

**2013 HOUSE JUDICIARY**

**HCR 3032**

# 2013 HOUSE STANDING COMMITTEE MINUTES

House Judiciary Committee  
Prairie Room, State Capitol

HCR 3032  
DATE February 25, 2013  
JOB 19441

Conference Committee

*Carmen Heck*

## Explanation or reason for introduction of bill/resolution:

Concurrent resolution relating to constitutional authorization for the legislative assembly to provide by law for direct payments of ND residents.

## Minutes:

Testimony 1

**Chairman Kim Koppelman:** Opens HCR 3032.

**Rep. Marvin Nelson:** Time on tape :41 to 5:34. Testimony handout #1, see attached. Introduced the bill. The Alaskan model has rules spelled out. Included are those for social welfare programs because people are not getting this money all the time and would not be cut off from receiving benefits. There are some people who choose not to receive the funds just as those on Medicaid and in nursing homes. The idea is that there are funds coming into the state are mainly from oil. He feels the oil ownership is for all who live in ND and should be distributed.

**Rep. Lois Delmore:** How would you picture it, would it be to every man, woman, and child?

**Rep. Nelson:** It's never going to be universal but basically men, women, and children. We have to work with the residency requirement of one year. Also personhood and when does a person become a person to the state of ND? So if you are a person at conception and we go one year than three months after birth they would be eligible for the distribution. Alaska uses January 1 there is not a continuum throughout the year. If you are a new resident you would have to wait until the next year to receive a distribution. If you leave the state for over 90 days you have to fill paperwork with the state, if you are gone for over 180 days you basically lose your eligibility. There are expectations for fulltime students, military and other exceptions being gone to take care of your mother. They have a five year rule and a ten year rule where it gets tighter for people who are claiming the exemptions but never come back to Alaska.

**Rep. Randy Boehning:** The people receiving SNAP or TANF would money they receive go back to cover the expenditures that that the state has already provided for them?

**Rep. Nelson:** Yes.

**Rep. Randy Boehning:** Why don't we cut taxes instead of giving money back?

**Rep. Nelson:** That is part of the push for this we went through a difficult time when the oil boom when bust in the past. The idea is to have a fair level of taxation to everybody and if that does create excess funds we send the money out. But if things turn and the bust happened you don't

have to raise taxes you get to the point where we don't have as much money to send back. There would still be a lot of pressure on the legislature not to be too loose with that money because of people are getting a check that is cut in half is different than trying to double income tax in the state.

**Rep. Randy Boehning:** If you are going to give money to minors 18 and under, I would like to see that money goes into a trust instead of their parents spending it.

**Rep. Nelson:** I know there are a lot of people in Alaska who put the money into the child's education. But not every family plans to send their child to college and need the money today. The basic idea would be to leave it to the family.

**Rep. Karen Karls:** The only difference in these bills are - may not be subject conditions based on the individuals property holdings or value, earnings, assets, or age - so from this bill the only requirement would be residency or is there other criteria that might make you eligible?

**Rep Nelson:** If you have a felon incarcerated in ND we shouldn't send them this check. The idea is not to make it where there is a lot of criteria. Those who get it need to be bona fide residents of the state.

**Rep. Roger Brabandt:** Do they have property taxes in Alaska?

**Rep. Nelson:** I believe they do for the localities but the state does not collect property taxes.

**Rep. Randy Boehning:** There are eligible North Dakota voters who live in nursing homes out of state would they be eligible for this?

**Rep. Nelson:** Initially I would say they would be but if we use the same criteria as Alaska if you are gone for over 180 days you need to show you have the intention of moving back. They also have the five year and ten year rule. Moving back was probably your intention at first but if you are in the nursing home for five years you probably won't be back. So you would be eligible for a period of time.

**Chairman Kim Koppelman:** Your basically narrowing this when you talk about these payments it would be available to everyone so could not be used for true property tax relief because you couldn't limit it to property owners, it also could not be used for tax payers, it could not be used for any kind of Medicare supplement for the elderly, could not be used for the homestead tax credit, it sounds like everyone would get this payment is that the idea?

**Rep. Nelson:** That is basically my idea the sizable majority of the population.

**Chairman Kim Koppelman:** Closes HCR 3032.

# 2013 HOUSE STANDING COMMITTEE MINUTES

House Judiciary Committee  
Prairie Room, State Capitol

HCR 3032  
DATE 20037  
JOB March 18, 2013

Conference Committee

Carmen Hinkle

## Explanation or reason for introduction of bill/resolution:

Concurrent resolution relating to constitutional authorization for the legislative assembly to provide by law for direct payment to North Dakota residents.

## Minutes:

**Chairman Kim Koppelman:** Open HCR 3032 for committee work.

**Rep. Diane Larson:** Lines 24 to the end of the sentence on line 25 is what is added in this bill.

**Chairman Kim Koppelman:** That deals with the persons property, holdings or value earnings, assets, or age. If you have a baby under this the intent is everyone would get equal if the state did send money.

**Rep. Diane Larson:** I have concerns with this concept. I think we would be better off giving tax breaks to people rather than per person payment. I did speak with someone from Alaska when they started he said their demographics in Alaska severely changed once they started giving out free money just for living there. A lot of people moved in for the free money and they then needed a lot of other things, he advised that we proceed very slowly. Alaska has a lot of oil on public land so there coffers are much larger than ours when it comes to being able to address something like this.

**Rep. Vicky Steiner:** My bill is not an Alaska bill at all but that is how this committee interpreted it. Mine is we are back here in property tax and we are giving money back and I have constitutes that say just put the check in my property tax statement. If the public takes this issue up I want good language available to them. Some people are thinking the Alaska deal and some people are thinking the property tax that is sent to them in the form of a check. I used Alaska as that is the only other state that is doing something similar.

**Rep. Roger Brabandt:** The one year residency I have difficult with time. You can move to North Dakota work for six months and draw unemployment for six months now wait for your check to come. It's got to be two or three years.

**Rep. Roger Brabandt:** Made a motion for do not pass.

**Rep. Gary Paur:** Second the motion.

House Judiciary Committee

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March 18, 2013

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**Rep. Maragos:** Will carry the bill.

Date: 3-18-13  
Roll Call Vote #: 1

**2013 HOUSE STANDING COMMITTEE**  
**ROLL CALL VOTES**  
**BILL/RESOLUTION NO. HCR 303 2**

House Judiciary 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. Brabandt Seconded By Rep. Paur

Representatives	Yes	No	Representatives	Yes	No
Chairman Kim Koppelman	/		Rep. Lois Delmore		/
Vice Chairman Lawrence Klemin	/		Rep. Ben Hanson		
Rep. Randy Boehning			Rep. Kathy Hogan	/	
Rep. Roger Brabandt	/				
Rep. Karen Karls	/				
Rep. William Kretschmar	/				
Rep. Diane Larson	/				
Rep. Andrew Maragos	/				
Rep. Gary Paur	/				
Rep. Vicky Steiner	/				
Rep. Nathan Toman	/				

Total (Yes) 11 No 1

Absent 2

Floor Assignment Rep. maragos -

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

**REPORT OF STANDING COMMITTEE**

**HCR 3032: Judiciary Committee (Rep. K. Koppelman, Chairman)** recommends **DO NOT PASS** (11 YEAS, 1 NAYS, 2 ABSENT AND NOT VOTING). HCR 3032 was placed on the Eleventh order on the calendar.

**2013 TESTIMONY**

**HCR 3032**

Testimony of Representative Marvin E. Nelson House Judiciary Committee 2/25/2013

HCR 3032

Mr. Chairman, members of the committee, HCR 3032 has as the objective of removing the question of whether it is constitutional for the State of North Dakota to distribute make a distribution of money to the people of North Dakota.

Much of the idea relies on what Alaska has done. They set up a permanent fund and that receives either 25% or 50% of the mineral based income depending on when the lease was executed. The earnings from this fund are then either distributed to the people of Alaska based on a formula or are put back into the fund to account for inflation. Since 1982, approximately \$18 billion has been distributed to Alaskans. Amounts per year have ranged from about \$300 to slightly over \$2000 per individual.

North Dakota would be able to do a very similar thing by distributing earning from the Legacy Fund in the future. Though there is no reason the Legacy Fund would have to be used in this way.

The Fund has already been created; this amendment would allow a general distribution of money to take place. The idea of general is that while any distribution would not be every single individual, it would be to the large majority of residents of the state, a broad, though not universal, distribution.

Application would likely be necessary and some, such as incarcerated felons would likely not be eligible. In addition, some who are eligible might decide not to apply.

The specific eligibility guidelines would be left to the legislature; however, some criteria that would not be permitted are spelled out in the measure. In addition, a residency of not less than one year would be required.

At this point in time, there seems to be some question of whether or not such an amendment would be necessary in order to distribute money, but this would remove the question. In addition, the only part that would really be needed to remove that question is the first line. All that is in the Alaskan Constitution is the creation of the fund; the rest is in statute and rules.