

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2075

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

LaCosta Rickford  
Operator's Signature

10/15/03  
Date

2003 SENATE INDUSTRY, BUSINESS AND LABOR

SB 2075

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Operator's Signature

*La Costa Rickford*

Date

*10/15/03*

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2075

Senate Industry, Business and Labor Committee

☐ Conference Committee

Hearing Date 1-15-03

Tape Number	Side A	Side B	Meter #
1	xxx		0-1037
Committee Clerk Signature <i>Lisa VanBerkom</i>			

Minutes: Chairman Mutch opened the hearing on SB 2075. All Senators present. SB 2075 relates to the distribution of proceeds from the sale of surplus property.

**Testimony in support of SB 2075**

Linda Bellsle, Director of OMB, Central Services Division, introduced the bill. See attached testimony.

Senator Klein questions the exact process of the sale of surplus property.

Linda states that at the end of every month there is a report of items sold and there is a 20/80 split with them and the agency. That money goes to the general fund.

**There is no opposing testimony**

Hearing is closed.

**Senator Krebsbach moves a DO PASS. Seconded by Senator Heltkamp.**

**Roll Call Vote: 7 yes. 0 no. 0 Absent.**

**Carrier: Senator Klein**

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

*Lacosta Rickford*  
Operator's Signature

*10/15/03*  
Date

**FISCAL NOTE**  
Requested by Legislative Council  
01/03/2003

Bill/Resolution No.: SB 2075

**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	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

**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
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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

The fiscal impact of this bill is negligible. Because the funds generated from the disposal of state personal property are minimal, agencies do not anticipate those revenues when preparing their budgets. Nor does the general fund forecast rely on revenue from the disposal of this property.

**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:	Linda Belisle, Director	Agency:	OMB, Central Services Division
Phone Number:	328-3494	Date Prepared:	11/07/2003

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Operator's Signature

*Lacosta Rickford*

Date

*10/15/03*

Date: 1-15-03  
Roll Call Vote #:

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2075

Senate IBL Committee

☐ Check here for Conference Committee

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

Action Taken DO PASS

Motion Made By Krebsbach Seconded By Heitkamp

Senators	Yes	No	Senators	Yes	No
7- Sen. Duane Mutch, Chairman	X		Sen. Michael Every <u>5</u>	X	
7- Sen. Jerry Klein, Vice Chairman	X		Sen. Joel Heitkamp <u>4</u>	X	
6- Sen. Duaine Espegard	X				
2- Sen. Karen Krebsbach	X				
3- Sen. Dave Nething	X				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Klein

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

**REPORT OF STANDING COMMITTEE (410)**  
January 15, 2003 1:25 p.m.

Module No: SR-07-0600  
Carrier: Klein  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**

**SB 2075: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends DO PASS (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2075 was placed on the Eleventh order on the calendar.**

(2) DESK, (3) COMM

Page No. 1

SR-07-0600

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Operator's Signature

*LaCosta Rickford*

10/15/03  
Date

2003 HOUSE INDUSTRY, BUSINESS AND LABOR

SB 2075

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

La Costa Rickford  
Operator's Signature

10/15/03  
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2075

House Industry, Business and Labor Committee

☐ Conference Committee

Hearing Date February 26, 2003

Tape Number	Side A	Side B	Meter #
2		x	0.0-7.6
Committee Clerk Signature <i>Juan Hammer</i>			

Minutes: **Chairman Kelser** opened the hearing on SB 2075.

**Linda Bellisle, Director of OMB Central Services Division**, offered testimony in support of SB 2075 (See attached)

**Rep. Johnson:** These special requirements for handling, less than \$3000 etc., what could that be? Secondly, about maintaining the one year operating expenses to cover administrative costs: how much is that and how is that done now? With general funds?

**Bellisle:** The PSC and DPI often have equipment purchased with federal grant funds. They are required to return whatever proceeds they receive back to the federal agency that awarded the grant. Currently, a monthly accounting is made of every sale. Based on time and motion studies, we know that operating expenses are about 20% of the total operating budget. We bring in federal surplus property, redistribute it to political subdivisions, etc. Funds collected from those sales are used to operate Surplus Property. The Feds require separate accounting. Money from federal property sales must be designated to operating the federal portion of this operation. From



Page 2

House Industry, Business and Labor Committee

Bill/Resolution Number SB 2075

Hearing Date February 26, 2003

state owned property sales, that's about an 80/20 split. Total operation costs is 80 federal, 20 state. About \$200,000 is collected on the state side per biennium and it costs \$135,000 a year to operate State Property.

**Chairman Kelser:** When you sell \$100 in federal property, do you retain \$ 20 for administrative costs and send \$80 back?

**Bellisle:** We retain the full amount of the federal proceeds. We can't retain the proceeds from public auction. That's a 50/50 split.

**Chairman Kelser:** What's the rationale for \$3000 versus \$2000?

**Bellisle:** Property under \$3000 can be sold by negotiated sale, sealed bids or auction. If more than \$3000, it can only be sold by sealed bids or at auction.

As there was no one else present to testify in support or opposition to SB 2075, the hearing was closed.

**Rep. Johnson** moved a Do Pass.

**Rep. Severson** seconded the motion.

Results of the roll call vote were 12-0-2.

**Rep. Johnson** will carry this bill on the floor.

Date: 2/26/03  
Roll Call Vote #: 1

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2075

House Industry, Business & Labor Committee

☐ Check here for Conference Committee

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

Action Taken Do Pass

Motion Made By Johnson

Seconded By Sever

Representatives	Yes	No	Representatives	Yes	No
Chairman Kelser	✓		Rep.Boe	✓	
Rep.Severson, Vice-Chair	✓		Rep.Ekstrom	✓	
Rep.Dosch	✓		Rep.Thorpe	✓	
Rep. Froseth	✓		Rep. Zaiser		
Rep. Johnson	✓				
Rep.Kasper	✓				
Rep. Klein	✓				
Rep. Nottlestad	✓				
Rep. Ruby	✓				
Rep.Tieman	✓				

Total (Yes) 12 No 0

Absent 2

Floor Assignment Johnson

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

**REPORT OF STANDING COMMITTEE (410)**  
February 27, 2003 11:06 a.m.

Module No: HR-35-3564  
Carrier: N. Johnson  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**

**SB 2075: Industry, Business and Labor Committee (Rep. Kelser, Chairman) recommends  
DO PASS (12 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). SB 2075 was placed  
on the Fourteenth order on the calendar.**

(2) DESK, (3) COMM

Page No. 1

HR-35-3564

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Operator's Signature

*La Costa Rickford*

10/15/03

Date

2003 TESTIMONY

SB 2075

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Operator's Signature

*LaCosta Rickford*

Date

*10/15/03*

TESTIMONY  
SB 2075

Presented by: Linda Belisle, Director  
OMB, Central Services Division

Before: Industry, Business and Labor  
Duane Mutch, Chair

Date: January 15, 2003

Chairman Mutch and members of the committee, my name is Linda Belisle, and I'm the director of the Central Services Division of OMB.

Senate Bill 2075 seeks to simplify the process of handling proceeds from the sale of state owned personal property. Currently, surplus property is sold to state agencies, political subdivisions and non-profit organizations that are eligible to receive Federal surplus property, after which it is sold to the public. The proceeds are then refunded to the disposing agency, less Surplus Property's administrative expenses. The agency deposits the proceeds into the fund from which the property was originally purchased.

This method results in many small checks being printed and distributed each month. The cost of printing the checks and staff time both in Central Services and the individual agencies in handling them exceeds the revenue generated. 53% of the checks written in the last 6 months were for 7% of the total amount refunded.

We are proposing to simplify this process by allowing Surplus Property to retain all proceeds for property sold for less than \$3,000 at the time the proceeds are collected unless there are special requirements for handling of the proceeds for a particular item or if the property sells for more than \$3,000. Proceeds for property with special requirements or property sold for more than \$3,000 will be distributed the next month after the proceeds are collected. After an accounting at the end of each biennium, Surplus Property will retain an amount equal to one year's operating expenses to cover administrative costs and will deposit any remaining funds into the General Fund.

The reason for the \$3,000 amount in this bill is because Subsection 4 of this section differentiates how property can be sold to the public based on whether or not the property is valued at more or less than \$3,000, making the two sections parallel.

This will save the state money by reducing the number of checks that need to be printed and by reducing staff time spent handling these checks in the various agencies. And it allows flexibility in accommodating any special requirements there may be on property such as property bought with Federal funds and/or grants; it allows for the timely distribution of proceeds for the sale of high dollar items; and it caps the amount of money that Surplus Property retains.

This concludes my testimony. I'd be happy to answer any questions you may have.