

**2023 HOUSE AGRICULTURE**

**HB 1101**

# 2023 HOUSE STANDING COMMITTEE MINUTES

**Agriculture Committee**  
Room JW327C, State Capitol

HB 1101  
1/5/2023

Relating to the fee collection for the cost of each brucellosis tag, each identification tag, and each health book the commissioner distributes.

10:14 AM Chairman Thomas called to order.

Members present: Chairman Thomas, Representative Beltz, Christy, Finley-DeVille, Fisher, Headland, Henderson, Kiefert, Prichard, Schreiber-Beck, Tveit, VanWinkle.  
Member absent: Representative Olson

### Discussion Topics:

- Fee collection
- Accounting procedures
- Committee Work

### In favor:

Dr. Ethan Andress State Veterinarian ND Department of Agriculture and North Dakota Board of Animal Health #12390

Representative Headland moved a Moved Do Pass, Representative Fisher seconded.  
Roll Call Vote:

<b>Representatives</b>	<b>Vote</b>
Representative Paul J. Thomas	Y
Representative Mike Beltz	Y
Representative Josh Christy	Y
Representative Lisa Finley-DeVille	Y
Representative Jay Fisher	Y
Representative Craig Headland	Y
Representative Donna Henderson	Y
Representative Dwight Kiefert	Y
Representative SuAnn Olson	AB
Representative Brandon Prichard	Y
Representative Cynthia Schreiber-Beck	Y
Representative Bill Tveit	Y
Representative Lori VanWinkle	Y

Motion carried. 12-0-1

Representative Prichard will be the bill carrier.

Chairman Thomas adjourned the hearing 10:26 AM.

*Diane Lillis, Committee Clerk*

**REPORT OF STANDING COMMITTEE**

**HB 1101: Agriculture Committee (Rep. Thomas, Chairman)** recommends **DO PASS** (12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1101 was placed on the Eleventh order on the calendar.

**2023 SENATE AGRICULTURE AND VETERANS AFFAIRS**

**HB 1101**

# 2023 SENATE STANDING COMMITTEE MINUTES

## Agriculture and Veterans Affairs Committee Fort Union Room, State Capitol

HB 1101  
2/16/2023

A BILL for an Act relating to the fee collection for the cost of each brucellosis tag, each identification tag, and each health book the commissioner distributes.

9:29 AM Chairman Luick called the committee to order. Senators Hogan, Weber, Weston, Luick, and Lemm were present. Senator Myrdal was absent

### Discussion Topics:

- Tag material
- Tag history
- True cost

9:30 AM Ethan Andress, State Veterinarian, ND State Board of Animal Health, testified in favor verbally.

9:35 AM Senator Hogan moved DO PASS HB 1101

9:36 AM Senator Weston seconded DO PASS HB 1101

9:36 Roll Call Vote, DO PASS HB 1101

Senators	Vote
Senator Larry Luick	Y
Senator Janne Myrdal	A
Senator Kathy Hogan	Y
Senator Randy D. Lemm	Y
Senator Mark F. Weber	Y
Senator Kent Weston	Y

Vote: 5-0-1 DO PASS HB 1101.

9:37 AM Chairman Luick kept the key open for the absent senator to vote.

9:37 AM Chairman Luick closed the committee work on HB 1101.

*Dave Owen, Committee Clerk*

# 2023 SENATE STANDING COMMITTEE MINUTES

## Agriculture and Veterans Affairs Committee Fort Union Room, State Capitol

HB 1101  
2/16/2023

A BILL for an Act relating to the fee collection for the cost of each brucellosis tag, each identification tag, and each health book the commissioner distributes
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9:39 AM Chairman Luick called the committee work to order. Senators Hogan, Weston, Weber, Luick, Myrdal, and Lemm were present.

### Discussion Topics:

- Committee Action

9:39 AM Chairman Luick re-opened the key on HB 1101 for the absent senator, Senator Myrdal, to vote.

9:39 AM Roll Call Vote, DO PASS HB 1101

Senators	Vote
Senator Larry Luick	Y
Senator Janne Myrdal	Y
Senator Kathy Hogan	Y
Senator Randy D. Lemm	Y
Senator Mark F. Weber	Y
Senator Kent Weston	Y

Motion Passed 6-0-0. DO PASS HB 1101.

Senator Weston to carry.

9:39 AM Senator Luick adjourned the committee work.

*Dave Owen, Committee Clerk*

**REPORT OF STANDING COMMITTEE**

**HB 1101: Agriculture and Veterans Affairs Committee (Sen. Luick, Chairman)** recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1101 was placed on the Fourteenth order on the calendar. This bill does not affect workforce development.

**TESTIMONY**

**HB 1101**



COMMISSIONER

DOUG  
GOEHRING



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**Testimony of Dr. Ethan Andress  
State Veterinarian  
North Dakota Department of Agriculture  
North Dakota Board of Animal Health**

**House Bill 1101**

**House Agriculture Committee**

**Room 327C**

**January 5, 2023**

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Chairman Thomas and members of the House Agriculture Committee, I am Dr. Ethan Andress, State Veterinarian. I am here today on behalf of the North Dakota Department of Agriculture and the North Dakota Board of Animal Health in support of House Bill 1101, which would increase administrative efficiencies in the Office of the State Veterinarian by eliminating unnecessary calculations of actual costs associated with distributing brucellosis tags and Certificate of Veterinary Inspection (CVI) books.

The North Dakota State Board of Animal Health and State Veterinarian's Office are responsible for distributing CVI/Health Certificate Books, and official identification tags provided by USDA APHIS including National Uniform Eartagging System (NUES) metal tags, Radio-frequency identification tags (RFID) and ultra-high frequency tags (UHF) to veterinarians.

All items are preordered from purchased or federally allocated inventory by veterinarians with payment by check prior to shipping. The veterinarians submit Form 19365 on the North Dakota Department of Agriculture website. In this biennium, to October 31, 2022, we have provided 203 books, 219,000 NUES tags, 78,000 RFID tags, and 1,500 UHF tags at a retail value of \$254,538.10.

Under current law, the Board must charge the "actual cost." The process of administratively calculating an "actual" cost is not compatible with how our office effectively distributes tags and books. Tracking all the variables in relation to determining the "actual cost" is highly challenging and subject to inaccuracy. We must meticulously calculate personnel staff time, postage variables, inventory costs, costs of the products, mailing materials, etc.

In this biennium, up to October 31, 2022, we have generated \$7,157.00 in revenue. Our expenditures up to October 31, 2022, are \$5,816.64. Labor accounts for \$2,345.44, postage is \$3,471.20. Our fiscal reports do not account for the inventory cost as the CVI books were purchased in the previous biennium. The cost of the books sold is \$2,520.95.

The replacement cost of the CVI books is contracted at \$16.95 to \$25.36 depending on the size of the order, while our purchase cost of books sold is \$12.42 each. They are distributed to the veterinarians for \$20 each. The NUES and RFID tags are provided, at this time, free from the Federal government and distributed with a price to offset labor and postage. Postage is a variable with huge swings depending on location being shipped to, size of order and carrier. Moreover, tracking of labor is not precise as time must be submitted in half-hour increments.

Inventory costs are relatively consistent but come in large volumes annually that may carry over to the next biennium. We do not charge veterinarians for tags picked up at the office, but charge the same price for the CVI books. The goal is to be consistent and achieve a net zero on an annual basis. Some volume orders end up being net positive and small orders are net negative.

This effective change in law would not change our procedures or processes. The change is intended to reduce unnecessary administrative time expended during the process. The fiscal department and our office spend a highly disproportionate time allocated on a small amount of dollars simply to calculate and then justify "actual" cost. Alternative processes have been considered, but also create additional labor and fees associated with accepting electronic payments. This proposed change will serve the regulated community and make state government more efficient.

We were advised by Joseph "Dutch" Bialke, Legal Counsel for Dept of Agriculture, to move this portion to a more appropriate location in the Century Code, again to better serve the regulated community. The wording of these changes was reviewed by Matt Sagsveen, Board of Animal Health Legal Counsel, and approved in a motion by the Board at the Quarterly Board meeting on December 7, 2022, to proceed with recommending these proposed changes to the Legislature.

As intended, the charging for tags and books is a recovery of expenses for the taxpayers. Over many years, the balance of the continued appropriation has reached \$15,817.73 at the end of the previous biennium. As it is a continued appropriation, we carry over any surplus funds to the next biennium as a requested appropriation. As noted, as our tracking of expenses has improved and postage and printing costs of books have increased, we are seeing the fund be depleted, as expected under the law.

Chairman Thomas and committee members, thank you for your consideration of HB 1101. I would be happy to answer any questions you may have.