

FISCAL NOTE
Requested by Legislative Council
01/08/2015

Bill/Resolution No.: HB 1170

- 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.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			\$(511,000)	\$(49,000)		
Expenditures						
Appropriations						

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

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 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 1170 provides a sales tax rebate for certain purchases made to replace property damaged by 2011 flooding.

- 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.*

If enacted, HB 1170 is expected to allow sales tax rebates to approximately 400 households that were excluded from participation in the rebate program during the current biennium. This is expected to reduce state general fund and state aid distribution fund revenues by an estimated \$560,000 in the 2015-17 biennium.

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 or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

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Agency: Office of Tax Commissioner

Telephone: 328-3402

Date Prepared: 01/16/2015

2015 HOUSE FINANCE AND TAXATION

HB 1170

2015 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
Fort Totten Room, State Capitol

HB 1170
1/19/2015
22120

- Subcommittee
 Conference Committee

Committee Clerk Signature

Mary Buckler

Explanation or reason for introduction of bill/resolution:

A Bill relating to a sales tax rebate for certain purchases of replacement property for property damaged or destroyed by 2011 flooding.

Minutes:

No attachments.

Chairman Headland: Opened hearing. Clerk read the title of the bill.

Representative Maragos: Introduced bill. I'm introducing this bill as a follow up to a bill that was passed in the 63rd legislative assembly that offered assistance to the flood victims in Minot in the form of a sales tax rebate up to a certain level. When I crafted the bill and was trying to figure out who should be eligible for this sales tax rebate I labored under this assumption incorrectly and that is that flood insurers were going to be held harmless in that disaster and the financial disaster they suffered. I believe about 10% had flood insurance but in many cases I was told that many times the flood insurance didn't even cover sometimes up to 50% of their loss which was very huge. They felt that it wasn't fair they wouldn't be able to apply for this sales tax rebate since they made not only the minimum amount of \$50,000 in purchases to repair their home but sometimes in great excess to that. I think 10% of the citizens in the flood plain had flood insurance which means that would've eliminated 400 people requesting that sales tax refund. The bill just extends the effective date through the end of this year, December 31, and to allow those that qualify have one more shot at getting a sales tax refund based on their purchases.

Chairman Headland: The intent is to allow those that haven't taken advantage of the credit a little more time?

Representative Maragos: Yes and it also allows those that were denied to reapply and see if they fit this time.

Representative Steiner: Do you believe this will be the last bill concerning this?

Representative Maragos: It's the last bill I'm going to put in. I don't know of anybody else that would need this if they haven't already taken the opportunity. This really just covers the class that was pretty much denied because they had flood insurance.

Chairman Headland: Is there any further testimony in support of 1170? Is there any opposition to 1170? Seeing none we will close the hearing on HB 1170.

2015 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
Fort Totten Room, State Capitol

HB 1170
1/26/2015
22557

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A Bill relating to a sales tax rebate for certain purchases of replacement property for property damaged or destroyed by 2011 flooding.

Minutes:

No attachments

Chairman Headland: Is anybody working on anything? Discussion?

Representative Dockter: This is the bill that Representative Maragos brought to committee. I don't feel that we need to give this tax break from the 2011 flood. **Made a motion for a do not pass.**

Vice Chairman Owens: Seconded.

Chairman Headland: Everyone needs to understand that this is legislation we had passed. For some reason Representative Maragos assumes or maybe knows some people that didn't take care of what they had time to take care of when the opportunity arose.

Representative Klein: I think one of the major problems is how to go back and verify the receipts from purchases due to the flood; it was three years ago.

Representative Strinden: I was sick the day this bill was heard. Was there any discussion about making this a general bill that would cover all presidentially declared disasters? Oh, I guess we wouldn't like that anyway. Then I have no amendments. Thanks.

Chairman Headland: Is there any more discussion on HB 1170?

Roll call vote: 9 yes 4 no 1 absent

Motion carries for a do not pass.

Representative Toman will carry this bill.

Date: 1-26-15
 Roll Call Vote #: 1

**2015 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 1170**

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. Dockter Seconded By Rep. Owens

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	AB				
REP KLEIN		✓			
REP KADING	✓	✓			
REP TROTTIER		✓			

Total (Yes) 9 No 4

Absent 1

Floor Assignment Rep. Toman

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

REPORT OF STANDING COMMITTEE

HB 1170: Finance and Taxation Committee (Rep. Headland, Chairman) recommends DO NOT PASS (9 YEAS, 4 NAYS, 1 ABSENT AND NOT VOTING). HB 1170 was placed on the Eleventh order on the calendar.