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FISCAL NOTE STATEMENT

Senate Bill or Resolution No. HB 1069

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

Sheila Sandness
Senior Fiscal Analyst

2015 HOUSE FINANCE AND TAXATION

HB 1069

2015 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Fort Totten Room, State Capitol

HB 1069
1/7/2015
21741

- Subcommittee
 Conference Committee

Committee Clerk Signature

Mary Brueler

Explanation or reason for introduction of bill/resolution:

A bill relating to the availability of property tax information online.

Minutes:

Attachment #1, 2

Chairman Headland opened the hearing at 9:15am.

Representative Hanson: Provided written testimony (see attachment #1).

Chairman Headland: Are you aware of how many counties are providing the information online today?

Representative Hanson: Twenty three of the fifty three.

Chairman Headland: Are there any other questions?

Representative Froseth: Have you researched the type of program it needs and the cost of that program?

Representative Hanson: We requested a fiscal note but it was not determined. I believe the reason for this was because Legislative Council didn't know what the individual counties would be charging for such a thing. The bill as it stands and as I intend does not require a new website to be set up; this can be made available on pre-existing websites. There are at least 7 of 53 counties that do not currently have a website so they wouldn't be able to place it online. I'm more than willing to look at amendments to keep this universal and keep the costs down as much as possible. I'm not interested in passing down a ton of mandates on counties or other levels of government so if there is something we can look at as a state through tech grants or something else I would be willing to look at that but that's something for the committee can work on.

Chairman Headland: Any further questions?

Representative Trottier: Is there a timeline set for when they would have to have this done?

Representative Hanson: Currently there is not.

Chairman Headland: Further testimony in support?

Representative Thorson: I am here to ask for your support on HB 1069. I've long been a proponent of openness in government and transparency and I believe this is one more step that we can do for the citizens of our state. We have done great steps in getting budget information out to the citizens of North Dakota and see where their money is going and what it's being used for. In the case of taxation I think it's a good step forward to have the citizens see where their property taxes are and how much they are and have them easily accessible. We are blessed in our county that we have this available. I think this is something our entire state should be able to have at their fingertips. While we don't have a fiscal note on this bill I know in the past in working with transparency issues often times there's a question on the cost but in the end it comes in much lower than what was originally estimated. I think this is a big step for a small cost. This is one more tool for our citizens to have to know where their money is and to have it easily accessible.

Chairman Headland: Are there any questions? Further testimony in support? If not we will take opposition.

Donnell Preskey Hushka, Government Affairs, North Dakota Association of Counties: See attached testimony #2.

Chairman Headland: When a citizen comes in and wants their information there is the ability for the county to provide that and there's a cost associated with that. How many times would people have to come in before you feel the cost would be duplicative and that maybe it is time to do it online?

Donnell Preskey Hushka: I'm not familiar with that but I can reach out to the auditors and find out what their feelings are on that.

Representative Strinden: Is this something the counties would support if the state were to purchase software and let all the counties use? Is that something we could look in to?

Donnell Preskey Hushka: That is something we've discussed while looking at this bill. I think we can use a little more time to see if that is an option. There are many vendors that work on the tax software for the counties. I think there are five major vendors that do that work and then there are counties that do it on their own too. You may ask competitors to work with each other and I don't know about that relationship right now. I think that seeing how that one vendor I previously discussed has taken this information from their clients and put it online shows there is a movement in that direction.

Representative Haak: What are the seven counties that do not have a website?

Donnell Preskey Hushka: I don't have the list with me. A lot of them are the more rural smaller counties that don't have the budget to put a website together or the manpower to maintain. A lot of our counties have websites that are joined with the cities and counties

and are more economic development based or job authority based rather than county government.

Representative Hatlestad: On your last paragraph, in your downtime could you come up with a list of these published notices that are mandated that we could maybe compensate one requirement for another and eliminate some?

Donnell Preskey Hushka: We have started working on that list.

Representative Froseth: I can see where this would really speed up real estate transactions rather than waiting for mail or a phone call into the county auditor to get this information. There isn't any time frame in this bill when this has to be done. Don't you think in the next couple years most of these counties would come on to this program automatically?

Donnell Preskey Hushka: It's 2015 and seven counties don't but I think the main thing is the dollars. When looking at this bill and crafting my testimony I didn't just want to come out and say that we needed money; I wanted to come up with other options. I think technology grants are a good idea; it gives some money behind these counties that don't have the knowledge or the money to develop a website or to put this information on there. We get requests from legislators many times about wanting information on line and maybe we need to take a hard look at the type of information we want out there so we can develop a plan. I think we need a strategic plan at getting the information out there. The counties are not against getting this information out there; it's just developing it and the costs behind it.

Chairman Headland: Do you think you could get a county that is providing information on line already to give us an idea of how often that information is being sought after?

Donnell Preskey Hushka: From looking at the websites Cass County has a very nice website. They've redeveloped and put a lot of money into having all that information available and I believe they are able to track some of those page views.

Chairman Headland: So do you think that a county that is already providing the information for their citizens at their own cost would feel bad about the state providing grants to counties that have chosen not to do this?

Donnell Preskey Hushka: That's possible.

Chairman Headland: Any further questions? Further opposition to HB 1069? No further testimony. Hearing closed.

2015 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
Fort Totten Room, State Capitol

HB 1069
1/19/2015
22152

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A Bill relating to the availability of property tax information online.

Minutes:

Chairman Headland: Opened discussion on bill.

Vice Chairman Owens: I love the fact that you can look up all this information on the property online. I thought this would be a good thing but it would cost the counties a lot of money and I thought we should help them out until we got testimony that demonstrated how many people had been looking at the current county websites that have this information. I was a little surprised by this. I'm having a problem with the counties mandating them do this for this few people.

Chairman Headland: I tend to agree with you. I think as we proceed with the language from the prior bill and the chart of accounts that are standardized and new software is developed maybe that would lead to software rewrite that would allow counties to easily provide this information online. I'm not sure we need this bill.

Vice Chairman Owens: Made a motion for a Do Not Pass.

Representative Hatlestad: Seconded.

Roll Call Vote: 11 yes 3 no 0 absent

Representative Froseth will carry this bill.

Date: 1-19-15
 Roll Call Vote #: 1

**2015 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 1069**

House Finance and Taxation Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
 Other Actions: Reconsider _____

Motion Made By Rep. Owens Seconded By Rep. Hatlestad

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN HEADLAND	✓		REP HAAK		✓
VICE CHAIRMAN OWENS	✓		REP STRINDEN		✓
REP DOCKTER	✓		REP MITSKOG	✓	
REP TOMAN	✓		REP SCHNEIDER		✓
REP FROSETH	✓				
REP STEINER	✓				
REP HATLESTAD	✓				
REP KLEIN	✓				
REP KADING	✓				
REP TROTTIER	✓				

Total (Yes) 11 No 3

Absent 0

Floor Assignment Rep. Froseth

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

REPORT OF STANDING COMMITTEE

HB 1069: Finance and Taxation Committee (Rep. Headland, Chairman) recommends **DO NOT PASS** (11 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING). HB 1069 was placed on the Eleventh order on the calendar.

2015 TESTIMONY

HB 1069

HB 1069 Testimony; Rep. Ben Hanson

House Committee on Finance and Taxation:

January 7th, 2015 testimony in regards to HB 1069; A BILL for an Act to create and enact section 11-10-31 of the North Dakota Century Code, relating to the availability of property tax information online.

Mr. Chair, fellow committee members, for the record my name is Ben Hanson and I am a representative from District 16 in Fargo and West Fargo. I stand before you today to testify in favor HB 1069.

Property taxes are public information and yet only 23 of North Dakota's 53 counties currently have property tax databases available online. This bill would ensure access to these records across the state, eliminating the restrictions of county office hours and distance as obstacles to information. The much-needed modernization would help streamline and simplify the development and transfer of land, in addition to making access to these already-public records more convenient.

Testimony to the
House Taxation Committee
January 7th, 2015
By the North Dakota Association of Counties
Donnell Preskey Hushka, Government Affairs

REGARDING HOUSE BILL 1069: COUNTY WEBSITE INFORMATION

Chairman Headland and Committee members, I'm Donnell Preskey Hushka with the North Dakota Association of Counties and serve as the Executive Director for the County Auditors Association. Although county officials support the sponsors' intent, they cannot support the bill as proposed.

While county officials strongly support the idea and the concept of transparency by having this information available for citizens to access, this proposal is clearly a mandate on Counties that will impact property taxes, something our county folks have been working hard to hold the line on.

Here's what I've discovered through my research on this topic:
7 counties don't even have a website. 30 counties do not currently have their tax data available on-line. So if this bill passes counties have not only a cost to develop a website but also the cost to have an on-line tax program developed so property tax information can be accessed. Unfortunately it's not attainable by just clicking a couple buttons. The increased property tax cost of this proposal will fall disproportionately on rural taxpayers in the smaller counties that have lacked the resources to implement this technology.

McLean County for example has updated its web accessible tax program with a search feature. It is expected to go live in January. So far it has cost them \$6,000. Developing a website and program to make this information available is one thing, counties would also have cost of maintaining the website which is estimated at \$2,000 a year.

We know there will be similar bills like this discussed throughout the session. First of all, I believe it would be beneficial to find out what information legislators truly want the public to have access to and to what degree, then together we can work on these topics with a common goal. Perhaps that can be achieved through a working group or study during the next interim. Another possible solution could be technology grants for counties to develop websites and make improvements so these requests can be met with no additional property tax cost to our citizens.

Counties do have an interest in this; in fact one vendor in particular has been working with ten counties they contract with to display property tax information that is at www.ndpropertytax.com.

Certainly, county officials strongly support the goal of providing the public with timely, accurate and usable information. But again, the main concern from the counties is that this would be another state requirement they would need to fund using additional local taxpayer dollars.

This would possibly become a much more attractive proposal if this mandated functionality was coupled with the repeal of the multiple published and mailed notices that are mandated already – possibly resulting in a net savings to the taxpayer.

Thank you and I'll answer any questions you may have.