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ROLL NUMBER

DESCRIPTION

1259

2001 HOUSE GOVERNMENT AND VETERANS AFFAIRS

HB 1259

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1259

House Government and Veterans Affairs Committee

☐ Conference Committee

Hearing Date 1-25-01

Tape Number	Side A	Side B	Meter #
1	X		2210-3329
		X	200-399
Committee Clerk Signature <i>Robin L. Small</i>			

Minutes:

REP. M. KLEIN called the hearing to order with all members present.

In. Favor:

REP. MONSON introduces the bill to the committee. States that the president of the reflexology board came to him with this piece of legislation, that is why he is in front of the committee this day talking about it.

REP. HAAS asks about the existing language from the original bill. MONSON replies that he thought that he seen everything that was taken out of the original bill. The only change that he sees is that it would exempt them from a big audit.

REP. M. KLEIN talks about the board.

REP. DEVLIN asks about the not to exceed \$50.00, is that standard fee? MONSON replies that it should be amended to \$50.00 maximum.

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House Government and Veterans Affairs Committee
Bill/Resolution Number HB 1259
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Neutral:

ED NAGEL, STATE AUDITORS OFFICE

States that they are not here to support the bill or oppose it, but to remain neutral.

Their authority is questioned. But if they are not happy with it they may still go in and audit at their choice.

REP. DEVLIN asks how many boards would they affect. NAGEL replies that he does not know.

REP. HUNSKOR asks if they examined a small business would they be charged? NAGEL replies that they would charge by an hourly rate if they went in to examine a small business.

Being there was no further testimony in favor or opposition, the hearing was then closed. Action was taken later that day.

REP. HAAS motioned for a DO PASS, seconded by REP. KROEBER. The roll call vote was taken with 15-0. Motion carries. The carrier of the bill is REP. KROEBER.

HB 1259: DO PASS 15-0

CARRIER: REP. KROEBER

FISCAL NOTE
 Requested by Legislative Council
 01/15/2001

Bill/Resolution No.: HB 1259

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				\$4,100		\$4,100
Expenditures				\$4,100		\$4,100
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.*

Section 2 of the bill allows the state auditor to charge an occupational or professional board a fee for the cost of reviewing annual reports.

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.*

There are 41 professional boards. If all 41 boards submit annual reports, and are each charged \$50 per report, total revenue generated would be \$4,100. Since not all professional boards would be eligible to submit annual reports, the actual amount of revenue generated would be less than \$4,100.

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.*

Expenditures would equal revenues, since the fee charged for reviewing the reports is intended to cover expenses.

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, Jr.	Agency:	State Auditor
Phone Number:	328-4782	Date Prepared:	01/18/2001

Date: 1-25-01

Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1259

House GOVERNMENT AND VETERANS AFFAIRS Committee

☐ Subcommittee on _____

or

☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Haas Seconded By Kroeber

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN KLEIN	✓		REP KROEBER	✓	
VICE CHAIR GRANDE	✓				
REP BELLEW	✓				
REP BRUSEGAARD	✓				
REP CLARK	✓				
REP DEVLIN	✓				
REP HAAS	✓				
REP KASPER	✓				
REP KLEMIN	✓				
REP MEIER	✓				
REP WIKENHEISER	✓				
REP CLEARY	✓				
REP HUNSKOR	✓				
REP METCALF	✓				

Total (Yes) 15 No 0

Absent _____

Floor Assignment Rep. Kroeber

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

REPORT OF STANDING COMMITTEE (410)
January 25, 2001 11:18 a.m.

Module No: HR-13-1596
Carrier: Kroeber
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1259: Government and Veterans Affairs Committee (Rep. M. Klein, Chairman)
recommends **DO PASS** (15 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).
HB 1259 was placed on the Eleventh order on the calendar.

2001 SENATE GOVERNMENT AND VETERANS AFFAIRS

HB 1259

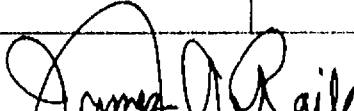
2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1259

Senate Government and Veterans Affairs Committee

☐ Conference Committee

Hearing Date March 22, 2001

Tape Number	Side A	Side B	Meter #
1	X		0.0-18.2
Committee Clerk Signature 			

Minutes: **Chairman Krebsbach** called the committee to order. The clerk called roll.

Chairman Krebsbach opened the hearing on HB 1259 which relates to the powers and duties of the state auditor. Appearing before the committee to introduce the proposed legislation was **Representative Dave Monson**, district 10. This bill is here because there was a small board of which one of the members was a constituent of Representative Monson's. He said, you know, we have about 20 members, we raise about \$2,000 a year and when we have to do this audit it costs us anywhere from \$500.00 to \$1,000.00 to get an auditor and go through all these steps and half of our whole revenue is used in an audit. He indicated he was on the fire department and the fire department when they do their audit for small political subs, they just have a small sheet of paper, we kind of balance our checkbook. It is a reconciliation of the checkbook. We send it in and like \$50.00 with it and that's it. The gentleman indicated that there must be a way in which we can exempt some of these smaller boards that are not doing a big volume from this law. The bill is before you, looks like it has a lot in it, but everything that is on the first page that has been

crossed out, the old language, is repeated in a new section on page 2. The only new language is lines 14 through 22. Those lines are the meat of this bill. All these lines do is give small boards the option to consider an audit every two years, an occupational, professional board that has less than \$10,000.00 of annual receipts may submit an annual report to the state auditor. This report must contain the information required by the state auditor. The state auditor may also make additional examinations or audits determined necessary. If the auditor finds something he didn't like he can require that additional reporting be done. When a report is not filed the state auditor may charge the occupational or professional board an amount equal to the fair value of the examination or audit. If they don't do their report like they are supposed to the auditor can come out and say we are going to do the audit for you. The state auditors office may charge a fee not to exceed \$50.00 per hour for the cost of reviewing the annual report. Which is approximately the same way that the rural fire departments and some of those will do. **Senator Dever** inquired if this still requires that the audit be done by a CPA or a licensed public accountant.

Representative Monson indicated no, it would require for the larger boards or state agencies to do so but it exempts those occupational and professional boards that fall within the limits to be exempted. They would then follow the procedure outlined in the bill. **Senator T. Mather** inquired what the difference was between sending in a report that the auditor approves of and an actual audit. Shouldn't they be the same? Representative Monson indicated when you go to have a full audit done by an auditing firm, they go through everything and charge between \$500.00 and \$1500.00. No matter how large or small, you would think it would be relevant to the amount of work it takes to do the audit. The auditors charge whatever fee they want for their work. When you file this report, it is a self audit. It's like balancing your check book. They use a reporting form that they use for small political subdivisions. It's about a five or six page form

that is completed and then signed off on. The only auditor that looks at it is the state auditor's office. That is the way this would work if this bill passes. **Senator Dever** inquired if Representative Monson knew what kinds of expenses these boards have and how many checks they write in a year. **Representative Monson** indicated that these small boards write maybe 15 to 20 checks a year. If \$2000.00 is all the income they have it is like a small club. The board involved in the reflexology board. They may have only 15 to 20 members if that. Their membership fees may be in the area of \$100.00 per person. **Ed Nagel Jr.**, Director with the state auditors office, appeared before the committee in a neutral position. He indicated that the state auditors office would have no difficulty with the bill if it is passed. From a strictly personal standpoint he indicated it is a very practical and reasonable solution or alternative for these smaller boards. There are 41 professional boards. Certainly not all of them will fall under the \$10,000. It will only affect the smallest boards. **Senator T. Mathern** wondered if the state auditors office couldn't already do this. Couldn't this board come to the auditor and say please conduct our audit. The one's that have less than \$10,000 say hey just fill out this form and send it in. Mr. Nagel indicated that, that is what this bill will allow. Under the current statute we could not do what this bill will allow. **Chairman Krebsbach** inquired about the maximum of \$50.00 per hour. Is that sufficient for the auditors office? **Mr. Nagel** indicated that the \$50.00 per hour is adequate. **Senator Kilzer** inquired if this bill passes the procedure would be that the board would request that the audit be performed. Your office would send them the forms that are necessary. The board would complete them and return them to your office. You would then do the audit at your desk. **Mr. Nagel** indicated that the boards would be informed of the options and they could choose to do the one best for them. **Senator C. Nelson** inquired if these forms are available on line. Mr. Nagel indicated that they would have that capability but no one to date

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Senate Government and Veterans Affairs Committee

Bill/Resolution Number HB 1259

Hearing Date March 22, 2001

has asked. There was nothing further at this time. No additional testimony was offered in support of, in neutral position on, or in opposition to HB 1259. **Chairman Krebsbach** closed the hearing on HB 1259. **Senator C. Nelson** moved a Do Pass on HB 1259, seconded by **Senator Kilzer**. Roll Call Vote indicated 6 Yeas, 0 Nays, and 0 Absent or not Voting. Senator **Krebsbach** will carry the bill.

Date: 3/22/01
Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1259

Senate GOVERNMENT AND VETERAN'S AFFAIRS Committee

☐ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Sen. C Nelson Seconded By Sen. Kilzer

Senators	Yes	No	Senators	Yes	No
Senator Karen Krebsbach, Chr.	✓		Senator Carolyn Nelson	✓	
Senator Dick Dever, Vice-Chr.	✓		Senator Tim Mathern	✓	
Senator Ralph Kilzer	✓				
Senator Rich Wardner	✓				

Total (Yes) 6 No 0

Absent 0

Floor Assignment Sen. Krebsbach

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

REPORT OF STANDING COMMITTEE (410)
March 22, 2001 12:46 p.m.

Module No: SR-50-6401
Carrier: Krebsbach
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1259: Government and Veterans Affairs Committee (Sen. Krebsbach, Chairman)
recommends DO PASS (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1259
was placed on the Fourteenth order on the calendar.