

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1073

2007 HOUSE FINANCE AND TAXATION

HB 1073

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No.1073

House Finance and Taxation Committee

Check here for Conference Committee

Hearing Date: January 8, 2007

Recorder Job Number: 712 05min 18sec

Committee Clerk Signature *Mickie Schmidt*

Minutes:

Chairman Belter opened the hearing on HB 1073.

Chairman Belter: Is there any testimony in support of HB 1073?

Marcy Dickerson, State Supervisor of Assessments and Director of the Property Tax

Division for the State Tax Commissioner, testified in support of HB 1073.

Marcy Dickerson: (See Attachment #1)

Chairman Belter: Any Questions? Thank you. Any further testimony in support of 1073? Any testimony in Opposition? Any neutral testimony? If not, we'll close the hearing on HB1073.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1073

House Finance and Taxation Committee

Check here for Conference Committee

Hearing Date: January 8, 2007

Recorder Job Number: 716 03min 47sec

Committee Clerk Signature

Micki Schmidt

Minutes:

Chairman Belter opened the hearing on HB 1073.

Chairman Belter: Any questions on this Bill? Would you want to act on this?

Representative Headland: I'll move a Do Pass on HB 1073.

Representative Owens: I'll second it.

Chairman Belter: Any discussion? If not, will the clerk read the roll call vote? Yes-12, No-0,

Absent-2. Rep. Owens will carry the Bill.

Date: 1-8-07
Roll Call Vote #: HB 1073

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO.

House Finance & Tax Committee

Check here for Conference Committee

Legislative Council Amendment
Number _____

Action Taken Do Pass

Motion Made By Rep Headland Seconded By Rep. Owens

Representatives	Yes	No	Representatives	Yes	No
Chairman Belter	✓		Rep. Froelich		
Vice Chairman Drovdal	✓		Rep. Kelsh	✓	
Rep. Brandenburg	✓		Rep. Pinkerton	✓	
Rep. Froseth	✓		Rep. Schmidt	✓	
Rep. Grande			Rep. Vig	✓	
Rep. Headland	✓				
Rep. Owens	✓				
Rep. Weiler	✓				
Rep. Wrangham	✓				

Total (Yes) 12 No 2

Absent 2

Floor Assignment Rep. Owens

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

*Rep.'s Grande & Froelich were absent

REPORT OF STANDING COMMITTEE (410)
January 8, 2007 4:22 p.m.

Module No: HR-04-0334
Carrier: Owens
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1073: Finance and Taxation Committee (Rep. Belter, Chairman) recommends DO PASS (12 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1073 was placed on the Eleventh order on the calendar.

2007 SENATE FINANCE AND TAXATION

HB 1073

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. **HB 1073**

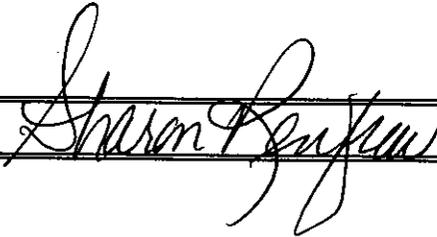
Senate Finance and Taxation Committee

Check here for Conference Committee

Hearing Date: February 27, 2007

Recorder Job Number: # 3951

Committee Clerk Signature



Minutes:

Sen. Urlacher called the committee called the committee to order and opened the hearing on HB 1073.

Marcy Dickerson: Tax Dept appeared in support with written testimony. (See attached)

Sen. Cook: because we exclude them does that then keep them from being determined for used and the taxable evaluation or the wealth of a school district that sits behind the students?

Answer: it is payments in lieu of taxes, that is correct, the taxable evaluation would not be included in anything where this taxable valuation is included.

Sen. Cook: so if we included them and included all the rest of them then it would not change the taxes that anybody owes but it would change the wealth that an existing school district could have.

Answer: I'm not completely knowledgeable on how those school district calculations work but if these were all taxable values included as opposed to being paid in lieu of taxes, then I would think that they would if all taxable values included for those purposes I think that increase it.

Sen. Cook: not with any intent of changing the taxes that are paid but because it has an effect on a school districts wealth, whether or not they are rich school district or poor school district. I'd like to research a little bit.

Sen. Horne: how long are them exempt from taxation?

Answer; one an only existing carbon dioxide pipeline was constructed it was given an exemption from property tax during the time it was under construction and for the first 10 years of operation. If there were another one constructed assuming this law remains in place they would have the same benefit. At the present time there is only one of those pipelines. I believe its 2009 is the end of their 10 year exemption, after that time then they will start paying property taxes which are calculated the same way the only difference is now the State Treasurer pays them rather then the pipeline.

No opposition.

Closed the hearing.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1073

Senate Finance and Taxation Committee

Check here for Conference Committee

Hearing Date: March 20, 2007

Recorder Job Number: # 5311

Committee Clerk Signature

Sharon Bengtson

Minutes:

Sen. Urlacher called the committee to order for action on HB 1073.

Sen. Triplett: made a **Motion for DO PASS**, second by Sen. Cook.

Sen. Urlacher: further discussion? If not call the roll.

Roll call vote: 7-0-0

Sen. Triplett will carry the bill.

Date: 3-20-07

Roll Call Vote #: 1

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1073

Senate Finance & Tax Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Trip Seconded By Cook

Senators	Yes	No	Senators	Yes	No
Sen. Urlacher	✓		Sen. Anderson	✓	
Sen. Tollefson	✓		Sen. Home	✓	
Sen. Cook	✓		Sen. Triplett	✓	
Sen. Oehlke	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Triplett

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

REPORT OF STANDING COMMITTEE

HB 1073: Finance and Taxation Committee (Sen. Urlacher, Chairman) recommends DO PASS (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1073 was placed on the Fourteenth order on the calendar.

2007 TESTIMONY

HB 1073

1-8-07#1073
#1

HOUSE FINANCE AND TAXATION COMMITTEE
Testimony of Marcy Dickerson, State Supervisor of Assessments

January 8, 2007

Mr. Chairman, Members of the Committee, for the record my name is Marcy Dickerson and I am employed by the State Tax Commissioner as State Supervisor of Assessments and Director of the Property Tax Division.

My testimony concerns House Bill No. 1073. N.D.C.C. § 57-06-17.2 provides that carbon dioxide pipeline property is subject to payments in lieu of property taxes during the time it is exempt from taxation under section 57-06-17.1. The carbon dioxide pipeline property must be valued in the same way other pipeline property is valued, and the payments in lieu of taxes must be calculated in the same manner that pipeline taxes are calculated on other pipeline property. The State Treasurer, not the pipeline owner, makes the required payments to each county.

This section does not currently state whether the taxable value of exempt carbon dioxide pipeline property for which payments in lieu of taxes are required should be included or excluded from the valuation of property in the taxing district for purposes of determining the mill rate for the taxing district. Some counties include it, some exclude it. This bill promotes uniformity among counties by requiring that the value be excluded.

The language in this bill is similar to that found in § 40-57.1-03 concerning payments in lieu of taxes for new and expanding businesses. "The buildings, structures, fixtures, and improvements comprising a project for which payments in lieu of taxes are allowed under this section must be excluded from the valuation of property in the taxing district for purposes of determining the mill rate for the taxing district." Other property on which payments in lieu of

taxes are made, including State Game and Fish Department land, Board of University and School Lands land, National Guard land, Farmland or Ranchland Owned by Nonprofit Organizations for Conservation Purposes, Land Acquired by the State Water Commission, and Property Owned by Workforce Safety and Insurance, is excluded from the valuation of property in the taxing district for purposes of determining the mill rate for the taxing district.

This bill has no fiscal effect. Payments in lieu of taxes are treated as other income and are not included in the amount a political subdivision intends to raise from property taxes. The remaining dollar amount divided by the taxable value of taxable property determines the mill rate. If the taxable value of property subject to payments in lieu of taxes were included in the taxable value used for setting the mill rate, then the dollar amount intended to be raised by property taxes would have to include the amount to be raised by payments in lieu of taxes, and the resulting mill rate would be the same. Payments in lieu of taxes are distributed to the political subdivisions the same way property taxes are distributed.

The preceding paragraph may cause you to ask why this legislation is needed. It is needed to ensure that all counties' property valuations and taxes are calculated and reported similarly. We prefer that all counties exclude the valuations of carbon dioxide pipeline property subject to in-lieu payments, rather than include them, because valuations of other property that makes in-lieu payments are excluded.

This concludes my prepared testimony. I will be glad to try to answer any questions.

SENATE FINANCE AND TAXATION COMMITTEE

Testimony of Marcy Dickerson, State Supervisor of Assessments
House Bill 1073 – February 27, 2007

Mr. Chairman, Members of the Committee, for the record my name is Marcy Dickerson and I am employed by the State Tax Commissioner as State Supervisor of Assessments and Director of the Property Tax Division.

House Bill No. 1073 amends N.D.C.C. § 57-06-17.2, which provides that carbon dioxide pipeline property is subject to payments in lieu of property taxes during the time it is exempt from taxation under section 57-06-17.1. The carbon dioxide pipeline property must be valued in the same way other pipeline property is valued, and the payments in lieu of taxes must be calculated in the same manner that pipeline taxes are calculated on other pipeline property. The State Treasurer, not the pipeline owner, makes the required payments to each county.

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Lands land, National Guard land, Farmland or Ranchland Owned by Nonprofit Organizations for Conservation Purposes, Land Acquired by the State Water Commission, and Property Owned by Workforce Safety and Insurance, is excluded from the valuation of property in the taxing district for purposes of determining the mill rate for the taxing district.

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This concludes my prepared testimony. I will be glad to try to answer any questions.