

2013 SENATE FINANCE AND TAXATION

SB 2366

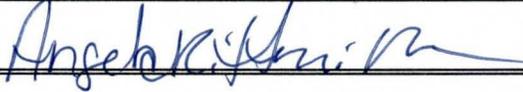
2013 SENATE STANDING COMMITTEE MINUTES

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

SB 2366
2/4/2013
Job Number 18197

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to create and enact a new section to chapter 57-38 and a new subdivision to subsection 7 of section 57-38-30.3 of the North Dakota Century Code, relating to an income tax credit for contributions to a homeless shelter; and to provide an effective date.

Minutes:

Testimony Attached

Chairman Cook opened the hearing on SB 2366.

Senator Oehlke introduced SB 2366.

Janelle Moos, Executive Director, CAWS North Dakota - See attached testimony 1-5.

Dena Filler, Executive Director, Domestic Violence Crisis Center, Minot - See attached testimony 6.

Vice Chairman Campbell - Comparing it to some other areas, is there a formula you follow, it varies, how do you determine how much federal funding you get versus state or local?

Dena Filler - There is a formula, with that formula some of the smaller programs receive more dollars because they feel if they can't raise dollars from their own local because they don't have foundations in their area or donors to the extent that larger communities do.

Senator Dotzenrod asked how do you determine or help individuals with mental illness.

Dena Filler - It can be challenging. Within the intake, we ask them if they have a diagnosis so we know that when they enter the shelter. Then we have support groups in Minot that we work on the domestic violence like the PTSD and things like that. We also refer them back to the counselors that they are seeing, their providers they are seeing, or we will get them into some type of counseling area. Some of the programs do have more extensive counseling than what we have in Minot.

Jaclyn Bugbee, Executive Director, Ruth Meiers Hospitality House - See attached testimony 7.

Vice Chairman Campbell - There are a lot of people who take advantage of the system, what type of program do you have? Is it 30 days and they are out, or what do you do to eliminate that person that's just totally there taking advantage of a free meal.

Jaclyn Bugbee - We work on that every day. In Bismarck we have what is called single point of entry. All of the services for people who are at risk of being homeless and those that are homeless refer through single point of entry and they get referred to various agencies and we track that. Our emergency shelter is just an emergency shelter, it's an overnight stay. Once you have been in the emergency shelter for 7 days, we try to triage you into the residential program. That is a 60 days program based on housing. That is where you receive the intensive case management. We use to, the minute someone came into the shelter, if we had an open bed in the residential program we'd toss them in. Now we make sure through those 7 days we work with them to see what their means are. Sometimes, it's sending them back to where they came from. We've had to invest some of our operating funds to be able to do that, because they don't have ties to the community, they've come to the community, maybe they have started with us and have gone out west and come back, then we are going to incur that cost and send you back because you are not going to benefit from our program.

Chairman Cook - I keep thinking of Field of Dreams. She kept saying build it and they will come. I'm afraid of that, and especially afraid that you'll quickly raise more money than someone in Dickinson will and they will continue to come here from Dickinson. I'd like to build one of these in Dickinson so they quit coming here. How do we go down that road?

Jaclyn Bugbee - Senator Warder and I have been in communication since about May on how we can find contributors in Dickinson and we can actually take the Ruth Meier's program and implement it in Dickinson.

Senator Triplett - I heard you say something about not wanting to 'go there' in terms of charging people for services and then later in your testimony I heard you saying that the group of homeless shelters was considering some kind of fee for service. I think I lost something there, could you separate those two out for me?

Jaclyn Bugbee - Our bylaws say we can charge a \$2.00 donation for people that are coming into the shelter to stay with us. We haven't implemented that. We had a gentleman that came into the community in June and stayed with us on and off until September 1st, and then September 1st until December 28th every day in the emergency shelter. He did not want to move in to the residential program, did not want to seek help. He had a mental illness and so we are trying to figure out what we can do to motivate our shelter guests who are staying in the emergency shelter for long periods of time and have no wanting to become self-sufficient. We have changed our policies so those with a mental illness can come into our shelter and live in the residential program free of charge, as long as they maintain their medication and seek services at West Central, and we are looking at how we can take some of those that don't want to move into the residential program, be it, maybe they are here for a month. Then we may start charging them \$5 a day or something just to get them a little more incentivized to want to become self-sufficient.

Chairman Cook - Dee, we talked at one time about having a cap on the credits here, is that tough to put in to a type of bill like this?

Donnita Wald, Tax Department - No it's not difficult to put a cap on this.

Chairman Cook closed the hearing on SB 2366.

(Testimony 8 was handed out after the hearing)

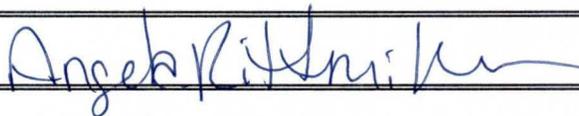
2013 SENATE STANDING COMMITTEE MINUTES

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

SB 2366
2/11/2013
Job Number 18676

Conference Committee

Committee Clerk Signature



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Minutes:

Committee Work

Chairman Cook opened discussion on SB 2366.

Chairman Cook - Would it be wise to put a sunset on this? Put this credit out there for 2 years and see what they raise in 2 years and maybe the problem will go away. I doubt it, but I think there is more of an incentive when you have a 2 year credit to go out there and sell it.

Senator Triplett - How about 4 years? It takes people a while to figure these things out sometimes.

Chairman Cook - Okay, we can compromise.

Senator Oehlke - I'll move the amendment.

Seconded by **Senator Burckhard**.

Verbal Vote on Amendment 6-0-1

Senator Oehlke - I'll move a **Do Pass as Amended** and re-refer to Appropriations.

Seconded by **Senator Burckhard**.

Roll Call Vote 6-0-1

Carried by **Senator Oehlke**.

FISCAL NOTE
Requested by Legislative Council
01/28/2013

Amendment to: SB 2366

- 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						
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).*

SB 2366 creates a new income tax credit for making a charitable contribution to a nonprofit organization that operates a homeless shelter in a building or structure located in North Dakota.

- 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.*

SB 2366 creates a new income tax credit equal to 40% of the total contributions made during the tax year to a nonprofit organization that operates a homeless shelter in a building or structure located in North Dakota. If the credit exceeds a taxpayer's tax liability for the tax year in which the contribution is made, the unused credit may be carried over and used on a subsequent year's return for up to 10 years. The contribution must be added back into North Dakota taxable income to the extent it reduces the taxpayer's federal taxable income. If enacted, SB 2366 is expected to reduce state general revenues for the 2013-15 biennium. The amount of the reduction cannot be determined because the potential amount of total charitable contributions of cash or property that may be made to qualifying nonprofit organizations is unknown.

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.*

- 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.*

Name: Kathryn L. Strombeck

Agency: Office of Tax Commissioner

Telephone: 328-3402

Date Prepared: 02/01/2013

FISCAL NOTE
Requested by Legislative Council
01/28/2013

Bill/Resolution No.: SB 2366

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Name: Kathryn L. Strombeck

Agency: Office of Tax Commissioner

Telephone: 328-3402

Date Prepared: 02/01/2013

13.8262.01001
Title.02000

Adopted by the Finance and Taxation
Committee

February 11, 2013

Handwritten signature and date "2-11-13".

PROPOSED AMENDMENTS TO SENATE BILL NO. 2366

Page 1, line 3, remove "and"

Page 1, line 3, after "date" insert "; and to provide an expiration date"

Page 2, line 13, after "**DATE**" insert "**- EXPIRATION DATE**"

Page 2, line 14, after "2012" insert ", through December 31, 2016, and after that date is ineffective"

Renumber accordingly

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

**2013 SENATE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 2366**

Senate Finance & Taxation Committee

Check here for Conference Committee

Legislative Council Amendment Number 13. 8262. 01001 title 02000

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

Motion Made By Senator Oehlke Seconded By Senator Burckhard

Senators	Yes	No	Senator	Yes	No
Chairman Dwight Cook			Senator Jim Dotzenrod		
Vice Chairman Tom Campbell			Senator Connie Triplett		
Senator Joe Miller					
Senator Dave Oehlke					
Senator Randy Burckhard					

Total (Yes) 6 No 0

Absent 1

Floor Assignment _____

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

Verbal Vote

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

2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2366

Senate Finance & 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 Senator Oehlke Seconded By Senator Burckhard

Senators	Yes	No	Senator	Yes	No
Chairman Dwight Cook			Senator Jim Dotzenrod		
Vice Chairman Tom Campbell			Senator Connie Triplett		
Senator Joe Miller					
Senator Dave Oehlke					
Senator Randy Burckhard					

Total (Yes) 6 No 0

Absent 1

Floor Assignment Senator Oehlke

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

REPORT OF STANDING COMMITTEE

SB 2366: Finance and Taxation Committee (Sen. Cook, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (6 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2366 was placed on the Sixth order on the calendar.

Page 1, line 3, remove "and"

Page 1, line 3, after "date" insert "; and to provide an expiration date"

Page 2, line 13, after "**DATE**" insert "**- EXPIRATION DATE**"

Page 2, line 14, after "2012" insert ", through December 31, 2016, and after that date is ineffective"

Renumber accordingly

2013 HOUSE FINANCE AND TAXATION

SB 2366

2013 HOUSE STANDING COMMITTEE MINUTES

House Finance and Taxation Committee Fort Totten Room, State Capitol

SB 2366
March 18, 2013
Job #20061

Conference Committee

Committee Clerk Signature

Mary Brucker

Explanation or reason for introduction of bill/resolution:

A Bill relating to an income tax credit for contributions to a homeless shelter.

Minutes:

Attached testimony #1, 2, 3, 4, 5

Chairman Belter: Opened hearing on SB 2366.

Senator Oehlke: This bill has to do with a tax credit for folks who donate to homeless shelters. This bill would allow you to donate to an organization that is going to build a building to house people temporarily who were homeless and it would give you up to a 40% tax credit. If you can't use it all the first year you can drag it out up to 10 years.

Representative Dockter: Is there a fiscal note?

Senator Oehlke: It's hard to know what the fiscal impact would be. This isn't long term housing; it is short term housing.

Vice Chairman Headland: This looks like a donation to any homeless shelter and not just for building a new one, is that correct?

Senator Oehlke: I believe it is to homeless shelters that have buildings and is just not to provide for operations; it's to provide support for those buildings.

Representative Kelsh: Is this a tax credit that can be enjoyed on the federal level right now?

Senator Oehlke: I don't know.

Representative Kelsh: What is the reason for the sunset at the end of the bill? Why does it end in two or three years?

Senator Oehlke: We see a lot of sunsets on these but we need to determine if this is really going to help. I don't specifically have an answer why it was put on this bill.

Chairman Belter: Further testimony in support of 2366?

Janelle Moos, Executive Director of the CAWS North Dakota: See attached testimony #1 and 2.

Vice Chairman Headland: Is it possible that this bill could have some unintended consequences because we have a lot of charitable programs out there that rely on donations but a lot of them can't have a 40% tax credit. If I need a tax credit to make a donation I wonder if this bill will harm some other charities.

Janelle Moos: I didn't anticipate that it would harm other charities. I think what's important to know is that victims are living on the street right now or living in violent homes so even if it's short term to really help our programs either expand...I don't know whether it would harm other charities.

Representative Owens: Where does the state money come from?

Janelle Moos: We have a state general fund line item in the health department budget which is about \$1.7 million over the biennium that is administered by the health department to our 21 crisis centers. It is done on a formula basis so they set forth a formula population and the number of victims served then they can apply for additional funds. Programs receive anywhere from \$5,000 up to \$20,000 depending on the number of victims they serve.

Representative Owens: Would you define what is administrative versus physical under the percentages?

Janelle Moos: That is for the staff for the shelters. We have to have staff on a 24 hour basis or on call if someone were to come into the shelter. It's about making sure victims have services available to them.

Representative Zaiser: How frequently do you find people being kicked out of these shelters because somebody else is in worse shape than a person who is in there? I'm aware of some of those situations.

Janelle Moos: We would never kick anybody out. We are sheltering folks with family and friends and other resources.

Representative Zaiser: Does that include individuals that are very fragile or potentially suicidal?

Janelle Moos: Our programs aren't really set up to provide the intense mental health or substance abuse needs. We really work as a network so if they need that expertise we will help them find those services.

Representative Marie Strinden: Right now all homeless shelters are 501 (c) (3)s?

Janelle Moos: Yes.

Representative Marie Strinden: Somebody can donate to that 501 (c) (3) but they can't get the tax write off for donating to a building project? Or can they get a write off for a building project but need a larger write off?

Janelle Moos: This would be an addition. Our programs receive a lot of contributions right now but this would incentivize others who have given them funding in the past or ways to track other donors to help them look at either expanding or doing projects they can't fund through our state or health department.

Representative Marie Strinden: I could donate to a building project and I would get that same 501 (c) (3) tax write off as I would get if I was donating to any other 501 (c) (3) right now if this bill didn't pass?

Janelle Moos: Yes.

Representative Froseth: Does Dickinson have a lot of volunteers because there is a big difference on their administrative costs?

Janelle Moos: They rely pretty heavily on volunteers, either to staff their crisis line or to staff the shelter in the evenings.

Representative Klein: I'm looking at the wide variation of assistance on the federal side where it goes from 80% to 10% and on the state side the same way. What do you attribute that too?

Janelle Moos: The state funds our program and it is set up on a formula basis so if you're depending on your service area in addition to the number of victims served that will increase the amount you have available to you. Distributed additional testimony from Michael Carbone, Executive Director of North Dakota Coalition for Homeless People. See attached testimony # 3.

Chairman Belter: Further testimony in support of 2366?

Jaclyn Bugbee, Executive Director of Ruth Meiers Hospitality House: See attached testimony #4 and 5 (Michael Anderson, North Dakota Interagency Council on Homelessness).

Representative Zaiser: Is there any way to quantify the number of people that would not have needed their services but the cost of living has gone up so much in the western part of the state and their jobs used to support their housing needs but with it being so expensive they became homeless?

Jaclyn Bugbee: Those numbers are really new so we run about 6-9 months behind. We can see that mostly in our family shelter in October we expanded our shelter to serve additional families as well as single fathers. The biggest number within our families who need additional shelter is my single parents because they are living on a fixed income. We probably see anywhere from 3 families a night that are staying in our family shelter. People that are commuting back to Bismarck because they are working in the oil fields would be

about 10-15% right now. Normally we will shelter them for 2-3 days and help them with basic needs then they leave and some we may never see again. That funding is not through state or federal dollars. Our numbers are a lot higher in the summers than the winters. Our shelters are keeping them safe.

Representative Froseth: You say some of these people come from the oil fields. Do you charge these people or is it donations?

Jaclyn Bugbee: Right away when they come in they may not have much at all. When our shelter is available the first part of April we will be asking for a \$2 donation. We try to move them into our residential program which requires a \$50 fee per week for case management services.

Representative Trottier: Do you keep track of the number of veterans?

Jaclyn Bugbee: Yes we do. We work very closely with the veteran service agencies as well as job service. We are working with the VA right now to see if they can help support us by providing small services for our vets. We try to fast track them either into our residential beds or into efficiency apartments.

Chairman Belter: Further testimony in support of 2366? Any opposition to 2366? Any neutral testimony? What are the guidelines for eligibility for a homeless shelter?

Joe Becker, Tax Department: The contribution is being made to a tax exempt 501 (c) (3) that is operating a homeless shelter out of a building or structure that it owns. It's not necessarily a building project type of contribution; it's just a contribution to the entity if they are operating a homeless shelter out of a structure that they own.

Chairman Belter: I believe in Fargo there is a temporary homeless shelter. Do you know if those are set up in 501(c) (3) and if they would be eligible?

Joe Becker: I believe they would be a charitable organization for federal tax purposes that would put them under the tax exempt group we are talking about here.

Chairman Belter: Does the tax department have a list of the current groups that would be eligible for this?

Joe Becker: No.

Vice Chairman Headland: Do we have any other qualifying charities under this language dealing with the 501 (c) (3)? If we do then are any of them receiving a 40% tax credit?

Joe Becker: There is another tax credit for planned gifts and endowment credits to organizations that are charitable. Unless that charitable organization has a building that they are running a homeless shelter out of then they wouldn't qualify under this bill. Having said that the language of this bill states you can't use this contribution for both credits if you could cross over.

Vice Chairman Headland: Is this going to suck dollars away from other charitable donations because of the size of the credit?

Joe Becker: I don't know.

Chairman Belter: We have the community endowments funds with a credit. There is a limit to what institutions can give and I think we limit individuals to \$5,000 but with banks and such I believe that they are unlimited?

Joe Becker: You're referring to the planned gift endowment credit. There are limits in place; individuals can either make a planned gift to a charity for a 40% credit with a ceiling of \$10,000 or \$20,000 on joint return or they could make a contribution to a qualified endowment fund that is 40% and the ceiling is also \$10,000 or \$20,000 a year for joint return. They have to make a minimum contribution of \$5,000 in a giving year for the endowment fund. Businesses such as corporations can make a contribution to a qualifying endowment fund with 40% credit and ceiling is again \$10,000.

Chairman Belter: I believe there is a difference between the individual and the corporate business entity.

Joe Becker: The credit is 40% for both. The ceiling amount is the same I believe.

Vice Chairman Headland: Are you able to carry that credit forward for the next succeeding ten tax periods?

Joe Becker: I believe that is five year carryover of unused credit.

Representative Haak: If a homeless shelter takes money from the United Way and someone donates to them then they wouldn't be able to take that tax credit, correct? It's just a direct donation to the homeless shelter?

Joe Becker: Contributions in that case has been made to United Way. I believe you can designate certain charities. We have had on the books a credit for contributions to nonprofit high schools and colleges. Generally over the years you have to make that contribution directly to the institution but over the years they have developed different groups that do their financing for them. We have had difficulty there so we had to make an administrative decision that if they give donations to a financial arm it will go into a pool that could go to any one of those organizations that is not going to work for you but if you go to that pool and tell them you want to designate to a specific school then you would be okay.

Chairman Belter: Any other testimony?

Matt Peyerl, Office of State Tax Commissioner: That carry over provision for the endowment and planned gift is currently for the next three years.

Chairman Belter: Isn't there a difference in what an individual can contribute versus an organization?

Matt Peyerl: I believe there is not. The first years that this credit was passed it wasn't identical but it was expanded to make it wider open to the endowment portion instead of just planned gifts. The planned gifts are more of a larger gift and there's more paperwork involved. The endowment is more widely used by individuals. As far as limitations I believe Joe had it correct.

Chairman Belter: Further testimony? If not, I will close the hearing on SB 2366.

2013 HOUSE STANDING COMMITTEE MINUTES

House Finance and Taxation Committee
Fort Totten Room, State Capitol

SB 2366
March 20, 2013
Job #20211

Conference Committee

Committee Clerk Signature

Mary Brueker

Minutes:

Representative Schmidt: Made a motion for a Do Not Pass.

Representative Froseth: Seconded.

Vice Chairman Headland: I looked at trying to make this bill more palatable. The problem with this is that it's a new concept and if we go down the path of allowing this credit we will have all other kinds of charities asking for the same tax credit which is debatable in and of itself. I don't think the time is right to allow for this particular charitable organization.

Representative Schmidt: I agree with that. If we continue to talk about leveling the playing field I don't think this achieves that.

Representative Marie Strinden: I agree with Vice Chairman Headland and Representative Schmidt. I would support something like this if it was across the entire nonprofit field. I agree that it would put all the other nonprofits at a disadvantage.

Representative Owens: When I signed on the bill I didn't realize this was a credit; I was thinking deduction. These homeless shelters need some assistance but this credit really alters the playing field. I think it needs to be part of a study.

Representative Zaiser: I'm supportive of this bill. If we could choose to help the homeless we are talking about something different than a traditional nonprofit of which I have been a director of a couple of them. We have a desperate situation in North Dakota and we need to find some ways to help these people.

Representative Marie Strinden: There would be an idea to create a loan with the Bank of North Dakota that would be available to infrastructure for homeless shelters. I didn't have that drawn up but if anybody would be interested in it I could have it brought to you.

ROLL CALL VOTE: 12 YES 2 NO 0 ABSENT

Representative Schmidt will carry this bill.

FISCAL NOTE
Requested by Legislative Council
01/28/2013

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Name: Kathryn L. Strombeck

Agency: Office of Tax Commissioner

Telephone: 328-3402

Date Prepared: 02/01/2013

FISCAL NOTE
Requested by Legislative Council
01/28/2013

Bill/Resolution No.: SB 2366

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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).*

SB 2366 creates a new income tax credit for making a charitable contribution to a nonprofit organization that operates a homeless shelter in a building or structure located in North Dakota.

- 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.*

SB 2366 creates a new income tax credit equal to 40% of the total contributions made during the tax year to a nonprofit organization that operates a homeless shelter in a building or structure located in North Dakota. If the credit exceeds a taxpayer's tax liability for the tax year in which the contribution is made, the unused credit may be carried over and used on a subsequent year's return for up to 10 years. The contribution must be added back into North Dakota taxable income to the extent it reduces the taxpayer's federal taxable income. If enacted, SB 2366 is expected to reduce state general revenues for the 2013-15 biennium. The amount of the reduction cannot be determined because the potential amount of total charitable contributions of cash or property that may be made to qualifying nonprofit organizations is unknown.

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.*

- 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.*

Name: Kathryn L. Strombeck

Agency: Office of Tax Commissioner

Telephone: 328-3402

Date Prepared: 02/01/2013

Date: 3-20-13
Roll Call Vote #: 1

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2366

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. Schmidt Seconded By Rep. Froseth

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) 12 No 2

Absent 0

Floor Assignment Rep. Schmidt

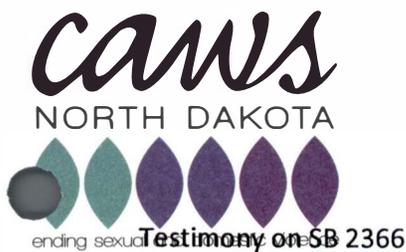
If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2366, as engrossed: Finance and Taxation Committee (Rep. Belter, Chairman)
recommends **DO NOT PASS** (12 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING).
Engrossed SB 2366 was placed on the Fourteenth order on the calendar.

2013 TESTIMONY

SB 2366



Testimony on SB 2366

Senate Finance and Taxation Committee

February 4, 2013

525 N. 4th St. Bismarck, N.D. 58501
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www.ndcaws.org • facebook.com/NDCAWS • [Twitter @NDCAWS](https://twitter.com/NDCAWS)

Chairman Cook and Members of the Committee,

My name is Janelle Moos and I am the Executive Director of the CAWS North Dakota. Our coalition is a membership based organization that consists of 21 local domestic violence and rape crisis centers located throughout the state that provide services to domestic violence, sexual assault and stalking victims. I'm speaking on their behalf this morning in support of SB 2366.

If passed, SB 2366 would create a new section to Chapter 57-38 of the NDCC providing for an income tax credit for contributions to a homeless shelter. Section 1, subsection 1 outlines that both individuals and corporations would be entitled to a tax credit of up to 40% of the aggregate amount of charitable contributions during the year to homeless shelters.

As I mentioned, there are 21 crisis centers in the state. Of those 21 centers, 8 provide short and long term housing in a shelter facility for victims of domestic violence and their children. Additionally, I've included the YWCA of Cass- Clay in my testimony although they are not a member of our coalition but they do provide shelter services to victims of domestic violence in the Fargo-Moorhead area.

Length of stay and services vary in the shelters across the state. Ideally, most shelters house victims for 30 days but some shelter up to 2 years. Two communities offer transitional housing for victims once they leave shelter that they can reside in for up to two years as well. Shelter services have become an essential component of the services our programs offer in order to keep victims and their children safe. The shelters work as a network and provide services to counties surrounding them without a shelter facility. If a shelter is full in one community, advocates work with other shelters in the state to determine if space is available. Hotels in local communities in the past have also worked with our programs and set aside a hotel room in their facility that can be used on an emergency basis but because of the increase in demand statewide hotels are no longer able to simply hold a room aside "just in case". Victims may have to choose to stay in the home where the violence is occurring with assistance from our advocates, move in with friends or family, or move to another state if need be.

For example, the shelter in Dickinson serves as a shelter for both domestic violence victims and homeless families. This shelter has been at or over capacity for the last 18 months. Because of the severe housing shortage across the state victims are staying longer in shelter which is causing a bottleneck and making the shelter make the difficult decision to turn victims away. Similarly, the shelter in Williston has seen a drastic increase in their shelter night stays and the cost of operating the shelter is up 323% as you can see from the chart I've handed out. They have had to turn what used to be office space for the advocates into another bedroom in order to make accommodations for the longer stays and increased number of victims requesting shelter services. The majority of these victims are from

North Dakota (for example in Fargo-Moorhead, last year 65% of the clients staying in shelter were from that community).

Costs of running a shelter include both administrative (staff) and physical (building maintenance). As you can see from the chart I've handed out, the majority of funding for shelters is from federal funds, either from the US Department of Health and Human Services or the US Department of Justice. Other funds that shelters receive include state general funds (administered by the ND Department of Health) and local contributions which include city/county funds, United Way funds, and donations. The budget and funding structure varies greatly among each of the nine shelters. Restrictions on federal and state funding doesn't allow for shelters to make any infrastructure changes (no remodeling or building is allowed), therefore, many shelters rely on donations and local foundation support to meet those needs. The wear and tear on shelters due to the excessive use, leads to many general repair (carpet, furniture) to major repairs (roofing, security systems).

Shelters are a necessary and essential tool that families experiencing homeless rely on in order to be safe and secure while they get back on their feet. Our shelters do a remarkable job securing funds to keep shelters safe and accommodating but more help is always welcome. If passed, SB 2366 would assist shelters in providing an extra incentive to already existing donors and also use the tax credit as an incentive to attract new donors. Two shelters are here today to provide testimony and/or answer questions about the services they provide, their budgetary needs and why a favorable passing of SB 2366 would help them and the victims and families they serve.

Staff from the Tax Department is here today to provide technical support if members of the committee have questions about the mechanics or process for this tax credit but I would be willing to answer any questions and urge a DO PASS on SB 2366.

Thank you.

FACTS ABOUT DOMESTIC VIOLENCE IN NORTH DAKOTA

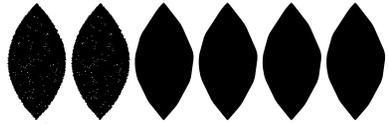
January – December 2011

- **4,808 new victims** (new = unduplicated for calendar year) received services from crisis intervention centers in North Dakota. This number reflects a 3% increase from the same period in 2010.
- **5,159 incidents** of domestic violence were reported to crisis intervention centers in North Dakota. This reflects a 3% increase from the same reporting period in 2010.
- **At least 4,739 children** were directly impacted by these incidents.
- **167 women (3% of total new victims)** were pregnant at the time they were assaulted. This number is consistent with the number of new victims from the same period in 2010.
- **94%** of the victims were **women**.
- **At least 26%** of the victims were **under the age of 25**. **At least 1%** were under the age of 18.
- **13%** of the new victims were **disabled**. Of those disabled, **18% were developmentally delayed, 34% were physically disabled and 47% suffered from mental illness**.
- **34%** of the victims were **self-referred** to domestic violence programs; **27% were referred by law enforcement**. Law enforcement referrals increased 4% from 2010.
- **Weapons** were used in at least **11%** of the cases identified. **Guns** were used in **22%** of the cases involving weapons and **knives** were used in **29%** of the cases involving weapons. This is a 2% decrease in the use of more lethal weapons from 2010.
- **Law enforcement officers** were called to respond in **50%** of the incidents. In at least **42%** of those incidents, an arrest was made.
- **At least 75%** of victims served were **physically abused**. This is a 3% increase from 2010.
- **1,608 (33%)** of victims served were abused by a **former spouse or former partner**.
- **Alcohol use by abuser** only was indicated in **34%** of the new cases. Alcohol use by **both victim and offender** was indicated in **10%** of the cases. This reflects no change from 2010.
- The abuser had a history of **abusive behavior with other adults, including prior partners**, in at least **47%** of the cases.
- Domestic violence programs provided victim assistance with 661 **emergency protection orders**, a 4% increase from the same period in 2010.

Domestic Violence Statistics are compiled by the ND Council on Abused Women's Services/
Coalition Against Sexual Assault in ND for the State Health Department
525 N. 4th St., Bismarck, ND 58501
701-255-6240

CAWS

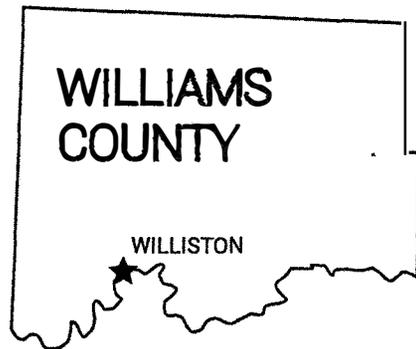
NORTH DAKOTA



ending sexual and domestic violence

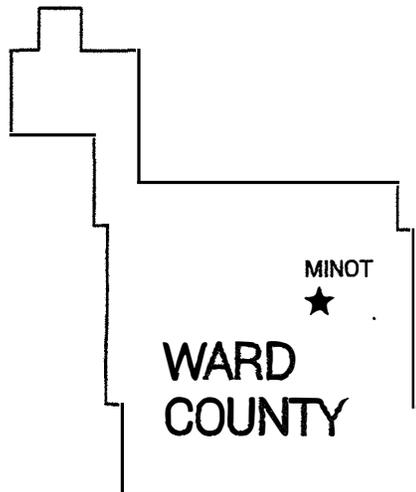
OIL PATCH FACTS

Oil discovery and development is helping grow communities and industry in western and central North Dakota. The impact of more people affects sexual assault and domestic violence work, from shelters to client load.



WILLIAMS
COUNTY

WILLISTON



WARD
COUNTY

MINOT

NIGHTS OF SHELTER

In 2009, victims of domestic violence received **340** nights of shelter at a cost of **\$30,600**. In just two years, that number jumped to **1,440**, at a price tag of nearly **\$150,000**.

That's a **323%** increase in nights of shelter provided and a **370%** increase in budget

MEALS PROVIDED AT SHELTER

In 2009, the Domestic Violence Crisis Center in Minot provided **7,464** meals at its shelter residence. For 2012, they are on track to serve **8,332** meals. The total number of clients served in 2009 was **1519**.

In just two years, the number has grown to **1865**.

That's a **11.6%** increase in number of shelter meals served and a **22%** overall increase in client load

Senate Bill 2366

Senate Finance and Taxation

February 4, 2013

Chair Cook and Members of the Committee,

My name is Dena Filler and I am the Executive Director of Domestic Violence Crisis Center (DVCC) in Minot, North Dakota. Our center provides services to victims of domestic violence, sexual assault and stalking in Ward, McHenry, Pierce and Renville Counties. I am speaking this morning in support of SB 2366.

DVCC has provided emergency shelter for women and their children fleeing from violence since 1977 and opened our current shelter in 1981. We say our shelter can house 18 individuals and last Friday we had 20 individuals in shelter. Our shelter is a 30 day stay.

Shelter Statistics:

	<u>2011</u>	<u>2012</u>
Women Sheltered	112	167
Children Sheltered	114	137
Meals Provided	6777	10244

However, DVCC is seeing longer stays at the emergency shelter because in the 2011 flood, we lost both of our Transitional Living Program apartment buildings, losing a total of eight apartments; meaning eight families lost housing. Some of these families went to stay with family/friends, others returned to emergency shelter, and unfortunately some returned to their abusive partners. Women could stay in the Transitional Living Program apartments up to 24 months.

Transitional Living Program Statistics:

- 2008 served 14 women and 20 children
- 2009 served 16 women and 24 children
- 2010 served 17 women and 28 children
- 2011 prior to the flood served 8 women and 10 children

DVCC has turned away victims fleeing from other areas outside our service area because we did not have openings. We struggle to have space because so many of our victims need extensions at the shelter because they can not locate affordable housing. There are times we can not give extensions because the shelter is so full and room is needed for victims experiencing new crisis situations.

When visiting with individuals who are considering leaving their abusive situation, DVCC advocates visit with them regarding the lack of affordable housing and the limited

stay at the shelter. With the loss of our Transitional Living Programs apartments, DVCC is not able to assist them in beyond their 30 day stay at the shelter. Unfortunately we see victims staying in a violent home because their options for housing are limited.

DVCC has experienced increased costs in utilities, food and eminence costs because of the high rate of occupancy of the shelter.

With the continued influx of oil related jobs in the area and a rapidly expanding and diverse population, the need for DVCC services has never been greater.

In the summer of 2012, DVCC broke ground on our New Beginnings Campus. This campus will house all of DVCC's facilities in one location. We have divided this building project into 4 Phases. (Attached is Building Fund Campaign Brochure)

Phase 1 consists of a new office building and the first 4-plex for the Transitional Living Program. I am excited to say DVCC moved into to our new office last week and plan to have the 4-plex open this spring. Phase 1 is costing \$1,645,349.42.

Phase 2 will consist of a new emergency shelter which will triple the number individuals housed, a second 4-plex for the Transitional Living Program and playground. DVCC is planning on breaking ground on the 4-plex and shelter late this spring. The estimate costs for Phase 2 is \$1,705,467.00 without the playground. The Minot Optimist Club pledged purchase and installation of the playground.

The total cost for Phase 1 and 2 is \$3,350,816.42.

DVCC was not eligible for any FEMA funding and has not received any federal or state funding for our building project. DVCC has received grants from Otto Bremer Foundation and Margaret A. Cargill Foundation each in the amount of \$400,000.00 to help fund Phase 1. At this time, DVCC has raised \$2,126,667.13 through fundraisers, sale of property, grants, private individual gifts, business contributions and pledges.

This leaves DVCC short \$1,224,149.29 to complete funding of Phase 1 and Phase 2.

Phase 3 is one 4-plex and Phase 4 is two 4-plexes. At this time DVCC has not gotten any bids for these phases as we are focused on finding funding for Phase 1 and 2.

Senate Bill No 2366 would assist DVCC to find additional contributions for our building project. I believe this could be a factor in gifts given to fund our new shelter and Transitional Living Program apartments, so therefore I urge a DO PASS on SB 2366.



1800 E Broadway Avenue
PO Box 2092
Bismarck, ND 58502-2092
p 701-222-2108
f 701-222-4101
www.ruthmeiers.org

Chairman Cook and members of the Senate Finance and Taxation Committee, my name is Jaclyn Bugbee and I am the Executive Director of Ruth Meiers Hospitality House. For those who are not familiar with Ruth Meiers, we provide services to the homeless and those at risk of homelessness in the Bismarck-Mandan area. Our services include emergency overnight shelter to men, women and children, a nutritious meal in our stone soup kitchen, emergency food and necessities through our food pantry and transitional and permanent supportive housing.

As our state continues to flourish with economic activity, the need for temporary shelter is directly impacted. The most recent point in time survey indicated almost 1,800 individuals were unsheltered within our state. These figures do not include those in our homeless shelters, within man camps in the western North Dakota, living in campers or with family or friends.

As the only homeless shelter west of Grand Forks and Fargo, Ruth Meiers has seen exponential growth in the need for our services. Our men's shelter in particular has grown from providing 3,376 nights of lodging in 2006 to providing 5,152 in 2012. From October to December of 2012 we provided 205 different men with 1,656 nights of shelter. Capacity has increased from a 25 bed emergency shelter to 120 beds. Last October, we added six rooms for families and fifteen additional beds in our Family shelter – to serve over 50 in this shelter.



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Communities across the state are working towards providing shelter as well. Dickinson started a partnership with the church community to provide temporary shelter in their sanctuaries through March; and Williston and Minot continue to work towards a shelter program with no clear end date for completion.

Senate Bill 2366 expands on the charitable tax credits currently established and will provide an incentive for those who graciously contribute to support organizations that assist the homeless.

Ruth Meiers' current budget is over 1.25 million dollars. Of that budget, over 85% is contributed through private donations. These donations come from over 55,000 contributions we receive each year. Many of our contributions are less than \$50; coming from all walks of life. We also receive over 4,000 hours of volunteer time to operate our Stone Soup Kitchen.

I urge a Do Pass on Senate Bill 2366. This will encourage growth in the support for homeless shelters; enabling us to try and stay ahead of demand. Thank you again for your time and I will be available for questions.

eliminating racism empowering women

ywca

Administrative Offices &
A Child's World
3100 12th Avenue North
Fargo, ND 58102
(701) 232-2547

Emergency Shelter
3000 South University Drive
Fargo, ND 58103
701-232-3449

www.ywcacassclay.org



February 4, 2013

Senator Dwight Cook
Chairman, Senate Finance and Tax Committee
North Dakota Senate
600 E Boulevard Ave
Bismarck, ND 58505

Mr. Chairman and Members of the Committee,

The YWCA Cass Clay operates the largest emergency shelter in the state of North Dakota and Northwest Minnesota serving women and children. The YWCA has been providing emergency shelter and housing programs and services for nearly forty years. In 2012, the YWCA offered 24,875 nights of shelter to 1,361 women and children seeking safety and shelter. Domestic violence continues its trend as the primary reason women and children request our help. In 2012, 68% of women and children sought services from the YWCA due to domestic violence. Today, I write in support of SB 2366. This tax credit would increase resources available to homeless providers in our state.

The YWCA is able to provide supportive services to women and children because of the significant support of many individual supporters, dedicated volunteers, and a committed staff. Collectively this team of advocates work to ensure women and children, who have often experienced, witnessed and been victim to horrific acts of violence, have a safe place to lay their heads at night and awaken in peace. There are two ways the YWCA Cass Clay would utilize the tax credit program if passed:

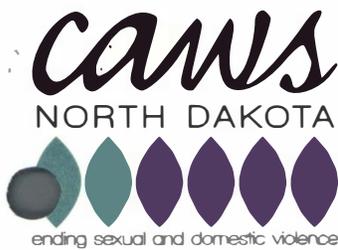
First, the YWCA Cass Clay would utilize the tax credit program to help with repair and maintenance costs at our emergency shelter. The Annual Emergency Shelter Budget includes basic repair and maintenance costs. However, the substantial usage each and every day, operating at or above capacity more than 72% of the time in 2012, results in more wear and tear on the building and therefore increased repair and maintenance expenses. There are four projects on the current YWCA maintenance priority list that are on hold due to funding constraints.

Second, expanding the supportive services within the shelter is one of our primary goals. To that end, the need for additional programming to meet the needs of homeless children is included on our priority list; as 2012 was the first year the agency served significantly more children than women. We are looking to expand our Shelter Children's Services Program located within the YWCA Emergency Shelter; additional space will help meet the tremendous need of affordable and accessible childcare. Based on our four decades of experience, evidence shows the supportive service component helps women and their families move forward. As Danny, a third grader said to a YWCA volunteer, "Before I came here, I never did my homework because it was so hard. But here they helped me, and my teacher started to tell me that I was smart."

Today, as you consider SB 2366, which would provide tax credits for North Dakota taxpayers who support homeless shelters, please remember the 34 women and 33 children served by the YWCA Emergency Shelter last night. These tax credits could help improve the quality of services available and help create a safer path towards independence, for all those who want to leave abuse and violence behind and start living free from fear.

Thank you,


Erin Prochnow
Executive Director



525 N. 4th St. Bismarck, N.D. 58501
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www.ndcaws.org • facebook.com/NDCAWS • Twitter @NDCAWS

Testimony on SB 2366
House Finance and Taxation Committee
March 18, 2013

Chairman Belter and Members of the Committee,

My name is Janelle Moos and I am the Executive Director of the CAWS North Dakota. Our coalition is a membership based organization that consists of 21 local domestic violence and rape crisis centers located throughout the state that provide services to domestic violence, sexual assault and stalking victims. I'm speaking on their behalf this morning in support of SB 2366.

If passed, SB 2366 would create a new section to Chapter 57-38 of the NDCC providing for an income tax credit for contributions to a homeless shelter. Section 1, subsection 1 outlines that both individuals and corporations would be entitled to a tax credit of up to 40% of the aggregate amount of charitable contributions during the year to homeless shelters.

As I mentioned, there are 21 crisis centers in the state. Of those 21 centers, 8 provide short and long term housing in a shelter facility for victims of domestic violence and their children. Additionally, I've included the YWCA of Cass-Clay in my testimony although they are not a member of our coalition but they do provide shelter services to victims of domestic violence in the Fargo-Moorhead area.

Length of stay and services vary in the shelters across the state. Ideally, most shelters house victims for 30 days but some shelter up to 2 years. Two communities offer transitional housing for victims once they leave shelter that they can reside in for up to two years as well. Shelter services have become an essential component of the services our programs offer in order to keep victims and their children safe. The shelters work as a network and provide services to counties surrounding them without a shelter facility. If a shelter is full in one community, advocates work with other shelters in the state to determine if space is available. Hotels in local communities in the past have also worked with our programs and set aside a hotel room in their facility that can be used on an emergency basis but because of the increase in demand statewide hotels are no longer able to simply hold a room aside "just in case". Victims may have to choose to stay in the home where the violence is occurring with assistance from our advocates, move in with friends or family, or move to another state if need be.

For example, the shelter in Dickinson serves as a shelter for both domestic violence victims and homeless families. This shelter has been at or over capacity for the last 18 months. Because of the severe housing shortage across the state victims are staying longer in shelter which is causing a bottleneck and making the shelter make the difficult decision to turn victims away. Similarly, the shelter in Williston has seen a drastic increase in their shelter night stays and the cost of operating the shelter is up 323% as you can see from the chart I've handed out. They have had to turn what used to be office

SB-1#

space for the advocates into another bedroom in order to make accommodations for the longer stays and increased number of victims requesting shelter services. The majority of these victims are from North Dakota (for example in Fargo-Moorhead, last year 65% of the clients staying in shelter were from that community).

Costs of running a shelter include both administrative (staff) and physical (building maintenance). As you can see from the chart I've handed out, the majority of funding for shelters is from federal funds, either from the US Department of Health and Human Services or the US Department of Justice. Other funds that shelters receive include state general funds (administered by the ND Department of Health) and local contributions which include city/county funds, United Way funds, and donations. The budget and funding structure varies greatly among each of the nine shelters. Restrictions on federal and state funding doesn't allow for shelters to make any infrastructure changes (no remodeling or building is allowed), therefore, many shelters rely on donations and local foundation support to meet those needs. The wear and tear on shelters due to the excessive use, leads to many general repair (carpet, furniture) to major repairs (roofing, security systems).

Shelters are a necessary and essential tool that families experiencing homeless rely on in order to be safe and secure while they get back on their feet. Our shelters do a remarkable job securing funds to keep shelters safe and accommodating but more help is always welcome. If passed, SB 2366 would assist shelters in providing an extra incentive to already existing donors and also use the tax credit as an incentive to attract new donors. Two shelters are here today to provide testimony and/or answer questions about the services they provide, their budgetary needs and why a favorable passing of SB 2366 would help them and the victims and families they serve.

Staff from the Tax Department is here today to provide technical support if members of the committee have questions about the mechanics or process for this tax credit but I would be willing to answer any questions and urge a DO PASS on SB 2366.

Thank you.

Michael Carbone
Executive Director
North Dakota Coalition for Homeless People
4023 State St N
Bismarck ND 58503
director@ndhomelesscoalition.org
701-390-1629

SB 2366 Testimony

Chairman Belter, committee members, thank you for the opportunity to testify on behalf of the North Dakota Coalition for Homeless People (NDCHP) in support of 2366 authorizing a tax credit for contributions to homeless shelters. My name is Michael Carbone, and I am the Executive Director of NDCHP. I would be there with you today to testify in person on this critical bill; however, I am in Washington DC to make a presentation at the National Low Income Housing Coalition's annual conference and to meet with our Congressional delegation.

NDCHP represents about 70 service providers from across the state whose shared mission is the housing and basic needs of the most vulnerable among us. Collectively we provide a continuum of services that include emergency shelter, housing and supportive services. NDCHP is the lead agency for HUD's homeless programs and brings as much as \$2 million per year in federal funding into the state. Some of our responsibilities in this process include an annual Point in Time Count of Homeless Persons, a Housing Inventory Chart of beds designated for people who are homeless and a Gaps Analysis identifying homeless bed needs. Our most recent Gaps Analysis shows a need for an additional 385 emergency shelter beds, 460 transitional housing beds and 660 supportive housing units in North Dakota. We are in the process of updating the analysis, and those numbers are certain to be higher. In addition to these beds, there is a need for a variety of programming efforts to help move people toward self-sufficiency.

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In July of 2011, we began conducting the Point in Time Count twice a year so we could track the quick pace of change in our homeless population. That count represents a tipping point in North Dakota's history. This marks the first time that the number of homeless people who were unsheltered was greater than the numbers who were in our shelter system—and our shelter system was beyond capacity. There were 1773 homeless people in North Dakota; 966 were outside, in a tent or car, or some other place not meant for human habitation. In 2007 our unsheltered count was 9. Our most recent Point in Time in January 2013 indicates there were 1431 unsheltered people in North Dakota on the night of January 23; eighty-two right here in the capital city. It was 26 below zero that night. Five hundred ninety-eight of our unsheltered were children. One of the leading indicators of whether or not a person will experience episodes of homelessness as an adult is whether they suffered the indignity of homelessness as a child.

In addition to those who were literally homeless, we identified over 1300 people who were doubled up in unsustainable conditions. The count is certainly higher. Although not a number that we actively track, NDCHP knows of at least three people who have frozen to death while homeless over the past few months.

Many of those experiencing the hardships and heartaches of homelessness are people who have come into our state seeking an opportunity to share in our state's strong job market. Others are long term residents who have been priced out of their housing. Regardless of the reason for their homelessness, the long term solution to homelessness is homes. The immediate necessity is shelter.

In the fall of 2011, NDCHP conducted interviews with 83 service providers from across the state. These interviews included emergency shelters, housing providers and other social service agencies. All indicated that they were inundated with requests for services from people who were homeless. The

#5
p. 2

aggregate number of turn aways from homeless shelters was 172 households per week. This number has certainly grown since that time.

For these reasons, NDCHP respectfully urges passage of SB 2366.



RUTH
MEIERS

"Inspiring Lives. Renewing Hope."

1800 E. Broadway Avenue
PO Box 2092
Bismarck, ND 58502

P: 701-222-2108
F: 701-222-4101
www.ruthmeiers.org

A United Way agency

Chairman Belter and members of the House Finance and Taxation Committee, my name is Jaclyn Bugbee, and I am the Executive Director of Ruth Meiers Hospitality House. Ruth Meiers provides services to the homeless and those at risk of homelessness in the Bismarck-Mandan area. Our services include emergency overnight shelter to men, women and children, a nutritious meal in our Stone Soup Kitchen, emergency food and necessities through our food pantry and transitional and permanent supportive housing.

As our state continues to flourish with economic activity, the need for temporary shelter is directly impacted. The most recent point in time survey indicated almost 1,800 individuals were unsheltered within our state. These figures do not include those in our homeless shelters, within man camps in the western North Dakota, living in campers or with family or friends.

As the only homeless shelter west of Grand Forks and Fargo, Ruth Meiers has seen exponential growth in the need for our services. Our men's shelter in particular has grown

- In 2007, we served 480 different men
- In 2012, 1,237 different men received 7,432 nights of emergency shelter
- Our Men's Residential program serves 24 men in a 30-90 day program

Capacity has also increased:

- The Men's Emergency shelter has increased from a 25 beds to 120 beds

- The Family Emergency Shelter added six rooms for families in October and added fifteen additional beds in our Family shelter – to serve over 50 in this shelter.

11/16/16

Communities across the state are working towards providing shelter as well.

Dickinson started a partnership with the church community to provide temporary shelter in their sanctuaries through March; and Williston and Minot continue to work towards a shelter program with no clear end date for completion.

Last night, we served 27 men in our emergency shelter – which has a capacity of 25. Our shelters are not increasing in capacity to influence others to come to our community, rather to support those who are already here and those who have been in our community for a long time. 19 of the men on our floor last night have been a part of our program for over six months – and need our supportive services to assist them towards independence.

Senate Bill 2366 expands on the charitable tax credits currently established and will provide an incentive for those who graciously contribute to support organizations that assist the homeless. Ruth Meiers' current budget is over 1.25 million dollars. Of that budget, over 85% is contributed through private donations. These donations come from over 55,000 contributions we receive each year.

Many of our contributions are less than \$50; coming from all walks of life. Last year, only 32 contributions were over \$1,000.

I urge a Do Pass on Senate Bill 2366. This will encourage growth in the support for homeless shelters; enabling us to increase capacity to meet the demands for shelter. Thank you again for your time and I will be available for questions.

#5



HOUSING THE HOMELESS

North Dakota Interagency Council on Homelessness
2624 Vermont Ave • Bismarck, ND 58502 • 701-328-8080

Dear Chairman Belter and members of the Committee:

I am writing today in my capacity as the chairman of the North Dakota Interagency Council on Homelessness asking for your favorable consideration for SB 2366 authorizing the Homeless Shelter Contribution Tax Credit.

The Interagency Council on Homelessness (ICH) was established by Governor John Hoeven in 2004 to coordinate statewide efforts to address the needs of people suffering from long-term homelessness in North Dakota. Working in cooperation with local communities and tribal nations, the North Dakota ICH developed a 10-year plan as a collaborative solution and identified five key strategies:

- Develop Permanent Supportive Housing;
- Improve the Ability to Pay Rent;
- Expand Supportive Services to Wrap-Around Housing;
- Strengthen Prevention and Outreach Programs; and
- Collect and Disseminate Data Relating to Long-term Homelessness.

SB 2366 would be incredibly valuable to advancing this plan. Emergency homeless shelters are a key part of the continuum of services that assist homeless individuals move into independent living situations. By allowing a tax credit for donations to a homeless shelter, more private funding can be secured to assist in providing important emergency shelter services. The tax credits would also provide new incentives for local community members to develop homeless shelters in communities where there are none currently but where the needs exist. This would help ease the strain on the current homeless service system and ensure that the needs of every North Dakotan can adequately be met.

In *Housing the Homeless: North Dakota's 10-Year Plan to End Long Term Homelessness*, the drive of the ICH to eliminate homelessness is evident stating, "This problem is real. It is also beatable. North Dakotans have accepted the challenge of ending it." Given the tool created in SB 2366, the job of ending homelessness will be that much easier.

Sincerely,

Michael A. Anderson
Chair