

2011 HOUSE FINANCE AND TAXATION

HB 1144

2011 HOUSE STANDING COMMITTEE MINUTES

House Finance and Taxation Committee
Fort Totten Room, State Capitol

HB 1144
January 17, 2011
12942

Conference Committee

Committee Clerk Signature

Mary Brucker

Explanation or reason for introduction of bill/resolution:

A Bill relating to a privilege tax that may be imposed by cities or counties on lodging units that are not taxable as real property or mobile homes; to provide a penalty; and to provide an effective date.

Minutes:

Representative David Drovdal: Sponsor. Support. HB 1144 came before you simply because in this last year or so I've had some counties and some cities come to me and say that they've got living units, some call them man camps, some call them skid houses. We don't like the terms man camps or skid houses as these refer to criminals and they certainly aren't criminals or anything else, there are good people living in them. They're building up and are needed in the oil country because we can't build permanent housing fast enough. We've got no definition in the tax code so that the cities and counties can get them to pay their fair share for government services, such as emergency services, fire/ambulance, law enforcement, or any other services that are used by these people, even road repairs for just normal driving. There was no definition so I worked with John Walstad, Legislative Council, and with Marcy Dickerson, Tax Department, and we worked for quite some time to try and come up with a definition and a way to put these on some kind of a fee or property tax. We checked with all the surrounding states and what we found is in Montana and Wyoming, they classify these as property tax. Well we don't have property tax in North Dakota and I'm not about to introduce a bill to introduce property tax in North Dakota. We came up with what is before you. I'll have to admit I'm not totally pleased with it, there are some things we might have left out, for one thing, they say they could put either the city sales mill levy on or the county, but as far as I know they need to do both. It is at the option of the local county or city whether they put any tax on these units. I was working with Stanley in Watford City mostly and just recently I got a request from Williston to work on the side to answer the question of what term should be used; living complex or skid unit or utility. I had a bill draft drawn up that meets their criteria. I really can't tell you what is better. We really have a problem and I think it's a fairness issue; these units should be paying their fair share. Not to gouge them but they should pay their fair share as you and I and our constituents are paying for services from our local government. I hope you will put it in a subcommittee and work with Marcy and John to get an answer of how to treat these units. I guess you have three options; you can kill it and forget it, pass

1144, or come up with a substitute bill or a combination of the two. I ask for your indulgence in it and hope something can be done to help these counties and cities who asked for our help in the living units.

Representative Shirley Meyer: There wouldn't be a retroactive application to this for the ones that are already set up and established? There wouldn't be any back taxes owed, would there?

Representative Drovdal: I don't think so. I think we go forward with it. I don't think you can put a reciprocating tax on. But this is a good question for Mr. Walstad or Marcy Dickerson.

Representative Lonny B. Winrich: I'm curious about the local option. You said a local county or city can impose this tax or not. It seems to me that violates the fairness principle which says property should be assessed uniformly across the state. Can you comment on that?

Representative Drovdal: We allow our cities to make the local option of whether they are going to give a property tax break for renaissance zone or for new construction or for a number of things. This just kind of follows those for this criteria but it's a good valid point.

Representative Glen Froseth: Our city just last week passed a city ordinance and they are taxing or charging the oil companies I think .23 per square foot for these units. They have an option now that's legal and binding to be able to do that.

Representative Drovdal: We have discussed the option. I believe that's one of the things Williston proposed in a bill. I wasn't aware there was an option to the cities at this time so that's very interesting. I hope Marcy can answer that as to where they authority to put a square footage fee on there because that may be a solution to the problem. The other cities were not able to find that apparently.

Chairman Wesley R. Belter: In regard to the man camps, are they all the same in structure or do they vary a lot as far as square footage and quality? I've seen them but I don't know if there's a difference in the way they are constructed.

Representative Drovdal: I haven't been in one either but I'm sure there have to be health codes and standard codes for the health of the workers. I hope they are all clean structure wise but they are different in the way they are set up. They fluctuate somewhat but they have a place to sleep, shower, bathe, and essentials to live, and in that way they are similar. In structure they do look different.

Ron Ness, President of ND Petroleum Council: Opposition. We received this bill at our legislative committee meeting on Friday. I had not been part of the discussion as I spoke with the previous speaker; we have no problem paying the fair share for these crew camps in these communities. I indicated I was going to oppose this bill because we want to be part of the discussion and because every one of these has a unique situation. I am most familiar with the EOG camp north of Stanley which many

of you toured. This camp bought a section of land. This camp is a standalone facility. They have their own sewer system. They contain, store and dispose in their own sewer systems. They have their own free standing water system and they have their own free standing generator system for their electrical needs. That particular company bought the city of Stanley a police car and has done everything they can to assure they are covering the services they have. We want to make sure this doesn't become a mechanism to unfairly tax. I think we have to recognize some cities are able to provide more services than others to these crew camps. Maybe a system where each local subdivision could meet with a developer and come to a reasonable term rather than a flat rate. I know that there are several large industries around North Dakota that do that. I think it is something the committee should try and address. I have no knowledge what the best way to tax them is but it seems that there needs to be some type of structure in place so they get assessed for the services that are being provided and not for services they would be provided had they been inside city limits. Most of these are outside of city limits.

Representative Shirley Meyer: When we were on the legislative tour in Stanley EOG had requested that we stop referring to these as man camps. Do you remember the terminology that we were supposed to refer to these as?

Ron Ness: What I believe a number of us have been calling them are crew camps or crew housing facilities.

Representative Shirley Meyer: You indicated the crew housing facility at Stanley doesn't use any of the city's sewer system but they do dispose in their lagoon, do they not?

Ron Ness: I don't know where they dispose of. They collect it on site and dispose it but I don't know. I could request this information if you like. PTI is the contractor who provides this service for EOG. I have not visited with the mayor of Stanley in regard to the particular services that they get.

Representative Glen Froseth: There is a whole company that came into Stanley that has nothing but handle sewage. They probably contracted with the oil companies to provide the services to those camps. There's such a variation with these things. The city of Williston purchased a dormitory that was at the winter Olympics and moved it to Williston and reset it up. It's just like a great big hotel complex for their workers. You'd think that facility would be taxed as real estate. But then again in our town some of these camps are located in a trailer park and they are paying rent to the city. They still agreed to pay a fee for extra services like police and fire protection and that. They are being handled and located in all different manners. Like the one in Stanley, they purchased this section of land so they are paying real estate. I would think it would be assessed as commercial or industrial being it has that big facility on it.

Representative Patrick Hatlestad: Hallow Burton is the one who bought the Olympic village and I think they agreed with the city that they put it on a permanent

foundation and worked some kind of compensation package. I'm not sure what it is but it's on a permanent foundation and most of the crew camps are not.

Ron Ness: These companies are making massive investments into these facilities and just what I know in that Stanley facility what that company is spending a day housing those 300 workers. It has full services. It's had great benefits to the areas. I think these companies would all be willing to sit down and come to terms on an agreement or a rate. How you put that in law is another question. I hope the tax department would have some suggestions. It's when there's nothing in law that is alarming to us.

Vice Chairman Craig Headland: I wasn't able to go on the tour so I'm struggling to visualize what you're talking about here. Could you provide us with a picture or something that would give me a better idea of what we're looking at here?

Ron Ness: That's a great idea, I will do that. For instance, on the EOG facility its roughly a mile northeast of Stanley. They have their entire rail facility which composes pretty much half a section on that location. Which I assume will all be zoned commercial because you have the rail facility and on the other half of the section you have a crew camp. Basically think of it as a big dormitory; full service kitchen, cafeteria, gym, movie theater, just like they put in remote areas across the world when you're providing some kind of construction activity. The employees come and go, of course the oil industry runs 24-7 so a lot of times you have night shift/day shift, highly secured area. That's what the communities like about it because the rules are very strict. If you violate the rules, you're out. Because you have people sleeping there all the time there is no alcohol, no guests, or any of those things. The police have full reign anywhere in that facility. It's really a great way to move this forward until you have enough adequate housing and that's really what all the companies are doing in order to maintain workers and keep them in a safe location near where the work is. I will get you some photos.

Representative Shirley Meyer: Was the Tax Department going to answer any questions on this? I was wondering what provision they are being taxed under.

Chairman Wesley R. Belter: We can have the tax department address this issue. No further opposition. Marcy can you give us some guidance?

Marcy Dickerson, Tax Department: We were involved to some extent with John Walstad and with the Speaker in drafting 1144. I did a little research for them. I've also had conversations with the Williams County tax director who is also the Williston city assessor and she was behind this additional bill that hasn't been introduced yet. I haven't seen a final copy of it. I guess we haven't really taken a position on this and in answer to the question if somebody is taxing these properties, if they are we don't know about it. There may be some ordinance authority that cities have to levy some kind of a fee or something; I'm not much of an expert on city ordinances to know exactly what would be available. There could be something a city could enact that would address this. What I'm hearing today is that we need a lot more study on this. I've seen pictures of these and a very interesting

video put out by one of the companies that have a bunch of these units. It's really amazing some of them are three stories high, some sit individually like trailer houses but there's a great deal of difference in them. I think a lot more information is needed. I agree that there is probably a need for some kind of revenue to be raised to make up for the cost of having these units in place but I don't believe I have a really good suggestion for this. Both these bill drafts have something in favor of them but I see work needs to be done on both.

Vice Chairman Craig Headland: Is it problematic to allow political subdivisions to decide whether they want to assess or not?

Marcy Dickerson: I don't think so. In every mill levy that is available to a city for example, not all cities levy for the different purposes. They have a choice of what they want to levy for and up to the limits available in statute they have a choice of how much they are going to levy for these things. If they want to place a tax or a levy or something on a certain type of property and another one doesn't, I don't think there is a problem with that. Where I did have a problem with this bill draft and the other one that I don't have a copy of, both of them refer to the mill levy of the city mills or the county mills for the property being out in the county. I'm not sure that that is possible. It's my understanding that all the property in a political subdivision has to be taxed at the same rate. So I don't think you could have real property sitting whatever you call these and having them pay a different rate, one paying only the city levy and one paying the consolidated levy for everything including the school district and all. If it were done in some other way as a fee or a privilege tax or something then I don't think that would be a problem because it wouldn't be levying property tax.

Chairman Wesley R. Belter: No further neutral testimony. Closed hearing on HB 1144.

2011 HOUSE STANDING COMMITTEE MINUTES

House Finance and Taxation Committee
Fort Totten Room, State Capitol

HB 1144
January 24, 2011
#13318

Conference Committee

Committee Clerk Signature

Mary Brueker

Explanation or reason for introduction of bill/resolution:

A Bill relating to a privilege tax that may be imposed by cities or counties on lodging units that are not taxable as real property or mobile homes; to provide a penalty; and to provide an effective date.

Minutes:

See attached testimony #1

Representative Glen Froseth: Provided copies of amendments. Please refer to attached testimony #1. Our subcommittee met and we had one amendment drafted that wasn't much better than the original bill. We came to the agreement that all this should say is that something the cities and counties and municipalities can fall back on to say that the state allows them to assess a privilege and issue a special use tax as some form of taxing them. The taxing will be strictly done by the city, county, or township municipalities that these facilities are located in.

Vice Chairman Craig Headland: The way I see this there are no limitations as to what this special fee could be. Could you address that?

Representative Glen Froseth: There are so many variations of these crew camps. The time frame is that these crew camps are located in an area that could be there for two weeks to 10 years. There are all kinds of camps that are set so that they are basically like a small motel. Some in Kenmare are set in our city trailer park. One oil company moved in three of them and they drilled three wells in Bourke County which took them six weeks to two months then they picked them up and moved on. If you're going to have them apply for a permit to the state license fee or permit to the state and if they are delinquent on January 1 and have to pay a penalty by February 10 it just isn't going to happen. It's going to be an accounting nightmare for someone. We wanted to keep it as simple as possible and allow the cities and counties to negotiate with the companies that bring these in. Many of the services that are offered to these sites are all different. Some hook up the water and sewer and some are strictly portable and self-contained. Some haul their own water in and have a sewage company haul the sewage out so the city doesn't have to charge for those services. Most of them will require some kind of fire or police protection or garbage pickup. There are all types of variations that are out there. There's no set determination on what you're going to charge a given mancamp or crew camp as they are all different. It's all negotiable between the company and the local taxing entity.

Representative Patrick Hatlestad: In looking at this I thought we had asked them to draft and include the ability of the city or the county and the oil company to negotiate a fee. I don't see negotiation mentioned here. It just says they may impose a permit fee. I thought we were talking negotiation between the city, county, and the oil companies rather than just the imposition of a fee.

Representative Shirley Meyer: I agree with that assessment other than now when none of the crew housing facilities are defined, the cities can't do anything. When this has "may" I think it was Mr. Walstad's thought that then the negotiation process would take part. Once you give them the right to say they can use the special use permit you're going to have to because it would all be different. They would have to negotiate.

Representative Dwight Wrangham: Are there some local entities that are already charging a special assessment fee? Can we get some information on if they can't issue special use permit fees now?

Representative Shirley Meyer: The cities that did that put in a city ordinance because its getting to them the ones that this has impacted already can go back and retroactively put in a city ordinance to deal with it. That's what this was allowing them to do to give them the ability and go in after the fact and negotiate a special use permit.

Representative Glen Froseth: What happened about two weeks ago in Kenmare was that two companies wanted to bring in housing units and the city commission negotiated with them to charge them \$750 for a special use permit for nine months. And charge them .25 a square foot fee for providing fire and police protection and garbage pickup and that type of thing. Both companies said that sounds fine so they made the agreement. Our city engineer said there are no provisions in state law so it's up to the local taxing district to negotiate. I think what the city or taxing districts are looking for is a state law stating we can do this.

Representative Shirley Meyer: The difference between Kenmare and Watford City and Stanley/Killdeer area is that they are there already. They are there and they sat down and those entities can't do any kind of taxing with them because none of those units are defined anywhere in code.

Representative Roscoe Streyle: With the housing shortage won't this potentially increase that? If we're going to say you can levy any kind of permit fee wouldn't that cut down on the available housing and maybe they would even decide not to put the crew camps in therefore, making the problem worse?

Representative Glen Froseth: It's possible however the taxing entities are entitled to a fee that's adequate enough to cover their costs. These companies are in and using all the facilities and the infrastructure has been built and paid for by the taxpayers for many years and they probably come in and use them for a year or two years. Rather than change the city and the limits they may impose maybe negotiate special use permit fees rather than impose.

Vice Chairman Craig Headland: I would agree. I like what the amendment does but I do have a problem with it being open ended. You could have a possibility where a city needs a new water treatment plant and they say I've got a special permit I could use here and we'll make the man camp pay for it. I think we have to have some limiting factor in it.

Chairman Wesley R. Belter: Representative Glen Froseth, are you supportive of changing the language from "impose" to "negotiate"?

Representative Glen Froseth: Yes I would do that.

Representative Shirley Meyer: "Negotiate for a..." needs to be in there.

Representative Bette Grande: Just say "may negotiate special use permit fees that apply." They can negotiate as many fees or whatever fees they want unless you are trying to say they can only negotiate one fee. Which are we asking for? Are we asking that they negotiate only one fee?

Representative Patrick Hatlestad: Do we need to add a next step if they can't reach an agreement do we through in mediation or arbitration?

Chairman Wesley R. Belter: I don't know. It would seem to me that these companies don't have to put their units in Kenmare. Some farmer may tell them to put it on their land and they'll do it for x amount. I think the market will determine what the rate will be.

Representative Patrick Hatlestad: I think the city and county have to authorize the location so they would have a bargaining chip. If they can't reach an agreement they wouldn't allow them to put the facility there. We could push it into another county I assume. If they provide some kind of a service we would have to get something out of the deal. If the companies at Kenmare were reasonable I would think we'd probably find that.

Representative Glen Froseth: A comment one of these companies made to the city council "That is fine, we are making plenty of money out here and we can afford that. It's no problem for us." They were happy to pay it. They were happy to set their housing facility somewhere and get men in it.

Chairman Wesley R. Belter: Does anyone want to make a motion to amend the amendments?

Representative Glen Froseth: I would change the word "impose" to "negotiate."

Chairman Wesley R. Belter: That would be just the one place.

Representative Dwight Wrangham: I'm going to impose the amendment to "negotiate." I think we are going to open up a can of worms by doing that. All taxes and fees are imposed by government and not negotiated. I think we should stay with "impose." "Impose" really is a negotiation because if the city imposes a tax that's too high they are not going to go there so the negotiation already takes place.

Representative Glen Froseth: I would move to withdraw the amendment. I will move the 1001 amendments.

Representative Shirley Meyer: Seconded.

VOICE VOTE: MOTION CARRIED TO PASS THE 1001 AMENDMENTS.

Representative Glen Froseth: Motion for Do Pass As Amended.

Representative Shirley Meyer: Seconded.

ROLL CALL VOTE taken: 10 YEAS 2 NAYS 2 ABSENT

MOTION CARRIED-DO PASS AS AMENDED.

Representative Glen Froseth will carry HB 1144.

FISCAL NOTE STATEMENT

House Bill or Resolution No. 1144

This bill or resolution appears to affect revenues, expenditures, or fiscal liability of counties, cities, or school districts. However, no state agency has primary responsibility for compiling and maintaining the information necessary for the proper preparation of a fiscal note regarding this bill or resolution. Pursuant to Joint Rule 502, this statement meets the fiscal note requirement.

Becky Keller
Senior Fiscal Analyst

VR
1/25/11

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1144

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact chapter 57-02.4 of the North Dakota Century Code, relating to special use permit fees for crew housing facilities; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. Chapter 57-02.4 of the North Dakota Century Code is created and enacted as follows:

57-02.4-01. Definitions.

As used in this chapter:

1. "Crew housing facilities" means one or more single or multisectional lodging units used as human living quarters, whether or not attached to utility services, which are not real property, as defined in section 57-02-04, and are not mobile homes, as defined in section 57-55-01. A group of crew housing facilities that are connected physically or by common ownership may be treated as a single crew housing facility for purposes of imposition of special use permit fees imposed under this chapter.
2. "Special use permit" means a right granted by a city or county to locate crew housing facilities on property within the jurisdiction of the city or county under this chapter and to enjoy attendant services and facilities provided by the city or county.

57-02.4-02. Crew housing special use permit fees - Fee revenue sharing with other taxing districts.

A city, for property within city limits, or a county, for property outside city limits, may impose special use permit fees that apply to crew housing facilities. A city or county imposing fees under this section may share revenues from the fees with other taxing districts in which the property is located.

SECTION 2. EMERGENCY. This Act is declared to be an emergency measure."

Renumber accordingly

Date: 1-24-11
Roll Call Vote # 1

**2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 144**

House Finance and Taxation Committee

Check here for Conference Committee

Legislative Council Amendment Number

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerrefer to Appropriations Reconsider

Motion Made By Rep Froseth Seconded By Rep Meyer

Total (Yes) No

Absent _____

Floor Assignment

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

14 AYE VOICE VOTE

MOTION CARRIED.

Date: 1-24-11
Roll Call Vote # 2

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1144

House Finance and Taxation Committee

Check here for Conference Committee

Legislative Council Amendment Number

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerrefer to Appropriations Reconsider

Motion Made By Rep. Froseth Seconded By Rep. Meyer

Total (Yes) 10 No 2

Absent _____ e

Floor Assignment _____ Rep. Froseth

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

MOTION CARRIED.

REPORT OF STANDING COMMITTEE

HB 1144: Finance and Taxation Committee (Rep. Belter, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (10 YEAS, 2 NAYS, 2 ABSENT AND NOT VOTING). HB 1144 was placed on the Sixth order on the calendar.

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1144: Finance and Taxation Committee (Rep. Belter, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (10 YEAS, 2 NAYS, 2 ABSENT AND NOT VOTING). HB 1144 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact chapter 57-02.4 of the North Dakota Century Code, relating to special use permit fees for crew housing facilities; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. Chapter 57-02.4 of the North Dakota Century Code is created and enacted as follows:

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2. "Special use permit" means a right granted by a city or county to locate crew housing facilities on property within the jurisdiction of the city or county under this chapter and to enjoy attendant services and facilities provided by the city or county.

57-02.4-02. Crew housing special use permit fees - Fee revenue sharing with other taxing districts.

A city, for property within city limits, or a county, for property outside city limits, may impose special use permit fees that apply to crew housing facilities. A city or county imposing fees under this section may share revenues from the fees with other taxing districts in which the property is located.

SECTION 2. EMERGENCY. This Act is declared to be an emergency measure."

Renumber accordingly

2011 SENATE FINANCE AND TAXATION

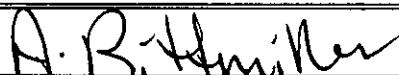
HB 1144

2011 SENATE STANDING COMMITTEE MINUTES

Senate Finance and Taxation Committee
Lewis and Clark Room, State Capitol

HB 1144
3/21/2011
Job Number 15713

Conference Committee



Explanation or reason for introduction of bill/resolution:

Relating to special use permits fees for crew housing facilities

Minutes:

Written Testimony Attached

Chairman Cook opened the hearing on HB 1144.

Representative Drovdal – (See attached introduction A for HB 1144)

Chairman Cook – But only one can charge the fee, they can't be subjected to fees from both.

Representative Drovdal – That would be my understanding too.

Chairman Cook – And none of this money then would be shared with the school district, the park district, the fire district.

Representative Drovdal – I would think knowing situations at home the city and the counties are helping this subsidize the fire department so indirectly they would be shared with these entities but they would, the fire department in most cases in rural North Dakota doesn't charge per fire call because they are all volunteer so their funding comes generally from the county or city that they are located in. They wouldn't be allowed to on a permit.

Chairman Cook – There is no limit to what the fee might be.

Representative Drovdal – Not according to how I read the bill. It does bother me a little bit that there isn't a maximum but that's something the input of this committee would be appreciated on.

Senator Burckhard – Who do they charge these fees to?

Representative Drovdal – It would be the owner of the camp, in some cases the OG in Stanley which requires very little services, in some cases it's been an investment group that comes in and put it in that investment group that's renting them out would be responsible for the permit fee.

Chairman Cook – You talk about negotiating, all the camps that are already there, if you are going to sit down and negotiate I assume that if I own the camp, my only choice at the table is to pay the fee or who?

Representative Drovdal – I would think that if the fee was going to be that high that would be absolutely true but in visiting with them a little bit, they don't seem to be too concerned. In most cases, like the EOG, they work so close with the city and county already that they are not too interested in putting a fee on them but in some other ones that may be the case in that case, if they got that high of a fee.

Chairman Cook – So they could treat every one of these differently then?

Representative Drovdal – Depending on the services, if they didn't require any services there would be no need for a fee for a permit because it would be a permit for the service. If they need all the services that a normal trailer park charges, then they would probably be charging the same as they charge the trailer park for their fee permit and they would have to treat all of them equal in the area.

Senator Dotzenrod – In getting ready to introduce this and your experiences out there in that area have you found that there was a specific incidence or situation that required this bill that is, I would assume they have worked out the services they need and contracted or had garbage picked up or their sewage picked up by someone. You've been able to work it out, but was there some situation where they couldn't work it out where something came to sort of a head because it was a disagreement that they couldn't settle?

Representative Drovdal – I don't think there was, when I visited with the Mayors that I talked to they weren't out after a big deal they just wanted some ability as far as the garbage goes, there is a set fee that everybody pays so that wasn't a problem, if they hooked up to water there is a charge for the water separate from, not included in your property tax but there is certain mills that are in your property tax, for instance parks and recs, fire departments, they have a 5 mill levy on many other areas to help plus they get money out of the general fund and there's no way to recover some of that law enforcement out of general fund, so it helps pay some of those costs, not all of them by any means, there was no big complaint they just asked for the bill, it was due to get a little bit back out of it to cover those kind of services.

Shawna Gooch-Egge, Director of Tax Equalization for Williams County and the City Assessor on Williston – (See attached testimony B in favor of HB 1144 with a proposed amendment)

Senator Hogue - Has the county explored the addressing in your zoning ordinance and if so what have you done?

Shawna Gooch-Egge, Director of Tax Equalization for Williams County and the City Assessor on Williston – It was discussed right away. We have a county planning and zoning board however they are fairly new, they have only been around for about 1.5 years or 2 years now. They decided they did not want to address it that way they wanted to go a different route. What their reasoning behind that I can't answer that. They know they don't

want to rezone anything obviously, these camps are going to pick up in a year or 2 or 3 and they don't want to rezone any area to have these stop zoning sitting around the county.

Chairman Cook – Are you charging any fees to any of these 3 units today?

Shawna Gooch-Egge, Director of Tax Equalization for Williams County and the City Assessor on Williston – Nothing, when they come in they have to take out a conditional use permit which allows them to be in zoning that is not specific to their type of unit. That fee is \$100 to help with zoning administration fees, that's it. We are not charging anything else.

Chairman Cook – That is a onetime fee?

Shawna Gooch-Egge, Director of Tax Equalization for Williams County and the City Assessor on Williston – It is a onetime fee. There has been no negotiating going on with any jurisdictions in the city of Williston or Williams County. There has been nothing charged at this point.

Chairman Cook – What is the largest man camp you have in Williams?

Shawna Gooch-Egge, Director of Tax Equalization for Williams County and the City Assessor on Williston – The largest one we have right now would probably be one of the target logistic camps, they are housing about 250 people right now looking to move up to 500 people this summer.

Chairman Cook – What services do they...

Shawna Gooch-Egge, Director of Tax Equalization for Williams County and the City Assessor on Williston – All of the large camps are connected to at least one utility. Some of them are either connected to electric or rural water, they seem to all be hauling their own sewage so that doesn't seem to be an issue, but they are connected to either rural water or electricity so they are all connected to at least one service, the large camps. The small units that are popping up everywhere, those are completely self contained.

Chairman Cook – So they are paying for their water and electricity?

Shawna Gooch-Egge, Director of Tax Equalization for Williams County and the City Assessor on Williston – Yes

Chairman Cook – What do you think the fee ought to be on 250 man camp?

Shawna Gooch-Egge, Director of Tax Equalization for Williams County and the City Assessor on Williston – That's been tossed around a lot too. The discussion came not down to a particular dollar amount at this point, maybe more dollars per square foot or cents per square foot. Obviously we do not want to give these guys such a fee that they move out because it is necessary right now. The Commissioners thought that a dollar or cents per square foot would encompass those. Several of the large ones are just housing quarters and some of the large ones include cafes with French chefs, and gyms, and

internet cafes. A dollar per square foot then we lay a flat fee versus another way that was discussed was a fee per bed, but that would not encompass those units that have the large amenities with them.

Chairman Cook – Are you going to put together a policy or something?

Shawna Gooch-Egge, Director of Tax Equalization for Williams County and the City Assessor on Williston – Yes, our plan is to put together a policy to be approved by the City of Williston Commission and Williams County to treat everyone exactly the same.

Ron Ness, North Dakota Petroleum Council – I testified in opposition to this bill in the House and at our urging they made substantial changes which we do support the changes. In visiting with the previous speaker during the break, she's got some excellent points. I think the House did some pretty good work but if you look at bullet point one for instance, crew housing facilities, and when this was brought in, in the House we are talking about the large crew camps. Under this language means one or more single or multi sectional lodging units. The service company that we represent in western North Dakota and primarily in Williston virtually all of them are providing some type of onsite living facilities for their employees. Many of the employers are going to great costs in order to provide these people a place to live and she and I were discussing it, if you don't do this you are going to have them living in campers and tents and all of those things so whatever we do let's not discourage this from happening. For instance if you were on our tour at the EOG facility by Stanley, they are going to master the expense to ensure those people have a same place there. What we've urged in the House was, our companies were not opposed to a reasonable cost return for the services they are utilizing, certainly there's fire and police and those things but in talking with the Mayor of Stanley he felt in his situation, EOG is paying for upgrades to their water lines and doing things way beyond what they ever could expect and they don't want to charge a set fee which the original bill was basically a tax per foot or something like that. We urged them to really leave it up the parties to negotiate and let's get these individual crew camps for now and try to get the big units. I would urge you to go up to 50 people. As well to exclude campers, RV's, those types of things that are temporary. The one year intended to be in place for one year, all of the things in section 2 I thought were exceptionally good. We are certainly not opposed to reimbursing the local government entities for their costs in some type of nominal fee, I don't know how you set a cap on this. That would potentially be a concern in some instance.

Senator Burckhard – Why 50 people?

Ron Ness, North Dakota Petroleum Council – It does make sense if you think about you have 5 or 10 of these campers and all the sudden you are over your 20 limit, 50 now you've got a pretty substantial group of people living in an area that's probably going to require some potential additional services.

Chairman Cook – If I'm hearing you right then we all know and appreciate what we like to refer to as good corporate citizens or good corporate partners. Am I hearing that out here in this world of man camps, there are some that are not so good and don't want to pay anything and that we need this so that we get some fees out of them or, do we have a big

problem? Are most of our man camp owners working with the local governments to provide some sort of a financial...

Ron Ness, North Dakota Petroleum Council – I don't think that has been the testimony in any of these cases so far to my knowledge. It's more about how do we do it and certainly if we expand it down and we get down to these individuals with a shack on their location to put some people and then we certainly are going to have some real issues and it's going to get to be a bigger issue than I think.

Chairman Cook – So you don't want to do that?

Ron Ness, North Dakota Petroleum Council – No

Senator Triplett – The way the bill is currently drafted on the first page line 19-22 uses "may" twice. It's not really requiring any city or county to do anything but just really authorizing in the way I read it. So you are saying you like that language?

Ron Ness, North Dakota Petroleum Council – Yes we do and I think the House grasped the concept here to just kind of provide them an opportunity where they need to provide a fee for services but don't put them in a box that they can't continue to negotiate.

Senator Hogue – Isn't there authorization in the home rules, or charter 1, or cities to do this now? I don't understand why they couldn't do it right now if they wanted to.

Senator Triplett – Most counties are only authorized to do what the statute authorizes them to do if they are not home oil counties so that may be the concern. I haven't researched this to see if there was some other authorization that would allow them to do it, maybe Marcy or Jerry have thought it through but I haven't specifically.

Clouse Lembke, North Dakota Association of Realtors – This is something that is very necessary, it's temporary housing we need, but a need has to be met and I agree with Senator Triplett. The way I understand local government you can't do anything unless it's specifically authorized by the legislature. The local political subdivisions are an extension of view that you authorized and I think that's what they are looking for here. Otherwise it could be challenging.

Chairman Cook asked for testimony opposed to HB 1144. No one came forward.

Chairman Cook asked for testimony neutral to HB 1144.

Marcy Dickerson, Tax Department – I just had a couple of things I wanted to mention that was questioned earlier about sharing the fees with other taxing districts and if you look at lines 20-22 a city or county imposing fees under this section base share revenues from the fees with other taxing districts in which the property is located. To me that indicates they could share with fire districts, school districts, or anything not just between the city and county. I have one suggestion if you are considering looking at a cap on whatever these fees may be. There is language in the Housing Authority law that says housing authorities are exempt but they may agree to pay payments in lieu of taxes that will not exceed the

cost of the services provided by the political subdivision. I wouldn't recommend putting anything in here about being exempt but there could be a negotiated fee based on the cost of services, of course that would take a little figuring out to determine what the cost of services are, but it might be a way of providing a floating cap that would prevent any gauging from taking place but would also take care of individual situations.

Senator Dotzenrod – Are these man camps subject to property tax?

Marcy Dickerson, Tax Department – They are not because they are not permanently attached to the ground so they are not real property they are not built on chasse which is one of the requirements for a definition of a mobile home so they are personal property under current definition.

Vice Chairman Miller – You're suggesting then that sort of as an undefined fee that we put something in here that says cost of services or something?

Marcy Dickerson, Tax Department – I think it's a way of handling your concerns about a cap or a maximum amount. It was just a suggestion because that language is kind of paraphrased I guess but that type of language is in the Housing Authority chapter.

Senator Triplett – Given that these are not real property is there something for non home rural counties that you could think of where they could charge this fee without this or would they be on thin ice to impose a fee without this kind of permissive authority.

Marcy Dickerson, Tax Department – I can't speak to rights and abilities of counties outside of property tax. I know this doesn't work under property tax but I'm not that much of an expert on what counties have authority to do.

Chairman Cook closed the hearing on HB 1144.

2011 SENATE STANDING COMMITTEE MINUTES

Senate Finance and Taxation Committee
Lewis and Clark Room, State Capitol

HB 1144
3/22/2011
Job Number 15791

Conference Committee



Explanation or reason for introduction of bill/resolution:

Relating to special use permits fees for crew housing facilities

Minutes:

Committee Work

Chairman Cook opened discussion on HB 1144.

Senator Triplett - What this amendment does is combines the amendments proposed by Ms. Gooch-Egge from Williams County except it changes the number of housing from at least 20 which was in her original proposal to at least 50 which she and Ron Ness were in agreement that 50 was a better number and then it also includes the suggestion from Marcy Dickerson from the Tax Department that we put some kind of a metric in there and we use the phrase 'for the value of the services provided'. Other than that it just gathers all the thoughts together that anyone had and I think there is agreement that it's a good addition.

Brief discussion regarding the amendments followed.

Chairman Cook closed discussion on HB 1144.

2011 SENATE STANDING COMMITTEE MINUTES

Senate Finance and Taxation Committee
Lewis and Clark Room, State Capitol

HB 1144
3/29/2011
Job Number 16101

Conference Committee

Explanation or reason for introduction of bill/resolution:

Relating to special use permits fees for crew housing facilities

Minutes:



Committee Work

Chairman Cook opened discussion on HB 1144.

Senator Triplett offered amendments for HB 1144.

Seconded by Vice Chairman Miller.

Chairman Cook – All in favor of the amendments signify by saying yea, opposed? (7-0-0)

Senator Triplett – I'll move a Do Pass as Amended.

Seconded by Vice Chairman Miller.

Chairman Cook – Ask the clerk to take the roll. (7-0-0)

Carried by Senator Triplett.

JB
3-29-11
1 of 2

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1144

Page 1, line 2, replace "special use" with "crew housing"

Page 1, line 8, replace "one or more single or multisectional" with "a group of"

Page 1, line 9, replace "whether or not" with "capable of housing fifty or more individuals,"

Page 1, line 9, after "to" insert "at least one"

Page 1, line 9, replace "services" with "service"

Page 1, line 13, replace "special use" with "crew housing"

Page 1, line 14, replace ""Special use"" with "Crew housing"

Page 1, after line 16, insert:

3. "Skid unit" means a structure or group of structures, either single or multisectional, which is built on a permanent chassis and is ordinarily designed for human living quarters or a place of business, either on a temporary or permanent basis."

Page 1, line 17, remove "special use"

Page 1, line 20, replace "special use" with "crew housing"

Page 1, line 20, after the underscored period insert "Crew housing permit fees imposed by a city or county must be determined on the basis of the value of services and facilities provided to the crew housing facility by the city or county, or both."

Page 1, after line 22, insert:

57-02.4-03. Exemptions.

This chapter does not apply to:

1. Real property that is exempt from property taxation or subject to payments in lieu of taxes.
2. Mobile or manufactured homes as defined under chapter 57-55.
3. A recreational vehicle, camper, or camper trailer under tax commissioner guidelines.
4. Park model trailers that are used only for seasonal or recreational living quarters and not as a temporary or primary residence, which are located in a trailer park or campground, and for which the owner has paid a park model trailer fee under section 39-18-03.2. For purposes of this chapter, "park model" trailer is defined in section 57-55-10.
5. A skid unit not classified as a crew housing facility.

20x2

57-02.4-04. Reporting requirement.

Not later than the fifteenth day of January of each calendar year, the owner of a crew housing facility shall file with the county director of tax equalization a memorandum that provides a status report on the current state of the facility, including current square footage, any addition or removal of structures, and the current number of persons the facility can house. The memorandum must include an updated site plan of the entire site and any changes that are planned for the upcoming calendar year."

Renumber accordingly

Date: 3-29-11
Roll Call Vote # 1

**2011 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1147**

Senate Finance and Taxation Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerrefer to Appropriations Reconsider

Motion Made By Senator Triplett Seconded By Senator Miller

Total (Yes) 7 No 0

Absent

Floor Assignment

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

Verbal vote

Date: 3-29-11
Roll Call Vote # 2

**2011 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1144**

Senate Finance and Taxation Committee

Check here for Conference Committee

Legislative Council Amendment Number

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Refer to Appropriations Reconsider

Motion Made By Senator Triplett Seconded By Senator Miller

Total (Yes) 7 No 0

Absent

Floor Assignment Senator Triplett

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

REPORT OF STANDING COMMITTEE

HB 1144, as engrossed: Finance and Taxation Committee (Sen. Cook, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1144 was placed on the Sixth order on the calendar.

Page 1, line 2, replace "special use" with "crew housing"

Page 1, line 8, replace "one or more single or multisectional" with "a group of"

Page 1, line 9, replace "whether or not" with "capable of housing fifty or more individuals,"

Page 1, line 9, after "to" insert "at least one"

Page 1, line 9, replace "services" with "service"

Page 1, line 13, replace "special use" with "crew housing"

Page 1, line 14, replace "Special use" with "Crew housing"

Page 1, after line 16, insert:

"3. "Skid unit" means a structure or group of structures, either single or multisectional, which is built on a permanent chassis and is ordinarily designed for human living quarters or a place of business, either on a temporary or permanent basis."

Page 1, line 17, remove "special use"

Page 1, line 20, replace "special use" with "crew housing"

Page 1, line 20, after the underscored period insert "Crew housing permit fees imposed by a city or county must be determined on the basis of the value of services and facilities provided to the crew housing facility by the city or county, or both."

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- 1. Real property that is exempt from property taxation or subject to payments in lieu of taxes.**
- 2. Mobile or manufactured homes as defined under chapter 57-55.**
- 3. A recreational vehicle, camper, or camper trailer under tax commissioner guidelines.**
- 4. Park model trailers that are used only for seasonal or recreational living quarters and not as a temporary or primary residence, which are located in a trailer park or campground, and for which the owner has paid a park model trailer fee under section 39-18-03.2. For purposes of this chapter, "park model" trailer is defined in section 57-55-10.**
- 5. A skid unit not classified as a crew housing facility.**

57-02.4-04. Reporting requirement.

Not later than the fifteenth day of January of each calendar year, the owner of a crew housing facility shall file with the county director of tax equalization a

memorandum that provides a status report on the current state of the facility, including current square footage, any addition or removal of structures, and the current number of persons the facility can house. The memorandum must include an updated site plan of the entire site and any changes that are planned for the upcoming calendar year."

Renumber accordingly

2011 HOUSE FINANCE AND TAXATION

CONFERENCE COMMITTEE

HB 1144

2011 HOUSE STANDING COMMITTEE MINUTES

House Finance and Taxation Committee
Fort Totten Room, State Capitol

HB 1144
April 11, 2011
#16467

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A Bill relating to a privilege tax that may be imposed by cities or counties on lodging units that are not taxable as real property or mobile homes; to provide a penalty; and to provide an effective date.

Minutes:

See attached bill and amendments.

Chairman Hatlestad: Distributed and reviewed .2004 bill and .2003 amendment. Please refer to attached bill and amendment. There are a couple new things added to 2004 that aren't on the 2003 prepared by legislative council. The first change that is not on the 2003 is the one dealing on line 10 and 11 with the skid unit. They talk about crew housing facility in other parts of the bill and there was nothing in that definition that included the skid house so we wanted to make sure that was included. The second change that isn't on your sheet is on page 2 under exemptions. There was a number five that was a skid house and that has been taken out. The rest of the changes should be in color.

Representative Shirley Meyer: On 2004 there should be a number 5 that just states skid house?

Chairman Hatlestad: We deleted it.

Representative Shirley Meyer: Over the weekend in Dickinson it was questioned during our forum that one of the issues that the city is faced with is on page 2 with recreational vehicle camper. They are camper trailer and they are required to be licensed by the state of North Dakota which is a \$20 fee. It's a housing unit and the city has no way to tax that. The question was why those are going to be exempted out. They are using city services and they are finding that to be kind of struggle.

Senator Triplett: I've toured through that part in the north part of Dickinson and I was appalled when I saw that they were allowing recreational vehicles to hook up to city services and get through the winter with them. Doesn't the city of Dickinson have better zoning laws than that to prohibit recreational vehicles from hooking up in a trailer park? I understand the emergency last time around but I assumed it would have been a real

temporary allowance and I can't imagine the city of Dickinson is going to let that happen over the long term.

Representative Shirley Meyer: I think that's the reason this bill is before us today. They are to the place of where they have to do something and they've allowed it but now they are looking to benefit from it somehow and that's why HB 1144 came about this session. The city is saying to us that there has to be someway to be compensated for those units. There was nothing prohibiting in their zoning laws to stop it.

Senator Triplett: They're not working on that for the future?

Representative Shirley Meyer: They are annexing into the city.

Senator Triplett: It seems from a city planning standpoint the wrong way to deal with it. I don't necessarily have a problem with allowing them to tax them if they are being used as living units but it seems to me that the better result is for the city of Dickinson to upgrade the standards for housing within the city limits. I think the reason for this bill is for dealing with crew camps that are popping up as whole things in the middle of a farm section and then asking for city like services when they aren't an incorporated city or anything. I thought this bill was also for a city to get a little money out of an RV that is hooked up inside their city. Maybe we could take care of it by making a reference about things that are located outside of city limits or city jurisdiction. I think cities should be encouraged to use the powers they already have which are with zoning and regulations inside the city to make sure they have a safe and habitable housing for their people. I think they are two whole different issues.

Representative Shirley Meyer: Just to clarify this in Dickinson they were in the country; the city annexed around them. It's kind of a unique situation there.

Representative Glen Froseth: This bill does not only deal with city it also deals with county and city and townships or any municipality that would allow them to assess them for use permit or crew housing permit fees.

Chairman Hatlestad: Representative Meyer, do you wish to make a motion to delete number three?

Representative Shirley Meyer: It's up to the committee. I was asked to point this out to our conference committee and I did. I don't have any strong feelings one way or the other.

Senator Triplett: Maybe we should consider deleting the references to organized cities and city limits and just leave it as a fix for the rural areas where crew camps are being developed on bare land in the country.

Chairman Hatlestad: I think the city people would go bananas. I think they have an expectation that they want to find a way to be able to assess them for the services that they are providing. If you look at page 2 lines 4-6 it gives them the option of imposing the fee based on the value of the services provided.

Senator Triplett: Maybe I just misinterpreted it during our discussion in the Senate. I thought we were talking about an organized city providing services to a crew camp that was outside of the city. I had no idea we were talking about lowering the standards for housing within organized cities. I think that is appalling. I think cities need to maintain standards or we are getting ourselves into a long term pickle if we allow cities to change the rules this dramatically to allow substandard housing inside their communities. I would like an opportunity to bring an amendment down the next time we meet.

Senator Burkhard: Just for clarification you said to delete number three. Are you talking about lines 14 and 15 on page 2?

Chairman Hatlestad: Yes, we were considering that. I will talk to the lady in Williston that did a lot of the work to put this bill together with some addition and cooperation from other individuals and then we will further discuss along with the amendment at the next meeting.

Representative Glen Froseth: I think we're distorting the original intention of this bill. The original intention was to have something in code so that the cities and counties could fall back on to say that we have the authority to assess a user fee to these facilities that are springing up all over. I don't think the intent was to try and regulate zoning and whatever each policies the cities and counties have. I think we want to keep it as open as possible. I would think the cities with the present zoning ordinances and city government would decide what is best for their community and how to best proceed with their infrastructure and so forth. It's mostly temporary housing so it will be here today and gone next month.

Chairman Hatlestad: We will stand in recess until the next scheduled meeting.

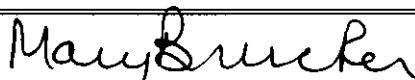
2011 HOUSE STANDING COMMITTEE MINUTES

House Finance and Taxation Committee
Fort Totten Room, State Capitol

HB 1144
April 13, 2011
#16539

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A Bill relating to a privilege tax that may be imposed by cities or counties on lodging units that are not taxable as real property or mobile homes; to provide a penalty; and to provide an effective date.

Minutes:

Chairman Hatlestad: Senator Triplett, I believe you were talking about a potential amendment dealing with HB 1144.

Senator Triplett: I realized something during our Senate floor session yesterday when dealing with SB 2361 that passed 46-1 and it's regarding the state's building code and exemptions there and defines crew housing facilities as temporary work camp housing. I thought maybe we should all call it the same thing since we're clearly talking about the same thing. It defines temporary work camp housing to include a modular residential structure used to house workers on a temporary basis for a maximum period of five years. It's the same kind of oil patch idea but a wholly different description and name referring to the same thing. I just thought I would bring it to your attention.

Representative Shirley Meyer: Did you have an amendment drafted to that effect?

Senator Triplett: No I don't. I just thought maybe there would be some benefit in calling our facility the same thing.

Representative Glen Froseth: What is the name of the phrase?

Senator Triplett: Temporary Work Camp Housing.

Chairman Hatlestad: That had a five year time period?

Senator Triplett: It allows exemptions from the state building code for a period of five years as long as the local inspector considers them to be safe for human habitation basically.

Representative Glen Froseth: The first thing that comes to my mind would be that if we change the name then would these units come under the same requirements as far as the building codes and everything? I think these do fit the building code specifications because most of them are built in a factory type of a setting so they have to be inspected and meet all the codes. If we change the name then it would put them in that category under those provisions.

Senator Triplett: So you're thinking it's not referring to the same names? Is there a double set of housing out there; some that fit codes and some that don't?

Chairman Hatlestad: I think we're talking about the same thing. In Senator Lyson's bill 2361 I think we're basically talking about the same thing. I think in Senator Lyson's bill they ran into a problem with the wiring on the outside of the wall in a casing rather than tucked away behind the wall. I think that was the reason for his bill. Are we concerned enough with 2361 when that gets to a conference committee or was that a concurrence?

Senator Triplett: I think that was a concurrence. So I think that's done.

Representative Shirley Meyer: Are you sure that we've concurred with this? I don't remember having seen it come back to us.

Chairman Hatlestad: It's done.

Senator Hogue: I just looked at the definition and I wasn't crazy about it because I know it contains the structure used to house workers on a temporary basis for a maximum period of five years. We took out of this bill of 1144 any reference to the amount of time that somebody would actually be housed in these facilities because I don't think anybody knows. I guess I'm comfortable with this definition that we have for purposes of permitting them. I don't know why they would reference years in there but I don't like using a definition that describes the period for which somebody would be occupying it because we really don't know. They could be there three months, six months, a year, or four or five years. I don't think that's a good definition to have in the particular bill.

Chairman Hatlestad: Senator Triplett, do you want to look further?

Senator Triplett: I would just like some advice from someone, maybe John Walstad is the person we should ask if we should define things differently in different sections. If he doesn't think we should then I'm okay with it I just wanted to bring it to everybody's attention.

Representative Glen Froseth: Do you want to have another meeting or we could call John Walstad and have him come down here?

Intern called John Walstad and asked him to come down to the meeting.

Chairman Hatlestad: In 2361 they are talking about building code regulations and in HB 1144 it's about taxes.

Representative Glen Froseth: I think in 2361 I would envision the camp that they brought down from the Winter Olympics and set up in Williston. That would be a modular type that is three or four stories high and it looks like a great big motel when it's finished. They moved the Winter Olympics housing camp from Vancouver to Williston. I would envision that type of a structure to come under that definition in 2361.

Senator Triplett: Maybe they are intended to refer to different things. Maybe the ones we are talking about meet all the building codes so maybe they are wholly separate things. I don't know, I'm just trying to sort it out. Kathy just provided me with the action on 2361 and it was further amended by the conference committee and so the Senate has passed on the conference committee report but you all have it on the House side.

Chairman Hatlestad: Is there anything else on the bill causing anybody heartburn?

John Walstad: This is the first I've seen on 2361. My quick answer would be that I don't think the same terminology needs to be used. It would probably be beneficial if we're using the same terms if we're talking about the same structures. The definitions in 2361 are limited to that chapter of law. The definitions in 1144 are limited to that chapter of law. I don't think there's a problem. It would be nice to synchronize them but I don't think it's necessary.

Senator Triplett: Just to bring you up to speed, we're not even sure they refer to the same kinds of temporary housing and we're not entirely sure that the ones in 1144 are or are not intended to all be compliant with building codes. Maybe 2361 refers to something else entirely where there is a building code issue. I thought it was worth talking about so I appreciate you coming down on short notice.

John Walstad: When I first looked at it I didn't think this was the same definition. I don't think we would want to throw this definition in here because this one has been carefully worked on by Political Subdivision people who are very concerned about the fee issue. This one, I assume, has been dealt with by somebody who is concerned about building codes. I don't think they are interchangeable. They could be made so they both are talking about crew housing facilities if it's indeed what's intended over here. I don't know that so I hate to suggest us doing that.

Chairman Hatlestad: I guess we're back to the question on whether we can entertain a motion for the Senate to recede from its amendments and 1144 would be amended as follows: I would entertain that motion.

Senator Hogue: I will so move.

Representative Meyer: Seconded.

Senator Triplett: To be perfectly clear amend it as follows, are we referring to the amendment 2004?

Chairman Hatlestad: Yes.

Further discussion not on record between committee members and John Walstad regarding the specific wording on the amendment.

Chairman Hatlestad: Maybe we need one more meeting to review the amendments before we vote. We should withdraw our motion and second.

Senator Hogue: I withdraw.

Representative Meyer: I withdraw.

Chairman Hatlestad: We will have one more meeting to get this all cleared up. This meeting is adjourned until the call of the Chairman.

2011 HOUSE STANDING COMMITTEE MINUTES

House Finance and Taxation Committee
Fort Totten Room, State Capitol

HB 1144
April 13, 2011
#16576

 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A Bill relating to a privilege tax that may be imposed by cities or counties on lodging units that are not taxable as real property or mobile homes; to provide a penalty; and to provide an effective date.

Minutes:

See attached amendments.

Chairman Hatlestad: You should have the handout of 2004. The motion we need to make is at the top of the page. I would entertain a motion that the Senate recedes and we amend 1144 as follows.

Senator Hogue: Motion made.

Senator Burckhard: Seconded.

A roll call vote was taken: YES 6 NO 0 ABSENT 0
MOTION PASSED.

2011 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House finance + Tax

Bill/Resolution No. HB 1144 as (re) engrossed

Date: 4-11-11, 4-13-11

Roll Call Vote #: 1

- Action Taken**
- HOUSE accede to Senate amendments
 - HOUSE accede to Senate amendments and further amend
 - SENATE recede from Senate amendments
 - SENATE recede from Senate amendments and amend as follows

House/Senate Amendments on HJ/SJ page(s) _____ -

- Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) 3 was placed on the Seventh order
of business on the calendar ~~X~~ WITHDREW MOTIONS ~~X~~
Motion Made by: Senator Hague Seconded by: Rep. Meyer

Representatives	Yes	No	Senators	Yes	No
Chairman Hatlestad	✓✓		Senator Burshard	✓✓	
Rep. Froseth	✓✓		Senator Hague	✓✓	
Rep. Meyer	✓✓		Senator Triplett	✓✓	

Vote Count Yes: _____ No: _____ Absent: _____

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

~~X~~ Waiting for
4000 amendments.

April 8, 2011

VR
4/13/11
log 2

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1144

That the Senate recede from its amendments as printed on pages 1302 and 1303 of the House Journal and pages 1031 and 1032 of the Senate Journal and that Engrossed House Bill No. 1144 be amended as follows:

Page 1, line 2, replace "special use" with "crew housing"

Page 1, line 8, remove "single or multisectioinal"

Page 1, line 9, replace "used as" with "or skid units, ordinarily designed for"

Page 1, line 9, after "quarters" insert "or a place of business, on a temporary or permanent basis"

Page 1, line 9, remove "whether or not attached to utility services"

Page 1, line 13, replace "special use" with "crew housing"

Page 1, line 14, replace "Special use" with "Crew housing"

Page 1, after line 16, insert:

"3. "Skid unit" means a structure or group of structures, either single or multisectioinal, which is not built on a permanent chassis and is ordinarily designed for human living quarters or a place of business, on a temporary or permanent basis."

Page 1, line 17, remove "special use"

Page 1, line 20, replace "special use" with "crew housing"

Page 1, line 20, after the underscored period insert "Crew housing permit fees imposed by a city or county must be determined on the basis of the value of services and facilities provided to the crew housing facility by the city or county, or both."

Page 1, after line 22, insert:

57-02.4-03. Exemptions.

This chapter does not apply to:

1. Real property that is exempt from property taxation or subject to payments in lieu of taxes.
2. Mobile or manufactured homes as defined under chapter 57-55.
3. A recreational vehicle, camper, or camper trailer required to be licensed by the motor vehicle division of the department of transportation.
4. Park model trailers for which the owner has paid a park model trailer fee under section 39-18-03.2.

57-02.4-04. Reporting requirement.

A county or city may establish reporting requirements for crew housing facilities subject to permit fees within the jurisdiction of the county or city."

Renumber accordingly

2011 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House finance + Tax

Bill/Resolution No. HB 1144 as (re) engrossed

Date: 4-13-11

Roll Call Vote #: 1

- Action Taken
- HOUSE accede to Senate amendments
 - HOUSE accede to Senate amendments and further amend
 - SENATE recede from Senate amendments
 - SENATE recede from Senate amendments and amend as follows

House/Senate Amendments on HJ/SJ page(s) 1302 - 1303

- Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) 1144 was placed on the Seventh order
of business on the calendar

Motion Made by: Senator Hague Seconded by: Senator Burchard

Representatives	Y	Yes	No	Senators	Y	Yes	No
Chairman Hatfield		✓		Senator Burchard	✓		✓
Rep. Froseth	✓		✓	Senator Hague	✓		✓
Rep. Meyer	✓		✓	Senator Triplett	✓		✓

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number 11.0296 . 02004 of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

REPORT OF CONFERENCE COMMITTEE

HB 1144, as engrossed: Your conference committee (Sens. Burckhard, Hogue, Triplett and Reps. Hatlestad, Froseth, S. Meyer) recommends that the **SENATE REcede** from the Senate amendments as printed on HJ pages 1302-1303, adopt amendments as follows, and place HB 1144 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1302 and 1303 of the House Journal and pages 1031 and 1032 of the Senate Journal and that Engrossed House Bill No. 1144 be amended as follows:

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57-02.4-04. Reporting requirement.

A county or city may establish reporting requirements for crew housing facilities subject to permit fees within the jurisdiction of the county or city."

Renumber accordingly

Engrossed HB 1144 was placed on the Seventh order of business on the calendar.

2011 TESTIMONY

HB 1144

A

Senator Cook and Members of the Senate Finance and Tax committee, for the record I am Rep. David Drovdal from District 39 and am the prime sponsor on HB 1144 which you have before you.

HB 1144 comes after several discussions with mayors in oil and gas producing counties concerning the ability for those cities to recover cost for services that they provide to temporary citizens. As you are aware of the housing shortage has created a new or different response to a major problem that is being faces because of the rapid growth of the oil industry in Western North Dakota. After visiting with Marcie Dikkerson from the Tax department and John Walstad from Legislative Council we found that the housing units that are being constructed do not fit any property description that we have in the century code and there is a wide variety in the use of services provided by the city or county among those units. Some require only fire protection and maybe some law enforcement. Others require snow removal, more law enforcement, sewer and water, etc.

HB 1144 allows the city or county, depending of the location of the camps, to charge a fee for the services provided. This allows the subdivision to recover the cost of their services according to the amount of services required.

I thank you for your time and ask for a favorable consideration for HB 1144 and would be glad to answer any questions.

Rep. David Drovdal

**Testimony to the Senate Finance & Taxation Committee
Chairman Senator Dwight Cook
House Bill 1144**

Shawna Gooch-Egge
Director of Tax Equalization, Williams County
Williston City Assessor
March 21, 2011

Mr. Chairman and members of the Senate Finance & Taxation Committee, my name is Shawna Gooch-Egge and I am the Director of Tax Equalization for Williams County and the City Assessor in Williston. I am here to testify in favor of House Bill 1144 concerning temporary housing or "crew housing facilities" on behalf of Williams County and the City of Williston's respective Commissions.

Williams County has been inundated with temporary housing during the past year with at least 3000 additional units moving to the area this summer. Within the City and the County we are seeing temporary housing in every form from tents, campers and skid units to large facilities housing up to three hundred workers with many amenities. Commissioners have serious concerns about the burden these large facilities place on governmental services; such as law enforcement and roads.

While both jurisdictions are satisfied with House Bill 1144 in its current form that allows us to address these issues in some way; there is concern about consistency among jurisdictions around the state. I personally also share this concern as I know many in my profession do around the Northwest region. I have included suggested items for consideration of an amendment to this bill that addresses some of our concerns.

The City of Williston is also requesting a change of the term "special use permit" to possibly "privilege permit". The City already has a special use permit in their ordinance for another purpose.

I would like to thank the committee for your time and consideration this morning.

Suggested Amendments to House Bill 1144

1. Addition of the definition of a "skid unit". Skid units are used as temporary housing and are considered personal property by the State of North Dakota and therefore not subject to real property taxation. However, a definition does not exist for a skid unit.
 - a. Possible Definition: A structure or group of structures, either single or multi-sectional, which is not built on a permanent chassis. These units are ordinarily designed for human living quarters or place of business, either on a temporary or permanent basis.
2. The definition of a "crew housing facility" to also include the following provisions:
 - a. Housing at least twenty persons
 - b. Intended to be in place for at least one year
 - c. Attached to at least one utility service

***This added definition for a crew housing facility will facilitate jurisdictions around the state to maintain some consistency in the method in which these units are treated. It is also not our wish for single skid units to fall under this legislative act. These units are moved constantly and are impossible to track.
3. The addition of a Reporting Requirement stating that a report must be submitted yearly in January. This report should include the following:
 - a. A status report on the current state of the living complex, including current square footage of the complex, any new additions or removal of buildings from the complex and current number of persons the complex can house.
 - b. Updated site plan of the entire complex.
 - c. Any changes that are planned for the upcoming calendar year.
4. Exceptions:
 - a. Real property that is exempt from property taxation or subject to payments in lieu of taxes.
 - b. Classified as a mobile or manufactured home as defined under North Dakota Century Code chapter 57-55.
 - c. Classified as a RV, camper or camper trailer as per State Tax Commissioner Guidelines.
 - d. Park model trailer that is used only for seasonal or recreational living quarters and not as temporary or primary residence, and which is located in a trailer park or campground, and for which the owner has paid a park model trailer fee under North Dakota Century Code section 39-18-03.2. For purposes of this chapter, "park model" trailer is defined in North Dakota Century Code section 57-55-10.
 - e. Skid units not classified as a crew housing facility as previously defined in this chapter.

TEMPORARY HOUSING

Exbury

SKID UNITS



ATCO LODGE
North of Williston



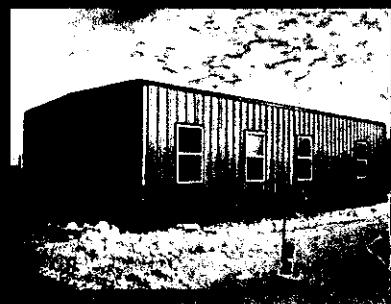
TARGET LOGISTICS
Williston North Lodge



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Renumber accordingly

Sixty-second
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1144

Introduced by

Representatives Drovdal, Hatlestad

Senators Andrist, Lyson

1 A BILL for an Act to create and enact chapter 57-02.4 of the North Dakota Century Code,
2 relating to special-usecrew housing permit fees for crew housing facilities; and to declare an
3 emergency.

4 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

5 SECTION 1. Chapter 57-02.4 of the North Dakota Century Code is created and enacted as
6 follows:

7 **57-02.4-01. Definitions.**

8 As used in this chapter:

- 9 1. "Crew housing facilities" means one or more single or multisectional lodging units
10 used as or skid units; ordinarily designed for human living quarters or a place of
11 business; on a temporary or permanent basis, whether or not attached to services
12 which are not real property, as defined in section 57-02-04, and are not mobile homes,
13 as defined in section 57-55-01. A group of crew housing facilities that are connected
14 physically or by common ownership may be treated as a single crew housing facility
15 for purposes of imposition of special-usecrew housing permit fees imposed under this
16 chapter.
17 2. "Special-use"Crew housing permit" means a right granted by a city or county to locate
18 crew housing facilities on property within the jurisdiction of the city or county under this
19 chapter and to enjoy attendant services and facilities provided by the city or county.
20 3. "Skid unit" means a structure or group of structures, either single or multisectional,
21 which is not built on a permanent chassis and is ordinarily designed for human living
22 quarters or a place of business, on a temporary or permanent basis.

1 **57-02.4-02. Crew housing special use permit fees - Fee revenue sharing with other**
2 **taxing districts.**

3 A city, for property within city limits, or a county, for property outside city limits, may impose
4 special usecrew housing permit fees that apply to crew housing facilities. Crew housing permit
5 fees imposed by a city or county must be determined on the basis of the value of services and
6 facilities provided to the crew housing facility by the city or county, or both. A city or county
7 imposing fees under this section may share revenues from the fees with other taxing districts in
8 which the property is located.

9 **57-02.4-03. Exemptions.**

10 This chapter does not apply to:

11 1. Real property that is exempt from property taxation or subject to payments in lieu of
12 taxes.

13 2. Mobile or manufactured homes as defined under chapter 57-55.

14 3. A recreational vehicle, camper, or camper trailer required to be licensed by the motor
15 vehicle division of the department of transportation.

16 4. Park model trailers for which the owner has paid a park model trailer fee under section
17 39-18-03(2).

18 **57-02.4-04. Reporting requirement.**

19 A county or city may establish reporting requirements for crew housing facilities subject to
20 permit fees within the jurisdiction of the county or city.

21 **SECTION 2. EMERGENCY.** This Act is declared to be an emergency measure.