

**FISCAL NOTE**  
**Requested by Legislative Council**  
**02/10/2015**

Amendment to: HB 1262

- 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						
Expenditures			\$1,060,000			
Appropriations			\$1,060,000			

- 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).*

Engrossed HB 1262 creates a renters refund program for disabled veterans.

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

Engrossed HB 1262 creates a companion renter's refund program to the disabled veterans property tax credit program. It enables qualifying disabled veterans who rent their homes to qualify for a refund of a portion of their rent, up to a maximum refund of \$400. Like the property tax program, this renters program requires a service-related disability of 50% or greater. If enacted, the disabled veterans renters program will become effective for the second year of the 2015-17 biennium (tax year 2016, payable in 2017).

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

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

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

If enacted, HB 1262 will increase state general fund expenditures for the disabled veterans property tax credit and renters refund programs by an estimated \$2.02 million for the 2015-17 biennium.

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

If enacted, engrossed HB 1262 will require an increase in the Tax Department appropriation for the disabled veterans property tax credit and renters refund program, estimated at \$1.06 million for the 2015-17 biennium.

**Name:** Kathryn L. Strombeck

**Agency:** Office of Tax Commissioner

**Telephone:** 328-3402

**Date Prepared:** 02/11/2015

**FISCAL NOTE**  
**Requested by Legislative Council**  
**01/13/2015**

Bill/Resolution No.: HB 1262

- 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						
Expenditures			\$2,020,000			
Appropriations			\$2,020,000			

- 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 1262 creates a renters refund program for disabled veterans.

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

HB 1262 creates a companion renter's refund program to the disabled veterans property tax credit program. It enables qualifying disabled veterans who rent their homes to qualify for a refund of a portion of their rent, up to a maximum refund of \$400. Like the property tax program, this renters program requires a service-related disability of 50% or greater.

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

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

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

If enacted, HB 1262 will increase state general fund expenditures for the disabled veterans property tax credit and renters refund programs by an estimated \$2.02 million for the 2015-17 biennium.

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

If enacted, HB 1262 will require an increase in the Tax Department appropriation for the disabled veterans property tax credit and renters refund program, estimated at \$2.02 million for the 2015-17 biennium.

**Name:** Kathryn L. Strombeck

**Agency:** Office of Tax Commissioner

**Telephone:** 328-3402

**Date Prepared:** 01/19/2015

**2015 HOUSE FINANCE AND TAXATION**

**HB 1262**

# 2015 HOUSE STANDING COMMITTEE MINUTES

## Finance and Taxation Committee Fort Totten Room, State Capitol

HB 1262  
1/20/2015  
22207

- Subcommittee  
 Conference Committee

Committee Clerk Signature

*Mary Brueker*

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

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

### Minutes:

Attachment #1

**Chairman Headland:** Opened hearing.

**Representative Haak:** Introduced bill and read the title. This bill was around last session as well. It's an old friend.

**Representative Steiner:** Do you know if there are any major changes to it or is it an exact resubmittal of the exact same bill?

**Representative Haak:** There have not been any major changes.

**Representative Trottier:** Was the rental involved in it the last session?

**Representative Haak:** Yes it was.

**Chairman Headland:** Is there any testimony in support of 1262? Is there any opposition to HB 1262?

**Jolene Vidal, Property Tax Specialist with Office of State Tax Commissioner:** We would like to have the effective date changed from the year 2014 to 2015. We would be happy to submit an amendment for that to you.

**Chairman Headland:** Is that specific to the same reasons as the last bill; the mobile homes?

**Jolene Vidal:** No it isn't. This is specific because if it's as of January 1, 2015 and session ends right at May 1, 2015 we would have exactly one month to create a form and send it out to then fulfill the wishes of this bill by the June 1 deadline.

**Chairman Headland:** I think we can certainly make that change.

**Representative Froseth:** The fiscal note is for the 2015-2017 biennium of \$2,020,000.00 so that date would just be in effect for one year of the biennium?

**Jolene Vidal:** I believe so, yes.

**Chairman Headland:** If there are no other questions we will close the hearing on HB 1262.

\*\*Testimony in support with an amendment from **Donald Flaherty, Dickey County Director of Tax Equalization** submitted to the committee but he was not present at the hearing. See attachment #1.

# 2015 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee  
Fort Totten Room, State Capitol

HB 1262  
2/9/2015  
23492

- Subcommittee  
 Conference Committee

Committee Clerk Signature



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

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

## Minutes:

Attachment #1

**Chairman Headland:** Distributed proposed amendment dated January 28, 2015 from State Tax Commissioner. See attachment #1. We are just overstriking 2014 and putting in 2015.

**Representative Steiner:** With the date change we're pushing it to the second year of the biennium? The fiscal note would then be half?

**Chairman Headland:** We've just changed it to allow for the current year we are in because December 31, 2014 is behind us. I think it was a misprint. It's a one and half year program renters credit for disabled veterans. The fiscal note would remain the same.

**Representative Froseth:** MADE A MOTION TO ADOPT THE AMENDMENT DATED JANUARY 28, 2015.

**Representative Kading:** SECONDED.

**VOICE VOTE:** MOTION CARRIED TO ADOPT THE AMENDMENTS OF JANUARY 28, 2015.

**Representative Dockter:** MADE A MOTION FOR A DO NOT PASS AS AMENDED.

**Representative Kading:** SECONDED.

**Representative Trottier:** I believe a 100% disability is about \$2800 a month income. We're looking at \$400 a year, \$35 a month. As a veteran I feel that even then I wouldn't support the bill. It seems to underplay what the whole thing is about.

House Finance and Taxation Committee  
HB 1262  
February 9, 2015  
Page 2

**Vice Chairman Owens:** We already have a renters credit in the system and they still have to meet the dollar amount or we are just giving money away. I can't support this when it reads "must be considered as payment made for property tax."

**ROLL CALL VOTE FOR DO NOT PASS AS AMENDED: 10 YES 4 NO 0 ABSENT  
MOTION CARRIES**

**Representative Trottier will carry this bill.**

15.0675.01001  
Title.02000

Adopted by the Finance and Taxation  
Committee

February 9, 2015

*Handwritten initials and date:*  
2/11/15

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1262

Page 4, line 29, replace "2014" with "2015"

Renumber accordingly

Date: 2-9-15  
Roll Call Vote #: 1

2015 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1262

House Finance and Taxation Committee

Subcommittee

Amendment LC# or Description: Jan. 28, 2015 Finance + Tax Committee  
p. 4 line 29 overstrike 2014

- 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. Froseth Seconded By Rep. Schneider

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) \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

Voice vote - Motion carried.

Date: 2-9-15  
Roll Call Vote #: 2

**2015 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1262**

House Finance and Taxation Committee

Subcommittee

Amendment LC# or Description: Jan. 28, 2015

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. Kading

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) 10 No 4

Absent 0

Floor Assignment Rep. Trottier

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

**REPORT OF STANDING COMMITTEE**

**HB 1262: Finance and Taxation Committee (Rep. Headland, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO NOT PASS** (10 YEAS, 4 NAYS, 0 ABSENT AND NOT VOTING). HB 1262 was placed on the Sixth order on the calendar.

Page 4, line 29, replace "2014" with "2015"

Renumber accordingly

**2015 TESTIMONY**

**HB 1262**

HB 1262  
1-20-15  
#1

OFFICE OF TAX EQUALIZATION  
P. O. Box 393  
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January 19, 2015

2015 House Finance and Taxation Committee  
Honorable Representative Craig Headland, Chairman  
North Dakota State Capitol

Dear Representative Headland and Members of the House Finance and Taxation Committee:

My name is Don Flaherty and I am the Director of Tax Equalization for Dickey County. I am writing you today to speak in favor of HB 1262. I believe that the proposed changes to NDCC § 57-02-08.8 to extend the Disabled Veteran's Tax Credit to include those disabled veterans who rent living quarters will provide consistency for these types of property tax credits and will be a benefit to the applicant by increasing the coverage of the credit in a fair and reasonable manner. I do however have a recommendation for this piece of legislation that I wish to address.

As I stated in my testimony regarding HB 1147, I feel we need to provide assistance to our veterans who have the greatest need. I believe that HB 1262 is a good start to meeting that need and would be even better if it included a reduction in the disability limit from 50% to 25%. This change will help those who need it most and still not open up the credit to such an extent that it will become fiscally unmanageable.

Therefore I would encourage you to change page 1, line 11 from fifty percent to twenty-five percent and vote in favor of HB 1262 with this adjustment.

Respectfully Submitted,



Donald W. Flaherty

Dickey County Director of Tax Equalization

HB 1262  
2-9-15  
#1

Prepared by the  
North Dakota Office of State Tax Commissioner  
House Finance and Taxation  
January 28, 2015

**PROPOSED AMENDMENTS TO HOUSE BILL NO. 1262**

Page 4, line 29, overstrike "2014" and insert immediately thereafter "2015"