

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION  
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ROLL NUMBER

DESCRIPTION

1216

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Operator's Signature

Date

10/2/03

2003 HOUSE NATURAL RESOURCES

HB 1216

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Deanna Hall  
Operator's Signature

10/2/03  
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1216

House Natural Resources Committee

☐ Conference Committee

Hearing Date January 23, 2003

Tape Number	Side A	Side B	Meter #
1			0-3244
Committee Clerk Signature <i>Elin Meyer</i>			

Minutes:

**Chair Nelson** called the hearing on HB 1216 relating to bonds for agents distributing hunting and fishing licenses.

**Rep. Drovedal:** Introduced HB 1216. Citing concern relating to the low dollar amount on bonds insuring game and fish licenses.

**Rep. Kelser:** What is the risk we are trying to mitigate?

**Rep. Drovdal:** It is an insurance policy against losses related to an outstanding game and fish license distributed to the auditors office of a particular county. The game and fish department can still receive the funds from the sale of that license despite a bankruptcy or disappearance of a vendor.

**Kevin Glatt:** Burleigh County Auditor. North Dakota County Auditors Association. Spoke in support of HB 1216. We are trying to be proactive to prevent future problems.

**Chair Nelson:** Have you spoken to the vendors about this?

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Operator's Signature

10/2/03  
Date

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House Natural Resources Committee

Bill/Resolution Number 1216

Hearing Date January 23, 2003

**Kevin Glatt:** Most of the vendors are more than happy to participate in this program rather than try to go to a private bond to cover this program.

**Chair Nelson:** How many vendors do you have?

**Kevin Glatt:** It varies however the number is getting smaller and the vendors are getting bigger.

**Rep. Nottestad:** What is the notification process for the vendors. What do we do for this season. Will the vendors be in violation from August to November.

**Chair Nelson:** Paul Shadewell can answer that.

**Rep. Kelsner:** Is the Internet circumventing the vendors for licenses.

**Kevin Glatt:** The remaining vendors are getting larger. Who would have thought K-Mart would go out of business. I worry about them and they are one of our largest vendors.

**Rep. Porter:** Is this bond a good deal compared with the private sector bonds.

**Kevin Glatt:** There is only one vendor that does that. Stamart pays about \$50 opposed to the \$10 because their business crosses state lines.

**Jeff Blitz:** Administrator of state bond fund. Testified in support with a proposed amendment.

Currently the state bond fund has 275 vendors for game and fish licenses. This generates \$2,750 in revenue. This would raise the fee from \$5 to \$15. However it still does not adequately fund the exposure the state could eventually have from a situation from a scenario like K-mart example from Mr. Glatt. We have no open or active claims against the fund from anyone who sells game and fish licenses. There are currently 24 open claims against the fund. None of those were game and fish license vendors.

**Rep. Porter:** Is this fund separate from the rest of the general fund?

**Jeff Blitz:** No

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10/2/03  
Date

Page 3  
House Natural Resources Committee  
Bill/Resolution Number 1216  
Hearing Date January 23, 2003

**Rep. Nottestad:** What do we do for this season. Will the vendors be in violation from August to November?

**Jeff Bitz:** We would prorate the difference and notify the difference.

**Chair Nelson:** Is restitution possible in this.

**Jeff Bitz:** Rarely has the state bonding fund ever successfully collected. Most are written off because there is no means to pay. This exposure continues to grow.

**Rep. Porter:** What would this bond run in the private sector.

**Jeff Bitz:** Probably in excess of \$50.

**Rep. DeKrey:** Do you reinsure?

**Jeff Bitz:** We have the option, but we do not.

**Paul Shadewald:** North Dakota Game and Fish Dept. Testified in support of HB 1216.

**Chair Nelson:** Does the auditor set the rate?

**Paul Shadewald:** The commissioner sets this. The auditors know who is a problem vendor and can decide how to administer these licenses.

**Chair Nelson:** Jeff Bitz can up an amendment relating to create a 3 tiered sliding scale for the vendors with Rep. Drovedal.

**Chair Nelson** adjourned the meeting.

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10/2/03  
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1216

House Natural Resources Committee

☐ Conference Committee

Hearing Date January 30, 2003

Tape Number	Side A	Side B	Meter #
1		xx	2,400-2785
Committee Clerk Signature <i>Ed Myn</i>			

Minutes:

Chair Nelson reopened HB 1216.

Rep. Drovdal moved an amendment seconded by Rep. Nottestad.

Motion carries by voice vote.

Rep. Nottestad moves a Do Pass with Amendments seconded by Rep. Clark. The motion carried by a vote of 11-0-3. Rep. Norland will carry.

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10/2/03  
Date

**FISCAL NOTE**  
Requested by Legislative Council  
01/13/2003

Bill/Resolution No.: HB 1216

**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.

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 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.

2001-2003 Biennium			2003-2005 Biennium			2005-2007 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.

☐ No fiscal impact is anticipated.

**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:	Paul Schadewald	Agency:	ND Game and Fish Department
Phone Number:	328-6328	Date Prepared:	01/13/2003

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Date

January 23, 2003

**PROPOSED AMENDMENT TO HOUSE BILL NO. 1216**

Page 1, line 9, overstrike "ten" and immediately thereafter insert "thirty"

Renumber accordingly

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Deanna G. Ballantyne  
Operator's Signature

10/2/03  
Date

30383.0101  
Title.

Prepared by the Legislative Council staff for  
Representative Drovda  
January 24, 2003

**PROPOSED AMENDMENTS TO HOUSE BILL NO. 1216**

Page 1, line 9, after "dollars" insert "for each five thousand dollars of coverage"

Page 1, line 15, overstrike "limited to" and remove the overstrike over "five" and insert  
immediately thereafter "thousand dollars, ten thousand dollars, or"

Page 1, line 16, after "year" insert "as determined by the county auditor"

Renumber accordingly

Page No. 1

30383.0101

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Danna Bell  
Operator's Signature

1/24/03  
Date

Date: 11/3/03  
Roll Call Vote #: 1

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1216

House House Natural Resources Committee

☐ Check here for Conference Committee

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

Action Taken Do Pass As Amended.

Motion Made By N. Hestad Seconded By Clark

Representatives	Yes	No	Representatives	Yes	No
Chairman Jon O. Nelson	✓				
Vice-Chairman Todd Porter	✓				
Rep. Byron Clark	✓				
Rep. Duane DeKrey	✓				
Rep. David Drovdal	✓				
Rep. Lyle Hanson	✓				
Rep. Bob Hunskor	✓				
Rep. Dennis Johnson					
Rep. George Keiser					
Rep. Scott Kelsh	✓				
Rep. Frank Klein	✓				
Rep. Mike Norland	✓				
Rep. Darrell Nottestad	✓				
Rep. Dorvan Solberg					

Total (Yes) 11 No 0

Absent 3

Floor Assignment Norland

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

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Dorvan Solberg  
Operator's Signature

11/2/03  
Date

REPORT OF STANDING COMMITTEE (410)  
February 3, 2003 9:44 a.m.

Module No: HR-20-1501  
Carrier: Norland  
Insert LC: 30383.0101 Title: .0200

**REPORT OF STANDING COMMITTEE**

**HB 1216: Natural Resources Committee (Rep. Nelson, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (11 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING). HB 1216 was placed on the Sixth order on the calendar.**

Page 1, line 9, after "dollars" insert "for each five thousand dollars of coverage"

Page 1, line 15, overstrike "limited to" and remove the overstrike over "five" and insert immediately thereafter "thousand dollars, ten thousand dollars, or"

Page 1, line 16, after "year" insert "as determined by the county auditor"

Renumber accordingly

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2003 SENATE NATURAL RESOURCES

HB 1216

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Danman G. Ballantyne  
Operator's Signature

10/2/03  
Date

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1216

Senate Natural Resources Committee

☐ Conference Committee

Hearing Date 2-28-03

Tape Number	Side A	Side B	Meter #
1		X	0.2 - 8.8
Committee Clerk Signature <i>Janet James</i>			

Minutes:

**Senator Thomas Fischer**, Chairman of the Senate Natural Resources Committee opened the hearing HB 1216 relating to bonds for agents distributing hunting and fishing licenses.

All members of the committee were present except Senator Joel Heitkamp.

**Representative David Droydal** of District 39 cosponsor of HB 1216 introduced the bill stating the bill deals with the bonding requirements that county auditors can require. Under current North Dakota law a \$5,000.00 bond is required for security costing them \$10.00. If there should be a loss the bond posted would cover that loss, but because of the increased hunting license fees there could be a larger loss so an increase would seem warranted. The bond would now be \$10.00 for every \$5,000.00 for coverage. There are three options of \$5,000.00, \$10,000.00 and \$15,000.00 per agent per year as determined by the county auditor. He also presented written testimony by two auditors Kevin Glass and Frances Olson (See attached).

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10/2/03  
Date

Page 2

Senate Natural Resources Committee

Bill/Resolution Number HB 1216

Hearing Date 2-28-03

**Paul Schadewald**, Chief of Administrative Services for the North Dakota Game & Fish

Department testified in support in HB 1216 stating they agree with the county auditors. Auditors will now have options and flexibility to protect themselves. Graduated amounts is also good as the venders range in size.

**Jeff Blitz**, Administrator of the State Bonding Fund testified in support of HB 1216 clarifying that license venders must pay the \$10.00 for the \$5,000.00 bond. With respect to the state bonding fund as far as the fidelity blanket bond, if the fund maintains a balance of \$2.5 million, there is no charge to agencies or political subdivisions for those participating to in the state bonding fund. Currently there is a surplus in the fund.

**Mike Donahue** representing the Wildlife Federation testified in support of HB 1216.

There was no opposing or neutral testimony of HB 1216.

**Senator Fischer** closed the hearing on HB 1216.

**Senator Ben Tollefson** made a motion for Do Pass of HB 1216.

**Senator Freborg** second the motion.

Roll call vote was taken indicating 6 YEAS, 0 NAYS AND 1 ABSENT OR NOT VOTING.

**Senator Freborg** will carry HB 1216.

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*Danna Hall*  
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10/2/03  
Date

Date: 2-28  
Roll Call Vote #: 1

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1216

Senate Senate Natural Resources Committee

☐ Check here for Conference Committee

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

Action Taken DO Pass

Motion Made By Tollefson Seconded By Freborg

Senators	Yes	No	Senators	Yes	No
Senator Thomas Fischer	✓		Senator Michael A. Every	✓	
Senator Ben Tollefson	✓		Senator Joel C. Heitkamp		
Senator Layton Freborg	✓				
Senator Stanley W. Lyson	✓				
Senator John T. Traynor	✓				

Total (Yes) 6 No 0

Absent 1

Floor Assignment Freborg

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

REPORT OF STANDING COMMITTEE (410)  
February 28, 2003 11:42 a.m.

Module No: SR-36-3653  
Carrier: Freborg  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**

HB 1216, as engrossed: Natural Resources Committee (Sen. Fischer, Chairman)  
recommends DO PASS (6 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING).  
Engrossed HB 1216 was placed on the Fourteenth order on the calendar.

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2003 TESTIMONY  
HB 1216

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Deanna G. Galt  
Operator's Signature

10/2/03  
Date



"Frances Olson"  
<folson@4eyes.net>

02/24/2003 01:13 PM

To: "David Drovdal" <ddrovdal@state.nd.us>  
cc: "Kevin Glatt" <kglatt@state.nd.us>  
Subject: HB 1216 and SB 2187

Representative Drovdal,

I have reviewed the engrossed bills as they have come from the respective houses.

As I am not able to attend the hearings scheduled on these two bills, having prior commitments, I would like to offer this testimony.

Basically, both versions afford county auditors increased coverage, which is what we wanted originally.

However, I would prefer that HB 1216 would be adopted rather than SB 2187 as 1216 gives more flexibility to auditors. For most of my vendors, \$5,000 bond coverage is sufficient. For one, the \$15,000 bond would barely make it at the beginning of hunting season. With the changes in 1216, I would not have to under-bond some vendors and over-bond others.

Therefore, I would ask that you vote "no" on SB 2187, and continue to support HB 1216.

Thank you.

Frances M Olson  
McKenzie County Auditor  
PO Box 543  
Watford City ND 58854-0543  
701-444-3616  
701-444-4113 fax  
[folson@4eyes.net](mailto:folson@4eyes.net)

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*Deanna G. Ball*  
Operator's Signature

10/2/03  
Date

February 24, 2003

Senator Krauter  
Representative Drovda

Re: SB 2187  
HB 1216

I am sorry to inform you that I will not be available for the Committee meetings scheduled later this week for SB2187 & HB1216, **both relating to bonds for agents distributing hunting and fishing licenses**. I will be in Grand Forks officiating the ND Boys High School Hockey Tournament.

At this point I do not know how to resolve the issue of having bills in both the house and senate. I do believe however that the amendments to HB1216 better serve the needs of county auditors and license vendors. My memory tells me that HB1216 was heard in committee the day before SB2187 with amendments proposed. I incorrectly anticipated that the same amendments would be offered at the senate subcommittee hearing.


In any case, it is my opinion and those of the several auditors' I contacted that the amendments to HB1216 better serve the needs of county auditors and vendors.

Again, I am sorry that I will not be available February 27 & 28, but feel free to contact me anytime before or after those days.

On behalf of the ND County Auditors Association, Thank You for your help and support on this matter.

Kevin J. Glatt  
Burleigh County Auditor

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