of the owners of the right of way the amount to which each is entitled according to the assessment of damages, paying the surplus, if any, to the county treasurer or water resource district treasurer, who shall place the same to the credit of the proper drain fund."

Page 1, after line 15, Insert:

**"SECTION 3. AMENDMENT.** Section 61-21-29 of the North Dakota Century Code is amended and reenacted as follows:

**61-21-29. Payment of costs and expenses of locating, constructing, maintaining, and improving drain - Warrants issued.** Payment of all expenses and costs of locating and constructing ~~any a~~ drain ~~shall must~~ be made upon order of the board and warrants therefor ~~shall must~~ be signed by the chairman and one other member of the board. All warrants drawn by the board in payment of items of expense of a drain ~~shall be~~ are payable from the proper drain fund and ~~shall must~~ be accepted by the treasurer in payment of taxes levied in regard to ~~such the~~ drain. All ~~such~~ warrants, after presentation to the county treasurer or, if the water resource district treasurer is custodian of the drain funds, the water resource district treasurer for payment, if not paid for want of funds, ~~shall must~~ be registered by the county treasurer or water resource district treasurer and thereafter bear interest at a rate not to exceed eight percent per annum. The county commissioners, by proper resolution, are authorized to purchase drainage warrants from general county funds in instances ~~where~~ such when the warrants will be funded by a bond issue within six months from the date of purchase.

**SECTION 4. AMENDMENT.** Section 61-21-50 of the North Dakota Century Code is amended and reenacted as follows:



**61-21-50. Drain warrants - Terms and amounts.** Drain costs ~~shall~~ must be paid upon order of the board by warrants signed by the chairman and one other member of the board. The warrants ~~shall be~~ are payable from the proper drain fund and, upon maturity, ~~shall be~~ are receivable by the treasurer for drain assessments supporting ~~such~~ the fund. The warrants may be issued at any time after the order establishing the drain has become final and after incurring liability to pay for ~~any~~ drain work to be financed by drain assessments and in anticipation of levy and collection of ~~such~~ the assessments. Every warrant not made payable on demand ~~shall~~ must specify the date when it becomes payable. Demand warrants not paid for want of funds ~~shall~~ must be registered by the county treasurer or, if the water resource district treasurer is custodian of the drain funds, the water resource district treasurer and shall thereafter bear interest at a rate determined by the board, not exceeding eight percent per annum. Warrants of specified maturities ~~shall~~ bear interest according to their provisions at a rate or rates resulting in an average net interest cost not exceeding twelve percent per annum if sold at private sale, and may be issued with interest coupons attached. There is no interest rate ceiling on warrants sold at public sale or to the state of North Dakota or any of its agencies or instrumentalities. All drain warrants ~~shall~~ must state upon their face the purpose for which they are issued and the drain fund from which they are payable. The warrants may be used to pay drain obligations, or may be sold at not less than ninety-eight percent of par value, provided that the proceeds of warrants sold ~~shall~~ be are placed in the proper drain fund and used exclusively for drain expenses. Any unpaid warrants issued for the acquisition of right of way or the construction of ~~any~~ a drain, including all incidental costs in connection therewith, ~~shall~~ must be funded by a bond issue within one hundred eighty days from and after the filing of the assessment of all ~~such~~ costs with the county auditor as provided in section 61-21-27, but ~~such~~ this requirement ~~shall~~ may not be construed as prohibiting the funding of warrants or the issuance of bonds after ~~such~~ the one hundred eighty-day period."

Renumber accordingly

Date: 1-25-01  
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1060

House Natural Resources Committee

☐ Subcommittee on \_\_\_\_\_  
or  
☐ Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken DO Pass as amended

Motion Made By Kerser Seconded By Drovdal

Representatives	Yes	No	Representatives	Yes	No
Earl Rennerfeldt - Chairman	✓		Lyle Hanson	✓	
Jon O. Nelson - Vice Chairman	✓		Scot Kelsh	✓	
Curtis E. Brekke	✓		Lonnie B. Winrich	✓	
Duane DeKrey	✓		Dorvan Solberg	✓	
David Drovdal	✓				
Pat Galvin	✓				
George Keiser	✓				
Frank Klein	✓				
Darrell D. Nottestad	✓				
Todd Porter	✓				
Dave Weiler	✓				

Total (Yes) 15 No 0

Absent \_\_\_\_\_

Floor Assignment Rep. Klein

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

**REPORT OF STANDING COMMITTEE**

**HB 1060: Natural Resources Committee (Rep. Rennerfeldt, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (15 YEAS, 0 NAYS, ABSENT AND NOT VOTING). HB 1060 was placed on the Sixth order on the calendar.

Page 1, line 1, replace "section" with "sections 61-21-19," and after "61-21-28" insert ", 61-21-29, and 61-21-50"

Page 1, after line 3, insert:

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Renumber accordingly

2001 SENATE NATURAL RESOURCES

HB 1060

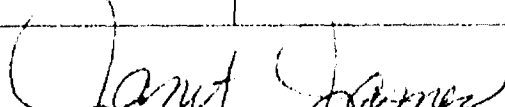
2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1060

Senate Natural Resources Committee

☐ Conference Committee

Hearing Date 2-16-01

Tape Number	Side A	Side B	Meter #
1	X		Start - 19,0
Committee Clerk Signature 			

Minutes:

SENATOR FISCHER opened the Committee meeting.

Roll call was taken indicating all Senators present except SENATOR CHRISTMANN and SENATOR TRAYNOR.

SENATOR FISCHER opened the hearing on HB 1060

SENATOR MYRON KOPPANG of District 24 introduced HB 1060 and testified that the bill was amended in the and the changes are indicated in the engrossed version of the HB1060. These amendments bring the code up to date for what was actually done with HB 1060, which in essence allows the drain boards to manage their funds rather the county treasurer ( See attached testimony). He also added that the State Auditors Office has agreed with the recommendations and these funds are audited by their office.

SENATOR KELSH wanted to clarify the change of management is just after the funds are collected that there is not change in the process of approval of mill levies.

SENATOR KOPPANG confirmed that was correct, that the funds will still be collected by the treasurer and then can be transferred to the water resources district for management.

SENATOR THOMAS FISCHER of District 26, cosponsor of HB 1060 testified that the reason this bill was submitted was because there was a conflict in code. This bill changes the code that allows once the managers are appointed, and the funds are transferred they then can hire a secretary / treasurer to manage those duties for them. A legal drain with dedicated funds has it's own account and can earn interest on that account.

MIKE DWYER, representing the North Dakota Water Resource Districts testified in support of HB 1060. Most counties have one water district although there are some counties that have several and this bill would make the management technically alot easier.

There was no neutral or opposing testimony to HB 1060.

SENATOR TOLLEFSON closed the hearing on HB 1060.

SENATOR EVERY made a motion for a "DO PASS" of HB 1060.

SENATOR TOLLEFSON second the motion.

SENATOR FISCHER called for a roll vote. The vote indicated 5 YAYS, 0 NAYS, 2 ABSENT.

SENATOR FISCHER carry HB 1060.

Date: 2-16-01  
Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1060

Senate NATURAL RESOURCES Committee

☐ Subcommittee on \_\_\_\_\_  
or  
☐ Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken DO Pass

Motion Made By Every Seconded By Tollefson

Senators	Yes	No	Senators	Yes	No
Sen. Thomas Fischer, Chairman	✓		Sen. Michael A. Every	✓	
Sen. Ben Tollefson, Vice Chair.	✓		Sen. Jerome Kelsh	✓	
Sen. Randel Christmann	A				
Sen. Layton Freborg	✓				
Sen. John T. Traynor	A				

Total (Yes) 5 No 0

Absent 2

Floor Assignment Fischer

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



REPORT OF STANDING COMMITTEE (410)  
February 16, 2001 1:45 p.m.

Module No: SR-29-3696  
Carrier: Fischer  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**

HB 1060, as engrossed: Natural Resources Committee (Sen. Fischer, Chairman)  
recommends **DO PASS** (5 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING).  
Engrossed HB 1060 was placed on the Fourteenth order on the calendar.

2001 TESTIMONY

HB 1060

**HOUSE BILL 1060  
NATURAL RESOURCES COMMITTEE  
REPRESENTATIVE EARL RENNERFELDT, CHAIRMAN**

Mr. Chairman, Members of the Committee. My name is Representative Myron Koppang from District 25, Wahpeton, North Dakota. I am here to support House Bill 1060, which amends and reenacts section 61-21-28 of the North Dakota Century Code, relating to custody of drain funds.

This bill was requested to be introduced by the following Water Resource Districts: Richland County, Cass County, Southeast Cass, Maple River, North Cass and Rush River.

Under present statute, all drain taxes shall be collected by the County Treasurer, and all monies shall be credited to the drain fund to which they belong. The County Treasurer is acting as the custodian of such drain funds.

The Water Resource Districts pay their bills from their accounts, and request the County Treasurer to transfer the funds for the project. The amended bill would allow each Water Resource District to choose whether they or the County Treasurer will act as custodian of legal funds. This allows for the small districts that don't have staff to use the County Treasurer, and the larger districts the option of managing their own funds.

This bill eliminates the confusion of two separate offices handling the Water Resource Districts' tax funds, eliminates the fees charged by the County Treasurer for managing the funds, and allows for more efficient management of investments and disbursements of which could provide additional interest income.

This change will allow flexibility, to accommodate all Water Resource Districts in North Dakota. I would be happy to answer any questions you might have. Thank you. There are three amendments necessary to make other sections of the Century Code compatible with this change of the handling of the drain funds.