

# MICROFILM DIVIDER

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



ROLL NUMBER

DESCRIPTION

2140

2007 SENATE JUDICIARY

SB 2140

# 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2140

## Senate Judiciary Committee

Check here for Conference Committee

Hearing Date: January 15, 2007

Recorder Job Number: 1127

Committee Clerk Signature *Maria L. Solberg*

**Minutes:** Relating to raffle prizes – real estate

**Senator David Nething**, Chairman called the Judiciary committee to order. All Senators were present. The hearing opened with the following testimony:

### Testimony In Support of Bill:

**Duane Espegard** – Introduced the bill (meter :50) Gave testimony – Att. #1

**Sen. Nelson** asked the question if farm land would be included in this bill? Yes.

**Mr. Espegard** discussed the history of the raffle in relationship to the Attorney General's office (meter 2:43)

**Sen Fiebiger** questioned why real estate had be excluded in the original bill. (meter 4:02)

There was no reason for it to be excluded, it had been in the language of the state the bill was modeled after.

**Sen. Olafson** sited his concerns about a "clean" title. (meter 4:29) Discusion of the process the charity had to take to meet the I.R.S. laws and that it had to go through the formal closing procedures as any other house selling-they could not by pass this step and go from donator to the winner.

**Sen. Nick Hacker**, Dist #42 (meter 6:11) further introduced the bill sighting the organizations that approached him and the history of it. The emergency clause was due to an up-coming event this spring that a home builder in Fargo had donated a brand new house towards.

**Clause Lemke** – ND Realtors Assoc. (meter 7:50) The association is in favor of the bill. He also sited the importance of following the legal structure currently in law as a protection mechanism.

**Nakhet Hendricks** – Ex. Dir. Fargo Moorhead Human Society (meter 8:27) gave testimony – Att. #2

**Judy Green** – Ex Dir. YWCA Cass Clay (meter 11:42) gave testimony – Att. #3

**Sen. Nelson** questioned why, in the current structure, they can not already “donate” a home (meter 15:38) This is different then the “Tour of Homes” and a raffle.

**Leanne Jordahl** – Stood up to testify that her and her husband would like to donate a home and how unlike the previous donated house who sold “raffle tickets” and made money off of selling that home. They were donating this house 100%. (meter17:08)

**Todd Kranda** – ND Charitable Gaming Assoc. (meter 18:53) Our organization is in support of this bill.

**Sen. Olafson** questioned about “problematic real estate?” Discussion (meter 19:20) of already existing current process that would protect the organization from this i.e., IRS Laws and the charity has the option to set criteria's or not accept at all.

**Testimony in Opposition of the Bill:**

**Warren DeKrey**, Chrm of the ND Council on Gambling Problems – Gave Testimony (meter 20:49) Att. #4. Sighting his concerns with the “slow whittle” away with the expansion of gambling”. Chart of gambling approve since 1977 – Att. #5

**Sen. Nething** stated to Mr. DeKrey that this is already in law and they were only changing a process, so this would not "expand" gaming, would it? No it would not.

**Testimony Neutral to the Bill:**

**Keith Lauer**, Office of the Attorney General – (meter 24:49) Att. #6 Discussed I.R.S. process. Att. #7a Determining the Value of Donated Property-IRS Publication 561, Att.#7b Instruction form and Att. #7c Noncash Charitable Cont. Form.

Raffles are the most profitable for charities. Sited statistics (meter 26:27)

**Senator David Nething**, Chairman closed the hearing.

## 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2140

Senate Judiciary Committee

Check here for Conference Committee

Hearing Date: January 11, 2007

1-17-07

Recorder Job Number: 1293

Committee Clerk Signature *Maura L Solbey*

**Minutes:** Relating to raffle prizes – real estate.

**Senator David Nething**, Chairman called the Judiciary committee to order. All Senators were present. The hearing opened with the following committee work:

**Sen. Lyson and Sen. Nething** stated that as much as he disliked gambling, the people in support of this issue are not the people who can't afford it, but who can. Discussed this along with the complex IRS documentation. Sen. Nething also stated that Casino Gambling and later 911 and Hurricane Katrina has hurt local charities and this might be of assistance to them. Sen. Nething stated that charities can have specific guidelines of what they accept for example; Salvation Army, close must be clean, not torn and in good condition. Discussed IRS Determining of value , Pub. #561.

**Senator David Nething**, Chairman closed the hearing.

**Sen. Lyson** made the motion to Do Pass and **Sen. Olafson** seconded the motion. All members were in favor and the motion passes.

Carrier: **Sen. Nelson**

**Senator David Nething**, Chairman closed the hearing.



**REPORT OF STANDING COMMITTEE (410)**  
January 17, 2007 2:49 p.m.

**Module No: SR-11-0713**  
**Carrier: Nelson**  
**Insert LC: . Title: .**

**REPORT OF STANDING COMMITTEE**

**SB 2140: Judiciary Committee (Sen. Nething, Chairman) recommends DO PASS**  
(6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2140 was placed on the  
Eleventh order on the calendar.

2007 HOUSE JUDICIARY

SB 2140

## 2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2140

House Judiciary Committee

Check here for Conference Committee

Hearing Date: 1/31/07

Recorder Job Number: 2343

Committee Clerk Signature



Minutes:

**Chairman DeKrey:** We will open the hearing on SB 2140.

**Nukhet Hendricks, Exec. Director of FM Humane Society:** (see attached testimony).

**Rep. Klemin:** Can you provide some history as to why we have this bill before us, and what is going on that you want to have a raffle for real estate.

**Nukhet Hendricks:** Jordahl Custom Homes is a great supporter of the Humane Society, and they want to donate us a house, that is already built, with no cost to us, and in return we are going to sell raffle tickets to raffle this home to a lucky winner. While we were thrilled, as an organization, for the opportunity; unfortunately we found out that the law did not allow Jordahl Custom Homes to raffle real estate. You can raffle an automobile or motorcycle, but couldn't raffle real estate. This would allow charitable organizations to be able to raffle a home.

**Rep. Klemin:** There is an emergency clause on here, what is the need for that.

**Nukhet Hendricks:** Well, if this bill is passed, we can start the procedures of getting this in place, because there is a House and Garden show at the end of February and we want to start selling tickets and award the house at the Parade of Homes in May.

**Rep. Delmore:** There is no limit on this bill as to what the real estate could be worth. In other words, if I had an organization in my town that wants to raffle off a \$100,000 house, under this that could be done.

**Nukhet Hendricks:** Correct.

**Rep. Delmore:** Any organization that's licensed, whether it's charitable or not would be eligible to do this, is that correct.

**Nukhet Hendricks:** That was my understanding.

**Rep. Kretschmar:** I would read the bill that it has to be a licensed organization for charitable gaming.

**Nukhet Hendricks:** You do need to have a license to raffle with the city of Fargo.

**Chairman DeKrey:** Thank you for appearing this morning. Further testimony in support.

**Klaus Lembke, ND Association of Realtors:** We were asked by Sen. Hacker to look at this bill, and we do not have any objections. I think this is a noble effort on a non-profit and they should be qualified. We have no objection, we support this bill.

**Rep. Klemin:** How many licensed organizations are there now in ND.

**Klaus Lembke:** I don't know. I know how many licensed realtors there are.

**Rep. Klemin:** The way I read this bill, it doesn't say whether the entire amount will go to the charity, or if part of it will go to the homeowner.

**Klaus Lembke:** I don't know. I do know that in order to be a 503(c) qualified, they have tremendous restrictions and obligations to retain that tax exempt status.

**Rep. Klemin:** You may remember several years ago, that there was a piece of legislation for a bill like this, because somebody couldn't sell his house and wanted to raffle it off and give part of the money to charity.

**Klaus Lembke:** Yes, I remember that bill.

**Chairman DeKrey:** Thank you. I have some questions for Keith Lauer, AG's office. A raffle like this for a licensed organization, does the state get any taxes off this.

**Keith Lauer, AG's office:** The tax rate for charitable gaming organizations for raffles runs from 5-20%. The cutoff is \$200,000, so for the first \$200,000 of adjusted gross proceeds, after the cost of prizes, the tax rate is 5%; then from \$200,000-400,000 is 10%, from \$400,000-600,000 it's 15%, and anything above that amount is 20%.

**Chairman DeKrey:** So the gross receipts of the tickets that they would sell for the raffle would be taxed at 5%.

**Keith Lauer:** Not the gross receipts, but after the costs of the prizes. Now if it were a donated prize, it would have a zero cost to the organization. So the full amount in that case, if the real estate was donated, the full extent of the receipts from that raffle would be taxed at the graduated rate.

**Chairman DeKrey:** Does the AG's office have an opinion on this bill.

**Keith Lauer:** We're taking a neutral position on this. I did research and provide for you a history of real estate. This is similar to the history that you would have seen the other day about some of the limits that were put in. This particular limit was put in 1983, where it said merchandise prizes for raffles are restricted to any property which may vary, but not real estate. I went back to the legislative history on that. It was a SB back in 1983, 2067. There was a legislative study that was done between the 1981 and 1983 session about charitable gambling, because it had expanded so greatly in its early years, that the legislature decided that they were going to study the issue of charitable gambling. There were a lot of things that were introduced during the 1983 session. This particular language regarding the raffles was added as an amendment to that Interim Study. I did talk to a number of individuals including AG Stenehjem, who was on the Senate Judiciary Committee at that time, and he doesn't recall

why real estate was excluded. He was thinking that it was probably because they wanted to limit raffles somewhat, they put in the cash limits, etc.

**Rep. Klemin:** How many licensed organizations are there that can do this.

**Keith Lauer:** There's about 350 organizations that obtain a license through our office on an annual basis. They would not be able to do a raffle of real estate with just a local permit, at least not very likely because of the restrictions, which are restricted to a \$2500 max. prize limit with a total prizes in the year of \$12,000. I can't imagine that there would be too many real estate properties that would be worth \$2500.00.

**Rep. Klemin:** Under this bill, this real estate is not restricted to any amount, it could be raw land, agricultural land.

**Keith Lauer:** That's correct. Potentially I suppose if the value of the land didn't run more than \$2500, it could actually be under a local permit and there would be no taxes on that particular prize.

**Rep. Klemin:** You mentioned the taxes of 5% on the first \$200,000 values, and you mentioned expenses which were about 53% now.

**Keith Lauer:** It is only after prizes that you tax the adjusted gross, and then the expenses come out after that. So it's not after expenses that the tax rate is on it is strictly after prizes.

**Rep. Klemin:** If we had a \$200,000 house and someone says to the charity, I'll sell you this house for \$100,000, you can raffle it off for \$200,000. Would that be alright.

**Keith Lauer:** If they in fact paid that individual \$100,000 for that house, that would be their cost and they would only be taxed on the gross receipts less than the \$100,000. It's my understanding from the IRS, after doing some research on the IRS regulations on donating property and if, in fact, you're donating something other than cash or stock, the IRS does require an appraisal if the value is over \$5,000. In some cases, you have to provide a

separate form on your income tax as the individual doing that, so when you saying that the house is \$200,000, if in fact the appraisal came out that the property was only valued at \$100,000 and the person sold it to the charity, they would get no deduction from the IRS on that.

**Rep. Klemin:** As I understand the purpose of the appraisal requirement, is to validate the amount you're claiming as a charitable deduction. The charity itself is not taxed.

**Keith Lauer:** You're establishing a value of \$200,000 on that house, if in fact, they are selling it to the charity for \$100,000, and that's all it is appraised for, there is no deduction for that individual. There is nothing in the bill that says the prize has to be donated. It can be purchased from someone and raffled off.

**Rep. Klemin:** If they donated at less than cost, then can you get the other amount.

**Keith Lauer:** Yes, they could in that case. There is nothing in the bill that says the prize has to be donated, it can be purchased by the charity, and then turn around and raffled off.

**Rep. Klemin:** I've seen bills like this up here before, where the person testifying maybe can't sell his house, so he wanted to raffle it off and give part of the proceeds to charity, then that would be a good way to sell his house. Would that be possible under this bill.

**Keith Lauer:** I suppose he could try. I don't know if he could get anymore for his house that way, because like we talked about, what kind of deduction would they get on their income tax, they could think their house was worth \$200,000 and they say I'm willing to sell it to the charity for \$100,000, but if that appraises out at \$100,000, they're getting nothing for the donation part of it at that point in time, because they have been paid in full for the appraised value by the charity. Granted, if they donated it, then they could probably get a \$100,000 deduction rather than \$200,000, because that is what the appraised value is.

**Rep. Delmore:** If we take out the local entities, that probably wouldn't do that, would that reduce the number of organizations.

**Keith Lauer:** That 350 are only licensed organizations with the state. Local permits issued each year in addition to the 350 licensed organizations, probably run around 350-500 local permits. There are a lot of schools, etc. that get a city permit, because the prizes can't exceed \$12,000 value total for an entire year. In those cases, all they do is go to the city, get a local permit, the local city can't charge them more than \$25 for the local permit. But there is no reporting to our office. All we get is a copy of the application.

**Rep. Delmore:** Because of the limits, they would probably not raffle real estate.

**Keith Lauer:** The primary prize, under local permit, cash prizes are still limited to the \$1000 that we have for raffles. But merchandise prizes under a local permit are limited to \$2500; with all prizes in a year's time not exceeding \$12,000. That limits a lot of those, doesn't prohibit it in this bill.

**Rep. Delmore:** Could I use all \$12,000 at one time, say if I found some real estate for \$12,000 that I would sell.

**Keith Lauer:** No, there is a \$2500 maximum single prize that can be offered as a top prize, and a \$12,000 a year limit for all prizes. You could certainly have one raffle where you give away \$12,000 worth of prizes, but the maximum single prize that you could offer under that is \$2500. The total of all your prizes couldn't exceed the \$12,000. The real estate could only be up to \$2500.

**Rep. Klemin:** There is no restriction on how the licensed organization could acquire this real estate, so conceivably it appears that you could buy some real estate and raffle it off, or somebody could give them some real estate and they could raffle it off. If you leave a house to an organization in your Will, and then they could raffle it off, do you see any restriction on this.

**Keith Lauer:** I think that's correct. You have no limitations on how they could obtain that particular property. They could purchase it, it could be donated. If you left it in a Will, they could get it as a donation and decide that's how they want to do it. We do get a number of inquiries over the years by people who have wanted to do it, but because those individuals are not non-profit organizations, they are unable to run raffles personally to do that.

**Rep. Klemin:** If somebody is going to raffle off some real estate, can they say in the raffle that if they don't sell enough tickets, they aren't going to do it.

**Keith Lauer:** There is a provision in the administrative rules that state that if a charity wants to extend a raffle, they can contact our office and you give them permission to extend the raffle. If in fact, they do that, they have to refund all the money to all the participants and if they change the raffle date and extend it out there, because maybe they haven't recovered the cost of the prizes, they have to make public announcements indicated that there has been a change in the date of the raffle drawing, or notify all the individual participants in that raffle somehow. There are provisions in the administrative rules that do allow some extensions on raffles, but under limited circumstances and with public knowledge that this has happened. We occasionally will get those too, where someone is overly optimistic thinking they could sell a certain number of tickets and recover the cost of the prizes, and they haven't been able to do that and provided that they do some kind of public announcement or contact the participants, we will sometimes grant them that. You want the charity to make some money off the raffles.

**Chairman DeKrey:** Thank you. Further testimony in support of SB 2140.

**Sen. Nick Hacker:** I would ask for your support on this bill. The reason for the rush, is because one of the organizations would like to do this in February. There is an individual that wanted to be here that was unable to make it (see attached testimony) that also supports it.

**Chairman DeKrey:** Thank you. Further testimony in support.

**Dawn Cruff-Kartes, Jordahl Custom Homes, Inc.:** (see attached testimony).

**Rep. Klemin:** There is nothing to stop you from donating this house, they just wouldn't be able to raffle it.

**Dawn Cruff-Kartes:** That is my understanding. I think they would have to turn around and sell it. We thought that a raffle would be a good way for them to raise money. The house and lot are going to run about \$150,000, so that hopefully between the two of them they would raise more money and gain support.

**Rep. Meyer:** Could you donate the house and then they could turn around and sell it outright.

**Dawn Cruff-Kartes:** I believe that is in place now. We are trying to amend the bill so that the raffle could include real estate, to look at trying to gain as much as then can for the charities.

**Chairman DeKrey:** Thank you. Further testimony in support.

**Judy Green, Exec. Dir./YWCA Cass Clay:** (see attached testimony).

**Rep. Delmore:** Do you have any idea of how many tickets and how much for each ticket for the raffle.

**Judy Green:** The intent that Jordahl Custom Homes has, is that the raffle ticket price would be \$50 and we would hope to sell anywhere between 3000-6000 tickets between our organizations. The proceeds from those ticket sales would go directly to the organization.

**Rep. Klemin:** Since you have two non-profits that are going together on the single raffle, how would that work.

**Judy Green:** That is their intent. The donor actually approached both of our organizations. Leanne Jordahl, who will be speaking next, actually is on the board of directors for the Humane Society and is also very supportive of both of our agencies. We both work hard to prevent abuse, whether it's to animal or women and children that we serve.

**Rep. Klemin:** So you have a joint raffle, under whose license is this being done.

**Judy Green:** I believe that Leanne will answer that question.

**Rep. Koppelman:** Do you know how the taxation would work for the winner of the raffle.

Does the house become taxable property, taxable income.

**Judy Green:** I believe it is a donated house. So it comes up zero property. They will have to pay their property taxes and everything else once they become the owner of that house.

**Rep. Koppelman:** I guess what I'm referring to is income tax. If the house is worth \$150,000 and the family that wins it, has an income of \$30,000 that year.

**Chairman DeKrey:** It would be ordinary income. You would give them a 1099 from the charitable organization. So if they win a \$150,000 house, I think they would owe tax on that amount. Thank you for appearing this morning. Further testimony in support.

**Leanne Jordahl, Jordahl Custom Homes:** (see attached testimony). The emergency clause is because we wanted to start selling tickets at the February House and Garden show and awarding the prize in May at the Parade of Homes. During that time, the two organizations will have the opportunity to present more education and awareness of why their organizations are participants in the community. The reason that we thought the raffle would be better than just selling it, was because it was showing that they are still willing to work for their organization and they are going to go out and generate that support and that education. It would be a bigger deal because it's not something that has been done before. So rather than just turning around and selling it, by having the raffle they can do more with it, as far as, however hard they are willing to work, determines the amount of money they can make. For example, if the tickets were \$50 each and each organization sold 2000 tickets that would be \$150,000 each. So it's a way for the organization to make as much money as they are willing to go work for. Once Jordahl Custom Homes donates the property to the charity, then we're out of it. The license would be under the charitable organization. I believe we have some

people working on the details but I believe it would fall under one of the license agents. That is something that is still being worked out with the legal team. The winner of the prize would be subject to any and all federal and state income taxes that would be payable to their acceptance of the prize. Let's say somebody didn't want to do that, they could turn around and sell the house. What happens to it after it is given away is not our problem. The person would be subject to the taxes with that. That is why I am asking for the support.

**Rep. Klemin:** What is the market value of the house.

**Leanne Jordahl:** The market value of the house would be approx. \$150,000.

**Rep. Klemin:** So if the two organizations sell 4,000 tickets at \$50 each and make \$100,000, before expenses of tickets, etc. for one.

**Leanne Jordahl:** Each group would receive that amount, for example.

**Rep. Klemin:** If they chose not to go to all this work to raffle it off, they could just sell it and make \$75,000 each.

**Leanne Jordahl:** They sure could, but the plan was that they could generate excitement with the raffle and also increase the education and awareness of their organizations through the raffle and why it's happening, and it's for a set period of time. So they would be able to include it in their budgeting because as non-profit organizations we have to set a budget, have it approved and so if we have a goal of how much we are going to make, we can include that in our yearly budget. If you sell it, you aren't assured that price, you might have to decrease it, and that wasn't the intent. The intent was so that they could generate excitement because it is such a big event that's never been done before.

**Rep. Klemin:** Does your gift of this house contingent on being to raffle it off.

**Leanne Jordahl:** Yes.

**Rep. Klemin:** So they can't just sell the house if the bill fails.

**Leanne Jordahl:** I'm not going to say that, then we'll look at some other way to support them and do something fun and big. Our intent was not to just give them a lump sum of money. We wanted to do something that would help them grow their education in the community and raise awareness, and generate excitement. We would do something else, because we are very supportive of the two organizations and we want to see them flourish. We wouldn't give up on them.

**Chairman DeKrey:** Thank you. Further testimony in support of SB 2140. Testimony in opposition.

**Warren DeKrey, Council on Gambling:** I have no written testimony. My comment is that this appears to be one incident and we are asking for an emergency clause. It seems to me like it is micromanaging. My question is, is the emergency clause good legislation.

**Chairman DeKrey:** Thank you. Further testimony in opposition. We will close the hearing.

## 2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2140

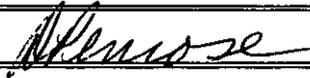
House Judiciary Committee

Check here for Conference Committee

Hearing Date: 1/31/07

Recorder Job Number: 2464

Committee Clerk Signature



Minutes:

**Chairman DeKrey:** We will take a look at SB 2140.

**Rep. Boehning:** I move a Do Pass.

**Rep. Kretschmar:** Second.

**Chairman DeKrey:** Personally, I am going to vote against a Do Pass motion, because I've got a real problem with raffling off real estate. Right now, you can't will land to certain organizations like Ducks Unlimited and those types of groups because we're real sensitive in ND about those types of groups. So if this bill prevails, my fear is that in the rural areas, they could give their land to Ducks Unlimited, then Ducks could turn around and raffle it off to a nationwide audience and probably end up with some out-of-state guy having the land right next to you, that you rented or owned, or whatever, and it's going to be his hunting paradise. I think the implications of this raffling off real estate are pretty big. While these people came up with a great idea and they want to help charities, but they can do exactly what they want to do, by turning around and sell that house and going out and begging people for donations. That seems to be lost in all this. The charitable organizations can still go out and ask for donations. I think the advent of charitable gaming has kind of been the death of some of our charities,

because they've gotten fat and lazy, and then they lost interest in their organization, because none of them were involved, so they fell by the wayside, and now the money quits coming in.

**Rep. Meyer:** Because they can go out if they want to do this, they can accomplish the same thing can't they, by just giving them the house.

**Chairman DeKrey:** If they want donations, they can go down the streets of Fargo like we do when we are campaigning.

**Rep. Boehning:** I guess when we have people coming forward that want to do something for the groups, it will spark some interest in those groups. I, for one, don't like to have someone call and ask me for money, that's the reason for the "Don't Call List". I don't want people coming to my door and asking for money. If you want to buy a raffle ticket you can and if you don't want to, you don't have to. If people are willing to do this, let's take it.

**Rep. Klemin:** Well we've got 350 sites that could be licensed organizations that can be doing this under this bill. I think that once this is allowed, there will be a lot more than 350 that will be licensed organizations just to do this. They can give the house to the organizations and they can sell it and divide the money. If they go to this raffle, what's going to stop them from calling you up and asking you if you want to buy a ticket for the raffle or advertising it, or whatever. It's not limited to houses, it could be raw land, farms, apartment buildings, industrial complex, etc. We were talking about adding raffles where somebody could exchange a prize once a year for \$25,000 instead of merchandise, now we've changed that two times. Now we're up to potentially millions and millions dollars here, raffles with real estate. This is quite an extension.

**Rep. Koppelman:** I think one of the exclusions in the Do Not Call list, is that you have to have a relationship with the person; now if you buy a raffle ticket, can they now start to call you for other donations.

**Chairman DeKrey:** Keith Lauer, from the AG's office, gave us a list of what this deal would cost with taxes, it would be about \$10,000 to the State on \$200,000.

**Rep. Boehning:** The value of the home was appraised at \$150,000. The charity would pay tax on that, not the individual.

**Chairman DeKrey:** It's on the gross proceeds.

**Rep. Delmore:** I call the question.

**Chairman DeKrey:** The question has been called. The clerk will call the roll.

**4 YES 9 NO 1 ABSENT DO PASS – MOTION FAILED**

**Rep. Klemin:** I move a Do Not Pass.

**Rep. Meyer:** Seconded.

**10 YES 3 NO 1 ABSENT DO NOT PASS CARRIER: Rep. Onstad**

# 2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2140

House Judiciary Committee

Check here for Conference Committee

Hearing Date: 2/6/07

Recorder Job Number: 2911

Committee Clerk Signature

*Penrose*

Minutes:

**Chairman DeKrey:** We will take a look at SB 2140. We were asked to bring this bill back and reconsider our actions. The reason this came back is because the Senate wants us to take a look at this again. I talked to them about my concerns, so this is the amendment I put together. It would limit it to residential property, and it says in the bill about the licensed organization, means a 501(c)(3), so that doesn't have to be in the amendment. A licensed organization definition is a non-profit. This amendment also puts a sunset clause on it, so if we want to come back and look at it in two years, we can. This would allow people in Fargo to be able to raffle off that house for those two charities. Is there a motion to reconsider our actions.

**Rep. Griffin:** I move that we reconsider our actions by which we passed out SB 2140.

**Rep. DeKrey:** Second.

**Chairman DeKrey:** The chair is in doubt. The clerk will call the roll.

**7 YES 7 NO 0 ABSENT                      AMENDMENT MOTION FAILS**

**Chairman DeKrey:** The bill will be returned to the floor as a Do Not Pass.

Date: 1/31/07  
Roll Call Vote #: 1

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. SB2140

House JUDICIARY Committee

Check here for Conference Committee

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

Action Taken Do Pass

Motion Made By \_\_\_\_\_ Seconded By \_\_\_\_\_

Representatives	Yes	No	Representatives	Yes	No
Chairman DeKrey		✓	Rep. Delmore	✓	
Rep. Klemin		✓	Rep. Griffin		✓
Rep. Boehning	✓		Rep. Meyer		✓
Rep. Charging		✓	Rep. Onstad		✓
Rep. Dahl	✓		Rep. Wolf		✓
Rep. Heller					
Rep. Kingsbury		✓			
Rep. Koppelman		✓			
Rep. Kretschmar	✓				

Total (Yes) 4 No 9

Absent 1

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

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

*Motion Failed.*

Date: 1-31-07  
Roll Call Vote #: 2

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. <sup>SB</sup>2140

House JUDICIARY Committee

Check here for Conference Committee

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

Action Taken Do Not Pass

Motion Made By Rep. Klemin Seconded By Rep. Meyer

Representatives	Yes	No	Representatives	Yes	No
Chairman DeKrey	✓		Rep. Delmore		✓
Rep. Klemin	✓		Rep. Griffin	✓	
Rep. Boehning		✓	Rep. Meyer	✓	
Rep. Charging	✓		Rep. Onstad	✓	
Rep. Dahl		✓	Rep. Wolf	✓	
Rep. Heller					
Rep. Kingsbury	✓				
Rep. Koppelman	✓				
Rep. Kretschmar	✓				

Total (Yes) 10 No 3

Absent 1

Floor Assignment Rep. Onstad

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

*Motion Carried.*

REPORT OF STANDING COMMITTEE (410)  
February 1, 2007 1:55 p.m.

Module No: HR-22-1837  
Carrier: Onstad  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**

**SB 2140: Judiciary Committee (Rep. DeKrey, Chairman) recommends DO NOT PASS**  
(10 YEAS, 3 NAYS, 1 ABSENT AND NOT VOTING). SB 2140 was placed on the  
Fourteenth order on the calendar.

Prepared for Rep. DeKrey  
by Erica Shively

**PROPOSED AMENDMENTS TO H.B. 2140**

Page 1, line 2, after “prizes;” insert “to provide for an expiration date;”

Page 1, after line 11, insert:

**SECTION 2. EXPIRATION DATE.** This Act is effective through December 31, 2008, and after that date is ineffective.

Page 1, line 7, overstrike “real estate” and insert immediately thereafter “residential property”

Page 1, line 11, replace “real estate” with “residential property”

Date: 2/6/07  
Roll Call Vote #: 1

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2140

House JUDICIARY Committee

Check here for Conference Committee

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

Action Taken Motion To Reconsider

Motion Made By Rep. Griffin Seconded By Rep. DeKrey

Representatives	Yes	No	Representatives	Yes	No
Chairman DeKrey	✓		Rep. Delmore	✓	
Rep. Klemin		✓	Rep. Griffin	✓	
Rep. Boehning	✓		Rep. Meyer		✓
Rep. Charging		✓	Rep. Onstad		✓
Rep. Dahl	✓		Rep. Wolf		✓
Rep. Heller	✓				
Rep. Kingsbury		✓			
Rep. Koppelman		✓			
Rep. Kretschmar	✓				

Total (Yes) 7 No 7

Absent 0

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

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

*Motion Fails.*  
*Return to Floor w/DWP as Amended.*

2007 TESTIMONY

SB 2140

SB 2140  
North Dakota Senate  
Judiciary Committee  
Monday January 15, 2006  
Sen. David Nething, Chairman

---

Chairman Nething and Members of the committee for the record my Name is Duaine Espegard and I am here today to introduce SB 2140.

Senate Bill 2140 Deals with Section 53-06.1-10.1 of the century code and deals with Raffles. The section states that a prize for a raffle may be cash, merchandise but may not be real Estate. This bill amends that section to include real estate as a prize. It further amends the section to state "a raffle for which the prize is real estate is limited to one raffle per licensed organization per year."

A Benevolent home builder came to two charitable organizations and offered to give them a new home. The charitable organization saw an opportunity to enhance the value of this generous gift and to promote their organization by selling raffle tickets and increasing the value of this generous gift. The above section precludes having a raffle on real estate. This bill if approved would allow Real estate to be raffled on a limited basis.

Section 2 of the bill declares the act an emergency measure so that the project can get underway and the charities can benefit from the much needed funds from the home and the anticipated raffle.

I respectfully submit this bill and would be happy to take any question from the members of the committee.

Respectfully

Duaine C. Espegard

Att #2 1-15-07

Testimony of Nukhet Hendricks  
Executive Director  
Fargo - Moorhead Humane Society  
1201 28<sup>th</sup> Ave N  
Fargo ND 58102  
W- 701-239-0077  
C- 701-238-7227

Speaking in Support for Senate Bill No. 2140

**An Act to Amend and Re-enact Section 53-06.1-10.1 of the North Dakota Century Code, relating raffle prizes; and to declare an emergency**

Sponsored By Senator N. Hacker and Representative R. Kelsch

BEFORE THE SENATE JUDICIARY COMMITTEE

January 15, 2007

Senator Nething, members of the Judiciary Committee. I am Nukhet Hendricks, Executive Director of FM Humane Society, speaking in support of Senate Bill No. 2140 - An Act to Amend and Re-enact Section 53-06.1-10.1 of the North Dakota Century Code, relating raffle prizes; and to declare an emergency.

History records that the United States was about philanthropy before it was a nation. The early settlers to North America, where government was weak and distant, was forced to join together to govern themselves, to help each other and to undertake community activities, such as building schools and churches and fighting fires. Communities helping themselves and providing opportunities to people to help themselves are embedded in the American culture and as old as the nation itself. For more than two centuries, American democracy has fostered a wealth of creativity and ideas by people. Since its birth as a nation, America has been an abundant and reliable source of ideas that have empowered both individuals and communities. Based on this history of philanthropy and the communities taking care of it's own, a great partnership has been establish between the individuals, nonprofit organizations and the government.

Government agencies cannot be expected to take care of every single need in the society. Nonprofit agencies that strive to help the communities and provide opportunities to people to help themselves compliment the work of the government. On the other hand nonprofit agencies cannot rely on the government to foot the bill for all of their work. This is where the philanthropy and the philanthropist come in.

According to Giving USA report, Americans gave total contributions of \$260.28 billion in 2005. Individual giving was an estimated at \$199.07 billion which accounts for 76.5 percent of all estimated giving in 2005.

Corporate giving is an estimated \$1.38 billion. This report is a clear indication that we are a country of philanthropists and given the opportunity, this nation will give, and give generously to meet the needs of the society.

As a representative of an organization that provides humane service, but not human service, I can attest to the fact that organizations that provide "humane" service but not human service, depend even more so on individual and corporate giving, because the government funding or foundation grants are not always readily available or too far and few in between for animal welfare organizations; therefore making collaboration between nonprofits, philanthropic individuals and businesses even more strategically important.

There is a local philanthropic business that cares about the safety and humane treatment of animals as well as safety and humane treatment of women and children and would like to help the FM Humane Society and YWCA to continue their work. This is not a random choice of two organizations. There is an establish connection between animal abuse and human abuse. Because human abusers start their cycle of violence with abusing animals. 71% of pet-owning women seeking shelter at safe houses have reported that their partner had threatened and/or actually hurt or killed one or more of their pets. Animal abuse is an early indicator of a chaotic household where the safety of women and/or children is compromised.

This local business, in a true American spirit, would like to provide these two organizations the opportunity to help themselves to continue their work

I strongly believe that Bill 2140, An Act to Amend and Re-enact Section 53-06.1-10.1 of the North Dakota Century Code, relating raffle prizes; and to declare an emergency is exciting and groundbreaking. Not only will it provide funding opportunities to FM Humane Society and YWCA, it will also bring awareness to the connection between animal abuse and human abuse. And imagine the positive impact this will have on charitable giving in many years to come!

I thank the sponsors of Bill 2140; Senator N. Hacker and Representative R. Kelsch as well as the Judiciary Committee for your time.

I will answer any questions that you may have at this time.

HH # 3  
1-15-07

**SENATE BILL NO. 2140**

Testimonial from: Judy Green  
Executive Director  
YWCA Cass Clay  
701-232-2547  
[jgreen@ywcacassclay.org](mailto:jgreen@ywcacassclay.org)

*Same testimony given to House Judiciary*

Special thanks to Senator Hacker and Representative Kelsch for introducing this bill.

**Philanthropy in North Dakota**

In the Spring, 2005, the Impact Foundation – created by Dakota Medical Foundation but legally independent of Dakota Medical Foundation - funded a Wealth Transfer Study conducted by the Center on Wealth and Philanthropy at Boston College. The results clearly reflect that we have a Call to Action so that we can invest in our future.

**Study Highlights:**

- In 2001, North Dakota contained 261,570 households owning an aggregate amount of household wealth valued at \$92.4 billion.
- North Dakota contains approximately 1,000 households with net worth averaging \$26 million per household.
- North Dakota's \$20 million+ households exist at twice the proportional rate than the Nation.
- During 2001-2055, 213,400 final estates will occur in North Dakota – approximately 130,000 final decedents will be women.
- From 2001 – 2055, North Dakota households will transfer \$205.7 billion from their estates to family, other heirs, charity, estates taxes and estate fees.
- North Dakotans will give \$67.2 billion to charity between 2001 and 2055 - \$39.5 billion will be given as charitable bequests, \$27.7 billion will be given by donors during their lifetimes.

**Transferred Wealth – North Dakota vs. Nation**

North Dakotans are expected to transfer a greater percentage of their final estates to government in the form of estate taxes and less to family and other heirs than their national counterparts.

The study confirms that:

- 1) Estate Taxes consume more wealth in North Dakota
- 2) The Nation transfers more wealth to family & heirs
- 3) North Dakotans transfer more wealth to Charity

With strong consideration given to this current study I would ask that we, as a state, become innovative. We need to find new ways to provide opportunity for enhanced philanthropy that allows donors quality options in their estate planning and philanthropy. Real Estate in North Dakota will be one of the highest wealth transfer areas. Creating innovative opportunities like what Rob and Leanne Jordahl have proposed opens the door for greater charitable giving across the state including our rural and farming communities.

Rob and Leanne Jordahl are shining examples of philanthropists. Not only are they donating a brand new house, but they are maximizing the fundraising opportunity by turning it into a raffle with proceeds from the tickets going to two non-profits. They are effectively tripling the benefit of this already wonderful contribution.

We respectfully ask for your support of SB 2140 that will allow North Dakotans more innovative ways to transfer their wealth as it pertains to real estate.

**YWCA 2006 Percent of Revenue for Emergency Shelter & Transitional Housing Programs:**

- 34% Individuals, Business, Churches & Organizations
- 33% Government Funding – Federal, State and Local  
*(17% from HUD-Housing & Urban Development- for Transitional Housing program)*
- 17% United Way
- 8% Foundations & Grants
- 8% Events & other income

**YWCA Statistics**

The YWCA Cass Clay is the largest emergency shelter in North Dakota and Northwest Minnesota. We provided a safe haven to over 1,400 women and children in 2006 – our highest annual number served in our 100 year history.

Three main reasons why women and children seek our sheltering embrace

- 1) Domestic Violence
- 2) Homelessness
- 3) Economic Devastation

In 2006, we provided a safe haven to 947 women and children from North Dakota.

Att #4  
1-15-07

**Chairman Nething & members of the Senate Judiciary  
Committee**

**My name is Warren DeKrey, Chrm. Of the ND Council on  
Gambling Problems**

**I appear in opposition to SB 2140**

**This bill would add Real Estate as an additional prize to  
Raffles. This may seem to be a small change but past history of  
gambling is repleat with these small changes which continue to  
create an ever expanding gambling scene. As one form of  
gambling expands another group also expands to be able  
compete.**

**This is more about gambling than about charity.**

**As Governor Link has stated, "Gambling has an insatiable  
appetite that is never satisfied".**

**I would urge a no vote on SB 2140**

Att # 5  
1-15-07

## **Gambling Approved Since 1977**

- 1977** **Punch Boards**
  - Pull Tabs**
  - Raffles**
  - Bingo**
  - Allowable Expenses – 33%**
- 1978** **Sports Pools**
- 1981** **Twenty One**
- 1983** **Allowable Expenses – 35%**
- 1985** **Allowable Expenses -- 40%**
- 1987** **Allowable Expenses -- 45%**
  - Raffle Wheels**
  - Horse Racing**
  - Poker**
- 1989** **Calcuttas**
  - Twenty One bets raised to \$25**
  - Off Track Betting**
  - Slot Machines – Casinos**
  - Allowance Expenses – 50%**
- 2001** **Black Jack bets raised to \$25**
  - Allowable Expenses – up to 53%**
- 2003** **Lottery approved**
  - Power Ball**
  - Hot Lotto**
  - Wild Card 2**
  - 2 by 2**

Att #6  
1-15-07

Office of Attorney General  
History of Raffle Law Changes  
January 15, 2007

Keith Lower

1977

Raffle first legalized as a game type for charitable organizations.

1983

Merchandise prizes for raffles restricted to any property which may be legally owned and possessed, but not real estate. Single cash prize limit for a raffle restricted to \$500 with an aggregate of no more than \$500 in total cash prizes awarded during any day.

1989

Single cash prize limit increased to \$1,000 per day and the daily cash prize aggregate for raffles increased to \$3,000.

2005

A provision was added which allows a licensed organization on not more than one occasion per year, at the request of the winning player, to exchange a merchandise prize valued at not more than \$25,000 for a cash prize.

Att #Ca



Department of the Treasury  
Internal Revenue Service

**Publication 561**  
(Rev. October 2005)  
Cat. No. 15109Q

# Determining the Value of Donated Property

*Find this on the Internet*



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## Introduction

This publication is designed to help donors and appraisers determine the value of property (other than cash) that is given to qualified organizations. It also explains what kind of information you must have to support the charitable contribution deduction you claim on your return. This publication does not discuss how to figure the amount of your deduction for charitable contributions or written records and substantiation required. See Publication 526, *Charitable Contributions*, for this information.

**Comments and suggestions.** We welcome your comments about this publication and your suggestions for future editions. You can write to us at the following address:

Internal Revenue Service  
Individual Forms and Publications Branch  
SE:W:CAR:MP:T:I  
1111 Constitution Ave. NW, IR-6406  
Washington, DC 20224

Find this on the Internet

75

# Instructions for Form 8283



Department of the Treasury  
Internal Revenue Service

(Rev. December 2005)

## Noncash Charitable Contributions

### General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

#### What's New

- For contributions made after 2004, new rules apply to any donation of a motor vehicle, boat, or airplane. You must attach to your tax return Form 1098-C or other acknowledgment from the donee organization. If the organization sells the vehicle, your deduction may be limited to the gross proceeds from the sale. See *Qualified Vehicle Donations* on page 3.
- A C corporation generally must get an appraisal for property donated after June 3, 2004, if the deduction claimed for the donation is more than \$5,000.
- If you claim a deduction of more than \$500,000 for property donated after June 3, 2004, you generally must attach a qualified appraisal of the property to your return.
- An appraisal is not required if you donated inventory or intellectual property (such as a patent) after June 3, 2004.

#### Purpose of Form

Use Form 8283 to report information about noncash charitable contributions.

Do not use Form 8283 to report out-of-pocket expenses for volunteer work or amounts you gave by check or credit card. Treat these items as cash contributions. Also, do not use Form 8283 to figure your charitable contribution deduction. For details on how to figure the amount of the deduction, see your tax return instructions.

#### Who Must File

You must file Form 8283 if the amount of your deduction for all noncash gifts is more than \$500. For this purpose, "amount of your deduction" means your deduction before applying any income limits that could result in a carryover. The carryover rules are explained in Pub. 526, Charitable Contributions. Make any required reductions to fair market value (FMV) before you determine if you must file Form 8283. See *Fair Market Value (FMV)* beginning on page 2.

Form 8283 is filed by individuals, partnerships, and corporations.

**Note.** C corporations, other than personal service corporations and closely held corporations, must file Form 8283 only if the amount claimed as a deduction is more than \$5,000.

**Partnerships and S corporations.** A partnership or S corporation that claims a deduction for noncash gifts of more than \$500 must file Form 8283 with Form 1065, 1065-B, or 1120S.

If the total deduction of any item or group of similar items is more than \$5,000, the partnership or S corporation must complete Section B of Form 8283 even

if the amount allocated to each partner or shareholder is \$5,000 or less.

The partnership or S corporation must give a completed copy of Form 8283 to each partner or shareholder receiving an allocation of the contribution deduction shown in Section B of the Form 8283 of the partnership or S corporation.

**Partners and shareholders.** The partnership or S corporation will provide information about your share of the contribution on your Schedule K-1 (Form 1065 or 1120S). If you received a copy of Form 8283 from the partnership or S corporation, attach a copy to your tax return. Use the amount shown on your Schedule K-1, not the amount shown on the Form 8283, to figure your deduction.

If the partnership or S corporation is not required to give you a copy of its Form 8283, combine the amount of noncash contributions shown on your Schedule K-1 with your other noncash contributions to see if you must file Form 8283. If you need to file Form 8283, you do not have to complete all the information requested in Section A for your share of the partnership's or S corporation's contributions. Complete only column (g) of line 1 with your share of the contribution and enter "From Schedule K-1 (Form 1065 or 1120S)" across columns (c)-(f).

#### When To File

File Form 8283 with your tax return for the year you contribute the property and first claim a deduction.

#### Which Sections To Complete

If you must file Form 8283, you may have to complete Section A, Section B, or both, depending on the type of property donated and the amount claimed as a deduction.

**Section A.** Include in Section A only the following items.

1. Items (or groups of similar items as defined on page 2) for which you claimed a deduction of \$5,000 or less per item (or group of similar items).
2. The following publicly traded securities even if the deduction is more than \$5,000:
  - a. Securities listed on an exchange in which quotations are published daily,
  - b. Securities regularly traded in national or regional over-the-counter markets for which published quotations are available, or
  - c. Securities that are shares of a mutual fund for which quotations are published on a daily basis in a newspaper of general circulation throughout the United States.

**Section B.** Include in Section B only items (or groups of similar items) for which you claimed a deduction of more than \$5,000. Do not include publicly traded securities reportable in Section A. With certain exceptions, items reportable in Section B require a written appraisal by a qualified appraiser.

7c

### Noncash Charitable Contributions

▶ Attach to your tax return if you claimed a total deduction of over \$500 for all contributed property.

▶ See separate instructions.

OMB No. 1545-0908

Attachment  
Sequence No. **155**

Name(s) shown on your income tax return

Identifying number

**Note.** Figure the amount of your contribution deduction before completing this form. See your tax return instructions.

**Section A. Donated Property of \$5,000 or Less and Certain Publicly Traded Securities**—List in this section only items (or groups of similar items) for which you claimed a deduction of \$5,000 or less. Also, list certain publicly traded securities even if the deduction is more than \$5,000 (see instructions).

**Part I Information on Donated Property**—If you need more space, attach a statement.

1	(a) Name and address of the donee organization	(b) Description of donated property (For a donated vehicle, enter the year, make, model, condition, and mileage.)
A		
B		
C		
D		
E		

**Note.** If the amount you claimed as a deduction for an item is \$500 or less, you do not have to complete columns (d), (e), and (f).

	(c) Date of the contribution	(d) Date acquired by donor (mo., yr.)	(e) How acquired by donor	(f) Donor's cost or adjusted basis	(g) Fair market value (see instructions)	(h) Method used to determine the fair market value
A						
B						
C						
D						
E						

**Part II Partial Interests and Restricted Use Property**—Complete lines 2a through 2e if you gave less than an entire interest in a property listed in Part I. Complete lines 3a through 3c if conditions were placed on a contribution listed in Part I; also attach the required statement (see instructions).

**2a** Enter the letter from Part I that identifies the property for which you gave less than an entire interest ▶ \_\_\_\_\_  
If Part II applies to more than one property, attach a separate statement.

**b** Total amount claimed as a deduction for the property listed in Part I: **(1)** For this tax year ▶ \_\_\_\_\_  
**(2)** For any prior tax years ▶ \_\_\_\_\_

**c** Name and address of each organization to which any such contribution was made in a prior year (complete only if different from the donee organization above):

Name of charitable organization (donee) \_\_\_\_\_

Address (number, street, and room or suite no.) \_\_\_\_\_

City or town, state, and ZIP code \_\_\_\_\_

**d** For tangible property, enter the place where the property is located or kept ▶ \_\_\_\_\_

**e** Name of any person, other than the donee organization, having actual possession of the property ▶ \_\_\_\_\_

**3a** Is there a restriction, either temporary or permanent, on the donee's right to use or dispose of the donated property? . . . . .

Yes	No

**b** Did you give to anyone (other than the donee organization or another organization participating with the donee organization in cooperative fundraising) the right to the income from the donated property or to the possession of the property, including the right to vote donated securities, to acquire the property by purchase or otherwise, or to designate the person having such income, possession, or right to acquire? . . . . .


**c** Is there a restriction limiting the donated property for a particular use? . . . . .


Name(s) shown on your income tax return

Identifying number

Section B. Donated Property Over \$5,000 (Except Certain Publicly Traded Securities)—List in this section only items (or groups of similar items) for which you claimed a deduction of more than \$5,000 per item or group (except contributions of certain publicly traded securities reported in Section A). An appraisal is generally required for property listed in Section B (see instructions).

Part I Information on Donated Property—To be completed by the taxpayer and/or the appraiser.

4 Check the box that describes the type of property donated:

- Art\* (contribution of \$20,000 or more)
Art\* (contribution of less than \$20,000)
Collectibles\*\*
Qualified Conservation Contribution
Other Real Estate
Intellectual Property
Equipment
Securities
Other

\*Art includes paintings, sculptures, watercolors, prints, drawings, ceramics, antiques, decorative arts, textiles, carpets, silver, rare manuscripts, historical memorabilia, and other similar objects.

\*\*Collectibles include coins, stamps, books, gems, jewelry, sports memorabilia, dolls, etc., but not art as defined above.

Note. If your total art contribution was \$20,000 or more, you must attach a complete copy of the signed appraisal. If your deduction for any donated property was more than \$500,000, you must attach a qualified appraisal of the property. See instructions.

Table with 3 main columns: (a) Description of donated property, (b) Physical condition, (c) Appraised fair market value. Includes sub-tables for (d) Date acquired, (e) How acquired, (f) Donor's cost, (g) Bargain sales, (h) Amount claimed, (i) Average trading price.

Part II Taxpayer (Donor) Statement—List each item included in Part I above that the appraisal identifies as having a value of \$500 or less. See instructions.

I declare that the following item(s) included in Part I above has to the best of my knowledge and belief an appraised value of not more than \$500 (per item). Enter identifying letter from Part I and describe the specific item. See instructions.

Signature of taxpayer (donor)

Date

Part III Declaration of Appraiser

I declare that I am not the donor, the donee, a party to the transaction in which the donor acquired the property, employed by, or related to any of the foregoing persons, or married to any person who is related to any of the foregoing persons. And, if regularly used by the donor, donee, or party to the transaction, I performed the majority of my appraisals during my tax year for other persons.

Also, I declare that I hold myself out to the public as an appraiser or perform appraisals on a regular basis; and that because of my qualifications as described in the appraisal, I am qualified to make appraisals of the type of property being valued. I certify that the appraisal fees were not based on a percentage of the appraised property value. Furthermore, I understand that a false or fraudulent overstatement of the property value as described in the qualified appraisal or this Form 8283 may subject me to the penalty under section 6701(a) (aiding and abetting the understatement of tax liability). I affirm that I have not been barred from presenting evidence or testimony by the Office of Professional Responsibility.

Sign Here

Signature

Title

Date

Business address (including room or suite no.)

Identifying number

City or town, state, and ZIP code

Part IV Donee Acknowledgment—To be completed by the charitable organization.

This charitable organization acknowledges that it is a qualified organization under section 170(c) and that it received the donated property as described in Section B, Part I, above on the following date

Furthermore, this organization affirms that in the event it sells, exchanges, or otherwise disposes of the property described in Section B, Part I (or any portion thereof) within 2 years after the date of receipt, it will file Form 8282, Donee Information Return, with the IRS and give the donor a copy of that form. This acknowledgment does not represent agreement with the claimed fair market value.

Does the organization intend to use the property for an unrelated use? Yes No

Form fields for Donee Acknowledgment: Name of charitable organization, Employer identification number, Address, City or town, state, and ZIP code, Authorized signature, Title, Date.

Testimony of Nukhet Hendricks  
Executive Director  
Fargo - Moorhead Humane Society  
1201 28<sup>th</sup> Ave N  
Fargo ND 58102  
W- 701-239-0077  
C- 701-238-7227

Speaking in Support for Senate Bill No. 2140

**An Act to Amend and Re-enact Section 53-06.1-10.1 of the North Dakota Century Code, relating raffle prizes; and to declare an emergency**

Sponsored By Senator N. Hacker and Representative R. Kelsch

BEFORE THE HOUSE JUDICIARY COMMITTEE

January 31, 2007

Representative DeKrey, members of the Judiciary Committee. I am Nukhet Hendricks, Executive Director of FM Humane Society, speaking in support of Senate Bill No. 2140 - An Act to Amend and Re-enact Section 53-06.1-10.1 of the North Dakota Century Code, relating raffle prizes; and to declare an emergency.

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Corporate giving is an estimated \$1.38 billion. This report is a clear indication that we are a country of philanthropists and given the opportunity, this nation will give, and give generously to meet the needs of the society.

As a representative of an organization that provides humane service, but not human service, I can attest to the fact that organizations that provide "humane" service but not human service, depend even more so on individual and corporate giving, because the government funding or foundation grants are not always readily available or too far and few in between for animal welfare organizations; therefore making collaboration between nonprofits, philanthropic individuals and businesses even more strategically important.

There is a local philanthropic business that cares about the safety and humane treatment of animals as well as safety and humane treatment of women and children and would like to help the FM Humane Society and YWCA to continue their work. This is not a random choice of two organizations. There is an established connection between animal abuse and human abuse. Those who engage in abusing humans start their cycle of violence with abusing animals. 71% of pet-owning women seeking shelter at safe houses have reported that their partner had threatened and/or actually hurt or killed one or more of their pets. Animal abuse is an early indicator of a chaotic household where the safety of women and/or children is compromised.

This local business, in a true American spirit, would like to provide these two organizations the opportunity to help themselves to continue their work. This is not about just donating a real estate to these organizations to raffle. This is also providing publicity and awareness to these organizations and bringing their need for community support to the attention of the people.

I strongly believe that Bill 2140, An Act to Amend and Re-enact Section 53-06.1-10.1 of the North Dakota Century Code, relating raffle prizes; and to declare an emergency is exciting and groundbreaking. Not only will it provide funding opportunities to FM Humane Society and YWCA, it will also bring awareness to the connection between animal abuse and human abuse. And imagine the positive impact this will have on charitable giving in many years to come!

I thank the sponsors of Bill 2140; Senator N. Hacker and Representative R. Kelsch as well as the Judiciary Committee for your time.

I will answer any questions that you may have at this time.

Senate Bill No. 2140  
History of Raffle Law Changes  
January 31, 2007

Prepared by the Office  
of Attorney General

**1977**

Raffles first legalized as a charitable game type for eligible organizations.

**1983**

Merchandise prizes for raffles restricted to any property which may be legally owned and possessed, but not real estate. Single cash prize limit for a raffle restricted to \$500 with an aggregate of no more than \$500 in total cash prizes awarded during any day.

**1989**

Single cash prize limit increased to \$1,000 per day and the daily cash prize aggregate for raffles was increased to \$3,000.

**2005**

A provision was added allowing a licensed organization on not more than one occasion per year, at the request of the winning player, to exchange a merchandise prize valued at not more than \$25,000 for a cash prize.

**HOUSE BILL NO. 1263**

*Senate Bill No. 2140*

**January 30, 2007**

\*\*\*\*\*

**Testimonial from: Dawn Cruff-Kartes  
Vice President  
Jordahl Custom Homes, Inc.  
(701)234-0404**

\*\*\*\*\*

**Attachment:**

	<b>City of West Fargo</b>
<b>Page 1</b>	<b>Building Permit Application</b>
<b>Page 2</b>	<b>Lot Grading Plan</b>
<b>Page 3</b>	<b>Storm Water Management Permit</b>
<b>Page 4</b>	<b>Water/Sewer Service</b>
<b>Page 5</b>	<b>Building Permit #664</b>
<b>Page 6</b>	<b>Building Inspection Request</b>
<b>Page 7</b>	<b>Location of Model Home designated Westport Beach Addition Map West Fargo, ND</b>
<b>Page 8</b>	<b>Site Plan</b>
<b>Page 9</b>	<b>Blueprint of Model Home</b>

**CITY OF WEST FARGO  
BUILDING PERMIT APPLICATION**

**BUILDING PERMIT # 664**

SPECIAL FLOOD HAZARD [ ] IN [X] OUT

FLOOD PROTECTION ELEVATION

FLOOD BASE ELEVATION

**JOB ADDRESS** 4422 10th Street West      **DATE** 08-15-06      **COST \$** 112000.00

**LEADING DESCRIPTION** Lot 18, Block 6,      [ ] SEE  
**LOT-BLOCK-ADDITION** Westport Beach 1st Addition      **ATTACHED SHEET**

**OWNER:** Jordahl Custom Homes      **CON'TR:** Owner  
4315 Riverwood Drive  
Fargo, ND 58102      PH234-0404      PH

**DESIGNER:**      **REG. NO.**

**CLASS OF WORK** [X] NEW [ ] ADDITION [ ] REPAIR [ ] ALTERATIONS [ ] MOVE [ ] DEMOLISH

**DESCRIPTION** Build single family dwelling with family room only in lower level.  
**OF WORK:** 18.9% lot coverage.

**SUB-CONTRACTORS**      **HEATING:** Home Heating  
**PLUMBING:** G & T Plumbing      **FOUNDATION:** Kraft Concrete  
**ELECTRICAL:** Houska Electric      **OTHERS:** Plath Exc.

**LOT: ZONE** R-1A **AREA** 8625      **SQ FT**      **YARD: FRONT** 25      **FT SIDE** 6/6      **FT BACK** 30      **FT**

**OFF STREET PARKING:** COVERED 2      SPACES      UNCOVERED 2      SPACES

**BUILDING: CONST. TYPE** V B      **USE** House      **NO. UNITS** 1      **OCC GROUP** R-3  
W 49 FT **DEPTH** 51      **FT AREA** 1628      **SQ FT**      **HEIGHT** 18      **FT STORIES** BL  
**TREATED PLATES REQ'D** [X]      **FOUNDATION:** Concrete      **ROOF:** Asphalt  
**EGRESS WINDOW REQ'D** [X]      **WATER HTR.:** Electric      **HEATING:** Gas F. Air  
**WOOD BURNING APPL.** [ ]      **FIRE SPRKLR** [ ]      **SMOKE DETECTORS** [X]      **AIR COND.** [ ]

**NOTICE:** FEDERAL LAW MAY REQUIRE THIS CONSTRUCTION PROJECT TO CONFORM WITH THE AMERICANS WITH DISABILITES ACT ACCESSIBILITY GUIDELINES FOR BUILDINGS AND FACILITIES.  
CONTRACTOR SHALL CALL FOR FOOTING, FOUNDATION, FRAMING, AND FINAL INSPECTIONS.  
ALL CONCRETE TOUCHING GRADE SHALL BE ALKALI RESISTANT.  
SEPARATE PERMITS ARE REQUIRED FOR ELECTRICAL, PLUMBING, HEATING, VENTILATING, AIR CONDITIONING, OR WOOD BURNING APPLIANCES.  
THIS PERMIT BECOMES NULL AND VOID IF WORK OR CONSTRUCTION AUTHORIZED IS NOT COMMENCED WITHIN 120 DAYS, OR IF WORK OR CONSTRUCTION IS SUSPENDED OR ABANDONED FOR A PERIOD OF 120 DAYS AT ANY TIME AFTER WORK IS COMMENCED.  
I HEREBY CERTIFY THAT I HAVE READ AND EXAMINED THIS APPLICATION AND KNOW THE SAME TO BE TRUE AND CORRECT. ALL PROVISIONS OF LAWS AND ORDINANCES GOVERNING THIS TYPE OF WORK WILL BE COMPLIED WITH WHETHER SPECIFIED HEREIN OR NOT. THE GRANTING OF A PERMIT DOES NOT PRESUME TO GIVE AUTHORITY TO VIOLATE OR CANCEL THE PROVISIONS OF ANY OTHER STATE OR LOCAL LAW REGULATING CONSTRUCTION OR THE PERFORMANCE OF CONSTRUCTION.

*Richard J. [Signature]*      9/5/06  
SIGNATURE OF CONTRACTOR      DATE  
OR AUTHORIZED AGENT

\_\_\_\_\_  
SIGNATURE OF OWNER      DATE  
(IF OWNER BUILDER)

*[Signature]*      8/16/05  
BUILDING OFFICIAL      DATE

\_\_\_\_\_  
COMMISSIONER      DATE

# LOT GRADING PLAN

## Description

Lot 18 Block 6 Subdivision Westport Beach 1st Addition

Address 4422 10th Street West

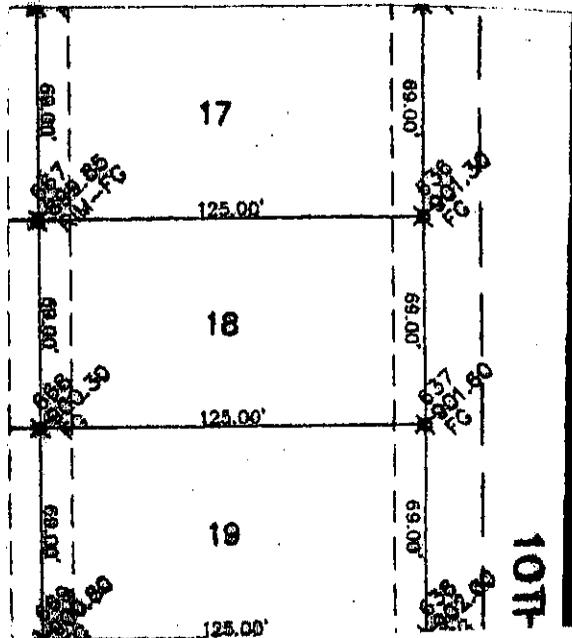
Owner Jordahl Custom Homes

Contractor Jordahl Custom Homes

Signature *Michael J. Mc* Date 9/5/06

\*The minimum recommended finished ground grade on ALL residential houses with a normal 25-35 foot set back behind property lines is 27" above Curb Grade.

\*For residential buildings set back more than 30 feet behind the property line grade elevation should be raised at a 5% slope for additional set back distance.





# The City of West Fargo

## Storm Water Management Permit



### General Information

Site Address: <u>4422 10th St - W.</u>		Acres:	Date: <u>8/15/06</u>
Lot: <u>18</u>	Block: <u>6</u>	Subdivision: <u>Westport beach</u>	
Owner/General Contractor: <u>Jordahl Custom Homes, Inc.</u>		Phone: <u>701-234-0404</u>	
Address: <u>4315 Riverwood Drive, Fargo, ND 58102</u>		Fax: <u>701-282-4342</u>	

### Permit Information

<input checked="" type="checkbox"/> New Single Family / Two Family Residential  <input checked="" type="checkbox"/> Sidewalk / Driveway  <input type="checkbox"/> Other _____	<b>Erosion Control Plan</b> <input type="checkbox"/> Type A <input type="checkbox"/> Type B <input checked="" type="checkbox"/> Type C <input type="checkbox"/> Other* <u>Storm Water Plan w/ Agassiz hand management</u>
<input type="checkbox"/> Commercial* (Site Plan and Storm Water Pollution Prevention Plan Required)	
<b>Description of Work</b> <u>Build new Single Family home to meet code + specifications</u>	
<input checked="" type="checkbox"/> Active Building Permit <input type="checkbox"/> Active NDPDES General Permit _____	

\* Permit / Plans to be approved by City of West Fargo Public Works Department

I hereby certify that I have received and reviewed a copy of the Storm Water Management Standards for Single or Two Family Residential Construction for the City of West Fargo and I am responsible for implementing, maintaining, and monitoring the effectiveness of the storm water management standards during construction on the lots listed above. I also understand that I may need to supplement or modify implemented protection measures as site conditions develop to control on-site erosion and ensure all site runoff is adequately treated by storm water controls. I will also be responsible for the actions of all subcontractors and delivery personnel at the worksite.

Owner / Contractor Signature *Michael [Signature]*      Date 8/15/06

### City Use Only

Permit Number:	Date Issued:	Date Expired:
Approved By:	Fee:	
Building Permit Number:	<u>Permit Fee Schedule</u> 0 - 3 acres \$15 with a \$5 per acre additional fee for those over 3 acres. All acreage rounded UP to nearest acre.	

BLOCK 6 LOT 18

SUB-DIVISION Westport Beach Phase-2

ADDRESS 4422 10<sup>th</sup> St West



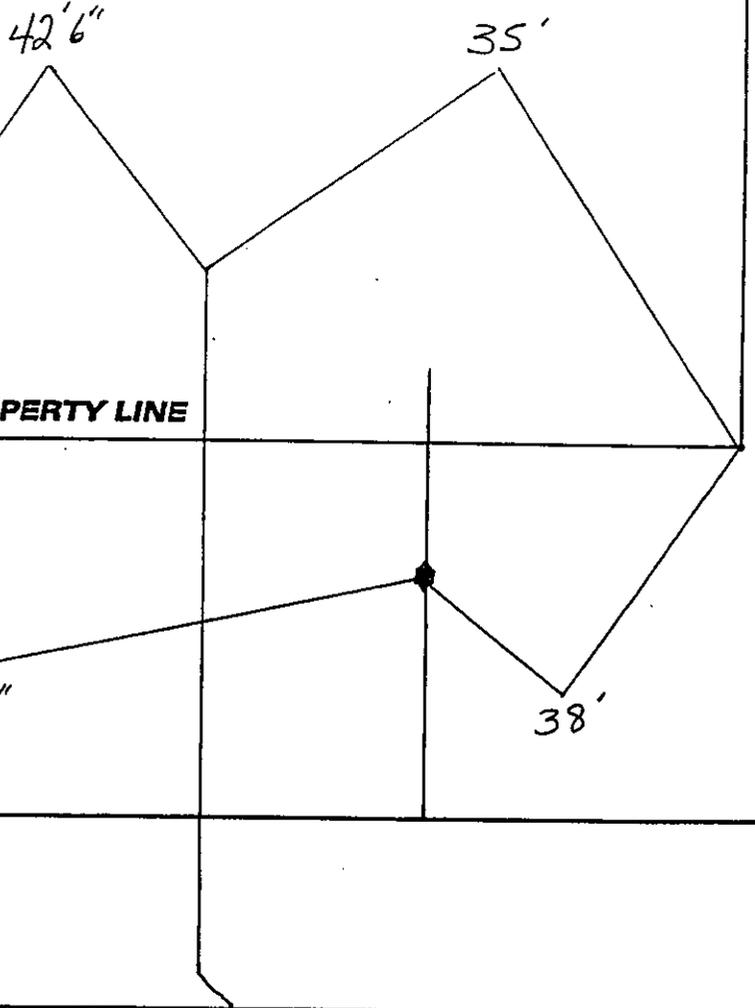
PREPARED BY:

moore engineering inc.  
west port, north carolina



NORTH

HOUSE



WATER MAIN

8" C-900  
SIZE TYPE

SANITARY MAIN

8" SDR 35  
SIZE TYPE

**PROJECT INFO**

PROJECT NO. 11815-2

DATE TIED: 11-10-04

BY: Dwight Schutt

**LEGEND**

- PROPERTY PIN
- CURB STOP
- GATE VALVE
- MANHOLE
- HYDRANT
- BACK OF CURB

**WATER SERVICE**

STATION \_\_\_\_\_

M.H. STATION \_\_\_\_\_

FROM MH \_\_\_\_\_

LENGTH \_\_\_\_\_

SERVICE \_\_\_\_\_ " \_\_\_\_\_

SIZE TYPE

**SEWER SERVICE**

STATION \_\_\_\_\_

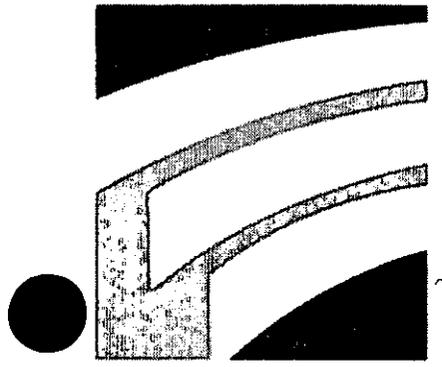
M.H. STATION \_\_\_\_\_

FROM MH \_\_\_\_\_

LENGTH \_\_\_\_\_

SERVICE \_\_\_\_\_ " \_\_\_\_\_

SIZE TYPE



*City of*  
**WEST  
FARGO**

**BUILDING  
PERMIT**

NOTICE: This permit must be placed in a conspicuous place on the premises and shall not be removed except by the Building Official, or when project is completed.

PERMIT NO. **664** OCCUPANCY **R-3**

OWNER **Jordahl Custom Homes**

4422 10<sup>th</sup> Street West

LOCATION **Lot 18, Block 6, Westport Beach 1<sup>st</sup> Addition**

TYPE OF

WORK **Single family dwelling.**

CONTRACTOR **Owner**

DATE **8/16/06**

CITY OF WEST FARGO  
BUILDING INSPECTION REQUEST

BUILDING PERMIT # 664

SPECIAL FLOOD HAZARD [ ] IN [X] OUT

FLOOD PROTECTION ELEVATION

FLOOD BASE ELEVATION

JOB ADDRESS 4422 10th Street West DATE 08-15-06 COST \$ 112000.00

LEGAL DESCRIPTION Lot 18, Block 6, [ ] SEE  
LOT-BLOCK-ADDITION Westport Beach 1st Addition ATTACHED SHEET

OWNER: Jordahl Custom Homes CON'TR: Owner  
4315 Riverwood Drive  
Fargo, ND 58102 PH.234-0404 PH.

DESIGNER: REG. NO.

CLASS OF WORK [X]NEW [ ]ADDITION [ ]REPAIR [ ]ALTERATIONS [ ]MOVE [ ]DEMOLISH

DESCRIPTION: Build single family dwelling with family room only in lower level.  
OF WORK: 18.9% lot coverage.

SUB-CONTRACTORS HEATING: Home Heating  
PLUMBING: G & T Plumbing FOUNDATION: Kraft Concrete  
ELECTRICAL: Houska Electric OTHERS: Plath Exc.

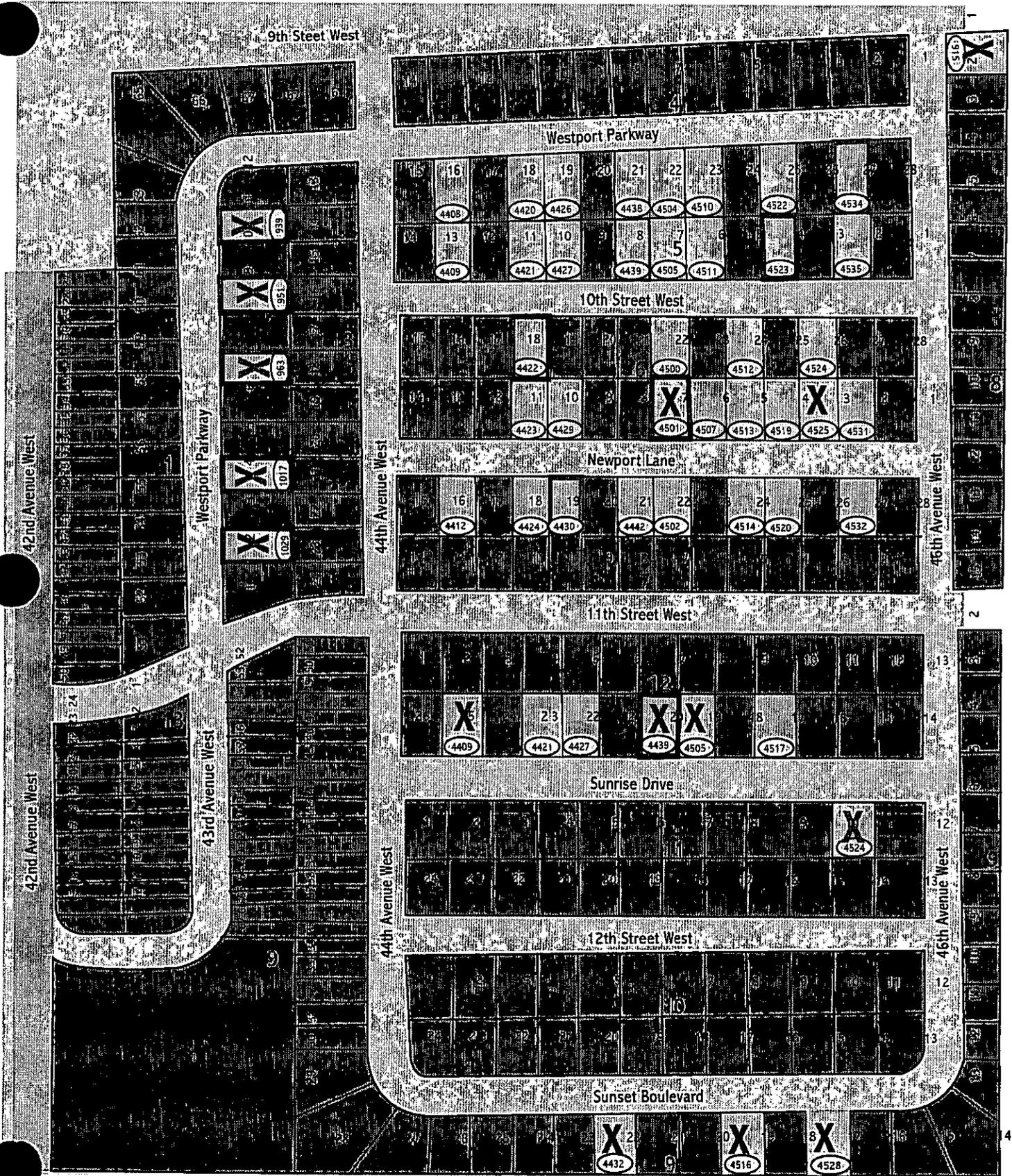
LOT: ZONE R-1A AREA 8625 SQ FT YARD: FRONT 25 FT SIDE 6/6 FT BACK 30 FT

OFF STREET PARKING: COVERED 2 SPACES UNCOVERED 2 SPACES

FOUNDING: CONST. TYPE V B USE House NO. UNITS 1 OCC GROUP R-3  
WIDTH 49 FT DEPTH 51 FT AREA 1628 SQ FT HEIGHT 18 FT STORIES BL  
TREATED PLATES REQ'D [X] FOUNDATION: Concrete ROOF: Asphalt  
EGRESS WINDOW REQ'D [X] WATER HTR.: Electric HEATING: Gas F. Air  
WOOD BURNING APPL. [ ] FIRE SPKLR [ ] SMOKE DETECTORS [X] AIR COND. [ ]

TAKEN BY \_\_\_\_\_ TIME TAKEN \_\_\_\_\_ TIME READY \_\_\_\_\_ REQUESTED BY \_\_\_\_\_

BUILDING INSPECTIONS  
FOOTING C 08-17-06 BY \_\_\_\_\_  
FNDTN C 08-24-06 BY \_\_\_\_\_  
FRAMING C 01-08-07 BY \_\_\_\_\_  
FINAL BY \_\_\_\_\_  
PLUMBING INSPECTIONS  
O/S S&W C 08-16-06 BY \_\_\_\_\_  
GR WORK BY \_\_\_\_\_  
W& VENT BY \_\_\_\_\_  
HEATING INSPECTIONS  
FURNACE C 12-19-06 (gas); 12-28-06 (gas & duct) BY \_\_\_\_\_  
WTR HTR BY \_\_\_\_\_  
FIREPL BY \_\_\_\_\_  
GAS HOOKUP BY \_\_\_\_\_  
CIVIL INSPECTIONS  
SIDEWALK BY \_\_\_\_\_  
APPROACH C 09-06-06 BY \_\_\_\_\_  
STREET TAP BY \_\_\_\_\_  
STREET REPAIR BY \_\_\_\_\_  
MENTS



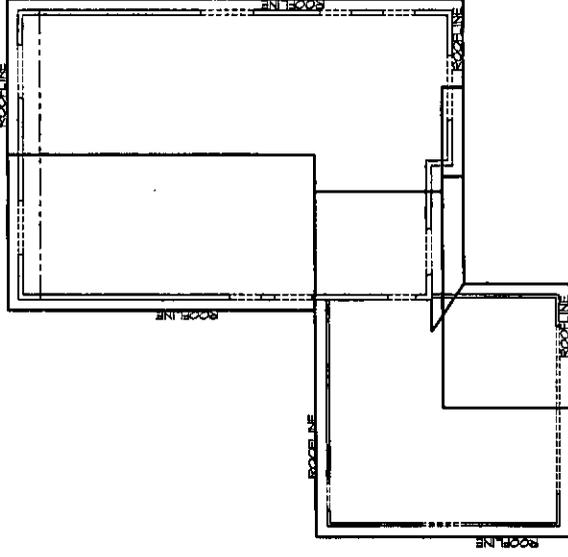
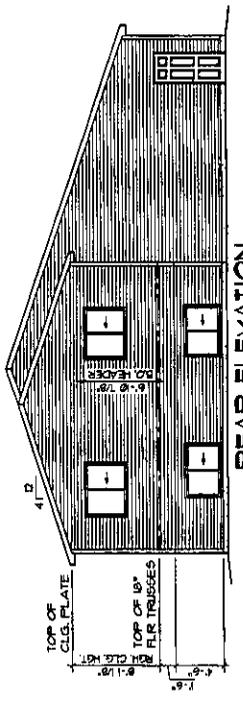
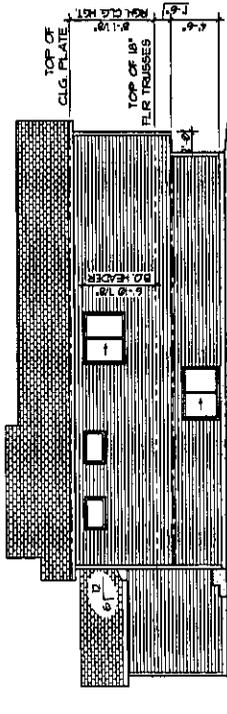
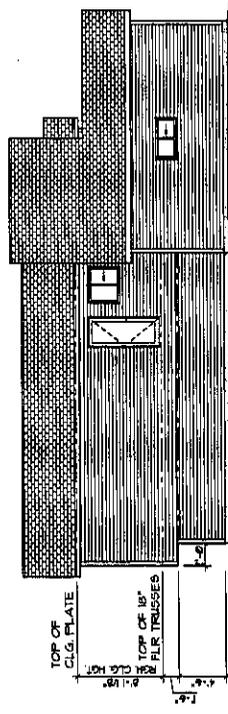
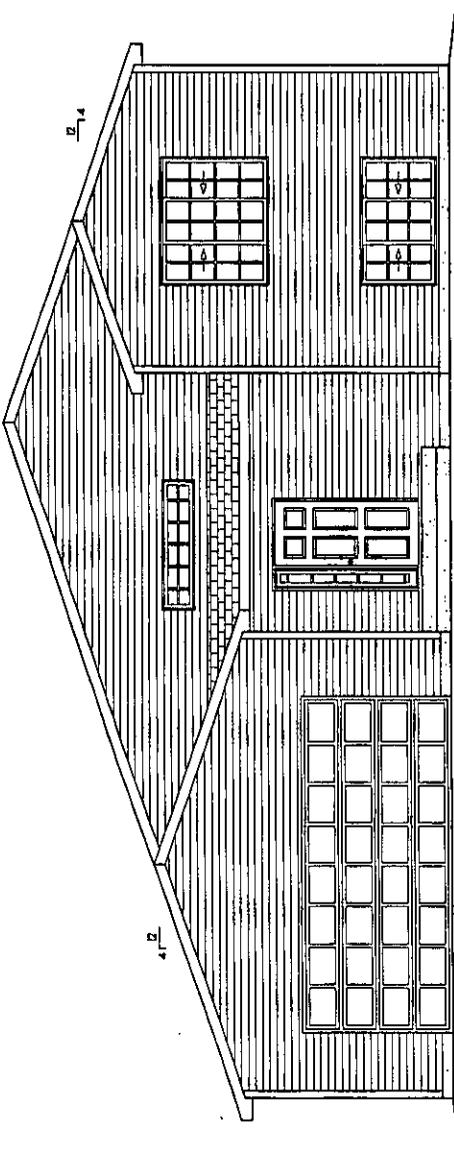
Jordahl Lots    Spec    X Sold



FINAL DRAWING FOR CONSTRUCTION  
CUSTOMER APPROVAL: \_\_\_\_\_  
DATE: \_\_\_\_\_  
CONTRACTOR APPROVAL: \_\_\_\_\_  
DATE: \_\_\_\_\_

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SHEET DESCRIPTION:  
BUILDING EXTERIOR ELEVATIONS  
ROOF PLAN LAYOUT  
HOUSE TYPE OR DESCRIPTION:  
4422 10th - BI LEVEL - 2 STALLS



**NOTES:**

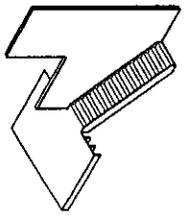
1. FOTER PLATE/CEILING HIB (VERIFY?)
2. STAIRWAY/LIVING ROOM 4 KITCHEN HAVE VAULTED CEILINGS
3. VERIFY STAIRCASE MATERIAL
4. ALL ROOF PITCHES ABOVE ENTRY IS TO BE 6/12 WITH 0" OVERHANGS. ALL PILLAR HEADERS NEEDED TO SUPPORT ROOF LOADS WITH TRUSS MANUFACTURE
5. CONTRACTOR MUST VERIFY ALL WINDOW & DOOR HEADER SIZES WITH TRUSS MANUFACTURE
6. BEAM OVER FOTER & STANDARD HEADER HEIGHT TO SUPPORT ROOF TRUSSES
7. VERIFY KITCHEN CABINET LAYOUT WITH CABINET MANUFACTURE & SIZES WITH TRUSS MANUFACTURE
8. VERIFY ALL VERTICAL BEAMS IN ROOF SYSTEM (SIZED & TO BE SUPPLIED BY TRUSS MANUFACTURE)
9. BOTTOM OF ALL WINDOW HEADERS & 6-10 1/2" VERIFY HEADER MATERIALS
10. VERIFY ALL ROOF CONTRACTOR (SUPPLIED BY OTHERS)
11. VERIFY CONTRACTOR AND ALL GIRLIES ON WINDOWS (FRONT ONLY) WITH
12. ALL 8-0" OVERHANGS OR LARGER MUST HAVE (7) JACK STUDS ON EACH END OF WINDOW HEADERS ACCORDING TO IRC 2003 CODE BOOK (PAGE 63, TABLE 502.2(1))
13. ADD BACKING FOR HANDRAIL
14. VERIFY TRUSS LOCATION FOR PLUMBING INTERFERENCE

**STAIRS:**

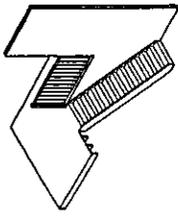
- LANDING TO UPPER**
- 0 RISERS \* 11'-0"
  - 1 TREADS \* 9'-0" (ROUGH CUT)
  - 02 3/8" FLOOR TO FLOOR
- LANDING TO LOWER**
- 1 RISERS \* 8'-0" (ROUGH CUT)
  - 01 1/2" FLOOR TO SLAB

914.43 SQFT UPPER LEVEL  
 1015.1 SQFT FOTER/STAIRS-LANDING  
 100.00 SQFT TOTAL UPPER LEVEL  
 479.00 SQFT TOTAL GARAGE

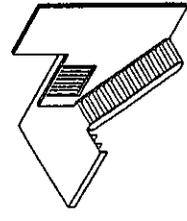
FINAL DRAWING FOR CONSTRUCTION  
 CUSTOMER APPROVAL: \_\_\_\_\_  
 DATE: \_\_\_\_\_  
 CONTRACTOR APPROVAL: \_\_\_\_\_  
 DATE: \_\_\_\_\_



HALF WALL W/ CAP



FULL OPEN RAILING

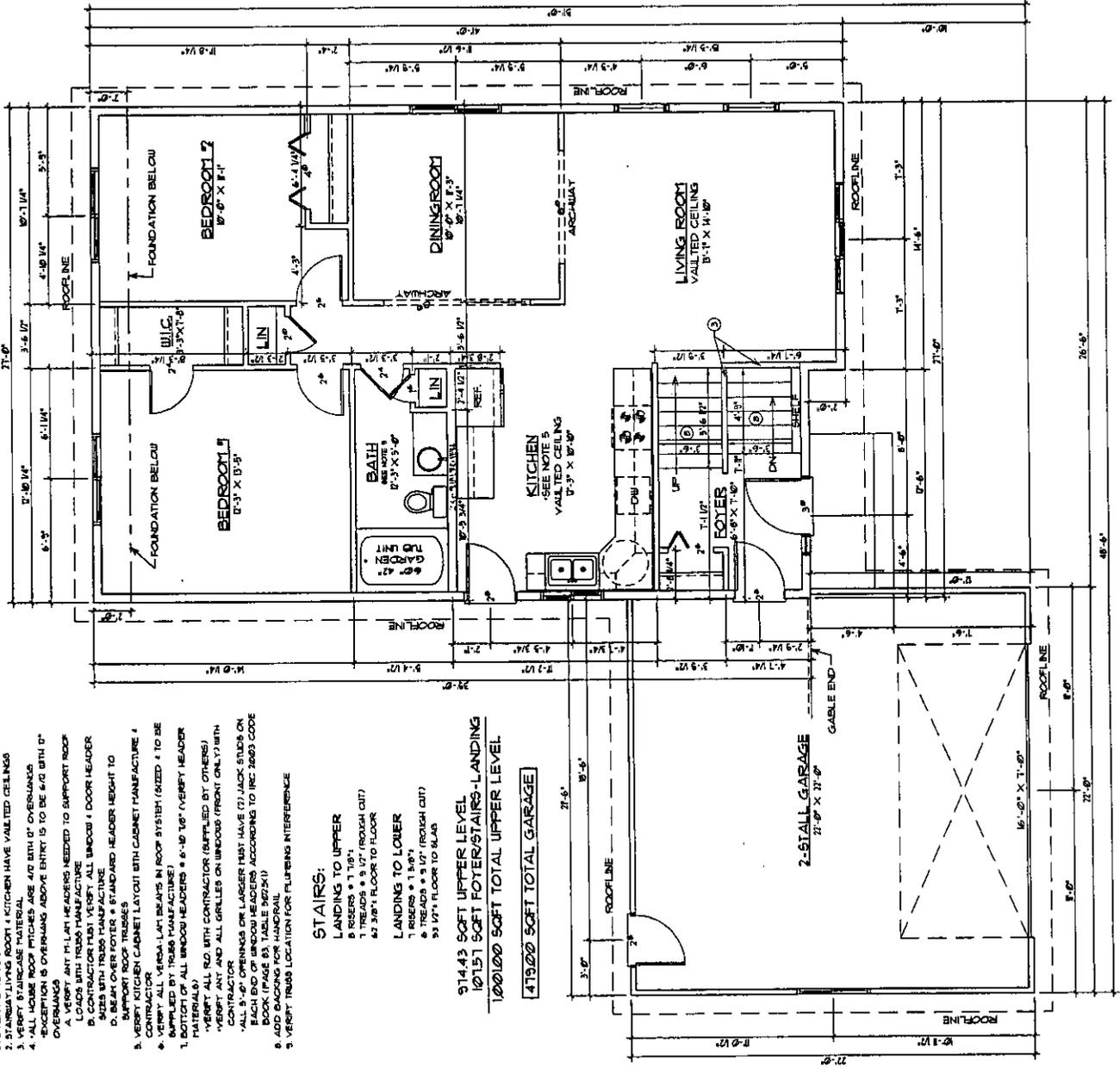


BOXED IN SPINDLES

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SHEET DESCRIPTION  
 UPPER LEVEL FLOOR PLAN  
 HOUSE TYPE OR DISCIPLINE  
 4427 10th - B1 LEVEL - 7 STALLS

UPPER LEVEL FLOOR PLAN  
 SCALE: 1/4" = 1'-0"



Jordahl Custom Homes, Inc.

JORDAHL CUSTOM HOMES  
 4802 ATBER VALLEY PARKWAY  
 PARO, NORTH DAKOTA 58104  
 PHONE: 701-234-0404  
 FAX: 701-282-4342  
 www.jordahlcustomhomes.com

CREATED BY: BRUCE L.  
 CHECKED BY: BRUCE L.  
 DATE: JANUARY 11, 2007-8:22am  
 REVISED BY: BRUCE L.  
 DATE: JANUARY 11, 2007-8:22am

4422 10th - MODEL HOME  
 CITY OF WEST HAVEN, CT  
 LOT # B BLOCK # 6  
 WESTMONT BEACH ADDITION

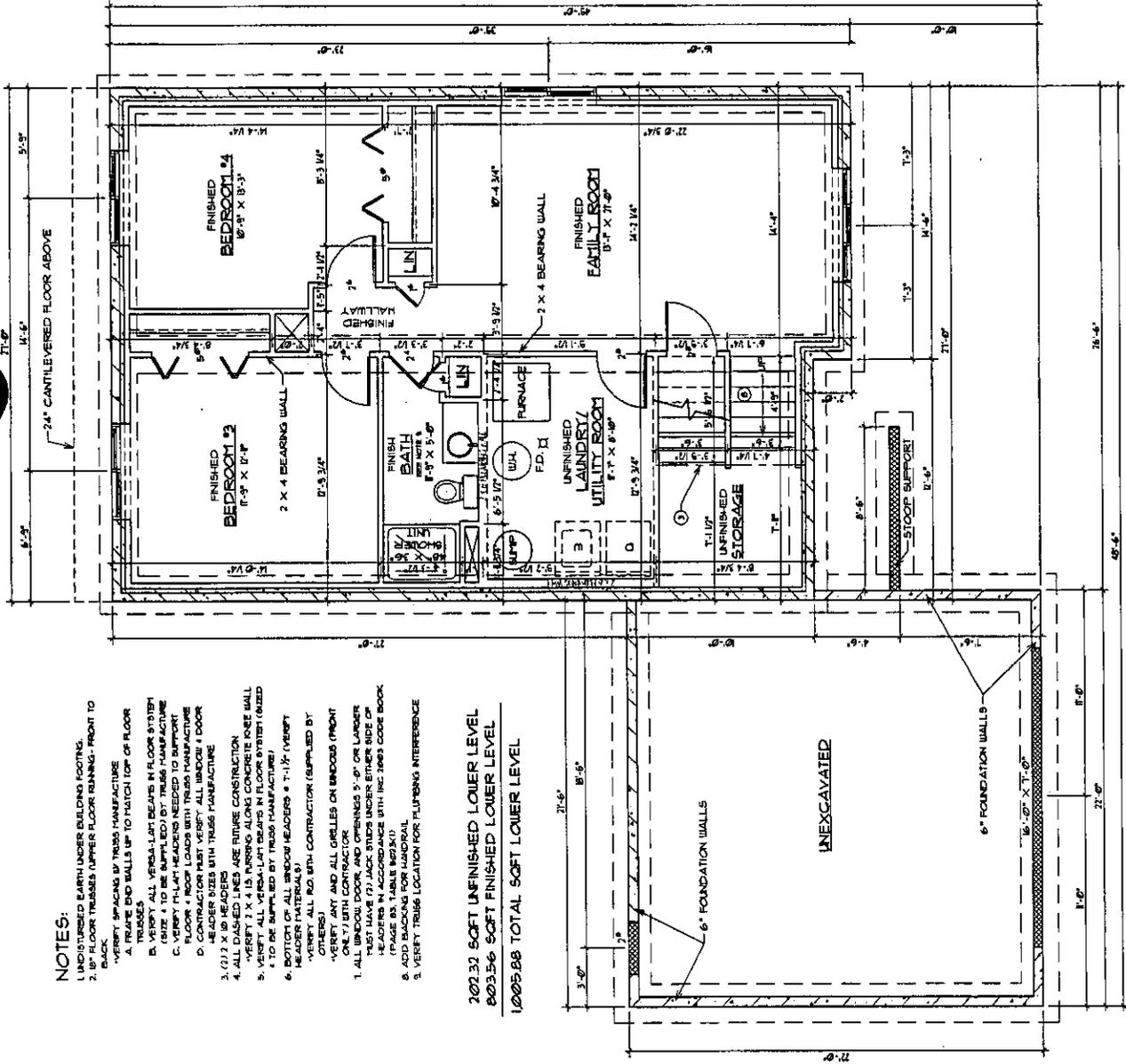
SHEET NUMBER  
**A-2**

FINAL DRAWING FOR CONSTRUCTION  
CUSTOMER APPROVAL:  
DATE: \_\_\_\_\_  
CONTRACTOR APPROVAL:  
DATE: \_\_\_\_\_

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SHEET DESCRIPTION  
LOWER LEVEL FLOOR PLAN

HOUSE TYPE OR DISCRESSIONAL  
4422 10th - B1 LEVEL - 7 STALLS



- NOTES:**
- UNDISTURBED EARTH UNDER BUILDING FOOTINGS.
  - 18" FLOOR TRUSSES UPPER FLOOR RUNNING FRONT TO BACK.
  - VERIFY SPACING BY TRUSS MANUFACTURER.
  - TRAPEZOID WALLS UP TO MATCH TOP OF FLOOR.
  - VERIFY ALL VERTICAL BEAMS IN FLOOR SYSTEM (SIZE & TO BE SUPPLIED BY TRUSS MANUFACTURER).
  - VERIFY ALL VERTICAL HEADERS NEEDED TO SUPPORT FLOOR & ROOF LOADS WITH TRUSS MANUFACTURER.
  - CONTRACTOR MUST VERIFY ALL WINDOW / DOOR SIZES WITH TRUSS MANUFACTURER.
  - ALL DASHED LINES ARE FUTURE CONSTRUCTION.
  - VERIFY 2 X 4 IS NEEDED ALONG CONCRETE KNEE WALL & TO BE SUPPLIED BY TRUSS MANUFACTURER.
  - BOTTOM OF ALL WINDOW HEADERS = T-1/2" (VERIFY HEADER MATERIALS).
  - VERIFY ALL JOIST CONTRACTOR (SUPPLIED BY OTHERS).
  - VERIFY ANY AND ALL GRILLES ON WINDOWS (MOUNT ONLY) WITH CONTRACTOR.
  - ALL WINDOW DOOR AND OPENINGS 5'-0" OR LARGER MUST HAVE (2) JACK STUDS UNDER EITHER SIDE OF (PAGE AS TABLE B203.11).
  - ADD BACKINGS FOR HANDRAIL.
  - VERIFY TRUSS LOCATION FOR PLYING INTERFERENCE.

20232 SOFT UNFINISHED LOWER LEVEL  
20356 SOFT FINISHED LOWER LEVEL  
100588 TOTAL SOFT LOWER LEVEL

LOWER LEVEL FLOOR PLAN  
SCALE: 1/4" = 1'-0"

**SENATE BILL NO.2140**  
**Testimonial from Leanne Jordahl**  
**Jordahl Custom Homes**  
**FM Humane Society Vice President**

My husband Rob and I own Jordahl Custom Homes. We support the missions of the FM Humane Society and the YWCA and wanted to do something in a big way. We would like to donate a house for the organizations to raffle. It is important to do what you can in your community, for us, this is what we can do.

Approving this bill will open the door for other non profit organizations to receive financial support in more ways. The publicity we will be able to generate for something like this will also help to serve as a vehicle for education and awareness of these organizations, what they do, and why they are important.

The Home Show is at the end of February. We would like to be able to present this raffle at that time. The culmination would be during The Parade of Homes in May.

Thank you to Senator N. Hacker and Representative R. Kelsch for introducing the bill. Thank you to the House Judiciary Committee for your time and consideration.

SB 2140  
North Dakota House of Representatives  
Judiciary Committee  
Monday January 15, 2006  
Rep. Duane DeKrey, Chairman

---

Chairman DeKrey and Members of the committee for the record my Name is Duaine Espegard and I support SB 2140.

Senate Bill 2140 Deals with Section 53-06.1-10.1 of the century code and deals with Raffles. The section states that a prize for a raffle may be cash, merchandise but may not be real Estate. This bill amends that section to include real estate as a prize. It further amends the section to state "a raffle for which the prize is real estate is limited to one raffle per licensed organization per year."

A Benevolent home builder came to two charitable organizations and offered to give them a new home. The charitable organization saw an opportunity to enhance the value of this generous gift and to promote their organization by selling raffle tickets and increasing the value of this generous gift. The above section precludes having a raffle on real estate. This bill if approved would allow Real estate to be raffled on a limited basis.

Section 2 of the bill declares the act an emergency measure so that the project can get underway and the charities can benefit from the much needed funds from the home and the anticipated raffle.

I respectfully submit this bill and would be happy to take any question from the members of the committee.

Respectfully

Duaine C. Espegard  
#478