

1999 SENATE GOVERNMENT AND VETERANS AFFAIRS

SCR 4022

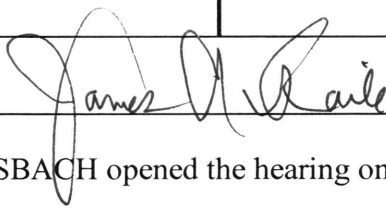
1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SCR 4022

Senate Government and Veterans Affairs Committee

Conference Committee

Hearing Date February 4, 1999

Tape Number	Side A	Side B	Meter #
2	X		2724-4798
Committee Clerk Signature 			

Minutes: CHAIRMAN KREBSBACH opened the hearing on SCR4022. Appearing before the committee was SENATOR TONY GRINDBERG, District 41, Fargo. He indicated he did not have any prepared remarks for the committee today but he wanted to add a couple of thoughts on the bill. Last session, prior to the 1997 session, this is kind of along this issue of what we are faced with in the state of North Dakota. The size of our governments particularly the size of our county governments and took a thought process that was introduced in 1993 with the super county bill, took that a step further and went through a process during the last biennium interim on how we continue to foster the discussion without emotions to consolidate government services. Our state population is declining, has the highest number of elected officials per capita and so I think this bill is an extended effort of that process. To continue to look at making government more efficient. Particularly as it addresses this department with technology and electronic transfer of funds, etc. It just seems to me that it makes sense to introduce this

resolution. The state of Texas has passed this as well as the state of Minnesota. The state of Minnesota goes into affect in January of 2003. Some of the arguments used in Minnesota is the treasurers office is somewhat duplicative, unnecessary checks and balances on collection, investments, and disbursement of state funds can be maintained at a lesser cost in existing executive branch agencies without having like a state treasurer. He indicated the duties of the treasurer are ministerial and not policy making and do not require an elected official.

Accountability and efficiency would be strengthened by centralizing responsibility in the executive office that reports directly to the governor. Questions were offered by SENATORS KREBSBACH, WARDNER, and DEMERS. ROD BACKMAN representing the Office of Management and Budget appeared before the committee. A copy of his written testimony is attached. Questions were offered by SENATOR DEMERS. There was no further testimony in support of SCR 4022. No one appeared in neutral position on the bill. Appearing in opposition to SCR 4022 was KATHI GILMORE, current treasurer of the State of North Dakota. A copy of her written testimony is attached. A question was offered by SENATOR DEMERS concerning the number of times this has been taken to a vote of the people. Questions were offered by SENATORS WARDNER and KREBSBACH. There was nothing further. The hearing on SCR 4022 was closed at this time.

**February 26, 1999: Tape 1, Side A, Meter #'s 3400-5765 Committee Discussion HCR 4022. This resolution is in regard to amending the constitution of the State of North Dakota in so far as the office of the State Treasurer is concerned. SENATOR DEMERS: I'm wondering if we have a timing problem. We don't have a bill that specifies if it were to happen where these offices would be assigned and even some of the functions are as we saw**

in the Billey decision are constitutionally assigned and I don't know that we can pass something in the 2001 session and get an emergency clause that will require to have this take effect. I'm thinking that we may want to look four years down the road. SENATOR STENEHJEM: Madam Chairman, just to follow up. If we are going to pass this, and I think we should, I've supported similar resolutions for many years. The resolution we just passed, 4010 makes a reference to the state treasurer and we're going to have to fix that up.

CHAIRMAN KREBSBACH: I was thinking that as we passed that. SENATOR

STENEHJEM: Instead of state treasurer it should say the proper state official or something like that. SENATOR THANE: On the handout we just received can it be safe to assume that once upon a time these states all has a treasurer or did they have some other arrangement? Did they eliminate the state treasurer is what I'm trying to say?

CHAIRMAN KREBSBACH: It doesn't say that. I'm guessing that they may have been and have been eliminated. I will not say that for fact. SENATOR KILZER: I think I recall Treasurer Gilmore stating that just those two had eliminated it. I don't think those others ever had treasurers. SENATOR DEMERS indicated she was trying an amendment with the dates, on lines 8 and 9 I would move to change 2001 to 2005. CHAIRMAN

KREBSBACH: What about the section 5 on page 3? Would that be? SENATOR

STENEHJEM: Madam Chairman, the whole thing doesn't work for me. The measure as it is introduced will take the current state treasurer who is elected to a term that will expire January of 2000 and extends it. Well, what if she doesn't want to? She was elected for a 4 year term. Are we just going to extend that term for that office for another half a year.

SENATOR DEMERS: That's what we have to do, we have to look at how to have one



more four year term. **Senator Stenehjem:** Or even a two year term so that the person that's running knows it's a two year term and then in the meantime it could be phased out. I don't like extending, is she going to be forced to serve or what's the plan? **SENATOR KILZER:** It just says that the on lines 7 and 8 on page one. It just changes the constitution but it doesn't extend the term. **SENATOR DEMERS:** But it does. Discussion continued with **SENATORS STENEHJEM and KREBSBACH** involved. **SENATOR DEMERS** withdrew her amendment indicating that it will need more work. **SENATOR WARDNER:** Indicated that this was perhaps put in there so that there would be someone taking care of these duties if this measure passes. It was determined that perhaps this bill needs further amending. **CHAIRMAN KREBSBACH** indicated that the committee would meet another time to finalize the committees actions on **HCR 4022**.

*March 1, 1999: CHAIRMAN KREBSBACH called the committee to order at 2:35 p.m. The committee gathered to discuss proposed amendments to SCR 4022. SENATOR STENEHJEM indicated that when the committee met the previous week he had been instructed to have some amendments drafted; Senator DeMers suggested a variation on that so he had two amendments drafted. One is to provide that if there is an election in 2000, my amendment version would say that the term of the new treasurer elected in 2000 would be for two years after which the office would be eliminated. Senator DeMers' or the other option is to go four years or a regular term. CHAIRMAN KREBSBACH so they are identical except for the length of the term. SENATOR STENEHJEM indicated it makes a lot more sense to do one of these and I happen to favor the two year term so we can do it and get it over with. Still the resolution as we have it now, actually it doesn't make a lot of sense. SENATOR KREBSBACH, how would it work as it is*

written now? SENATOR STENEHJEM well as it is written now. CHAIRMAN KREBSBACH we would be voting on the amendments or the change to the constitution either in the primary or the general election. SENATOR STENEHJEM then it goes on to say that no election will be held in the year 2000. CHAIRMAN KREBSBACH well what if it's not passed? SENATOR STENEHJEM well, what if it is? There will already have been a primary. The candidates will have to have been selected. A discussion was held with Senators Stenehjem and DeMers presenting their views on each of their amendments. Senator Wardner made some comments on the length of the terms as well. There was no further discussion. SENATOR STENEHJEM made a motion to adopt his amendments wherein the cycle would be transferred through a two year election process. The motion was seconded by SENATOR WARDNER. There was a brief discussion between Senators DEMERS, STENEHJEM, and KREBSBACH. ROLL CALL VOTE indicated 4 YEAS, 1 NAY, 2 ABSENT OR NOT VOTING. A DO PASS AS AMENDED motion was made by SENATOR STENEHJEM, seconded by SENATOR WARDNER. Discussion SENATOR WARDNER by the time the fall election comes around the candidate will know if its a two year or a four year term. They won't know however, when they are nominated. Senator DeMers, that's the argument against. CHAIRMAN KREBSBACH is it definite that this will be on the ballot for the primary. SENATOR STENEHJEM, just a point for the record that I'm going to vote for this and it is not to be viewed as political. I have sponsored this same measure when it was a republican holding the office of state treasurer. I thought that this is something that we should have done for a long time. SENATOR DEMERS indicated that she planned to vote against this. I would like it noted for the record that the people of the state of North Dakota have defeated this same measure previously not that long ago and then since that time the people

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Senate Government and Veterans Affairs Committee

Bill/Resolution Number SCR 4022

Hearing Date February 4, 1999

*of the state of North Dakota have changed the term of office from two years to four years so it seems to me that the people have spoken and this is probably somewhat a waste of time. I also will note that although this is not political on the part of this committee, it lacks bipartisan sponsorship. CHAIRMAN KREBSBACH just a correction, it was changed from a 2 term office to unlimited. ROLL CALL VOTE on the DO PASS AS AMENDED indicated 4 YEAS, 1 NAY, and 2 ABSENT OR NOT VOTING.*

Date: 3/01/99  
Roll Call Vote #: 1

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. SCR 4022

Senate GOVERNMENT AND VETERAN'S AFFAIRS Committee

Subcommittee on \_\_\_\_\_  
or  
 Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Adopt Stenehjem Amendment

Motion Made By Sen. Stenehjem Seconded By Sen. Wardner

Senators	Yes	No	Senators	Yes	No
SENATOR KREBSBACH	✓				
SENATOR WARDNER	✓				
SENATOR KILZER	✓				
SENATOR STENEHJEM	✓				
SENATOR THANE					
SENATOR DEMERS		✓			
SENATOR MUTZENBERGER					

Total (Yes) 4 No 1

Absent 2

Floor Assignment \_\_\_\_\_

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

Date: 3/01/99  
Roll Call Vote #: 2

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. SCR 4022

Senate GOVERNMENT AND VETERAN'S AFFAIRS Committee

Subcommittee on \_\_\_\_\_  
or

Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Do Pass as Amended

Motion Made By Sen. Stenehjem Seconded By Sen. Wardner

Senators	Yes	No	Senators	Yes	No
SENATOR KREBSBACH	✓				
SENATOR WARDNER	✓				
SENATOR KILZER	✓				
SENATOR STENEHJEM	✓				
SENATOR THANE					
SENATOR DEMERS		✓			
SENATOR MUTZENBERGER					

Total (Yes) 4 No 1

Absent 2

Floor Assignment Senator Stenehjem

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

**REPORT OF STANDING COMMITTEE**

**SCR 4022: Government and Veterans Affairs Committee (Sen. Krebsbach, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (4 YEAS, 1 NAY, 2 ABSENT AND NOT VOTING). SCR 4022 was placed on the Sixth order on the calendar.

Page 1, line 5, remove "and application"

Page 1, line 8, replace "2001" with "2003" and replace "incumbent" with "term of the"

Page 1, line 9, replace "would hold office through June 30, 2001" with "elected in 2000 will be two years"

Page 3, line 24, remove "**AND APPLICATION**" and replace "If approved by the voters, the" with "The"

Page 3, line 25, remove "incumbent" and replace "continues through June 30, 2001. The office of state treasurer" with "elected in 2000 is two years."

Page 3, remove line 26

Page 3, line 28, replace "2001" with "2003"

Renumber accordingly

1999 HOUSE GOVERNMENT AND VETERANS AFFAIRS

SCR 4022

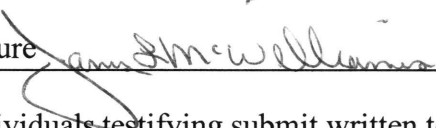
1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SCR 4022

House Government and Veterans Affairs Committee

Conference Committee

Hearing Date 3-18-1999

Tape Number	Side A	Side B	Meter #
1	X		0.6 - 19.4
1		X	51.3 - 57.7
Committee Clerk Signature 			

Minutes: Some of the individuals testifying submit written testimony. When noted, please refer to it for more detailed information.

Representative Klein, Chairman of the GVA Committee opened the hearing on March 18, 1999.

Summary of the Resolution: Relating to the office of state treasurer. Also, relating to the duties of the state treasurer upon the issuance of legal tender by banks in the state; to provide for transition; and to provide an effective date.

Testimony in Favor:

Representative Dorso, Appeared before the committee to introduce the resolution. Puts before the people of ND the opportunity to vote on whether or not we should maintain a state treasurer's office. The state treasurer's office is fairly small, I think you can transfer these duties partly to the Bank and also OMB and in fact save some money. This would allow us to operate the state more efficiently. That comes from some background that I have had on audit and fiscal review



for the years and looking at the way different functions take place in not only that office, but in other offices of government. Basically I think we should support it because it's a move towards efficiency in government.

Representative Klein, Effective date your talking about Jan. 1, 2003. Is that the transition period?

Dorso, Have the elections and then the 2001 legislature could look at even more of the functions to see which ones should be transferred.

Rod Backman, Director of OMB submitted written testimony to the committee which he read in it's entirety (**please refer to his testimony**). You also would have about \$40,000 in additional savings in rental space that the treasurers office pays. The bottom line is that state structure has changed and we should move functions into other agencies.

Representative Metcalf, Two positions will be reassigned and five eliminated. The work done in the treasurer's office can be absorbed by these other agencies without a staff increase?

Backman, The other agencies could absorb that work by only adding two people.

Representative Kroeber, Were would those two people go? Bank or OMB? How about on the divisions of powers?

Backman, I don't know if that was determined. The division of powers is relating mainly to individuals so that you wouldn't have same individuals who account for cash and the ones who collect the cash. This segregation of duties and I don't see a problem there.

Representative Klein, The treasurer collects the money and then deposits it into the BND. So there kind of a middle man?

Backman, That's correct.

Representative Fairfield, Was there actually a study conducted on this?

Backman, A group of 5-6 people who sat down, at least 2 had worked in the treasurer's office and identified the functions of the office and tried to come up with where those functions could be assigned if this was to pass/happen. Was there public testimony? No.

Representative Fairfield, When did this take place, who was part of it and what studies have been done? How do we know it will create efficiency.

Backman, Mainly the people were financial people and as I said two had worked in the treasurer's office. Also a 1983 interim study had an extensive report that basically came to the same conclusion.

Representative Fairfield, Again, so when did this little sit down meeting take place and who was part of it?

Backman, The meetings we had took place last summer and it was financial staff from OMB and one private individual.

Representative Hawken, Any feed back from the states that you had listed?

Backman, We were able to put together a list of the states that no longer have an elected treasurer. When we looked at the data, it's difficult because even if they removed their treasurer, again their functions went to different people. Hard to compare one state to another.

Representative Winrich, This would transfer significant responsibilities from a constitutionally elected officer to an appointed position?

Backman, You could make that argument. You could also say that because I serve at the pleasure of the governor, that it's moved to another constitutionally elected position. i.e. the governor.

Testimony in Opposition:

Kathi Gilmore, State Treasurer submitted written testimony to the committee which she read in its entirety (**please refer to her testimony**). We have also taken on the new duties with Human Services to send out their checks. That list you received from Mr. Backman, there are state treasurer's in 10 of those 12 states. All 12 states have eliminated the right of the people to elect their public servants, something ND residents do not want.

Representative Klemin, You said this has already been turned down by the people of our state. Are you referring to the 1996.

Gilmore, 1984.

Representative Gilmore, Were you asked to participate in the meetings Mr. Backman told us about?

Gilmore, We knew nothing about this and they didn't get any information or facts from our office.

Representative Thoreson, You indicated that the hand out by Mr. Backman is false?

Gilmore, They may not be elected by the population at large, but they are elected by either a legislative body or appointed by the governor. They are considered state treasurer's. Mr. Backman's information is probably not entirely accurate, but I do think he explained it appropriately.

Committee Action:

Representative Kroeber, Made a motion for a Do Not Pass.

Representative Fairfield, Seconded the motion.

Motion Fails: Do Not Pass **7-8**.

Representative Grande, Made a motion for a Do Pass.

Page 5  
House Government and Veterans Affairs Committee  
Bill/Resolution Number SCR 4022  
Hearing Date 3-18-1999

Representative Thoreson, Seconded the motion.

Motion Passes: Do Pass **9-6**.

Representative Grande, Is the carrier for the bill.

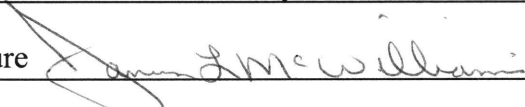
1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SCR 4022

House Government and Veterans Affairs Committee

Conference Committee

Hearing Date 3-19-1999

Tape Number	Side A	Side B	Meter #
1	X		8.1 - 13.7
Committee Clerk Signature 			

Summary of the Resolution: Relating to the office of state treasurer. Also, relating to the duties of the state treasurer upon the issuance of legal tender by banks in the state.

Minutes: Chairman Klein instructed the committee to take out SCR 4022. This is the state treasurers bill. Part of the problem with that one is that it has a Do Pass on it. I need a motion to reconsider it.

Representative Grande, Made a motion to reconsider SCR 4022.

Representative Kliniske, Seconded the motion.

Chairman Klein, What I am trying to do here is that it goes before the people and if they decide to get rid of the treasurer we would end up with the state land board that is a constitutional body having four people on it. So with this amendment when the people vote for doing away with the treasurer, they would also include putting a 5th member on the land board which would be the

Page 2

House Government and Veterans Affairs Committee

Bill/Resolution Number SCR 4022 2

Hearing Date 3-19-1999

agriculture commissioner. If this amendment isn't on it, then it would require two votes by the people to reconstitute the land board.

Representative Klemin, Why the agriculture commissioner?

Chairman Klein, I felt this position relates more to land. It was a decision that I made.

Motion Passes: To reconsider. Yes (vocal).

Representative Kliniske, Made a motion to move the amendments.

Representative Grande, Seconded the motion.

Motion Passes: Yes (vocal).

Representative Devlin, Made a motion for a Do Pass as amended.

Representative Grande, Seconded the motion.

Motion Passes: Do Pass as Amended **9-6**.

Representative Grande, Is the carrier for the bill.

Date: 3-18-99

Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 4022

House GOVERNMENT AND VETERANS AFFAIRS Committee

- Subcommittee on \_\_\_\_\_  
or  
 Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Do Not Pass

Motion Made By KROEBER Seconded By FAIRFIELD

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN KLEIN		✓	REP. WINRICH	✓	
VICE-CHAIR KLINISKE		✓			
REP. BREKKE		✓			
REP. CLEARY	✓				
REP. DEVLIN	✓				
REP. FAIRFIELD	✓				
REP. GORDER	✓				
REP. GRANDE		✓			
REP. HAAS		✓			
REP. HAWKEN		✓			
REP. KLEMIN		✓			
REP. KROEBER	✓				
REP. METCALF	✓				
REP. THORESON		✓			

Total (Yes) 7 No 8

Absent 0

Floor Assignment \_\_\_\_\_

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

Roll Call Vote #: 2 Date: 3-18-99

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 4022

House GOVERNMENT AND VETERANS AFFAIRS Committee

Subcommittee on \_\_\_\_\_  
or  
 Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken DO PASS

Motion Made By GRANDE Seconded By THORESON

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN KLEIN	✓		REP. WINRICH		✓
VICE-CHAIR KLINISKE	✓				
REP. BREKKE	✓				
REP. CLEARY		✓			
REP. DEVLIN	✓				
REP. FAIRFIELD		✓			
REP. GORDER		✓			
REP. GRANDE	✓				
REP. HAAS	✓				
REP. HAWKEN	✓				
REP. KLEMIN	✓				
REP. KROEBER		✓			
REP. METCALF		✓			
REP. THORESON	✓				

Total (Yes) 9 No 6

Absent 0

Floor Assignment GRANDE

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



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Prepared by the Legislative Council staff for  
Representative Klein  
March 18, 1999

VR  
3/19/99

GVA 3-22-99

**HOUSE AMENDMENTS TO ENGROSSED SENATE CONCURRENT  
RESOLUTION NO. 4022**

Page 2, line 8, remove "and"

Page 2, line 9, after "state" insert an underscored comma, remove the overstrike over "~~and~~",  
and after "~~treasurer~~" insert "agriculture commissioner"

Renumber accordingly

Roll Call Vote #: 1 Date: 3-19-99

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 4022

House GOVERNMENT AND VETERANS AFFAIRS Committee

Subcommittee on \_\_\_\_\_  
or  
 Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken DO PASS AMENDED

Motion Made By DEVLIN Seconded By GRANDE

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN KLEIN	✓		REP. WINRICH		✓
VICE-CHAIR KLINISKE	✓				
REP. BREKKE	✓				
REP. CLEARY		✓			
REP. DEVLIN	✓				
REP. FAIRFIELD		✓			
REP. GORDER		✓			
REP. GRANDE	✓				
REP. HAAS	✓				
REP. HAWKEN	✓				
REP. KLEMIN	✓				
REP. KROEBER		✓			
REP. METCALF		✓			
REP. THORESON	✓				

Total (Yes) 9 No 6

Absent 0

Floor Assignment GRANDE

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

**REPORT OF STANDING COMMITTEE**

SCR 4022, as engrossed: Government and Veterans Affairs Committee (Rep. Klein, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (9 YEAS, 6 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SCR 4022 was placed on the Sixth order on the calendar.

Page 2, line 8, remove "and"

Page 2, line 9, after "state" insert an underscored comma, remove the overstrike over "~~and~~", and after "~~treasurer~~" insert "agriculture commissioner"

Renumber accordingly

1999 TESTIMONY

SCR 4022

SENATE GOVERNMENT & VETERANS AFFAIRS COMMITTEE

SENATE CONCURRENT RESOLUTION 4022

FEBRUARY 4, 1999 - 2:30 P.M.

KATHI GILMORE, STATE TREASURER

Chairman Krebsbach and members of the Government & Veterans Affairs Committee; for the record I am State Treasurer Kathi Gilmore. I am here today to speak in opposition of Senate Concurrent Resolution 4022.

The people of North Dakota have established a history on how they feel about their right to elect state officials. This same proposal has already been turned down by the voters. In fact, in the primary election of June 1996, the voters even removed the limitation of the two-consecutive term restriction for the State Treasurer, thereby reinforcing their belief in the need for the office.

I believe the people of North Dakota feel the State Treasurer's Office gives them cost-effective, efficient government. The duties of my office are many and varied and are accomplished always with the good of citizens in mind. The office provides a necessary check in the check and balance system in our state government.

It amazes me that in a time when we profess to want to rightsize government and still provide the same services for the general fund dollars expended, we would even contemplate the dismantling of an office of 7 people. There is no better return on your general fund dollars than the State Treasurer's Office. You have a small contained office with a small contained budget; one that is easily monitored for efficiency and accountability.

There are no cost savings with the elimination of the office. In fact, based on the Treasurer's Office current budget of \$665,410, the cost for balancing the state's books daily, making distributions to political subdivisions, investing special fund dollars, administering alcohol laws, collecting alcohol taxes, plus the signing of all state checks, costs each North Dakotan only 50¢ per year.

Senate Concurrent Resolution 4022

February 4, 1999

Page Two

If the Treasurer's Office is eliminated, the functions performed by the Treasurer's Office would be transferred to at least three different agencies, all of which would add staff to accommodate the workload. Moves such as this build kingdoms, not efficiency. This is not streamlining or consolidating government. This is nothing more than the scattering of responsibility. It weakens accountability and increases the bureaucratic cost in state government.

My thoughts on this issue remain the same as they were in 1995, when this Concurrent Resolution surfaced. The Treasurer's Office serves you well; it is cost-effective, efficient and accountable. I respectfully ask you for the demise of Senate Concurrent Resolution 4022.

**Senate Concurrent Resolution No. 4022  
Testimony of Rod Backman, Director  
Office of Management and Budget**

**Office of State Treasurer**

**Duties of the State Treasurer**

Most of the duties of the state treasurer relate to collecting, investing, and disbursing state funds. However, the treasurer is also responsible for regulation of the wholesale alcohol beverage industry. This involves licensing, brand registration, collection of taxes, and audit responsibilities.

Although more time should be taken to study the issue of what agencies would take over the treasurer's duties, on first look it would make sense to assign the duties among the Office of Management and Budget, the Office of the Tax Commissioner, the Office of the Attorney General, and the Bank of North Dakota. Disbursement of funds to OMB, collection and investment of funds to BND, tax collections to Office of Tax Commissioner, and regulation of wholesale alcohol beverage industry to the Attorney General.

The treasurer is a member of the State Canvassing Board, the State Investment Board, the Board of University and School Lands, the Tax Equalization Board, the Teachers Fund for Retirement Board and the State Historical Board. The impact of removing the treasurer from these boards needs to be determined.

**Potential Staff and Budget Reductions**

The 1999-2001 executive recommendation for the treasurer's office is \$702,000. The office currently has a staff of 7 full-time employees. Initial analysis indicates that 2 positions would be reassigned to other agencies and 5 positions, including the elected state treasurer, would be eliminated. Savings, if the 5 positions were eliminated, would be approximately \$518,000 per biennium.

## **Other States**

Effective September 1, 1996, Texas abolished the Office of State Treasurer and transferred its duties to the Comptroller of Public Accounts.

In the November 1998 general election, Minnesota voters approved a constitutional amendment to abolish the Office of the State Treasurer on the first Monday in January 2003. The legislation does not specify what agencies will take over the duties of the treasurer. Instead the treasurer, the secretary of state, and the commissioner of finance will recommend to the legislature by 1/15/2000 on the placement of the treasurer's duties.

Some of the arguments used in support of abolishing the treasurer in Minnesota:

- The treasurer's office is unnecessarily duplicative. Necessary checks and balances on collection, investment, and disbursements of state funds can be maintained at a lesser cost in existing executive branch agencies without having an elected state treasurer.
- Most of the treasurer's duties are ministerial, not policy making, and do not require an elected official.
- Accountability and efficiency would be strengthened by centralizing responsibility in an executive office that reports directly to the Governor.



**States Not Having an Elected Treasurer**

Alaska

Georgia

Hawaii

Maine

Maryland

Montana

Michigan

Maryland

Tennessee

New Hampshire

New Jersey

New York

Virginia

Texas has merged their treasurer with the state controller

Minnesota's treasurer is an elected position-will be eliminated in January 2003

Source: Council of State Governments  
Controller's Office - State of Texas  
Treasurer's Office - State of Minnesota

HOUSE GOVERNMENT & VETERANS AFFAIRS COMMITTEE

SENATE CONCURRENT RESOLUTION 4022

MARCH 18, 1999 - 9:00 A.M.

KATHI GILMORE, STATE TREASURER

Chairman Klein and members of the House Government & Veterans Affairs Committee; for the record I am State Treasurer Kathi Gilmore. I am here today to oppose Senate Concurrent Resolution 4022.

The people of North Dakota have established a history on how they feel about their right to elect state officials. This same proposal has already been turned down by the voters. In fact, in the primary election of June 1996, the voters even removed the limitation of the two-consecutive term restriction for the State Treasurer, thereby reinforcing their belief in the need for the office.

The people of North Dakota know the State Treasurer's Office gives them cost-effective, efficient government. They know the duties of the State Treasurer's Office are many and varied and are always accomplished with the good of citizens in mind. They recognize that the office provides a necessary check in a system which handles millions of dollars daily.

It amazes me that in a time when we profess to want to rightsize government and still provide the same services for the general fund dollars expended, we would even contemplate the dismantling of an office of 7 people. There is no better return on your general fund dollars than the State Treasurer's Office. You have a small contained office with a small contained budget; one that is easily monitored for efficiency and accountability.

There are no cost savings with the elimination of the office. In fact, based on the Treasurer's Office current budget of \$665,410, the cost for balancing the state's books daily, making distributions to political subdivisions, investing special fund dollars, administering wholesale alcohol laws, collecting wholesale alcohol taxes, plus the signing of all state checks, costs each North Dakotan only 50¢ per year.

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If the Treasurer's Office is eliminated, the functions performed by the agency would be transferred to at least four different offices, all of which would add staff to accommodate the workload. Moves such as this build kingdoms, not efficiency. This is not streamlining or consolidating government. This is nothing more than the scattering of responsibility. It weakens accountability, increases the bureaucratic cost in state government, and moves the people further away from the process.

It was noted in the Senate debate that there are 12 states that do not have State Treasurers. This is absolutely not true. In some cases the State Treasurer is appointed by the Governor or elected by the Legislature, but there are State Treasurers in 10 of the 12. All 12 states have, however eliminated the right of their people to elect their public servant. Something North Dakotans will not permit.

From border to border this is what I will tell the people of North Dakota should this Resolution pass. The Treasurer's Office serves the people of North Dakota well; it is cost-effective, efficient and accountable, and for the Legislature to say they want to downsize government, and then eliminate a small, efficient agency while increasing bureaucratic offices is absolute hypocrisy.

I respectfully ask you for the demise of Senate Concurrent Resolution 4022.

CERTIFICATES OF DEPOSIT  
AS OF  
March 31, 1999

NUMBER CD	NAME OF FUND	AMOUNT
7004112	Abandoned Mine Reclamation Fund	\$ 475,739.00
7005015	Abandoned Mine Reclamation Fund	\$ 114,673.00
7004582	Abandoned Mine Reclamation Fund	\$ 589,815.00
2264	Beef (Citizens State Bank - Finley)	\$ 99,000.00
5460	Beef (Citizens State Bank - Grafton)	\$ 99,000.00
7004340	Bicentinnial Fund	\$ 13,432.00
7001853	Centennial Tree Trust Fund	\$ 70,000.00
7001094	Children's Trust Fund	\$ 50,000.00
7001110	Children's Trust Fund	\$ 50,000.00
7001111	Children's Trust Fund	\$ 90,000.00
7001109	Children's Trust Fund	\$ 50,000.00
7001116	Children's Trust Fund	\$ 34,000.00
7001074	Children's Trust Fund	\$ 50,000.00
7001173	Children's Trust Fund	\$ 100,000.00
7001075	Children's Trust Fund	\$ 50,000.00
9890	Dairy (First State Bank, Langdon)	\$ 99,000.00
2265	Edible Bean (Citizens State Bank - Finley)	\$ 99,000.00
7003664	Exxon	\$ 700,000.00
7004576	Exxon	\$ 100,000.00
7003448	Exxon	\$ 200,000.00
7004090	Exxon	\$ 100,000.00
7002311	Game & Fish (Fund 222)	\$ 1,000,000.00
7002312	Game & Fish (Fund 222)	\$ 500,000.00
7002317	Game & Fish (Fund 222)	\$ 100,000.00
7002318	Game & Fish (Fund 222)	\$ 100,000.00
7002319	Game & Fish (Fund 222)	\$ 100,000.00
7002320	Game & Fish (Fund 222)	\$ 100,000.00
7002321	Game & Fish (Fund 222)	\$ 100,000.00
7002326	Game & Fish (Fund 222)	\$ 500,000.00
7002327	Game & Fish (Fund 222)	\$ 550,000.00
7002489	Game & Fish (Fund 222)	\$ 2,000,000.00

7003044	Game & Fish (Fund 222)	\$	500,000.00
7003045	Game & Fish (Fund 222)	\$	200,000.00
7003476	Game & Fish (Fund 222)	\$	500,000.00
7002310	Game & Fish (Fund 222)	\$	2,500,000.00
7004372	Game & Fish (Fund 222)	\$	550,000.00
7004830	Game & Fish (Fund 222)	\$	500,000.00
7002313	Game & Fish (Fund 488)	\$	350,000.00
7002314	Game & Fish (Fund 488)	\$	100,000.00
7002315	Game & Fish (Fund 488)	\$	100,000.00
7002316	Game & Fish (Fund 488)	\$	100,000.00
7002322	Game & Fish (Fund 488)	\$	100,000.00
7004371	Game & Fish (Fund 488)	\$	250,000.00
7002325	Game & Fish (Fund 488)	\$	500,000.00
7003897	Game & Fish (Fund 488)	\$	200,000.00
7004829	Game & Fish (Fund 488)	\$	200,000.00
7004955	General Fund	\$	10,000,000.00
7004958	General Fund	\$	2,000,000.00
7004959	General Fund	\$	5,000,000.00
7004960	General Fund	\$	5,000,000.00
7004962	General Fund	\$	5,000,000.00
7004963	General Fund	\$	6,000,000.00
7004964	General Fund	\$	7,000,000.00
7004968	General Fund	\$	8,000,000.00
7004969	General Fund	\$	4,000,000.00
7004970	General Fund	\$	4,000,000.00
7004971	General Fund	\$	5,000,000.00
7004972	General Fund	\$	2,000,000.00
7004973	General Fund	\$	6,000,000.00
7004974	General Fund	\$	6,000,000.00
7004983	General Fund	\$	13,000,000.00
7004987	General Fund	\$	15,000,000.00
7004992	General Fund	\$	4,000,000.00
7004993	General Fund	\$	6,000,000.00
7004998	General Fund	\$	4,000,000.00
7004999	General Fund	\$	5,000,000.00
7005000	General Fund	\$	5,000,000.00
7005001	General Fund	\$	5,000,000.00
7005002	General Fund	\$	5,000,000.00
7005003	General Fund	\$	5,000,000.00
7005005	General Fund	\$	5,000,000.00
7005006	General Fund	\$	5,000,000.00
7005013	General Fund	\$	7,000,000.00
7005014	General Fund	\$	3,000,000.00
7005018	General Fund	\$	2,000,000.00
7005019	General Fund	\$	5,000,000.00

7005020	General Fund	\$	5,000,000.00
7005023	General Fund	\$	5,000,000.00
7005024	General Fund	\$	15,000,000.00
7005025	General Fund	\$	4,000,000.00
7005028	General Fund	\$	2,000,000.00
7005031	General Fund	\$	2,000,000.00
7004283	ND State College of Science	\$	110,044.00
7004129	OASIS	\$	10,000.00
7004284	OASIS	\$	10,000.00
7004454	OASIS	\$	10,000.00
7004529	OASIS	\$	10,000.00
7004612	OASIS	\$	260,000.00
7004692	OASIS	\$	10,000.00
7004739	Oil Tax Resources Trust Fund	\$	200,000.00
7003930	Oil Tax Resources Trust Fund	\$	500,000.00
7002969	Oil Tax Resources Trust Fund	\$	300,000.00
7003279	Oil Tax Resources Trust Fund	\$	300,000.00
7004161	Oil Tax Resources Trust Fund	\$	350,000.00
7004491	Oil Tax Resources Trust Fund	\$	400,000.00
7004641	Oil Tax Resources Trust Fund	\$	400,000.00
7005022	Oil Tax Resources Trust Fund	\$	100,000.00
7004956	Oil Tax Resources Trust Fund	\$	150,000.00
7004961	Oil Tax Resources Trust Fund	\$	175,000.00
7004242	Oil Tax Resources Trust Fund	\$	300,000.00
7003807	Oil Tax Resources Trust Fund	\$	275,000.00
7004642	Oil Tax Resources Trust Fund	\$	200,000.00
7004780	Oil Tax Resources Trust Fund	\$	500,000.00
75828	Oilseed (1st State Bank - LaMoure)	\$	98,000.00
2325	Oilseed Council (Citizens St-Finley)	\$	99,000.00
7004569	Sate Fair	\$	600,000.00
7004252	Seed Dept	\$	300,000.00
7004251	Seed Dept	\$	200,000.00
7004404	Seed Dept	\$	250,000.00
7004488	Seed Dept	\$	200,000.00
7004753	Seed Dept	\$	50,000.00
7004754	Seed Dept	\$	400,000.00
7004957	Seed Dept	\$	200,000.00
7077	Soybean Council (Citizens St Bk - Grafton)	\$	99,000.00
2087	Soybean Council (Strasburg St Bank)	\$	99,000.00

7003662	Stripper Well	\$	500,000.00
7004575	Stripper Well	\$	300,000.00
7003445	Stripper Well	\$	1,200,000.00
7004611	Valley City State University	\$	7,073.00
13740	Vets (Bank of Glen Ullin, Glen Ullin)	\$	99,000.00
999150113	Vets (Bird Island - IC)	\$	73,378.34
104443	Vets (Bismarck National Bank, Bismarck)	\$	98,000.00
5010638	Vets (CFX Bank, NH - SB)	\$	16,000.00
8983482	Vets (Citizen State Bank, Cavalier)	\$	99,000.00
14497	Vets (Citizens State Bank, Enderlin)	\$	99,000.00
;17182	Vets (First National Bank, Hettinger)	\$	99,000.00
76016	Vets (First State Bank, LaMoure)	\$	98,000.00
9884	Vets (First State Bank, Langdon)	\$	96,000.00
5029296	Vets (Guardian Svg Assoc, Mayrland, MD - SB)	\$	66,000.00
999329204	Vets (Investment Center)	\$	97,462.64
2400	Vets (Strasburg State Bank, Strasburg)	\$	99,000.00
	Vets (RIO)	\$	1,000,000.00
	VETS (State of Israel)	\$	2,000,000.00
2290	Wheat (Strasburg State Bank, Strasburg)	\$	99,000.00
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	TOTAL		\$230,244,616.98
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