

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1104

2001 HOUSE POLITICAL SUBDIVISIONS

HB 1104

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1104

House Political Subdivisions Committee

☐ Conference Committee

Hearing Date 1-18-01

Tape Number	Side A	Side B	Meter #
1	xx		75.0-1290
Committee Clerk Signature <i>Pam Owen</i>			

Minutes: Committee was called to order by Chair with those present: Chair Froseth, Vice Chair Severson, Reps. Delmore, Disrud, Eckre, Ekstrom, Fairfield, Grosz, Gunter, Herbel, N.Johnson, Maragos, Niemeier, and Tieman. Rep. Kretschmar was absent.

Ed Nagel, Jr., Director of State Auditor's Office : testified in support of HB1104. This is mostly a housekeeping bill. (See Attached Testimony)

Rep. Delmore (452) What is the effect of this bill with regard to your duties?

Ed Nagel : No changes or effects on our current operations.

Rep. Maragos : (530) Doesn't Minot have a Municipal Parking Authority?

Ed : No such entity. We get copies of reports and we would know what there is.

Rep. Eckre : Why do you want the part in section 10 removed?

Ed : The counties are keeping copies in the own office, so we see no reason to also have a copy of their certified tax levy at the state auditor's. We don't audit all counties. We audit about half of the counties. If we get a copy back from the counties that we don't audit, we dismiss it.

Rep. Herbel : How do you decide when to audit?

Ed : Century Code requires that counties be audited once every two years. They do have the option of having us do the audit or getting a private CPA do it.

Rep. Ekstrom : (758) With the change you propose in Section 3, won't there be a loss of checks and balances somehow?

Ed : No. The public employees retirement system is responsible for making payment to all retired individuals. This section of the code merely states that the Supreme Court would approve the application for those retirement benefits.

Rep. Ekstrom : In Section 4, you remove the requirement of having vouchers presented to the state auditor, who will do it then?

Ed : I assume it will be the board of appraisers that approve the vouchers.

Rep. Ekstrom : (889) If that is the case, then why was this written into law to begin with?

Ed : I don't know. It was written into law in 1943. Duties are a lot different now.

Rep. Ekstrom : In Section 5, if the auditor isn't doing it, then who will?

Ed : There is a section in code that says governments are suppose to keep their own records in accordance with generally accepted policies and principles. Those principles set out the information that needs to be testified is correct. Standards are different now. More specific now.

Rep. Maragos : (1056) Going back to page 3, lines 23-26. What was the rational for that deletion?

Ed : It was my understanding that these entities don't exist. If they did, they would get audited during the city audit anyway.

Rep. Niemeier (1151) In Section 4 and the board of appraisers, does this removal allow for any oversight for that board that is approving their own vouchers?

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House Political Subdivisions Committee
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Ed : Currently there isn't any oversight. The only requirement is that these boards get an audit once every three years and we file a copy of that audit in our office. We in turn forward a copy to State Fiscal and Review Committee.

Chair Froseth : Any more testimony for or against? Hearing none, HB1104 is closed.

Tape 1, side B (1090-1500) HB1104 discussion

Chair Froseth : What does the committee wish?

Rep. Maragos : I move a **DO PASS** on HB1104.

Vice-Chair Severson : I second.

VOTE: 14 YES and 0 NO with 1 absent. Bill Passed. Rep. Eckre will carry.

FISCAL NOTE

Requested by Legislative Council

12/14/2000

Bill/Resolution No.: HB 1104

Amendment to:

1A. 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.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

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

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

There will be little, if any fiscal impact upon the passage of this bill. This bill will primarily amend outdated sections of the North Dakota Century Code.

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.*

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Name:

Ed Nagel

Agency:

State Auditor's Office

Phone Number: 328-4782

Date Prepared: 12/19/2000

Date: 1-18-01
Roll Call Vote #:

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. LB 1104

House POLITICAL SUBDIVISIONS Committee

☐ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Rep. Maragos Seconded By Vice-Chair Severson

Representatives	Yes	No	Representatives	Yes	No
Chairman Glen Froseth	/		Rep. Wayne W. Tieman	/	
Vice-Chair Dale C. Severson	/				
Rep. Lois Delmore	/				
Rep. Rachael Disrud	/				
Rep. Bruce Eckre	/				
Rep. Mary Ekstrom	/				
Rep. April Fairfield	/				
Rep. Michael Grosz	/				
Rep. Jane Gunter	/				
Rep. Gil Herbel	/				
Rep. Nancy Johnson	/				
Rep. William E. Kretschmar					
Rep. Carol A. Niemeler	/				
Rep. Andrew G. Maragos	/				

Total (Yes) 14 No 0

Absent 1

Floor Assignment Rep. Eckre

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

REPORT OF STANDING COMMITTEE (410)
January 18, 2001 12:12 p.m.

Module No: HR-08-1207
Carrier: Eckre
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1104: Political Subdivisions Committee (Rep. Froseth, Chairman) recommends DO PASS (14 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1104 was placed on the Eleventh order on the calendar.

2001 SENATE POLITICAL SUBDIVISIONS

HB 1104

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1104

Senate Political Subdivisions Committee

☐ Conference Committee

Hearing Date February 15, 2001

Tape Number	Side A	Side B	Meter #
1		x	12.1-19.1
Committee Clerk Signature <i>Mary J. Wocken</i>			

Minutes:

The hearing was opened on HB1104, relating to the state auditor.

MR. ED NAGEL, JR. Director of the State Auditors Office. The testimony before you is in support of HB1104, a bill that the State Auditors Office prepared, and was explained to the committee, as merely a housekeeping bill, by Mr. Ed Nagel. See written testimony.

SENATOR WATNE: Why was this bill introduced by the Political Subdivisions Committee?

ED NAGEL, JR. I believe that all the bills are assigned to different committees. Probably the reason it was assigned to this committee is because it deals a little with public political subdivisions, schools, counties. SENATOR WATNE: This doesn't say it was assigned, it was introduced by, I've never seen that before, does anyone know? SENATOR LYSON: I saw one the other day, the same way. SENATOR COOK: I think that's not a question for Mr. Nagel, but I think it is a very good question. I have seen many bills in education that are introduced at the

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Senate Political Subdivisions Committee
Bill/Resolution Number HB1104
Hearing Date February 15, 2001

request of DPI and this year they say as requested by the Education Committee. SENATOR LEE: The rules have said that there can't be agency bills submitted directly by the agency, but they need to introduced through a committee. So it a procedural thing. It isn't that the auditors office has presumed to do it that way, but rather that's the rules I believe say as far as introduction of any bills. SENATOR COOK: Mr. Nagel, Section 6 requires to move the requirement of having a council jointly operated utilities. What is jointly operated utilities? FD NAGEL,JR: I asked our manager who is in charge of political subdivisions audits and he was not aware of any such systems owned by cities. So we don't even know what that means. SENATOR CHRISTENSON: I was wondering if perhaps this was a bit outdated.

Hearing Closed on HB1104.

Senator Lee moved a Do Pass for HB1104.

Senator Christenson 2nd

Roll call vote: 8 Yeas 0 No 0 Absent

Carrier: Senator Christenson

Date: Feb. 15, 2001
Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. H. B. 1104

Senate Political Subdivisions Committee

☐ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Sen. Lee Seconded By Sen. Christenson

Senators	Yes	No	Senators	Yes	No
Senator Cook	✓		Senator Christenson	✓	
Senator Lyson	✓		Senator Mathern	✓	
Senator Flakoll	✓		Senator Polovitz	✓	
Senator Lee	✓				
Senator Watne	✓				

Total (Yes) 8 No 0

Absent 0

Floor Assignment Sen. Christenson

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

REPORT OF STANDING COMMITTEE (410)
February 19, 2001 4:09 p.m.

Module No: SR-30-3917
Carrier: Christenson
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1104: Political Subdivisions Committee (Sen. Cook, Chairman) recommends DO PASS (8 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1104 was placed on the Fourteenth order on the calendar.

2001 TESTIMONY

HB 1104

Section 5 will delete the requirement of having the state auditor prescribe the records that must be kept by cities. This section of the NDCC was last amended in 1975.

Section 6 will remove the requirement of having the accounts of jointly operated utilities examined by the state auditor. There are no such systems owned by any cities.

Section 7 will remove the requirement of having the accounts of municipal steam heating authorities supervised by the state auditor. There are no such authorities in operation. This section of the NDCC was last amended in 1975.

Section 8 will remove the requirement of having municipalities send copies of their preliminary budgets to the state auditor. This section of the NDCC was last amended in 1981.

Section 9 will remove the authority of the state auditor to supervise the accounts of any municipal parking authority. There are no such entities. This section of the NDCC was last amended in 1975.

Section 10 will remove the requirement of having counties submit a copy of their certified tax levy to the state auditor.

Section 11 will delete the requirement of all county auditors to submit a copy of their annual budget to the state auditor. Copies of these budgets are kept at the County. This section of the NDCC was last amended in 1981.

Section 11 will also delete the requirement to perform a spot check of the property inventory of the Dept. of Transportation (DOT). The state auditor already checks the inventory of DOT during the audit process. There is no reason to single out DOT from all other state agencies. This section of the NDCC was last amended in 1961.

*Amended
11/11/81
J. J. [illegible]*



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**TESTIMONY BEFORE THE SENATE
POLITICAL SUBDIVISIONS COMMITTEE**
February 15, 2001

House Bill No. 1104

Testimony - Presented by Ed Nagel, Jr.
Director

Chairman Cook, members of the committee, my name is Ed Nagel. I'm here to testify in support of House Bill No. 1104.

This bill amends several sections and deletes two sections of the North Dakota Century Code (NDCC). Substantially all the changes concern the duties or responsibilities of the State Auditor. The purpose of these amendments is to simplify the administration of the statutes being amended. Most of the sections being amended have not been changed for many years, and are simply outdated. As an example, Section 36-15-06 has not been amended since 1943.

A brief description of the amendments proposed by each section of the bill are as follows:

Section 1 will delete the requirement of having each county auditor submit a copy of the annual budget to the State Auditor's Office (SAO).

Section 2 will delete the requirement of having the state auditor approve the bond that superintendents must have, if they work at an institution under the control of DHS. This section of the NDCC was last amended in 1979.

*redundant +
talks about
only 1 agency*

Section 3 will substitute the "supreme court" for the state auditor, as the agency that receives applications for judicial retirement assessment refunds. This section of the NDCC was last amended in 1983.

Section 4 will remove the requirement of having vouchers presented to the state auditor for fees paid to board of appraiser members. This section of the NDCC was last amended in 1943.

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**TESTIMONY BEFORE THE HOUSE
POLITICAL SUBDIVISIONS COMMITTEE**
January 18, 2001

House Bill No. 1104

Testimony - Presented by Ed Nagel, Jr.
Director

Chairman Froseth, members of the committee, my name is Ed Nagel. I'm here to testify in support of House Bill No. 1104.

This bill amends several sections and deletes two sections of the North Dakota Century Code (NDCC). Substantially all the changes concern the duties or responsibilities of the State Auditor. The purpose of these amendments is to simplify the administration of the statutes being amended. Most of the sections being amended have not been changed for many years, and are simply outdated. As an example, Section 36-15-06 has not been amended since 1943.

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