

ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS - BACKGROUND MEMORANDUM

STATUTORY FRAMEWORK FOR COMMISSION

The Advisory Commission on Intergovernmental Relations occupies a unique status among committees with legislative membership. The commission differs from usual Legislative Council interim committees in its membership, its permanent status, and its statutory authority to determine its own study priorities.

The powers and duties of the commission are provided in North Dakota Century Code (NDCC) Section 54-35.2-02. Under this section, the commission is free to establish its own study agenda and to accept suggestions from groups or individuals for study.

Under this section, the Advisory Commission on Intergovernmental Relations specifically is required to:

1. Serve as a forum for the discussion of resolution of intergovernmental problems.
2. Engage in activities and studies relating to the following subjects:
 - a. Local governmental structure.
 - b. Fiscal and other powers and functions of local governments.
 - c. Relationships between and among local governments and the state or any other government.
 - d. Allocation of state and local resources.
 - e. Interstate issues involving local governments, including cooperation with appropriate authorities of other states.
 - f. Statutory changes required to implement commission recommendations.
3. Present reports and recommended legislative bills to the Legislative Council for consideration in the same manner as interim Legislative Council committees.
4. Prepare model ordinances or resolutions for consideration by officials of political subdivisions.

In conjunction with NDCC Section 54-35.2-02(4), Section 54-40.3-03 provides that a political subdivision entering a joint powers agreement may file a copy of the agreement and the explanatory material with the commission to assist other political subdivisions in exploring cooperative arrangements.

In addition to its statutory powers and duties, the commission has been assigned one study and delegated the duty to receive one report. The Legislative Council assigned to the commission the study provided by House Bill No. 1321 (2007), which directs a study of the extraterritorial zoning authority of cities and the impact of that authority on other political subdivisions. The Legislative Council delegated to the

commission the duty to receive a report from the North Dakota Association of Counties before April 1 of each even-numbered year regarding how each county has used the county's document preservation fund during the preceding two fiscal years.

Under NDCC Section 54-35.2-01(1), the commission consists of 12 members:

- The North Dakota League of Cities Executive Committee appoints two members.
- The North Dakota Association of Counties Executive Committee appoints two members.
- The North Dakota Township Officers Association Executive Board of Directors appoints one member.
- The North Dakota Recreation and Park Association Executive Board appoints one member.
- The North Dakota School Boards Association Board of Directors appoints one member.
- The Governor or the Governor's designee is a member.
- The Legislative Council appoints four members of the Legislative Assembly as members.

The Legislative Council designates the chairman of the commission. All members of the commission serve a term of two years.

LEGISLATIVE HISTORY

In 1989 the Legislative Assembly enacted NDCC Chapter 54-35.2, which provides for the commission. In 1991 the Legislative Assembly enacted Section 54-35.2-02.1, which provided for administration by the commission of local government efficiency planning grants. In 1991 the Legislative Assembly also provided an appropriation of \$250,000 for these grants. The commission spent the majority of its time during the 1991-92 interim developing guidelines and procedures, reviewing grant requests, and monitoring grant projects. The commission approved grant awards for 15 grant projects in the total amount of \$198,558.34, leaving \$51,441.66 unexpended from the \$250,000 appropriated for grants for the 1991-93 biennium.

In 1993 the Legislative Assembly amended NDCC Section 54-35.2-02.1, changing the objects for which grants could be provided, allowing the commission to directly expend all or a portion of the appropriated amount for research and studies, and providing that unexpended grant funds that are returned are to be deposited in the state aid distribution fund. The Legislative Assembly also provided an appropriation of \$51,400 to the commission for distribution in local government efficiency planning grants. During the 1993-94 interim, the commission received final reports

from grant recipients from the previous interim and returned \$1,466.14 in unexpended grant funds to the state from grant recipients that had completed their grant projects. The commission also authorized two grants of \$24,999 each.

In 1995 the Legislative Assembly did not appropriate any funds for continuation of the local government efficiency planning grant program. During the 1995-96 interim, the commission received reports from the two grant recipients from the previous interim.

In 1997 the Legislative Assembly did not appropriate any funds for the continuation of the local government efficiency planning grant program.

During the 1997-98 interim, the commission found that, although the local government efficiency planning grant program served an important purpose, the program probably will not receive funding in the future; therefore, the law establishing the program was no longer necessary. As a result, the commission recommended Senate Bill No. 2028 to repeal NDCC Section 54-35.2-02.1 relating to the local government efficiency planning grant program. In 1999 the Legislative Assembly enacted Senate Bill No. 2028.

In 2001 the Legislative Assembly amended NDCC Section 54-35.2-02 to include on the commission a member appointed by the North Dakota School Boards Association Board of Directors.

In 2003 the Legislative Assembly considered House Bill No. 1333, which as introduced would have repealed NDCC Chapter 54-35.2 and Section 54-40.3-03, with the effect of abolishing the commission. As passed by the House of Representatives, House Bill No. 1333 retained Chapter 54-35.2 but removed the commission's authority to recommend proposed legislation to the Legislative Council. The bill failed to pass the Senate.

HISTORICAL AREAS OF STUDY

During the 1999-2000 interim, the commission focused on 12 areas of interest:

1. Park district mill levy consolidation - Resulting in passage of House Bill No. 1031.
2. The membership of the commission - Resulting in passage of House Bill No. 1032.
3. Tobacco education and cessation - Resulting in passage of Senate Bill No. 2024.
4. Clarification of definition of institutions of public charity exempt from property taxation - Resulting in Senate Concurrent Resolution No. 4001, which the Legislative Council did not prioritize for study.
5. Collection of municipal court fines.
6. Creation of a disaster relief fund.
7. Status of the Leadership Initiative for Community Strategic Planning.
8. Provisions of government services at the local level, including receipt of a report from the Child Support Enforcement Division of the Department of Human Services regarding the

status of the child support state disbursement unit and the provision of child support services at the local level, receipt of a report on the provision of judicial services at the local level from the North Dakota Supreme Court, and receipt of a report from the Driver and Vehicle Services Division of the Department of Transportation regarding vehicle registration services in branch offices.

9. Funding of maintenance of local roads.
10. Census 2000 and areas of possible state and local government interest.
11. History of revenue sharing and personal property tax replacement.
12. Status of taxing e-commerce.

During the 2001-02 interim, in addition to the assigned study of the feasibility and desirability of creating cost-sharing mechanisms for the unexpected discovery of cultural and paleontological resources within local road projects, the commission focused on eight areas of interest:

1. County mill levy consolidation - Resulting in passage of House Bill No. 1024.
2. Revenue sharing and personal property tax replacement - Resulting in passage of House Bill No. 1025.
3. Tobacco education and cessation.
4. Homeland security.
5. E-commerce taxation.
6. Public school funding and taxation.
7. Tool chest legislation update.
8. Wind energy.

During the 2003-04 interim, the commission focused on seven areas of interest:

1. Mill levy consolidation. The commission recommended House Bill No. 1025, which failed to pass the House. The bill would have revised the county general fund levy under NDCC Section 57-15-06.10, removing from the consolidated general fund the specific mill levies for the industrial development organization, county parks and recreation, library fund, weed board and weed control, and weather modification; decreasing the maximum general fund levy from 134 to 118 mills; and removing the general fund levy increase limitations that are based on the consumer price index.
2. Delinquent property tax. The commission recommended House Bill No. 1026, which failed to pass the House. The bill would have decreased from approximately five years to approximately three years the period of time in which foreclosure will take place for delinquent property taxes and would have allowed a board of county commissioners to waive all or part of the penalties or interest on delinquent real estate taxes if a board determines the reduced period for foreclosure of tax liens creates a hardship for similarly situated taxpayers.

3. Document preservation fund. The commission recommended, as previously explained, Senate Bill No. 2024, which became effective July 1, 2005.
4. Motor vehicle branch offices.
5. Sheriff service of process.
6. Emergency preparedness.
7. Wind turbine siting.

During the 2005-06 interim, the commission was assigned the study of the feasibility and desirability of establishing an organization or ombudsman to support and coordinate governmental and private efforts to discourage destructive behavior. The commission was informed that Students Against Destructive Decisions was considering an initiated measure to raise the tax on beer cans and bottles to 24 cents per gallon and bulk sales to 16 cents per gallon to collect approximately \$1.3 million per year. In addition to the assigned study, the commission focused on eight areas of interest.

1. Charitable organizations' property tax exemptions.
2. Tax levy authority. The commission considered, but did not recommend, a bill draft that would have allowed a taxing district to increase the amount levied in dollars in the base year as adjusted by the consumer price index.
3. Township levy limitation.
4. City and county development impact fees. The commission considered, but did not recommend, a bill draft that would have allowed for city development impact fees.
5. Legal services for the indigent.
6. Uniform Environmental Covenants Act.
7. Extraterritorial zoning jurisdiction.
8. Jail administration. The commission considered, but did not recommend, a bill draft that would have allowed the board of county commissioners to provide for the administration of county jails.

REPORT ON COUNTY DOCUMENT PRESERVATION FUNDS

In 2005 the Legislative Assembly enacted Senate Bill No. 2024. The bill removed the June 30, 2005, expiration date for the document preservation fund and continued the additional fees imposed for the purpose of funding the document preservation fund. Revenue in the fund may be used only for contracting for and purchasing equipment and software for a document preservation, storage, and retrieval system; training employees to operate the system; maintaining and updating the system; and contracting for offsite

storage of microfilm or electronic duplicates of documents for the county recorder's office. The bill required each recorder, before March 1 of each even-numbered year, to prepare a report that specifies how the county used the county's document preservation funds during the preceding two fiscal years, how the county's use of the document preservation funds has furthered the goal of document preservation, and the county's general strategic plans for its document preservation. The county reports must be submitted to the North Dakota Association of Counties for compilation and submittal to the Legislative Council. Since 2005 the Legislative Council has designated the Advisory Commission on Intergovernmental Relations as the entity to receive the reports.

This interim the report from the North Dakota Association of Counties is to be made before April 1, 2008, regarding how each county has used the county's document preservation fund during the preceding two fiscal years.

During the 2005-06 interim, a survey was sent to each county on the use of the fund. Before the survey was sent, the Association of Counties provided information on the survey to the commission. The Association of Counties then provided a written report of how each county has used the county's preservation funds during the preceding two fiscal years. As a result of accepting federal Department of Emergency Management money, each county must microfilm all records. A copy of each land record is stored onsite in each county.

The largest problem with Internet access to records was high fees, which have been cut in half. The commission was informed that all counties would join the single web access system by the 2007 legislative session. The system charges a \$100 setup charge and a monthly service fee of \$25. Grand Forks, which has an independent system that was started due to the flood in 1997, charges a setup fee of \$200 and monthly services of \$100.

STUDY APPROACH

North Dakota Century Code Section 54-35.2-02 provides that the commission is charged with serving "as a forum for the discussion of resolution of intergovernmental problems"; engaging in activities and studies relating to state, local, and any other government; and preparing "model ordinances or resolutions for consideration by officials of political subdivisions." It may be helpful for the commission to request members and representatives of local governments and other interested groups to provide suggestions of topics for consideration during this interim.