

2009 HOUSE GOVERNMENT AND VETERANS AFFAIRS

HB 1123

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB1123

House Government and Veterans Affairs Committee

☐ Check here for Conference Committee

Hearing Date: 01/15/09

Recorder Job Number: 7087

Committee Clerk Signature

Lou Engleson

Minutes:

Chairman Grande: We'll open the hearing on 1123 since the Industrial Commission is here.

I'll have the clerk read the title.

The title is read by the clerk.

Karlene Fine offered testimony in support of HB1123. See attachment #1.

Chairman Grande: Questions from the committee.

Rep. Froseth: Karlene, is this all leases like mineral leases, land leases, other type of leases that the Industrial Commission is now handling?

Karlene Fine: No. The only leases that have come to us are like surface and the leases we got this past biennium recently was from the Water Commission, and they deal with some farmland through the NAWS project. They were for farmland that they aren't needing for the NAWS project right now so in the interim they are having the farmers continue to take care of the land, pull the weeds and that sort of thing. Those kind of cases were coming to us, and we really don't think we need to be involved in the negotiations of the farm or how they did that. The Water Commission does a very good job of doing that. The DOT has separate statutory authorities. The DOT takes care of their own. The Land Board has their separate authority. It

only happened in this particular area that those state agencies that needed to come to 54-01-

27 were then having to have the Industrial Commission involved in the process. We just don't think that there is really a value that we add to it. We don't have the expertise in leasing. And if we did want to have state agencies looking at somebody else's, then we would need to find an agency that had more expertise.

Chairman Grande: Any other questions from the committee? Thank you. Anybody else wish to testify? Anybody else wish to oppose 1123? I'll close the hearing on 1123.

The bill was taken up with the provision that if someone else should appear to testify, the hearing will be reopened.

Chairman Grande: Motion from the committee?

Rep. Winrich: I'll move for a do pass Madam Chair.

Chairman Grande: And a second?

Rep. Wolf: Second.

Chairman Grande: We have Representative Winrich has a do pass with a second from Representative Wolf. Comments? Discussion?

The clerk called the roll on a do pass motion on HB1123.

Ayes 12, Nays 0, Absent 1. Representative Conklin was assigned to carry the bill.

Date: 01-15-09
Roll Call Vote #: 1

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1123

House **Government and Veterans Affairs** Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken DP

Motion Made By Winnich Seconded By Wolf

Representatives	Yes	No	Representatives	Yes	No
Chairman Grande	✓		Rep. Amerman	✓	
Vice Chairman Boehning	✓		Rep. Conklin	✓	
Rep. Dahl	✓		Rep. Schneider	✓	
Rep. Froseth	✓		Rep. Winrich	✓	
Rep. Karls	✓		Rep. Wolf	✓	
Rep. Kasper					
Rep. Meier	✓				
Rep. Nathe	✓				

Total (Yes) 12 No 0

Absent 1

Floor Assignment Conklin

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

REPORT OF STANDING COMMITTEE (410)
January 15, 2009 2:35 p.m.

Module No: HR-08-0387
Carrier: Conklin
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1123: Government and Veterans Affairs Committee (Rep. Grande, Chairman)
recommends **DO PASS** (12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING).
HB 1123 was placed on the Eleventh order on the calendar.

2009 SENATE GOVERNMENT AND VETERANS AFFAIRS

HB 1123

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No.1123

Senate Government and Veterans Affairs Committee

☐ Check here for Conference Committee

Hearing Date: 03/20/09

Recorder Job Number: 11344

Committee Clerk Signature

Kate Oliver

Minutes:

Chairman Dever opened the public hearing on HB1123. Karlene Fine from the Industrial Commission was there to introduce the bill.

Karlene Fine: Executive Director and Secretary for Industrial Commission. See attached testimony #1.

A motion was made for a do pass by Senator Cook with a second by Senator Nelson. There was no discussion and the motion passed 5-0 with Senator Oehlke carrying the bill to the floor.

Date:
Roll Call Vote #:

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1123

Carrie
Sen
Oehlke

Senate Government and Veteran's Affairs

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken

Do Pass

Motion Made By

Cook

Seconded By

Nelson

Representatives	Yes	No	Representatives	Yes	No
Dick Dever	X		Dwight Cook	X	
Dave Oehlke	X		Carolyn Nelson	X	
Robert M. Horne	X				

Total Yes

5

No

Absent

Floor Assignment

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

REPORT OF STANDING COMMITTEE (410)
March 23, 2009 7:57 a.m.

Module No: SR-52-5514
Carrier: Oehlke
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1123: Government and Veterans Affairs Committee (Sen. Dever, Chairman)
recommends **DO PASS** (5 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1123
was placed on the Fourteenth order on the calendar.

2009 TESTIMONY

HB 1123



*Same given
to Senate.*

INDUSTRIAL COMMISSION OF NORTH DAKOTA

John Hoeven
Governor

Wayne Stenehjem
Attorney General

Roger Johnson
Agriculture Commissioner

**Testimony for House Bill 1123
House Government and Veterans Affairs Committee
Karlene Fine, Executive Director and Secretary
for the Industrial Commission
January 15, 2009**

Madame Chairman and members of the Government and Veterans Affairs Committee, my name is Karlene Fine and I am Executive Director and Secretary for the Industrial Commission. House Bill 1123 was introduced by the Industrial Commission to eliminate the requirement that the Commission approve leases.

Back in 2003 a law was passed permitting a lease/leaseback transaction which would be overseen by the Industrial Commission and administered by the Municipal Bond Bank (now Public Finance Authority). Some of you may recall that this was a financial transaction developed basically to allow political subdivisions or the State to lease their assets to a private entity and that entity would be able to depreciate the asset even though the property was leased back to the political subdivision or State. The Industrial Commission was directed to approve all the leases to make sure that the State was properly establishing the lease/leaseback relationship. A number of statutes were amended to allow for this type of financial transaction including Section 54-01-27 which dealt with State property. Shortly after the passage of the legislation in 2003 the federal government/IRS passed provisions that made this type of transaction no longer feasible.

During the current biennium the Industrial Commission has been asked to approve leases that dealt with farm land that had nothing to do with the lease/leaseback type of transaction. The Commission believes their review of these leases is redundant and unnecessary and is requesting that the requirement that the Commission approve leases be removed from the law. The Commission's review only delays the final action and brings little or no additional value to the process.

The Industrial Commission requests your favorable consideration of House Bill 1123.

Attachment #1