

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2233

2001 SENATE FINANCE AND TAXATION

SB 2233

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2233

Senate Finance and Taxation Committee

Conference Committee

Hearing Date 1/22/01

Tape Number	Side A	Side B	Meter #
1	x		0-36
2	x		36.2-41.9
1/30/01 - 2	x		38.3
		x	0-21
2/5/01 - 2	x		34.6-end
		x	0-8
Committee Clerk Signature <i>Lynelle M. Kraft</i>			

Minutes:

Senator Urlacher: Opened the hearing on SB 2233, relating to township levies for airport purposes.

Senator Duane Mutch: Co-sponsored the bill, testified in support. Bill gives townships the option of designating to one or more airport or airport authorities the levy that they are allowed to levy by law. Through meter number 4.4.

Representative Glen Froseth: Testified in support of the bill and the amendment.

Senator David Drovdal: Testified in support.

Bryan Hoime: President of the ND Townships Officers Assoc., testified in favor of the bill.

Written testimony attached.

Senator Urlacher: We're talking about the ability to go up to 6 mills?

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Senate Finance and Taxation Committee

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Bryan Hoime: Yes.

Senator Stenehjem and Bryan Hoime discuss mills. Meter number 9.9-11.7.

Senator Christmann: Who are the township electors?

Bryan Hoime: Voting persons in the township.

Senator Christmann: Why don't you have that on a general election?

Bryan Hoime: Townships are becoming so less populated.

Senator Christmann: Are people, in communities that are within the township, electors of the township or is it just rural people?

Bryan Hoime: Just rural.

Senator Wardner: Are there any home-rule townships in ND?

Bryan Hoime: No.

Senator Kroeplin: Do the electors have to own property?

Bryan Hoime: They have to be residents and property owners.

Senator Kroeplin: Would that exclude a renter?

Bryan Hoime: I don't know.

Ken Yantes: Works with townships, Township Officers Assoc. voted unanimously to have this bill introduced.

Senator Duane Mutch: Reappeared to clarify some things. Meter number 17.4-18.8.

Gary Ness: Director of Aeronautics Commission, testified in opposition. Written testimony attached.

Senator Wardner: Under current law, if there was 4 mills, and they were applying 4 mills to a municipal airport and they decided they wanted part of that to go to another airport in their township?

Gary Ness: That's correct.

Absentee Testimony introduced by Steve Johnson.

Senator Stenehjem: Are the aerial applicators going through the control tower at the airport?

Gary Ness: Yes.

Senator Christmann: Where do crop sprayers get their money for maintenance or upgrades?

Gary Ness: Provides list-attached.

Senator Kroeplin: Do the small planes contact the Grand Forks tower?

Gary Ness: Not if they're outside a 5 mile area.

Senator Wardner: When these townships go into a contractual agreement with the airport authority, is it forever?

Gary Ness: They can negotiate their way out.

Senator Urlacher: Closed the hearing. Action delayed.

Discussion held 1/22/01. Meter number 36.2-41.9.

Bryan Hoime: Appeared to explain amendments.

Discussion held 1/30/01. Meter number 38.3-end, Side A & 0-21, Side B.

Bryan Hoime: Appeared to propose new amendments.

Senator Stenehjem: In the beginning, did the township board vote to get into the airport authority?

Bryan Hoime: Yes, there has to be a vote for the authority to be granted and again when the airport authority is going to be bonded. Explains levies and bonds and answers questions from Senator Christmann & Senator Kroeplin.

Gary Ness: Appeared to explain his handout on the mill levies. Answers questions from Senator Stenehjem, Senator Christmann, & Senator Kroeplin. Discussion continued.

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Senate Finance and Taxation Committee
Bill/Resolution Number 2233
Hearing Date 1/22/01

Discussion held 2/5/01. Meter number 34.6-end, Side A & 0-8, Side B.

Bryan Hoime: Appeared to explain amendment.

Senator Stenehjem: Has concern about townships getting out of an airport authority.

Gary Ness: Believes there are negotiations to get out. If a township is committed to 4 mills right now, can they, under that language, designate a second airport and split the mills? I'm not sure what the amendment says.

Senator Wardner: I would like to see some negotiations with the Grand Forks Airport before we would pass legislation that would affect two townships.

Senator Urlacher: Those negotiations have never taken place?

Gary Ness: No, they haven't.

Ken Yantes: Makes a comment.

COMMITTEE ACTION: 2/5/01

Motion made by Senator Wardner for a DO NOT PASS, Seconded by Senator Christmann. Vote was 5 yeas, 1 nay, 0 absent and not voting. Bill carrier was Senator Wardner.

PROPOSED AMENDMENTS TO SENATE BILL NO. 2233

Page 1, line 12, after the period insert "if a township has obligated the maximum limitation allowed in subsection 6 of section 57-15-20.2 to a airport authority, the electors may vote to levy an additional two mills at the annual or special meeting of the township dedicated to support other airports. Any airport authority or airport shall in writing notify a township when the bonding has been fulfilled. When a township has been released of its obligation to an airport authority, the additional two mills shall be removed and the township may continue supporting the airport authority or other airports or both in compliance with this section not exceeding the limitation in subsection 6 of section 57-15-20.2.

Renumber accordingly

Date: 2/5/01
Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2233

Senate Finance and Taxation Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Not Pass

Motion Made By Wardner Seconded By Christmann

Senators	Yes	No	Senators	Yes	No
Senator Urlacher-Chairman	✓				
Senator Wardner-Vice Chairman	✓				
Senator Christmann	✓				
Senator Stenehjem	✓				
Senator Kroepelin		✓			
Senator Nichols	✓				

Total (Yes) 5 No 1

Absent 0

Floor Assignment Wardner

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

REPORT OF STANDING COMMITTEE (410)
February 6, 2001 1:13 p.m.

Module No: SR-21-2484
Carrier: Wardner
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2233: Finance and Taxation Committee (Sen. Urlacher, Chairman) recommends DO NOT PASS (5 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). SB 2233 was placed on the Eleventh order on the calendar.

2001 TESTIMONY

SB 2233

TESTIMONY FOR SENATE BILL NO. 2233
SENATE FINANCE AND TAXATION

PREPARED BY
BRYAN HOIME
NORTH DAKOTA TOWNSHIP OFFICERS ASSOCIATION

Good morning Mr. Chairman, members of the committee, I'm before you this morning to testify in favor of SB 2233. This bill addresses a problem which is limited in scope, first let me say i'm not an expert in airport authority or financing for them. When an airport authority is established they set out their taxing district. Both counties and townships can levy for airport authorities, in a township's case that is 4 mills. This situation primarily comes from the Grand Forks area, but I know that several other airport authorities exist across this state. 18-19 yrs ago townships signed on to be a part of the Grand Forks regional airport authority and levied 4 mills to support the regional. I don't know if the pledge was contractual or not or by other means. I do know that the airport authority has control over the mill rate up to 4 mills.

Today, some of these townships would like to support airports in there home area because they are primarily rural and want these airports to remain open as they serve the agricultural sector. Because they've pledged to the airport authority they've asked through this bill, lines 10,11, and 12, to have the ability to divide the revenues and spread them among more than one airport or airport authority. And as I've been told, this procedure is probably not allowed under the law, depending on how the levies have been obligated to the airport authority.

I still believe that a township should have the authority when they're not under some obligation to the airport authority to divide their revenues among varying airports. Mr. Chairman, I've drawn up some amendments for this bill which i'd like to present at this time to address the townships concern. If they can't by law be allowed to divide their revenues when obligated by an airport authority, then these amendments will come into play.

The amendments are quite simple, i hope, if the township has obligated its maximum levy limitation, then the electors may vote to levy an additional 2 mills for supporting other airports. When the obligation to an airport authority has been removed the airport authority is to notify the township in writing. The township then removes the 2 mill levy and reverts back to the basic 4 mills allowed, with the power to divide their revenues in any manner they see fit.

Mr. Chairman, I'm not sure that I've gotten all of the language right concerning the financial obligation a township might be under to a regional airport authority, i'm sure others are here who might have some better wordage, and I'd be happy to draft amendments accordingly. Mr. Chairman, I hope the committee adopts these amendments, and supports the bill.

SB – 2233

Testimony:
Gary R. Ness, Director
ND Aeronautics Commission
January 22, 2001

Senate Finance and Taxation
Committee
Senator Herb Urlacher, Chair
Senator Tim Flakoll, Vice-Chair

Committee members this is the third time, in my tenure as Director of the Aeronautics Commission, that this issue has been brought before this Legislative body.

The previous two times this issue as been voted down, primarily because it was looked upon as a local issue, not a statewide concern. This issue also generated an Attorney Generals Opinion back in 1991, which I will share with you. I see no difference today. Except, in the past this issue has started in the President of the Senates Committee on Political Subdivisions dealing with NDCC-2-06, this session we are in Finance and Taxation and the language in this rendition affecting NDCC-57-15-37.1 could be very destructive to the State's Airport Authority Act in 2-06.

The issue today is not the desire of a couple townships in wanting to support two airports; the issue is that the townships wish to NOT support the Grand Forks Regional Airport Authority, which they are a member. Prior to the creation of the Grand Forks Airport Authority there was no such desire to support the Larimore Airport from any other entity other than the city of Larimore. Thus it has been a puzzle because this action has been continuous, in my memory, for the last 9 years.

The change asked for in SB-2233 to 57-15-37.1 shall affect in a serious way the Airport Authority Act - 2-06. Specially sub-section 2-06-03, {Creation of regional airport authority}. What the language in 2233 does is to give a Township, which is a duly constituted member of a Regional Airport Authority, the opportunity to change it's collective mind at any juncture and divert financial support from one airport to another without consideration of the township responsibility to the financial viability of the Authority that they may be a member. This discretionary ability will put into jeopardy any Regional Airport Authority that is constituted with in the State.

Let me share with you the Attorney General's Opinion 91-5, issued March 13, 1991 at the request of James T. Odegard, Grand Forks County State's Attorney. There are two questions asked by Mr. Odegard. #1 - Can a township split mill levies levied for an airport authority between two different airport authorities? #2 - Can a township withdraw its financial support of the regional airport authority without the consent of the other municipalities included in the regional authority and the commissioners of the regional authority? The answer to both questions in 1991 was NO. Now in 2001 for the third time we have the same question before the Legislature. This is not a State wide nor an Airport Authority Act issue it is a local issue that can be remedied by the party that is so intent to change the North Dakota Century Code, by simply going to the Authority of which they are a member and asking for relief as outlined in that same Century Code they want to change.

I ask this Committee to recommend a DO-NOT pass to SB-2233. I am sure that there will be attempts to put amendments to this Bill to try to make it palatable. My opinion is that there is no palatable direction to go. Why, because all the remedies are already in place and the responsibility of all members of a Regional Authority are outlined in the Century Code.

I thank the Committee for listening to my testimony and I'll try to answer any questions that you may have.

