

2013 HOUSE FINANCE AND TAXATION

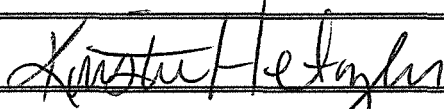
HB 1463

2013 HOUSE STANDING COMMITTEE MINUTES

House Finance and Taxation Committee Fort Totten Room, State Capitol

HB 1463
February 6, 2013
Job 18385

☐ Conference Committee



Explanation or reason for introduction of bill/resolution:

A Bill relating to a renter credit for a disabled veteran who would qualify for the property tax credit for disabled veterans except for the fact that the disabled veteran rents living quarters.

Minutes:

Attached amendments #1.

Vice Chairman Headland: Opened hearing on HB 1463.

Representative Guggisberg: Introduced bill. Distributed amendments #1. Page 2, line 31. It should say 2%

Representative Klein: Is there any definition to the percent of disability?

Representative Guggisberg: It does lay out in page 2, line 20 the qualification.

Representative Klein: I believe that one was 50% but I could be wrong.

Representative Guggisberg: I think that is correct.

Vice Chairman Headland: Further testimony in support of 1463?

Brenda Burgsrud, North Dakota Veterans Counsel: (4:08) Supports HB 1463

Representative Zaiser: We heard some reference on earlier bills to a prior deranking of 1 through 3, how do you rank this bill in its importance?

Brenda Burgsrud: All of our bills are important so I don't have a priority rating.

Vice Chairman Headland: Any further support? Any opposition to 1463? Any neutral testimony?

Marcy Dickerson, State Supervisor of Assessment: I believe this bill needs a definition of "income." If you are comparing a percentage of the rent to a percentage of the income you need to know what income you are using that percent of. (6:25)

Representative Kelsh: Do we currently have a definition for "income" for a disabled veteran if they are getting the homestead tax credit?

Marcy Dickerson: We do not because the income is not a factor.

Vice Chairman Headland: Any other neutral testimony

2013 HOUSE STANDING COMMITTEE MINUTES

House Finance and Taxation Committee Fort Totten Room, State Capitol

HB 1463
February 11, 2013
Job 18706

☐ Conference Committee



Explanation or reason for introduction of bill/resolution:

A Bill relating to a renter credit for a disabled veteran who would qualify for the property tax credit for disabled veterans except for the fact that the disabled veteran rents living quarters.

Minutes:

Attachment 1,2

Chairman Belter: Opens.

Marcy Dickerson: Goes over Attachment 1, definition of income. (ended 2:02)

Representative Kelsh: Marcy is correct; our first amendment doesn't address that properly so I am having another amendment to incorporate this definition instead of the 1002 definition.

Marcy Dickerson: Goes over Attachment 2, and what it entitles.

Representative ?: Does a disabled veteran qualify for the homestead credit if they own their own home and don't have any other income requirements if they are under the age of 65?

Marcy: They can qualify for both the homestead credit and the disabled veteran's credit but for the homestead credit they have to have income less than \$26,000. The ones who qualify for both can have both.

Representative ?: And what this bill does is simply add those disabled veterans that are renters?

Marcy: As I understand this bill it is a standalone, separate from the homestead credit. This is to give a separate renters refund to disabled veterans.

Representative Headland: In a prior amendment, rep Kelsh referenced 57-02-08.1 and mentioned income limitations.

Marcy: That is what this paper here is from 57-02-08.1 and 5c is the definition of income when you are calculating the existing renters refund.

Representative Headland: Income range was referenced?

Marcy: That applies to the Homestead credit for home owners; it does not apply to the renters at all. I believe you are eligible for 100% credit if your income less than \$15,000 and so on up till the \$26,000 limit. (ended 7:02)

Representative ?: With this language without it referencing some kind income range would it be wide open to any disabled vet?

Marcy: I believe it would, however with the renters and the homestead credit program the maximum \$26,000 applies to them, after medical expenses deducted which you should consider adding. I would recommend putting in a maximum amount.

Chairman Belter: HB 1463 we essential have in the books that these veterans could qualify for but this one does not have any income limits?

Marcy: That is correct.

Closed.

2013 HOUSE STANDING COMMITTEE MINUTES

House Finance and Taxation Committee Fort Totten Room, State Capitol

HB 1463
February 11, 2013
Job 18756

☐ Conference Committee

Kristen Hedgley

Explanation or reason for introduction of bill/resolution:

A Bill relating to a renter credit for a disabled veteran who would qualify for the property tax credit for disabled veterans except for the fact that the disabled veteran rents living quarters.

Minutes:

Chairman Belter: Opens HB 1463

Representative Kelsh: I spoke with Marcy, her definition was fine with her and the amendment that was handed out was what it stated in 5c. We also determined we do not need an income cap because on the top of page 3, line 2. Her opinion is the amendments are fine and we can move on this if we choose to today.

Representative Headland: If your 50% disabled you will be a 100% eligible, is that right?

Representative Kelsh: The existing language from page 1 is current law and what this bill does is extends that to disabled veterans that are renters.

Representative Owens: Motions to move amendments 1002.

Representative Kelsh: Second.

Discussion:

Representative Owens: Page 1, line 11, so there is no conflict with one bill passing before or after another one, line through along with on line 17. (ended 5:10)

Representative Kelsh: I'm happy with that.

Representative Owens: Strike the 5 and replace it with 9 and then strike through the \$400.

Chairman Belter: Are you including that in your motion?

Representative Owens: Yes.

Representative Hadelstad: I thought the max is \$400, why are you crossing that off?

Representative Owens: I made the 1st page to look like a previous bill that we have already passed out, but the restriction to the renters is on page 3.

Representative Owens is asked to restate his motion.

Representative Owens: I move to accept the amendments 1002 with the following inclusions: Page 1, line 11, line through 50% greater. Page 1, line 17, line through 5 and replace with 9 and line through 400.

Representative Kelsh: Second.

Voice vote

Chairman Belter: Amended bill is before us.

Representative ?: Will this change the fiscal note?

Representative Owens: It will increase the fiscal note, taking that 50 to 100 out, but remember for the renters it is still limiting them to \$400 for each one of them and then based on a percentage. Keep in mind that the changes we made page 1 will also cause an increase but it will only mirror what we have already done in another bill.

Chairman Belter: We should refer this onto appropriations.

Representative Owens: Moves a Do Pass as amended, rerefer to appropriations.

Representative Schmidt: Second.

Yes: 13

No: 0

Absent: 1

2013 HOUSE STANDING COMMITTEE MINUTES

House Finance and Taxation Committee Fort Totten Room, State Capitol

HB 1463
February 12, 2013
Job #18841

☐ Conference Committee

Committee Clerk Signature

Mary Bruecker

Explanation or reason for introduction of bill/resolution:

A Bill relating to a renter credit for a disabled veteran who would qualify for the property tax credit for disabled veterans except for the fact that the disabled veteran rents living quarters.

Minutes:

Chairman Belter: We have some duplication on this bill and HB 1306. Representative Owens, would you explain this to the committee?

Representative Owens: I would request that the committee revisit its actions on 1463. My concern is that paragraph 1 is the paragraph we changed in HB 1306 and that bill has a fiscal note of \$7.8 million. This bill has a fiscal note of around \$1.4 million for the biennium and I'm concerned that the change in paragraph 1 will be double counted so I think we should bring 1463 back and delete paragraph 1 in the amendment and take it out completely so there's no confusion in what the true fiscal note on this bill is. **Made a motion to reconsider our actions on 1463.**

Vice Chairman Headland: Seconded.

VOICE VOTE: MOTION CARRIED.

Chairman Belter: We have 1463 before us.

Representative Owens: **Made a motion to further amend HB 1463** to delete lines 10-22 on page one and lines 1-11 on page two.

Representative Kelsh: Seconded.

VOICE VOTE: MOTION CARRIED.

Chairman Belter: We have the amended bill before us.

Representative Owens: **Made a motion for a Do Pass as Amended and Re-refer to Appropriations.**

Representative Klein: Seconded.

ROLL CALL VOTE: 13 YES 0 NO 1 ABSENT

Representative Owens will carry this bill.

2013 HOUSE STANDING COMMITTEE MINUTES

House Finance and Taxation Committee
Fort Totten Room, State Capitol

HB 1463
February 13, 2013
Job #18900

☐ Conference Committee

Committee Clerk Signature

Mary Brucker

Explanation or reason for introduction of bill/resolution:

A Bill relating to a renter credit for a disabled veteran who would qualify for the property tax credit for disabled veterans except for the fact that the disabled veteran rents living quarters.

Minutes:

Chairman Belter: We need to reconsider this bill. We acted yesterday but we didn't have the bill. We adopted the 1002 amendments and then we further amended.

Vice Chairman Headland: Made a motion to reconsider our actions.

Representative Drovdal: Seconded.

VOICE VOTE: MOTION CARRIED.

Representative Owens: Made a motion to further amend 1463 page 1 line 10-22 and page 2 lines 1-11 and delete those and to include the 1002 amendments.

Representative Dockter: Seconded.

VOICE VOTE: MOTION CARRIED.

Chairman Belter: HB 1463 is before us as amended. What are the committee's wishes?

Representative Owens: Made a motion for a Do Pass as Amended and Re-refer to Appropriations.

Representative Kelsh: Seconded.

ROLL CALL VOTE: 13 YES 0 NO 1 ABSENT

Representative Owens will carry the bill.

FISCAL NOTE
Requested by Legislative Council
02/12/2013

Amendment to: HB 1463

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$10,410,000			
Appropriations						

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Engrossed HB 1463 creates a renters credit for qualifying disabled veterans and expands the existing homestead credit program for disabled veterans.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 1 of engrossed HB 1463 sets out the provisions for a renters credit for disabled veterans who would otherwise qualify for the homestead credit program if they were homeowners. For purposes of this estimate, we have assumed 50% of the qualifying disabled veterans are homeowners and 50% are renters. Section 1 also expands the homestead credit program to apply to all levels of service-connected disabilities and to increase the value of the homestead for which the credit is computed.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

If enacted, engrossed HB 1463 is expected to increase expenditures for the property tax and renter credit program for disabled veterans by an estimated \$10.410 million in the 2013-15 biennium. Of this amount, \$6.2 million is the estimated impact of the expanding credit for homeowners, and \$4.21 million is the estimated impact for renters.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

If enacted, engrossed HB 1463 will require a corresponding increase in the appropriation in the Tax Commissioner's budget for the additional costs of this program.

Name: Kathryn L. Strombeck

Agency: Office of Tax Commissioner

Telephone: 328-3402

Date Prepared: 02/13/2013

FISCAL NOTE
Requested by Legislative Council
01/22/2013

Bill/Resolution No.: HB 1463

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$1,472,000			
Appropriations						

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

HB 1463 creates a renters credit for qualifying disabled veterans.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 1 of HB 1463 sets out the provisions for a renters credit for disabled veterans who would otherwise qualify for the homestead credit program if they were homeowners. For purposes of this estimate, we have assumed 50% of the qualifying disabled veterans are homeowners and 50% are renters.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

If enacted, HB 1463 is expected to increase expenditures for the property tax and renter credit program for disabled veterans by an estimated \$1.472 million in the 2013-15 biennium.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

If enacted, HB 1463 will require a corresponding increase in the appropriation in the Tax Commissioner's budget for the additional costs of this program.



Name: Kathryn L. Strombeck

Agency: Office of Tax Commissioner

Telephone: 328-3402

Date Prepared: 02/05/2013



February 11, 2013

VIC
2/11/13

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1463

Page 1, line 11, overstrike "of fifty percent or greater"

Page 1, line 17, overstrike "five" and insert immediately thereafter "nine"

Page 1, line 17, overstrike "four hundred"

Page 2, line 31, replace "four" with "two"

Page 3, line 24, after "family" insert "and "income" has the meaning provided in section 57-02-08.1"

Renumber accordingly

13.0775.01005
Title.03000

Adopted by the Finance and Taxation
Committee

February 13, 2013

YK
2/14/13

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1463

Page 2, line 31, replace "four" with "two"

Page 3, line 24, after "family" insert "and "income" has the meaning provided in section
57-02-08.1"

Renumber accordingly

Date: 2-11-13
Roll Call Vote #: 1

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 09800 1463

House Finance and Taxation

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☒ Adopt Amendment
☐ Rerefer to Appropriations ☐ Reconsider

1002

Motion Made By Rep. Kelsh Seconded By Rep. Strinden

Withdrawn Motion

Representatives	Yes	No	Representatives	Yes	No
Chairman Wesley Belter			Rep. Scot Kelsh		
Vice Chairman Craig Headland			Rep. Steve Zaiser		
Rep. Matthew Klein			Rep. Jessica Haak		
Rep. David Drovdal			Rep. Marie Strinden		
Rep. Glen Froseth					
Rep. Mark Owens					
Rep. Patrick Hatlestad					
Rep. Wayne Trottier					
Rep. Jason Dockter					
Rep. Jim Schmidt					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Date: 2-11-13
Roll Call Vote #: 1

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1463

House Finance and Taxation Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☒ Adopt Amendment
1002 + further amend
☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Rep. Owens Seconded By Rep. Kelsh

Representatives	Yes	No	Representatives	Yes	No
Chairman Wesley Belter			Rep. Scot Kelsh		
Vice Chairman Craig Headland			Rep. Steve Zaiser		
Rep. Matthew Klein			Rep. Jessica Haak		
Rep. David Drovdal			Rep. Marie Strinden		
Rep. Glen Froseth					
Rep. Mark Owens					
Rep. Patrick Hatlestad					
Rep. Wayne Trotter					
Rep. Jason Dockter					
Rep. Jim Schmidt					

VOICE VOTE =
MOTION CARRIED

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Page 1, line 11, line through 50% greater
Page 1, line 17, line through 5 + replace
with 9 and line through 400.

Date: 2-11-13
Roll Call Vote #: 2

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1463

House Finance and Taxation Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: ☒ Do Pass ☐ Do Not Pass ☒ Amended ☐ Adopt Amendment
☒ Rerefer to Appropriations ☐ Reconsider

Motion Made By Rep. Owens Seconded By Rep. Schmidt

Representatives	Yes	No	Representatives	Yes	No
Chairman Wesley Belter	✓		Rep. Scot Kelsh	✓	
Vice Chairman Craig Headland	✓		Rep. Steve Zaiser	✓	
Rep. Matthew Klein	✓		Rep. Jessica Haak	✓	
Rep. David Drovdal	✓		Rep. Marie Strinden	✓	
Rep. Glen Froseth	✓				
Rep. Mark Owens	✓				
Rep. Patrick Hatlestad	✓				
Rep. Wayne Trottier	✓				
Rep. Jason Dockter	✓				
Rep. Jim Schmidt	✓				

Total (Yes) 13 No 0

Absent 1

Floor Assignment Rep. Kelsh Owens (after recording stopped)

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

inclusion: Page 1, line 11, line through 56%
greater
Page 1, line 17, line through 5 & replace with
9 and line through 400.

Date: 2-12-13
Roll Call Vote #: 1

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1463

House Finance and Taxation Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☐ Adopt Amendment
☐ Rerefer to Appropriations ☒ Reconsider from 2/11 passed as amend

Motion Made By Rep. Owens Seconded By Rep. Headland

Representatives	Yes	No	Representatives	Yes	No
Chairman Wesley Belter			Rep. Scot Kelsh		
Vice Chairman Craig Headland			Rep. Steve Zaiser		
Rep. Matthew Klein			Rep. Jessica Haak		
Rep. David Drovdal			Rep. Marie Strinden		
Rep. Glen Froseth					
Rep. Mark Owens					
Rep. Patrick Hatlestad					
Rep. Wayne Trottier					
Rep. Jason Dockter					
Rep. Jim Schmidt					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Voice Vote
Motion Carried.

Date: 2-12-13
Roll Call Vote #: 2

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1463

House Finance and Taxation Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: ☐ Do Pass ☐ Do Not Pass ☒ ^{Further} Amended ☐ Adopt Amendment
☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Rep. Owens Seconded By Rep. Kelsh

Representatives	Yes	No	Representatives	Yes	No
Chairman Wesley Belter			Rep. Scot Kelsh		
Vice Chairman Craig Headland			Rep. Steve Zaiser		
Rep. Matthew Klein			Rep. Jessica Haak		
Rep. David Drovdal			Rep. Marie Strinden		
Rep. Glen Froseth					
Rep. Mark Owens					
Rep. Patrick Hatlestad					
Rep. Wayne Trottier					
Rep. Jason Dockter					
Rep. Jim Schmidt					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Voice Vote

Motion Carried
to delete lines 10-22 on page one and lines 1-11 on page two.

Date: 2-12-13
Roll Call Vote #: 3

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1463

House Finance and Taxation Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: ☒ Do Pass ☐ Do Not Pass ☒ Amended ☐ Adopt Amendment
☒ Rerefer to Appropriations ☐ Reconsider

Motion Made By Rep. Owens Seconded By Rep. Klein

Representatives	Yes	No	Representatives	Yes	No
Chairman Wesley Belter	✓		Rep. Scot Kelsh	✓	
Vice Chairman Craig Headland	✓		Rep. Steve Zaiser	AB	—
Rep. Matthew Klein	✓		Rep. Jessica Haak	✓	
Rep. David Drovdal	✓		Rep. Marie Strinden	✓	
Rep. Glen Froseth	✓				
Rep. Mark Owens	✓				
Rep. Patrick Hatlestad	✓				
Rep. Wayne Trottier	✓				
Rep. Jason Dockter	✓				
Rep. Jim Schmidt	✓				

Total (Yes) 13 No 0

Absent 1

Floor Assignment Rep. Owens

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

Date: 2-13-13
Roll Call Vote #: 1

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1463

House Finance and Taxation Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☐ Adopt Amendment
☐ Rerefer to Appropriations ☒ Reconsider

Motion Made By Rep. Headland Seconded By Rep. Drovdal

Representatives	Yes	No	Representatives	Yes	No
Chairman Wesley Belter			Rep. Scot Kelsh		
Vice Chairman Craig Headland			Rep. Steve Zaiser		
Rep. Matthew Klein			Rep. Jessica Haak		
Rep. David Drovdal			Rep. Marie Strinden		
Rep. Glen Froseth					
Rep. Mark Owens					
Rep. Patrick Hatlestad					
Rep. Wayne Trottier					
Rep. Jason Dockter					
Rep. Jim Schmidt					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Voice Vote
Motion Carried.

Date: 2-13-13
Roll Call Vote #: 2

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1463

House Finance and Taxation Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: ☐ Do Pass ☐ Do Not Pass ☒ ^{further} Amended ☐ Adopt Amendment
☐ Rerefer to Appropriations ☐ Reconsider *+ include 1002 amendment*

Motion Made By Rep. Owens Seconded By Rep. Dockter

Representatives	Yes	No	Representatives	Yes	No
Chairman Wesley Belter			Rep. Scot Kelsh		
Vice Chairman Craig Headland			Rep. Steve Zaiser		
Rep. Matthew Klein			Rep. Jessica Haak		
Rep. David Drovdal			Rep. Marie Strinden		
Rep. Glen Froseth					
Rep. Mark Owens					
Rep. Patrick Hatlestad					
Rep. Wayne Trottier					
Rep. Jason Dockter					
Rep. Jim Schmidt					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Voice Vote
Motion Carried.

Date: 2-13-13
Roll Call Vote #: 3

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1463

House Finance and Taxation Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: ☒ Do Pass ☐ Do Not Pass ☒ Amended ☐ Adopt Amendment
☒ Rerefer to Appropriations ☐ Reconsider

Motion Made By Rep. Owens Seconded By Rep. Kelsh

Representatives	Yes	No	Representatives	Yes	No
Chairman Wesley Belter	✓		Rep. Scot Kelsh	✓	
Vice Chairman Craig Headland	✓		Rep. Steve Zaiser	✓	
Rep. Matthew Klein	✓		Rep. Jessica Haak	AP	
Rep. David Drovdal	✓		Rep. Marie Strinden	✓	
Rep. Glen Froseth	✓				
Rep. Mark Owens	✓				
Rep. Patrick Hatlestad	✓				
Rep. Wayne Trottier	✓				
Rep. Jason Dockter	✓				
Rep. Jim Schmidt	✓				

Total (Yes) 13 No 0

Absent 1

Floor Assignment Rep. Owens

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

- and private sector providers to address the expansion of facilities or the creation of additional facilities.
2. The superintendent of public instruction may appoint a committee, work groups, task forces, and subcommittees, as necessary, to provide or obtain information required in conjunction with this study.
 3. Before June 1, 2014, the superintendent of public instruction shall provide a final report, together with recommendations, to the legislative management."

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1380: Finance and Taxation Committee (Rep. Belter, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (10 YEAS, 4 NAYS, 0 ABSENT AND NOT VOTING). HB 1380 was placed on the Sixth order on the calendar.

Page 1, line 3, after "against" insert "certain"

Page 2, line 9, replace "that" with "for which the owner's primary revenue source is fees charged to users or clients or revenues from federal funding sources, or a combination of both of those revenue sources, which"

Page 4, line 14, replace "improvement district" with "municipality"

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1429: Education Committee (Rep. Nathe, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (7 YEAS, 4 NAYS, 2 ABSENT AND NOT VOTING). HB 1429 was placed on the Sixth order on the calendar.

Page 1, line 2, remove "; and to provide an appropriation for early childhood"

Page 1, line 3, remove "education grants"

Page 1, line 10, after "and" insert ", provided the program is approved by the superintendent of public instruction in accordance with chapter 15.1-37,"

Page 1, remove lines 16 through 24

Page 2, remove lines 1 through 14

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1463: Finance and Taxation Committee (Rep. Belter, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1463 was placed on the Sixth order on the calendar.

Page 1, line 11, overstrike "of fifty percent or greater"

Page 1, line 17, overstrike "five" and insert immediately thereafter "nine"

Page 1, line 17, overstrike "four hundred"

Page 2, line 31, replace "four" with "two"

Page 3, line 24, after "family" insert "and 'income' has the meaning provided in section 57-02-08.1"

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1464: Finance and Taxation Committee (Rep. Belter, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1464 was placed on the Sixth order on the calendar.

Page 1, line 11, replace "two hundred" with "one hundred ten"

Page 1, line 20, replace "two hundred" with "one hundred ten"

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1466: Education Committee (Rep. Nathe, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (6 YEAS, 5 NAYS, 2 ABSENT AND NOT VOTING). HB 1466 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 a new section to chapter 15.1-27 of the North Dakota Century Code, relating to contracts for the provision of educational services by nonpublic schools.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

Educational services by nonpublic schools - Contracts - Reporting.

1. Before the tenth day of September, each parent intending to meet the compulsory attendance requirements by enrolling a child in an approved nonpublic school as permitted by chapter 15.1-20 shall file a form with the superintendent of the child's school district of residence indicating that fact.
2. The form must be developed by the superintendent of public instruction and made available in printed and electronic form.
3. Upon receiving the notification, the child's school district of residence shall contract with the approved nonpublic school for the provision of educational services to the child. The amount agreed to by the school district in accordance with the contract may not exceed twenty-five percent of the school district's educational cost per student.
4. At the time and in the manner required by the superintendent of public instruction, each school district entering a contract under this section shall submit documentation indicating the amount agreed to in accordance with each contract. The superintendent of public instruction shall consolidate the district's contractual obligations and forward the amount owed directly to the contracting nonpublic school.
5. Each year the superintendent of public instruction shall publish in electronic form:
 - a. The number of contracts entered in accordance with this section, by school district;
 - b. The cost of the contracts, by school district; and
 - c. Using each district's educational cost per student, the cost that would have been incurred by each district in providing educational services to the students.

REPORT OF STANDING COMMITTEE

HB 1463: Finance and Taxation Committee (Rep. Belter, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1463 was placed on the Sixth order on the calendar.

Page 2, line 31, replace "four" with "two"

Page 3, line 24, after "family" insert "and "income" has the meaning provided in section 57-02-08.1"

Renumber accordingly

2013 HOUSE APPROPRIATIONS

HB 1463

2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Committee
Roughrider Room, State Capitol

HB 1463
2/18/13
Job 19105

☐ Conference Committee

Committee Clerk Signature

Meredith Traubolt

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to amend and reenact section 57-02-08.8 of the North Dakota Century Code, relating to a renter credit for a disabled veteran who would qualify for the property tax credit for disabled veterans except for the fact that the disabled veteran rents living quarters; and to provide an effective date.

Minutes:

You may make reference to "attached testimony."

Rep. Mark Owens, District 17: Introduced the bill.

03:10

Rep. Kempenich: Do we have what we're doing total with veterans' bills?

Chairman Delzer: I've got a list of all of them, we'll have to have a discussion about that.

5:35

Rep. Owens: Further introduced the bill.

6:20

Chairman Delzer: They currently can qualify for the \$400 already?

Rep. Owens: If they fall in the lower income, they could qualify for both, yes. I want the committee to be clear of all the ramifications of this. The 2/12 Fiscal Note shows a higher number than we considered, which was \$1.4M per biennium. Resumed discussion of bill.

Chairman Delzer: No income limits, but isn't it based on a percentage of something?

Rep. Owens: It is still based on your disability percentage, but there are no income limits as the bill is written now.

Chairman Delzer: On page 2, you changed from 4% of the applicant's annual income to 2%?

Rep. Owens: That was brought in by the bill sponsor. We did not question or discuss it after that, we just accepted the amendment from the sponsor and moved forward from there.

Chairman Delzer: But part of how you qualify for this is the amount of rent you have compared to your income, is it not?

Rep. Owens: No, there is no income limit in this portion of it.

09:00

Rep. Guggisberg: The reason it was amended was that there had been a typo. It basically matches the renters' credit for the homestead tax credit for low income people over 65. The language came right from that tax credit.

Chairman Delzer: Was it your intent to double dip for the lower income?

Rep. Guggisberg: The reason I brought this bill forward is there is a homestead tax credit for low income people over 65, and a renter's tax credit for low income people over 65, and a homestead tax credit for disabled veterans, and no renter's tax credit for disabled veterans.

Chairman Delzer: Did you mean for those that could possibly qualify twice to be qualified twice?

Rep. Guggisberg: If there are people who own a home that qualify twice, then I think the renters should be able to, too.

Chairman Delzer: I don't believe they ever do.

Rep. Owens: Currently there is a disabled component that provides a renters' refund in law. It has a definite income category. If they apply and qualify for that, the lower incomes could actually qualify for both of these, because there is no restriction on double dipping right now. The section that talks about the applicant's income, that's a limit of the refund, but not a limit of their income.

Chairman Delzer: If they are disabled, can they double dip on the home side?

Rep. Owens: If they are low income, yes, I believe they can. The tax department advises them to qualify for the low income one first, then do the percentage.

Chairman Delzer: With that, it is still based on the value of the home, so it's probably not double dipping because it is still based on the first portion of the taxable value, and if they are getting it once they can't get it twice, can they?

Rep. Owens: There would be two limiting factors in there. One is their income, the other would limit the taxable value. I believe they could get both and it would not limit the second one.

Chairman Delzer: If you're getting the first one, it's off of so much of the value, they are not going to go further up on that, right?

Rep. Owens: The first one is literally based on their income, and deals with total disability only, so it's not all disabled veterans. If they are low income and totally disabled, totally unemployable. After that, they could move to the disabled American veteran one, and that's limited by \$120,000 true and full value or \$5400, and we're talking about raising it to \$9000. That's based on a different criteria, the value of the home.

Chairman Delzer: What is the income level for disabled?

Rep. Owens: I'd have to look that up to know for sure, but it's very low, maybe \$26,000.

Chairman Delzer: Did you have any discussion about income levels on this bill?

Rep. Owens: There was, but it never made it into the bill.

Chairman Delzer: If you had had the issue in front of you as \$4M instead of \$1.2M, there would have been further discussion on it?

Rep. Owens: I believe so.

Rep. Brandenburg: Where did you come up with the \$400 payment for a renter?

Rep. Owens: It is copied from the existing renters' program. It came from the sponsor that way.

Chairman Delzer: In the formula almost everybody would receive the \$400.

Rep. Owens: I did some numbers, and I found it very difficult to find somebody that would get less than \$400. And if I did, they qualified for the other one, too, because they weren't making that much money to begin with.

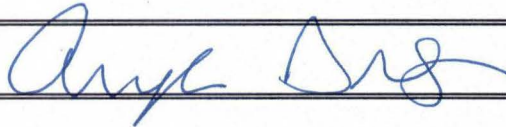
Chairman Delzer: We'll need an updated FN to look at this further, and there is money in the deficiency appropriation that goes towards paying for the disabled veterans homestead tax credit already. The committee continued on to the next bill.

2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Committee Roughrider Room, State Capitol

HB 1463
February 23, 2013
Job 19411

☐ Conference Committee



Explanation or reason for introduction of bill/resolution:

Relating to a renter credit for a disabled veteran who would qualify for the property tax credit for disabled veterans except for the fact that the disabled veteran rents living quarters; and to provide an effective date

Minutes:

Rep Grande moved a Do Not Pass.

Rep Brandenburg seconded.

Roll Call Vote:

Yes: 19

No: 2

Absent: 1

Rep Bellew carried the bill.

Chairman: Rep Owens, we would ask you to be the back-up on this on the floor.

Date: 2/23/13
Roll Call Vote #: 1

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1463

House Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 13.6775.03000 Engrossed

Action Taken: ☐ Do Pass ☒ Do Not Pass ☐ Amended ☐ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Grande Seconded By Brandenburg

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer	X		Rep. Streyle	X	
Vice Chairman Kempenich	X		Rep. Thoreson	X	
Rep. Bellew	X		Rep. Wieland	X	
Rep. Brandenburg	X				
Rep. Dosch	X				
Rep. Grande	X		Rep. Boe		X
Rep. Hawken	X		Rep. Glassheim	X	
Rep. Kreidt	X		Rep. Guggisberg		X
Rep. Martinson	X		Rep. Holman	X	
Rep. Monson	X		Rep. Williams	X	
Rep. Nelson					
Rep. Pollert	X				
Rep. Sanford	X				
Rep. Skarphol	X				

Total Yes 19 No 2

Absent 1

Floor Assignment Bellew

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

REPORT OF STANDING COMMITTEE

HB 1463, as engrossed: Appropriations Committee (Rep. Delzer, Chairman)
recommends **DO NOT PASS** (19 YEAS, 2 NAYS, 1 ABSENT AND NOT VOTING).
Engrossed HB 1463 was placed on the Eleventh order on the calendar.

2013 TESTIMONY

HB 1463

13.0775.01001
Title.

Prepared by the Legislative Council staff for
Representative Guggisberg
February 5, 2013

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1463

Page 2, line 31, replace "four" with "two"

Renumber accordingly

13.0775.01002
Title.

Prepared by the Legislative Council staff for
Representative Guggisberg
February 6, 2013

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1463

Page 2, line 31, replace "four" with "two"

Page 3, line 24, after "family" insert "and "income" has the meaning provided in section
57-02-08.1"

Renumber accordingly

#2

HB 1463
#1

- i. An exemption under this subsection terminates at the end of the taxable year of the death of the applicant.
 2.
 - a. Any person who would qualify for an exemption under subdivisions a and c of subsection 1 except for the fact that the person rents living quarters is eligible for refund of a portion of the person's annual rent deemed by this subsection to constitute the payment of property tax.
 - b. For the purpose of this subsection, twenty percent of the annual rent, exclusive of any federal rent subsidy and of charges for any utilities, services, furniture, furnishings, or personal property appliances furnished by the landlord as part of the rental agreement, whether expressly set out in the rental agreement, must be considered as payment made for property tax. When any part of the twenty percent of the annual rent exceeds four percent of the annual income of a qualified applicant, the applicant is entitled to receive a refund from the state general fund for that amount in excess of four percent of the person's annual income, but the refund may not be in excess of four hundred dollars. If the calculation for the refund is less than five dollars, a minimum of five dollars must be sent to the qualifying applicant.
 - c. Persons who reside together, as spouses or when one or more is a dependent of another, are entitled to only one refund between or among them under this subsection. Persons who reside together in a rental unit, who are not spouses or dependents, are each entitled to apply for a refund based on the rent paid by that person.
 - d. Each application for refund under this subsection must be made to the tax commissioner before the first day of June of each year by the person claiming the refund. The tax commissioner may grant an extension of time to file an application for good cause. The tax commissioner shall issue refunds to applicants.
 - e. This subsection does not apply to rents or fees paid by a person for any living quarters, including a nursing home licensed pursuant to section 23-16-01, if those living quarters are exempt from property taxation and the owner is not making a payment in lieu of property taxes.
 - f. A person may not receive a refund under this section for a taxable year in which that person received an exemption under subsection 1.
3. All forms necessary to effectuate this section must be prescribed, designed, and made available by the tax commissioner. The county directors of tax equalization shall make these forms available upon request.
4. A person whose homestead is a farm structure exempt from taxation under subsection 15 of section 57-02-08 may not receive any property tax credit under this section.
5. For the purposes of this section:
 - a. "Dependent" has the same meaning it has for federal income tax purposes.
 - b. "Homestead" has the same meaning as provided in section 47-18-01.
 - c. "Income" means income for the most recent complete taxable year from all sources, including the income of any dependent of the applicant, and including any county, state, or federal public assistance benefits, social security, or other retirement benefits, but excluding any federal rent subsidy, any amount excluded from income by federal or state law, and medical expenses paid during the year by the applicant or the applicant's dependent which is not compensated by insurance or other means.
 - d. "Medical expenses" has the same meaning as it has for state income tax purposes, except that for transportation for medical care the person may use the standard mileage rate allowed for state officer and employee use of a motor vehicle under section 54-06-09.
 - e. "Permanently and totally disabled" means the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or has lasted or can

- H#1463
p.2
#1
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HB1463
P. 3
#1

- i. An exemption under this subsection terminates at the end of the taxable year of the death of the applicant.
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 - b. For the purpose of this subsection, twenty percent of the annual rent, exclusive of any federal rent subsidy and of charges for any utilities, services, furniture, furnishings, or personal property appliances furnished by the landlord as part of the rental agreement, whether expressly set out in the rental agreement, must be considered as payment made for property tax. When any part of the twenty percent of the annual rent exceeds four percent of the annual income of a qualified applicant, the applicant is entitled to receive a refund from the state general fund for that amount in excess of four percent of the person's annual income, but the refund may not be in excess of four hundred dollars. If the calculation for the refund is less than five dollars, a minimum of five dollars must be sent to the qualifying applicant.
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 - e. "Permanently and totally disabled" means the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or has lasted or can



**Application For Senior Citizen Or Permanently And
Totally Disabled Renter's Property Tax Refund**
OFFICE OF STATE TAX COMMISSIONER
SFN 24777 (Rev. 12-12)

2012 #2
HB 1463

Name (If joint, use first name and initials of both)		Applicant's Social Security Number
Mailing Address (Did you live at this address for all 12 mos. (Yes) (No))	<input type="checkbox"/> Check if new address	Spouse's Social Security Number
City, State, Zip Code		Applicant's Date Of Birth
Landlord's Name		Daytime Phone Number
Mailing Address		Must be postmarked by May 31, 2013: Office of State Tax Commissioner 600 E. Boulevard Ave., Dept. 127 Bismarck, ND 58505-0599 Fax: 701.328.3700
City, State, Zip Code	Phone Number	

Certification of Rent Paid in 2012

1. Amount of annual rent *paid personally by applicant* for 2012..... \$ _____
2. Cost of utilities, furnishings, and all other services provided by the landlord
(enter Total from Line 2 instructions, Column e, on back of application) \$ _____
3. Net rent paid (subtract line 2 from line 1)..... \$ _____

Total Income for Calendar Year 2012

4. Applicant's and spouse's income from Social Security benefits (exclude Medicare)..... \$ _____
5. Applicant's and spouse's income from salary and wages \$ _____
6. Applicant's and spouse's income from interest..... \$ _____
7. Applicant's and spouse's income from other sources (S.S.I., net rental income, net income from
business, capital gains, unemployment compensation, etc.) \$ _____
8. Dependents' income from all sources \$ _____
9. **Total income from all sources** (add lines 4, 5, 6, 7 and 8) \$ _____
10. Deductible medical expenses (see instructions for line 10 on back of application)..... \$ _____
11. **Total income less medical expenses** (subtract line 10 from line 9)..... \$ _____

If the amount on line 11 exceeds \$26,000, you are not eligible for the credit.

Refund Computation

If you want the Tax Department to compute your refund, it is not necessary for you to complete this section

12. Enter 20 percent of net rent paid (20% of line 3)..... \$ _____
13. Enter 4 percent of total income less medical expenses (4% of line 11) \$ _____
14. Amount of renter's credit (subtract line 13 from line 12). If line 13 is larger than line 12,
you are *not* eligible for the credit..... \$ _____

Refund Cannot Exceed \$400

I declare under the penalties of N.D.C.C. § 12.1-11-02, which provides for a Class A misdemeanor for making a false statement in a governmental matter, that this return, including any accompanying schedules and statements, has been examined by me and to the best of my knowledge and belief is a true, correct, and complete return.

Signature of Applicant

Date

Signature of Preparer if other than Applicant

Telephone No.

Date

Application For Senior Citizen Or Permanently And Totally Disabled Renter's Property Tax Refund For The Year 2012

Any person 65 years of age or older with an income of \$26,000 or less per year from all sources, including the income of any person dependent upon him or her, may qualify for a renter's property tax refund up to a maximum of \$400.

Any person, regardless of age, who is permanently and totally disabled, with an income of \$26,000 or less per year, may also qualify for a renter's refund. *A physician's certificate or written determination of disability from the Social Security Administration must accompany only the first application.*

* * * * *

Instructions For Numbered Lines On Front Of Application

Line 2: The estimated cost of services or items provided by the landlord such as utilities, furniture, or appliances, must be entered on this line.

	a.	b.	c.	d.	e.
	<u>Heat</u>	<u>Water & Garbage</u>	<u>Lights</u>	<u>Furniture & Appliances</u>	<u>Total</u>
Check if provided by landlord	[]	[]	[]	[]	(Enter total on Line 2)

Cost of utilities, furniture and appliances provided by landlord. _____

Estimate the cost of the utilities provided by the landlord by multiplying the rent paid (amount on line 1) by the following percentages: **14 percent for heat, 2 percent for water and garbage, and 6 percent for lights.** The amount to report for furniture and appliances ranges from approximately \$15 per month for used items in an efficiency apartment to \$100 per month for new items in a two bedroom apartment. ***Make no entry for furniture and appliances if only stove and refrigerator are furnished.*** If the applicant has an unfurnished apartment and pays for all the utilities, enter "none" on line 2.

Lines 4-9: Income from all sources includes the income of a husband and wife, if they are living together, and any other person dependent upon the applicant. This income from all sources includes, but is not limited to, social security benefits, pensions, salaries, dividends, interest, net gains from the sale of property, net rental income, net profit from any business, including ranching and farming, and unemployment compensation. Life insurance death proceeds, Workers' Compensation, and Veterans' Disability are not included as income.

Line 10: Medical expenses **actually paid during the year** for applicant and spouse/dependent are deductible from income if not compensated by insurance or other payments. Use the following to compute the amount of medical expenses allowable on line 10:

- a. Total amount of health and hospital insurance premiums
(exclude Medicare) \$ _____
- b. Medicine and drugs (prescription only)..... _____
- c. Doctor and dentist..... _____
- d. Hospital costs..... _____
- e. Hearing aids, eyeglasses, dentures, etc. _____
- f. Home nursing care costs..... _____
- g. Nursing home care costs..... _____
- h. Transportation costs for medical care: 51 cents per mile through April 16, 2012
and 55.5 cents per mile beginning April 17, 2012..... _____
- i. Total deductible medical expenses (total of lines a through h). Enter this amount
on line 10 on front of application \$ _____

Confidentiality. Income and medical expenses contained in this application are confidential. However, they may be disclosed to the board of county commissioners and county auditor, as needed, to carry out their official duties.

In compliance with the Federal Privacy Act of 1974, Public Law 93-579, the disclosure of the individual's social security number on this form is mandatory pursuant to North Dakota Century Code § 57-02-08.1. An individual's social security number is used as an identification number by the Office of State Tax Commissioner for file control purposes and record keeping.