

2025 HOUSE FINANCE AND TAXATION

HB 1487

2025 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Room JW327E, State Capitol

HB 1487
2/4/2025

A BILL for an Act to authorize the department of transportation to transfer real property to the office of management and budget; to provide an appropriation; and to provide an exemption.

10:55 a.m. Chairman Headland opened the hearing.

Members Present: Chairman Headland, Vice Chairman Hagert, Representatives Dockter, Dressler, Foss, Grueneich, Motschenbacher, Nehring, Olson, Porter, Steiner, Toman
Members Absent: Representatives Ista, D. Anderson

Discussion Topics:

- Dilapidation of current facility
- Facility sharing
- Leasing costs

10:55 a.m. Representative M. Ruby introduced the bill.

10:59 a.m. Patrick Lenertz, ND Bureau of Criminal Investigation, testified in favor and submitted testimony #34297.

11:13 a.m. Major Tom Iverson, ND Highway Patrol, testified in favor and submitted testimony #34543.

11:22 a.m. Chairman Headland closed the hearing.

Janae Pinks, Committee Clerk

HOUSE FINANCE AND TAXATION COMMITTEE**FEBRUARY 04, 2025****TESTIMONY OF PATRICK LENERTZ****OFFICE OF ATTORNEY GENERAL****HOUSE BILL 1487**

Chairman Headland and Members of the House Finance and Taxation Committee

Introduction

My name is Patrick Lenertz, and I am a Supervisory Special Agent with the Bureau of Criminal Investigation (BCI). I am here today to advocate for the passage of House Bill 1487 to transfer land between state agencies and appropriate money to construct a new office building in Minot, ND. The building would house the state employees of the Office of Attorney General, BCI, and the North Dakota Highway Patrol. This legislation is crucial for a cost-effective office building which provides stability, quicker response times, multi-use room, and enhanced security for the long-term future of two state law enforcement agencies.

History

For the past two decades, the Minot BCI office was located in various locations to include a convenience store and a downtown office building when water problems arose to the point of having to relocate as soon as possible. Former BCI Director Dallas Carlson was able to obtain space for the Minot BCI office within the North Dakota Job Service Building located on the north edge of Minot in 2017. BCI renovated a portion of the allotted space for security, confidentiality, two computer labs, group briefing area, and converted open space for eight cubicles

The current office space is now maxed out prohibiting any further expansion of personnel or evidence storage. The Minot BCI office currently contains members of the Office of Attorney General, BCI, Minot Police Department, Ward County Sheriff's Office, North Dakota National Guard, and Homeland Security Investigations. The office is also comprised of two law

enforcement task forces in the region: Ward County Narcotics Task Force and North Dakota Internet Crimes Against Children Task Force.

In the 68th Legislative Assembly (2023), ND Job Service submitted HB1092 which authorized ND Job Service to sell the property. ND Job Service planned to downsize physically and relocate to an area in Minot to better serve their customers. HB1092 passed and was signed by Governor Burgum shortly thereafter. The plan to sell and move remains to this day with no obvious timeframe.

After the 68th Legislative Assembly ended, BCI began talks of planning a future relocation of the Minot BCI office due to the eventual posting and sale of the ND Job Service building. A relocation of the Minot BCI office would not be a small feat and requires a location which provides a level of security, externally and internally, evidence storage, technical and HVAC considerations for the computer lab, and temperature controlled vehicle storage for specialized vehicles. These specialized vehicles serve not only the immediate Minot area, but 1/3 of the state, and can be used at a moment's notice. The relocation would not only take time to search for available options but also several months to plan, design, renovate, and physically move equipment to be operational.

A search for a new location in Minot to lease office and garage space used a variety of online property search tools to find appropriate properties and finding a local realtor to verify available properties. I learned there was less than a handful of properties in the Minot area, possible in terms of size and configuration for our specialized needs, but renovations and expansions were always a necessary part of the equation. Through word of mouth, I was able to find a location in Minot with a pair of private property owners who offered to lease a commercial building to BCI. The commercial space included existing offices, space to renovate for additional offices, and garage space for vehicles and secure storage.

In December 2023, a meeting was held between the commercial property owners, BCI, Office of Attorney General attorneys, and the Office of Management and Budget. During the meeting, John Boyle, formerly with OMB, suggested BCI could buy or build a brand new building, for

similar or less cost, in lieu of leasing. The starting commercial lease rate from private entities in Minot was minimum \$18 per square foot and would range up to \$22 per square foot at the start of a lease. These numbers were taken directly from estimates, advertisements, and speaking with area realtors on commercial space. In addition, the cost to retrofit the available commercial space to accommodate the needs of the state would have exceeded \$4,300,000.

After subsequent conversations between state agencies, and upon analysis and recommendations from Mr. Boyle, the Office of Attorney General agreed that the most cost-effective and beneficial course for the state was a transition from the lease model to the possibility of buying or building (under the direction and supervision of OMB) a new office for BCI to use. I located a number of locations where office space or garage space existed but rarely together. Also, the available square footage was either too small or too large for NDBCI's use and the anticipated lease costs were 2X to 3X higher compared to the available money allocated to the current Minot NDBCI office and availability of comparable square footage. Locations were either too small or too large for BCI-only needs. As a note, the current lease rate for the Minot BCI office is \$11 per square foot. OMB suggested a lease rate from a newly built state-owned building could be as low as \$6 per square foot which would cover utility costs.

In the Spring of 2024, I learned the ND Highway Patrol was experiencing a similar office building situation in Minot. NDHP was also looking for a new space however high lease prices for commercial space in the Minot area were restrictive in finding a suitable location. From the conversations between the two agencies, an idea was born to work with DOT and potentially use DOT land in the Minot area for a new office building. The idea was to request DOT to either build an office building to house BCI and NDHP or to transfer DOT land to another state agency for an office building to be built to house BCI and NDHP.

In September 2024, a meeting was held between BCI, Office of Attorney General, NDHP, DOT and OMB. There was a consensus between all agencies the project could work and would solve office space needs in the long term for two state law enforcement agencies. BCI and OMB worked on square footage estimate between the needs of BCI and NDHP which would include

office and garage space. The agencies would have separate office areas but share some common rooms such as a multi-use room for training and operational briefings.

Fiscal Impact

OMB estimated a building size of approximately 14,000 square feet would accommodate both agencies for the long term. OMB also used the figure of \$350 per square foot would be an estimate for new construction to include all finishings and office furniture. Using those two figures estimated between BCI and OMB, the estimated new building construction cost was estimated at \$4,900,000.

Alternative Option

BCI and OMB conducted a financial comparison of purchasing the current ND Job Service building, renovating, and building an addition to. The property has an insured value of 2,265,100 per the fiscal note from ND Job Service in 2023. However, one key reason the building is being sold is that it is in dire need of significant, costly maintenance and renovations. Also, it is not sufficient in its current state or size to house any expansion of ND BCI. After a complete interior renovation and building additions are completed, an alternative fiscal impact would be 4,363,510. This number does not consider the occupants of the Minot BCI office relocating for several months at another commercial property incurring another commercial lease and moving expenses which is estimated to be at least \$200,000 in additional costs while construction is completed. The renovated building would be approximately 50 years older compared to a new build. A cost comparison showed the costs virtually the same considering the variables of new versus buy and remodel. Also, the NDHP have stated a renovated ND Job Service building would not be a feasible option for NDHP considering the less than desirable location and response times in and around Minot.

Benefits

1. **Stability:** Long term office space for BCI and NDHP eliminating the revolving hazard of moving to a different location while occupying an office managed by the government and not a private landlord.

2. **Cost:** State agencies avoid high commercial lease rates eating at agency budgets year-over-year. Also, maintenance costs of a new building are much lower than that of a 50-year building BCI is currently located within.
3. **Co-habitation:** Housing patrol and investigative law enforcement agencies sharing resources, space, and a training area to supplement each agencies' missions and preparation.
4. **Location:** The DOT location is better situated geographically for moving in and around the City of Minot with quick access to the highway bypass encircling the City of Minot as well as the DOT site is sandwiched between Highway 2 East and Highway 52 South.
5. **Space:** The proposed location gives BCI and NDHP a building to accommodate personnel growth already incurred and the future growth of each agency. The space available for evidence, training, vehicles, equipment, and offices is already maxed out for the agencies.

Conclusion

Historically, BCI and NDHP have had worked jointly in several field offices and support each other during investigations and incidents across the state. The NDHP has expanded their criminal interdiction team to the Minot area and has paid off in several cases and operations working in conjunction with BCI and the Ward County Narcotics Task Force. BCI and NDHP have clearly defied roles in their missions, but the agencies are complementary to each other. A permanent office building for BCI and NDHP, together at the DOT location, is not only financial responsible, but also logical and practical for the long term future.

Thank you for your time and consideration. I urge you to support this important legislation.

69th Legislative Assembly

Neutral Testimony

House Bill No. 1487

House Finance and Taxation

February 4, 2025

TESTIMONY OF

Maj. Thomas Iverson, Chief of Operations

Good morning, Mr. Chair, and members of the committee. My name is Major Tom Iverson and I serve as the chief of operations for the North Dakota Highway Patrol. I am here to provide testimony for HB 1487.

As mentioned by Supervisory Special Agent Lenertz, we have had struggles with finding suitable office space in Minot. Currently, we are in a short-term lease with our current landlord and have had some struggles with the maintenance of the building. Additionally, the status of the building ownership is uncertain to explore longer term lease and significant building maintenance options at our current office space.

Like BCI, we have explored other space in Minot and have not found anything acceptable due to cost and location.

Moving forward, the NDHP will be exploring options such as provided in this bill should it become available or continuing to find lease space to meet our needs.

This concludes my testimony. I would appreciate your support for this bill, and I will stand for any questions.

2025 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Room JW327E, State Capitol

HB 1487
2/4/2025

A BILL for an Act to authorize the department of transportation to transfer real property to the office of management and budget; to provide an appropriation; and to provide an exemption.

2:57 p.m. Chairman Headland opened the meeting.

Members Present: Chairman Headland, Vice Chairman Hagert, Representatives Dockter, Dressler, Foss, Grueneich, Ista, Motschenbacher, Nehring, Olson, Porter, Steiner
Members Absent: Representatives D. Anderson, Toman

Discussion Topics:

- Prefer pre-built
- Need for space
- Dilapidation
- Budget

3:09 p.m. Representative Porter moved an amendment to change from General Fund to SIF fund.

3:09 p.m. Representative J. Olson seconded the motion.

3:10 p.m. Voice vote - motion passed.

3:10 p.m. Representative Foss moved a Do Pass as Amended and rerefer to Appropriations.

3:10 p.m. Representative Porter seconded the motion.

Representatives	Vote
Representative Craig Headland	Y
Representative Jared Hagert	Y
Representative Dick Anderson	AB
Representative Jason Dockter	Y
Representative Ty Dressler	N
Representative Jim Grueneich	Y
Representative Mike Motschenbacher	Y
Representative Dennis Nehring	N
Representative Jeremy Olson	Y
Representative Todd Porter	Y
Representative Vicky Steiner	N
Representative Nathan Toman	AB
Representative Austin Foss	Y
Representative Zachary Ista	Y

3:11 p.m. Motion passed 9-3-2.

3:11 p.m. Representative Porter will carry the bill.

3:11 p.m. Chairman Headland closed the meeting.

Janae Pinks, Committee Clerk

February 4, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

HOUSE BILL NO. 1487

Introduced by

Representatives M. Ruby, Fisher, Heinert, Nathe, Stemen, D. Ruby

Senators Castaneda, Cleary, Meyer, Paulson, Thomas

1 A BILL for an Act to authorize the department of transportation to transfer real property to the
2 office of management and budget; to provide an appropriation; and to provide an exemption.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. TRANSFER OF LAND AUTHORIZED.** The state of North Dakota, by and
5 through the department of transportation, shall convey certain real property consisting of
6 approximately one and one-quarter acres [.51 hectare] in the southwest corner of outlot 20 in
7 the south half of the north half of the northwest quarter of section twenty-eight, township
8 one hundred fifty-five north, range eighty-two west, Ward County, North Dakota, to the office of
9 management and budget. Sections 54-01-05.2 and 54-01-05.5 do not apply to the transfer
10 authorized by this section.

11 **SECTION 2. APPROPRIATION. STRATEGIC INVESTMENT AND IMPROVEMENTS**
12 **FUND - OFFICE OF MANAGEMENT AND BUDGET - MINOT BUILDING - ONE-TIME**
13 **FUNDING - EXEMPTION.** There is appropriated out of any moneys in the ~~general~~strategic
14 investment and improvements fund in the state treasury, not otherwise appropriated, the sum of
15 \$4,900,000, or so much of the sum as may be necessary, to the office of management and
16 budget for the purpose of constructing a facility in Minot to lease to other state agencies, for the
17 biennium beginning July 1, 2025, and ending June 30, 2027. The funding appropriated in this
18 section is a one-time funding item. The funding appropriated in this section is not subject to
19 section 54-44.1-11 and may be continued into the biennium beginning July 1, 2027, and ending
20 June 30, 2029.

**REPORT OF STANDING COMMITTEE
HB 1487**

Finance and Taxation Committee (Rep. Headland, Chairman) recommends **AMENDMENTS** ([25.1172.02001](#)) and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (9 YEAS, 3 NAYS, 2 ABSENT AND NOT VOTING). HB 1487 was placed on the Sixth order on the calendar.

2025 HOUSE APPROPRIATIONS

HB 1487

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

HB 1487
2/17/2025

A BILL for an Act to authorize the department of transportation to transfer real property to the office of management and budget; to provide an appropriation; and to provide an exemption.

10:42 a.m. Chairman Vigesaa called the meeting to order.

Members Present: Chairman Vigesaa, Vice Chairman Kempenich, Representatives Anderson, Berg, Bosch, Brandenburg, Fisher, Hanson, Louser, Martinson, Meier, Mitskog, Monson, Murphy, Nathe, Nelson, O'Brien, Pyle, Richter, Stemen, Swiontek, Wagner

Members Absent: Representative Sanford

Discussion Topics:

- Highway Patrol
- Minot Patrol Agency
- Department of Transportation

10:47 a.m. Representative Headland introduced the Bill.

10:57 a.m. Patrick Lenertz, Representative for BCI, testified in favor and answered questions.

11:06 a.m. Tom Iverson, Highway Patrol Chief of Operations, testified in favor and answered questions.

11:10 a.m. Representative Monson introduced the Canadian MLAs.

11:11 a.m. Dan D'Autremont, Former Speaker in Canada, introduced his team.

11:13 a.m. Chairman Vigesaa closed the meeting.

Sierra Schartz, Committee Clerk

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

HB 1487
2/17/2025

A BILL for an Act to authorize the department of transportation to transfer real property to the office of management and budget; to provide an appropriation; and to provide an exemption.

7:12 p.m. Chairman Vigesaa opened the hearing.

Members present: Chairman Vigesaa, Vice Chairman Kempenich, Representatives Anderson, Berg, Bosch, Brandenburg, Fisher, Hanson, Louser, Martinson, Meier, Mitskog, Monson, Murphy, Nathe, Nelson, O'Brien, Pyle, Richter, Sanford, Stemen, Swiontek, Wagner

Discussion Topics:

- OMB building
- Committee action

7:12 p.m. Representative Murphy moved a Do Pass.

7:12 p.m. Representative Louser seconded the motion.

7:16 p.m. Roll call vote:

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Mike Berg	Y
Representative Glen Bosch	Y
Representative Mike Brandenburg	Y
Representative Jay Fisher	Y
Representative Karla Rose Hanson	Y
Representative Scott Louser	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative David Monson	Y
Representative Eric J. Murphy	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Emily O'Brien	Y
Representative Brandy L. Pyle	Y
Representative David Richter	Y
Representative Mark Sanford	Y

Representative Gregory Stemen	Y
Representative Steve Swiontek	Y
Representative Scott Wagner	Y

7:16 p.m. Motion carried 23-0-0.

Representative Porter is the bill carrier.

7:16 p.m. Chairman Vigesaa closed the hearing.

Mary Brucker, Committee Clerk for Sierra Schartz, Committee Clerk

**REPORT OF STANDING COMMITTEE
ENGROSSED HB 1487 ([25.1172.03000](#))**

Appropriations Committee (Rep. Vigesaa, Chairman) recommends **DO PASS** (23 YEAS, 0 NAYS, 0 ABSENT OR EXCUSED AND NOT VOTING). HB 1487 was placed on the Eleventh order on the calendar.

2025 SENATE APPROPRIATIONS

HB 1487

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Red River Room, State Capitol

HB 1487
3/14/2025

A BILL for an Act to authorize the department of transportation to transfer real property to the office of management and budget; to provide an appropriation; and to provide an exemption.

8:31 a.m. Chairman Wanzek opened the meeting.

Members present: Chairman Wanzek, Vice-Chair Dwyer, Senator Burckhard, Senator Erbele, and Senator Sickler.

Discussion Topics:

- Job Service' sale of building presently utilized by BCI Minot Field Office
- Lease costs / building ownership costs
- Multi-use building for multiple agencies
- Shared space with ND Highway Patrol
- Fiscal impacts and alternatives
- Location advantages

8:32 a.m. Patrick Lenertz, Supervisory Special Agent, Bureau of Criminal Investigation (BCI), testified in favor and submitted testimony #41455.

8:51 a.m. Brandon Solberg, Facilities Management Division Director, ND Office of Management and Budget, testified neutrally and submitted testimony #41416.

9:05 a.m. Captain Adam Dvorak, Support Services Commander, ND Highway Patrol, testified neutrally and submitted testimony #41291.

9:09 a.m. Brandon Solberg answered committee question.

9:11 a.m. Chairman Wanzek closed the hearing.

Carol Thompson, Committee Clerk



69th Legislative Assembly

Neutral Testimony

House Bill No. 1487

Senate Appropriations – Gov. Ops. Division

March 14, 2025

TESTIMONY OF

Captain Adam Dvorak, Support Services Commander

Good morning, Chairman Wanzek and members of the committee. My name is Adam Dvorak and I serve as the support services commander for the North Dakota Highway Patrol. I am here to provide neutral testimony for HB 1487.

As mentioned by Supervisory Special Agent Lenertz, we have had struggles with finding suitable office space in Minot. Currently, we are in a short-term lease with our current landlord, which ends June 30th, 2025, and have had some struggles with the maintenance of the building.

Like BCI, we have explored other space in Minot and have not found anything acceptable due to cost and location.

As you are aware, having recently passed through this committee, the Highway Patrol Budget in SB2011, has funding for a lease rate increase in Minot. We will plan to work with our current landlord for significant improvements or to seek other space in the Minot area, which has been difficult to find. We continue to support the executive budget in the form passed through this committee.

The outcome of this bill will mold the direction we take from a long term perspective in our current lease, which may soon be negotiated for renewal.

This concludes my testimony. I will stand for any questions.



Management
and Budget

Neutral Testimony

House Bill No. 1487

Senate Appropriations Government Operations

March 14, 2025

TESTIMONY OF

Brandon Solberg, Director, Facilities Management Division

Good morning Chairman Wanzek and committee members. My name is Brandon Solberg, and I serve as the facilities management division director for the Office of Management and Budget. I appear today to provide neutral testimony on House Bill 1487.

My testimony is neutral because the funding for a combined office in Minot was not included in the executive budget recommendation, but OMB is willing to serve as the property owner if this bill were to move forward.

The primary reason for my testimony is to discuss the construction cost estimate of \$4.9 million. This amount was provided by facility management last year using an estimate of \$350 per square foot for a total of 14,000 square feet.

After this bill passed the House, I discussed the cost estimate in more detail with OMB's leasing manager and statewide construction manager. I learned that the \$350 per square foot estimate did not include the following:

- **Utility Connections:** Tying utilities into the nearest source, including sewer, stormwater, domestic water, fire suppression, electric, gas, and communications
- **Geotechnical Survey/Report:** Assessing soil conditions
- **Architect/Engineer Services:** Professional services required for design and engineering

Based on these additional factors, a more accurate estimate for this project would be \$400 per square foot for a total of \$5.6 million.

This updated amount would provide a more practical estimate of the total cost to design and build a modern law enforcement facility in Minot with unique requirements such as enhanced ventilation and secure evidence rooms.

Mr. Chairman and committee members, this concludes my testimony. I would be happy to answer any questions.

SENATE APPROPRIATIONS - GOVERNMENT OPERATIONS COMMITTEE**March 13, 2025****TESTIMONY OF PATRICK LENERTZ****OFFICE OF ATTORNEY GENERAL****HOUSE BILL 1487**

Chairman Wanzek and Members of the Senate Appropriations - Government Operations Committee

Introduction

My name is Patrick Lenertz, and I am a Supervisory Special Agent with the Bureau of Criminal Investigation (BCI). I am here today to advocate for the passage of House Bill 1487 to transfer land between state agencies and appropriate money to construct a new office building in Minot, ND. The building would house the state employees of the Office of Attorney General, BCI, and the North Dakota Highway Patrol. This legislation is crucial for a cost-effective office building which provides stability, quicker response times, multi-use room, and enhanced security for the long-term future of two state law enforcement agencies.

History

For the past two decades, the Minot BCI office was located in various locations to include a convenience store and a downtown office building when water problems arose to the point of having to relocate as soon as possible. Former BCI Director Dallas Carlson was able to obtain space for the Minot BCI office within the North Dakota Job Service Building located on the north edge of Minot in 2017. BCI renovated a portion of the allotted space for security, confidentiality, two computer labs, group briefing area, and converted open space for eight cubicles

The current office space is now maxed out prohibiting any further expansion of personnel or evidence storage. The Minot BCI office currently contains members of the Office of Attorney General, BCI, Minot Police Department, Ward County Sheriff's Office, North Dakota National Guard, and Homeland Security Investigations. The office is also comprised of two law

enforcement task forces in the region: Ward County Narcotics Task Force and North Dakota Internet Crimes Against Children Task Force.

In the 68th Legislative Assembly (2023), ND Job Service submitted HB1092 which authorized ND Job Service to sell the property. ND Job Service planned to downsize physically and relocate to an area in Minot to better serve their customers. HB1092 passed and was signed by Governor Burgum shortly thereafter. The plan to sell and move remains to this day with no obvious timeframe.

After the 68th Legislative Assembly ended, BCI began talks of planning a future relocation of the Minot BCI office due to the eventual posting and sale of the ND Job Service building. A relocation of the Minot BCI office would not be a small feat and requires a location which provides a level of security, externally and internally, evidence storage, technical and HVAC considerations for the computer lab, and temperature-controlled vehicle storage for specialized vehicles. These specialized vehicles serve not only the immediate Minot area, but 1/3 of the state, and can be used at a moment's notice. The relocation would not only take time to search for available options but also several months to plan, design, renovate, and physically move equipment to be operational.

A search for a new location in Minot to lease office and garage space used a variety of online property search tools to find appropriate properties and finding a local realtor to verify available properties. I learned there was less than a handful of properties in the Minot area, possible in terms of size and configuration for our specialized needs, but renovations and expansions were always a necessary part of the equation. Through word of mouth, I was able to find a location in Minot with a pair of private property owners who offered to lease a commercial building to BCI. The commercial space included existing offices, space to renovate for additional offices, and garage space for vehicles and secure storage.

In December 2023, a meeting was held between the commercial property owners, BCI, Office of Attorney General attorneys, and the Office of Management and Budget. During the meeting, John Boyle, formerly with OMB, suggested BCI could buy or build a brand new building, for

similar or less cost, in lieu of leasing. The starting commercial lease rate from private entities in Minot was minimum \$18 per square foot and would range up to \$22 per square foot at the start of a lease. These numbers were taken directly from estimates, advertisements, and speaking with area realtors on commercial space. In addition, the cost to retrofit the available commercial space to accommodate the needs of the state would have exceeded \$4,300,000.

After subsequent conversations between state agencies, and upon analysis and recommendations from Mr. Boyle, the Office of Attorney General agreed that the most cost-effective and beneficial course for the state was a transition from the lease model to the possibility of buying or building (under the direction and supervision of OMB) a new office for BCI to use. I located a number of locations where office space or garage space existed but rarely together. Also, the available square footage was either too small or too large for NDBCI's use and the anticipated lease costs were 2X to 3X higher compared to the available money allocated to the current Minot NDBCI office and availability of comparable square footage. Locations were either too small or too large for BCI-only needs. As a note, the current lease rate for the Minot BCI office is \$11 per square foot. OMB suggested a lease rate from a newly built state-owned building could be as low as \$6 per square foot which would cover utility costs.

In the Spring of 2024, I learned the ND Highway Patrol was experiencing a similar office building situation in Minot. NDHP was also looking for a new space however high lease prices for commercial space in the Minot area were restrictive in finding a suitable location. From the conversations between the two agencies, an idea was born to work with DOT and potentially use DOT land in the Minot area for a new office building. The idea was to request DOT to either build an office building to house BCI and NDHP or to transfer DOT land to another state agency for an office building to be built to house BCI and NDHP.

In September 2024, a meeting was held between BCI, Office of Attorney General, NDHP, DOT and OMB. There was a consensus between all agencies the project could work and would solve office space needs in the long term for two state law enforcement agencies. BCI and OMB worked on square footage estimate between the needs of BCI and NDHP which would include

office and garage space. The agencies would have separate office areas but share some common rooms such as a multi-use room for training and operational briefings.

Agency Budget Savings

OMB estimates a minimum lease savings of approximately \$3,500,000 over 20 years leasing from a state agency compared to leasing from a private commercial landlord. A state-owned building would lease to BCI and NDHP at a \$6 per square foot rate. Private commercial landlord rates start at \$18 per square foot the first year or two and climb into the \$20-\$25 per square foot range. BCI and NDHP would effectively use less agency budget money for office lease payments.

Fiscal Impact

OMB estimated a building size of approximately 14,000 square feet would accommodate both agencies for the long term. OMB also used the figure of \$350 per square foot would be an estimate for new construction to include all finishings and office furniture. Using those two figures estimated between BCI and OMB, the estimated new building construction cost was estimated at \$4,900,000.

A recent review of the cost estimates by OMB in March 2025, revealed the building costs are more accurately represented at \$400 per square foot. Using the estimated building footprint of 14,000 square feet, the new cost estimate is now \$5,600,000.

Alternative Option

BCI and OMB conducted a financial comparison of purchasing the current ND Job Service building, renovating, and building an addition to. The property has an insured value of \$2,265,100 per the fiscal note from ND Job Service in 2023. However, one key reason the building is being sold is that it is in dire need of significant, costly maintenance and renovations. Also, it is not sufficient in its current state or size to house any expansion of ND BCI. After a complete interior renovation and building additions are completed, an alternative fiscal impact would be \$4,363,510. This number does not consider the occupants of the Minot BCI office relocating for several months at another commercial property incurring another commercial lease

and moving expenses which is estimated to be at least \$250,000 in additional costs while construction is completed. The renovated building would be approximately 50 years older compared to a new build. A cost comparison showed the costs virtually the same considering the variables of new versus buy and remodel. Also, the NDHP have stated a renovated ND Job Service building would not be a feasible option for NDHP considering the less than desirable location and response times in and around Minot.

Benefits

1. **Stability:** Long term office space for BCI and NDHP eliminating the revolving hazard of moving to a different location while occupying an office managed by the government and not a private landlord.
2. **Cost:** State agencies avoid high commercial lease rates eating at agency budgets year-over-year. Also, maintenance costs of a new building are much lower than that of a 50-year building BCI is currently located within.
3. **Co-habitation:** Housing patrol and investigative law enforcement agencies sharing resources, space, and a training area to supplement each agencies' missions and preparation.
4. **Location:** The DOT location is better situated geographically for moving in and around the City of Minot with quick access to the highway bypass encircling the City of Minot as well as the DOT site is sandwiched between Highway 2 East and Highway 52 South.
5. **Space:** The proposed location gives BCI and NDHP a building to accommodate personnel growth already incurred and the future growth of each agency. The space available for evidence, training, vehicles, equipment, and offices is already maxed out for the agencies.

Conclusion

Historically, BCI and NDHP have had worked jointly in several field offices and support each other during investigations and incidents across the state. The NDHP has expanded their criminal interdiction team to the Minot area and has paid off in several cases and operations working in conjunction with BCI and the Ward County Narcotics Task Force. BCI and NDHP have clearly defied roles in their missions, but the agencies are complementary to each other. A permanent

office building for BCI and NDHP, together at the DOT location, is not only financial responsible, but also logical and practical for the long-term future.

Thank you for your time and consideration. I urge you to support this important legislation.

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Red River Room, State Capitol

HB 1487
3/21/2025

A BILL for an Act to authorize the department of transportation to transfer real property to the office of management and budget; to provide an appropriation; and to provide an exemption.

9:33 a.m. Chairman Wanzek opened the meeting.

Members present: Chairman Wanzek, Vice-Chair Dwyer, Senator Burckhard, Senator Erbele, and Senator Sickler.

Discussion Topics:

- Location of 1.4 acres owned by ND Department of Transportation
- ND Highway Patrol and BCI shared space
- 14,000 square ft. proposed building
- Estimated building costs
- Cost of renting compared to cost of owning

9:34 a.m. Pat Lenertz, Supervisory Special Agent, ND Bureau of Criminal Investigation (BCI), testified in favor, answered committee questions, and referenced previous testimony #41455 from (3/14/25 at 8:30 a.m.).

9:38 a.m. Brady Larson, Assistant Legislative Budget Analyst, answered a question.

9:42 a.m. Pat Lenertz continued to answer committee questions.

9:53 a.m. Senator Dwyer moved a Do Pass for HB 1487.

9:53 a.m. Senator Burckhard seconded the motion.

Senators	Vote
Senator Terry M. Wanzek	Y
Senator Randy A. Burckhard	Y
Senator Michael Dwyer	Y
Senator Robert Erbele	Y
Senator Jonathan Sickler	Y

Motion passed 5-0-0.

Senator Burckhard will carry this bill.

9:55 a.m. Chairman Wanzek closed the hearing.

Carol Thompson, Committee Clerk

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

HB 1487
3/28/2025

A BILL for an Act to authorize the department of transportation to transfer real property to the office of management and budget; to provide an appropriation; and to provide an exemption.

9:53 a.m. Vice-Chairman Erbele opened the hearing.

Members Present: Vice-Chairman Erbele, and Senators Burckhard, Cleary, Conley, Davison, Dever, Dwyer, Magrum, Mathern, Meyer, Schaible, Sickler, Sorvaag, Thomas, Wanzek.

Members Absent: Chairman Bekkedahl.

Discussion Topics:

- Land Location
- Construction Cost Estimates
- Job Service Building Update

9:53 a.m. Senator Burckhard introduced the bill.

9:54 a.m. Senator Burckhard moved a Do Pass.

9:55 a.m. Senator Conley seconded the motion.

Senators	Vote
Senator Brad Bekkedahl	A
Senator Robert Erbele	Y
Senator Randy A. Burckhard	Y
Senator Sean Cleary	Y
Senator Cole Conley	Y
Senator Kyle Davison	N
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Jeffery J. Magrum	Y
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Donald Schaible	N
Senator Jonathan Sickler	Y
Senator Ronald Sorvaag	Y
Senator Paul J. Thomas	Y
Senator Terry M. Wanzek	Y

Motion Passed 13-2-1.

Senate Appropriations Committee

HB 1487

03/28/2025

Page 2

Senator Burckhard will carry the bill.

9:56 a.m. Patrick Lenertz, Supervisory Special Agent, ND Bureau of Special Investigation, testified in favor.

9:59 a.m. Vice-Chairman Erbele closed the hearing.

Elizabeth Reiten, Committee Clerk

Reconsidered HB 1487 on 4/1/25.

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

HB 1487
4/1/2025

A BILL for an Act to authorize the department of transportation to transfer real property to the office of management and budget; to provide an appropriation; and to provide an exemption.

9:35 a.m. Chairman Bekkedahl opened the hearing.

Members Present: Chairman Bekkedahl, Vice-Chairman Erbele, and Senators Burckhard, Cleary, Conley, Davison, Dever, Dwyer, Magrum, Mathern, Meyer, Schaible, Sickler, Sorvaag, Thomas, Wanzek.

Discussion Topics:

- Line of Credit Change
- Carryover Provision
- Emergency Clause

9:36 a.m. Senator Bekkedahl opened discussion.

9:36 a.m. Senator Wanzek moved to reconsider their actions.

9:36 a.m. Senator Erbele seconded the motion.

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Robert Erbele	Y
Senator Randy A. Burckhard	Y
Senator Sean Cleary	Y
Senator Cole Conley	Y
Senator Kyle Davison	Y
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Jeffery J. Magrum	Y
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Donald Schaible	Y
Senator Jonathan Sickler	Y
Senator Ronald Sorvaag	Y
Senator Paul J. Thomas	Y
Senator Terry M. Wanzek	Y

Motion Passed 16-0-0.

9:37 a.m. Senator Dwyer moved to amend by moving from general fund to line of credit, increasing the amount, and adding "up to" language.

9:38 a.m. Senator Burckhard seconded the motion.

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Robert Erbele	Y
Senator Randy A. Burckhard	Y
Senator Sean Cleary	Y
Senator Cole Conley	Y
Senator Kyle Davison	Y
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Jeffery J. Magrum	Y
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Donald Schaible	Y
Senator Jonathan Sickler	Y
Senator Ronald Sorvaag	Y
Senator Paul J. Thomas	Y
Senator Terry M. Wanzek	Y

Motion Passed 16-0-0.

9:40 a.m. Senator Mathern moved to further amend by adding an emergency clause.

9:40 a.m. Senator Erbele seconded the motion.

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Robert Erbele	Y
Senator Randy A. Burckhard	Y
Senator Sean Cleary	Y
Senator Cole Conley	Y
Senator Kyle Davison	Y
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Jeffery J. Magrum	Y
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Donald Schaible	Y
Senator Jonathan Sickler	Y
Senator Ronald Sorvaag	Y
Senator Paul J. Thomas	Y
Senator Terry M. Wanzek	Y

Motion Passed 16-0-0.

9:43 a.m. Senator Burckhard moved a Do Pass as Amended.

9:43 a.m. Senator Wanzek seconded the motion.

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Robert Erbele	Y
Senator Randy A. Burckhard	Y
Senator Sean Cleary	Y
Senator Cole Conley	Y
Senator Kyle Davison	Y
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Jeffery J. Magrum	Y
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Donald Schaible	N
Senator Jonathan Sickler	Y
Senator Ronald Sorvaag	Y
Senator Paul J. Thomas	Y
Senator Terry M. Wanzek	Y

Motion Passed 15-1-0.

Senator Burckhard will carry the bill.

9:44 a.m. Chairman Bekkedahl closed the hearing.

Elizabeth Reiten, Committee Clerk

April 1, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

**PROPOSED AMENDMENTS TO
FIRST ENGROSSMENT**

VG 4/3/25
1 of 3

ENGROSSED HOUSE BILL NO. 1487

Introduced by

Representatives M. Ruby, Fisher, Heinert, Nathe, Stemen, D. Ruby

Senators Castaneda, Cleary, Meyer, Paulson, Thomas

1 A BILL for an Act to authorize the department of transportation to transfer real property to the
2 office of management and budget; to provide an appropriation; ~~and~~ to authorize a line of credit;
3 to provide an exemption; and to declare an emergency.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1. TRANSFER OF LAND AUTHORIZED.** The state of North Dakota, by and
6 through the department of transportation, shall convey certain real property consisting of
7 approximately one and one-quarter acres [.51 hectare] in the southwest corner of outlot 20 in
8 the south half of the north half of the northwest quarter of section twenty-eight, township
9 one hundred fifty-five north, range eighty-two west, Ward County, North Dakota, to the office of
10 management and budget. Sections 54-01-05.2 and 54-01-05.5 do not apply to the transfer
11 authorized by this section.

12 **SECTION 2. APPROPRIATION. ~~STRATEGIC INVESTMENT AND IMPROVEMENTS~~**
13 **~~FUND - OFFICE OF MANAGEMENT AND BUDGET - MINOT BUILDING -~~ LINE OF CREDIT -**
14 **~~ONE-TIME FUNDING - EXEMPTION.~~** ~~There is appropriated out of any moneys in the strategic~~
15 ~~investment and improvements fund in the state treasury, not otherwise appropriated, the sum of~~
16 ~~\$4,900,000, or so much of the sum as may be necessary, to the office of management and~~
17 ~~budget for the purpose of constructing a facility in Minot to lease to other state agencies, for the~~
18 ~~biennium beginning July 1, 2025, and ending June 30, 2027.~~ The office of management and
19 budget may borrow up to \$5,600,000 through a line of credit from the Bank of North Dakota
20 during the biennium beginning July 1, 2025, and ending June 30, 2027, the proceeds of which

1 are appropriated to the office of management and budget for the purpose of constructing a
2 facility in Minot to lease to other state agencies. The interest rate on the line of credit may not
3 exceed the prevailing interest rate charged to North Dakota governmental entities. If the office
4 of management and budget accesses the line of credit, the office of management and budget
5 shall request a deficiency appropriation from the seventieth legislative assembly to repay the
6 line of credit. The funding appropriated in this section is a one-time funding item. The funding
7 appropriated in this section is not subject to section 54-44.1-11 and may be continued into the
8 biennium beginning July 1, 2027, and ending June 30, 2029.

9 **SECTION 3. EMERGENCY.** This Act is declared to be an emergency measure.

3 of 3

STATEMENT OF PURPOSE OF AMENDMENT:**House Bill No. 1487 - Office of Management and Budget - Senate Action**

	Base Budget	House Version	Senate Changes	Senate Version
Minot building		\$4,900,000	\$700,000	\$5,600,000
Total all funds	\$0	\$4,900,000	\$700,000	\$5,600,000
Less estimated income	0	4,900,000	700,000	5,600,000
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

Department 110 - Office of Management and Budget - Detail of Senate Changes

	Increases Project Funding and Adjusts Funding Source ¹	Total Senate Changes
Minot building	\$700,000	\$700,000
Total all funds	\$700,000	\$700,000
Less estimated income	700,000	700,000
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding for the Minot building project is increased from \$4.9 million to \$5.6 million and the funding source for the project is changed from the strategic investment and improvements fund to the proceeds from a Bank of North Dakota line of credit.

House Bill No. 1487 - Other Changes - Senate Action

A section is also added to provide the bill is an emergency measure.

**REPORT OF STANDING COMMITTEE
ENGROSSED HB 1487**

Appropriations Committee (Sen. Bekkedahl, Chairman) recommends **AMENDMENTS** ([25.1172.03001](#)) and when so amended, recommends **DO PASS** (15 YEAS, 1 NAY, 0 ABSENT OR EXCUSED AND NOT VOTING). Engrossed HB 1487 was placed on the Sixth order on the calendar. This bill does not affect workforce development.