

**2021 HOUSE APPROPRIATIONS**

**HB 1093**

# 2021 HOUSE STANDING COMMITTEE MINUTES

## Appropriations - Government Operations Division Brynhild Haugland Room, State Capitol

HB1093  
1/18/2021

A BILL for an Act to amend and reenact section 26.1.8209;21.8209;08 of the North Dakota Century Code, relating to the audit of state bonding coverage.

10:00 **Chairman Vigesaa** brought the meeting to order. Members present: Chairman Vigesaa, Representative Howe, Representative Bellew, Representative Meier and Representative Mock. Members absent: Representative Kempenich.

### Discussion Topics:

- N.D.C.C. 54-10

10:02 **Joshua Gallion, State Auditor, ND Office of the State Auditor** testimony # 919.

10:07 **Chairman Vigesaa** adjourned the meeting.

11:28 **Chairman Vigesaa** reopened the meeting.

11:29 **Representative Howe** made a motion for a "Do Pass".

11:29 **Representative Mock** seconded the motion.

Roll call vote 6 Yeas 0 Nays 1 Absent.

Motion passed.

Chairman Vigesaa	Y
Vice Chairman Brandenburg	Y
Representative Kempenich	A
Representative Howe	Y
Representative Meier	Y
Representative Bellew	Y
Representative Mock	Y

11:30 **Chairman Vigesaa** closed the meeting.

*Sheri Lewis, Committee Clerk*



Office of the  
State Auditor

TESTIMONY TO HOUSE APPROPRIATIONS – GOVERNMENT OPERATIONS DIVISION

HB 1093 – STATE AUDITOR'S OFFICE APPROPRIATIONS

1/18/2021

Good morning, Chairman Vigesaa, members of the committee, my name is Joshua Gallion, and I serve as North Dakota's State Auditor. I'm here today to discuss some of the updates and clarifications necessary to make N.D.C.C. 54-10 more effective.

As you are aware, the State Auditor is a constitutional state official elected by North Dakota citizens. My job is to lead the way in providing truthful, objective, and independent information to you and the citizens of North Dakota. Our mission is to produce informative audits to improve government through our team who is committed to generating greater value for taxpayers.

Currently, we are required by North Dakota Century Code to check for adequate bonding coverage at every state agency we audit. The North Dakota Insurance Reserve Fund (NDRF) recently made us aware that each state agency has their own rolling coverage. An application is only required if an agency would choose to adjust the dollar amount of coverage.

Our team feels that spot checking agency coverage is all that is necessary for our audit reports.

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

# 2021 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee Brynhild Haugland Room, State Capitol

HB 1093  
2/2/2021

A BILL for an Act to amend and reenact section 26.1-21-08 of the North Dakota Century Code, relating to the audit of state bonding coverage.

**11:06 Chairman Delzer** Called the meeting to order for HB 1093;

Attendance	P/A
Representative Jeff Delzer	P
Representative Keith Kempenich	A
Representative Bert Anderson	P
Representative Larry Bellew	P
Representative Tracy Boe	P
Representative Mike Brandenburg	A
Representative Michael Howe	P
Representative Gary Kreidt	P
Representative Bob Martinson	P
Representative Lisa Meier	P
Representative Alisa Mitskog	P
Representative Corey Mock	A
Representative David Monson	P
Representative Mike Nathe	A
Representative Jon O. Nelson	P
Representative Mark Sanford	P
Representative Mike Schatz	P
Representative Jim Schmidt	P
Representative Randy A. Schobinger	P
Representative Michelle Strinden	P
Representative Don Vigesaa	P

### Discussion Topics:

- Spot checks for state agency bonding coverage
- Cost Savings for auditor's office

**11:06 Representative Meier-** Introduces HB 1093

**11:07 Representative Meier** -Made a motion for a Do Pass

**Representative Howe** -Second the motion

Further discussion

**11:08 Roll call vote**

<b>Representatives</b>	<b>Vote</b>
Representative Jeff Delzer	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Larry Bellew	Y
Representative Tracy Boe	Y
Representative Mike Brandenburg	Y
Representative Michael Howe	Y
Representative Gary Kreidt	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative Corey Mock	Y
Representative David Monson	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Mark Sanford	A
Representative Mike Schatz	Y
Representative Jim Schmidt	Y
Representative Randy A. Schobinger	Y
Representative Michelle Strinden	Y
Representative Don Vigesaa	Y

**Motion Carries 20-0-1**

**Representative Meier will carry the bill**

**Additional written testimony:** No Written Testimony

11:09 Chairman Delzer- Closes the hearing for HB 1093

*Risa Berube,*

*House Appropriations Committee Clerk*

**REPORT OF STANDING COMMITTEE**

**HB 1093: Appropriations Committee (Rep. Delzer, Chairman)** recommends **DO PASS**  
(20 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1093 was placed on the  
Eleventh order on the calendar.

**2021 SENATE APPROPRIATIONS**

**HB 1093**

# 2021 SENATE STANDING COMMITTEE MINUTES

## **Appropriations Committee** Roughrider Room, State Capitol

HB 1093  
3/19/2021  
Senate Appropriations Committee

Relating to the audit of state bonding coverage.
--

Senator Wanzek opened the hearing at 10:16 AM.

Senators present: **Krebsbach, Wanzek, Bekkedahl, Poolman, Erbele, Dever, Oehlke, Rust, Davison, Hogue, Sorvaag, Mathern, and Heckaman.** Senator Holmberg was absent.

### **Discussion Topics:**

- Rolling bonding coverage
- NDIRF Insurance claims
- Materiality vs. risk
- Management of bonding fund
- HB 1093 policy change

**Josh Gallion, North Dakota State Auditor** – testified in favor and submitted testimony #10111.

**Dan Cox, Auditor Manager, State Auditor's Office** – testified in favor.

**Senator Wanzek** closed the hearing at 10:42 AM.

*Rose Laning, Committee Clerk*





Office of the  
State Auditor

TESTIMONY TO SENATE APPROPRIATIONS

HB 1093 – BONDING COVERAGE

3/19/2021

Good morning, Chairman Holmberg, members of the committee, my name is Joshua Gallion, and I serve as North Dakota's State Auditor.

As you are aware, the State Auditor is a constitutional state official elected by North Dakota citizens. My job is to lead the way in providing truthful, objective, and independent information to you and the citizens of North Dakota. Our mission is to produce informative audits to improve government through our team who is committed to generating greater value for taxpayers.

Currently, we are required by North Dakota Century Code to check for adequate bonding coverage at every state agency we audit. The North Dakota Insurance Reserve Fund (NDIRF) recently made us aware that each state agency has their own rolling coverage. An application is only required if an agency would choose to adjust the dollar amount of coverage.

Our team feels that spot checking agency coverage is all that is necessary for our audit reports.

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

# 2021 SENATE STANDING COMMITTEE MINUTES

## Appropriations Committee Roughrider Room, State Capitol

HB 1093  
3/30/2021  
Senate Appropriations Committee

A BILL for an Act to amend and reenact section 26.1-21-08 of the North Dakota Century Code, relating to the audit of state bonding coverage.

**Chairman Holmberg** opened the hearing at 10:39 a.m.

Senators present: Holmberg, Krebsbach, Wanzek, Bekkedahl, Poolman, Erbele, Dever, Oehlke, Rust, Davison, Hogue, Sorvaag, Mathern, and Heckaman.

### Discussion Topics:

- **Vote**

**Senator Mathern** moved DO PASS  
**Senator Rust** seconded the motion.

<b>Senators</b>			<b>Senators</b>	
<i>Senator Holmberg</i>	Y		<i>Senator Hogue</i>	Y
<i>Senator Krebsbach</i>	Y		<i>Senator Oehlke</i>	Y
<i>Senator Wanzek</i>	Y		<i>Senator Poolman</i>	Y
<i>Senator Bekkedahl</i>	Y		<i>Senator Rust</i>	Y
<i>Senator Davison</i>	Y		<i>Senator Sorvaag</i>	Y
<i>Senator Dever</i>	Y		<i>Senator Heckaman</i>	Y
<i>Senator Erbele</i>	Y		<i>Senator Mathern</i>	Y

Roll Call Vote 14-0-0

**Chairman Holmberg** closed the hearing at 10:43 a.m.

*Rose Laning, Committee Clerk*

**REPORT OF STANDING COMMITTEE**

**HB 1093: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1093 was placed on the Fourteenth order on the calendar.