

NORTH DAKOTA LEGISLATIVE MANAGEMENT

Tentative Agenda

POLITICAL SUBDIVISION TAXATION COMMITTEE

Tuesday and Wednesday, March 1-2, 2016
Roughrider Room, State Capitol
Bismarck, North Dakota

Tuesday, March 1, 2016

9:00 a.m. Call to order
Roll call
Consideration of the minutes of the January 12-13, 2016, meeting

CONTRACTOR SALES AND USE TAX STUDY

9:05 a.m. Presentation by Mr. Myles Vosberg, Director, Tax Administration Division, Tax Department, regarding the estimated cost savings to political subdivisions in regard to the proposed bill draft to eliminate the payment of sales and use tax on items purchased by or for an exempt entity and installed by a contractor

9:25 a.m. Committee discussion and directives

ECONOMIC DEVELOPMENT TAX INCENTIVE STUDY

9:45 a.m. Presentation by the Legislative Council staff of an updated evaluation chart and background memorandums to track the committee's progress in its study of economic development tax incentives

10:00 a.m. Presentation by the Legislative Council staff of a bill draft restricting angel funds from investing in out-of-state companies for purposes of the angel fund investment tax credit

10:10 a.m. Comments by interested persons

10:30 a.m. Break

10:45 a.m. Presentation of information provided by The PEW Charitable Trusts regarding suggested methods for proceeding with the study of incentives

11:15 a.m. Presentation by the Legislative Council staff of information provided by the National Conference of State Legislatures pertaining to the number of economists in legislative support agencies in other states

11:30 a.m. Presentation by Ms. Kathryn Strombeck, Director, Research and Communications, Tax Department, of a sample dynamic fiscal note and information pertaining to the number of states that require the use of dynamic fiscal notes

12:00 noon Luncheon recess

1:00 p.m. Presentation by a representative of the Department of Commerce regarding:

- The costs and benefits associated with various economic development tax incentives to determine an estimated return on investment
- Information pertaining to indirect or induced impacts of various economic development tax incentives
- Information relating to any in-state presence or connections an out-of-state company receiving investments from an angel fund may have to this state

1:45 p.m. Presentation by the Legislative Council staff of information regarding requirements found in other states pertaining to the disclosure of information by recipients of tax incentives

- 2:00 p.m. Presentation by the Legislative Council staff of a bill draft providing for a standard definition of primary sector business
- 2:10 p.m. Comments by a representative of the Department of Commerce regarding the bill draft providing for a standard definition of primary sector business
- 2:30 p.m. Comments by interested persons
- 3:00 p.m. Committee discussion and directives
- 3:30 p.m. Recess

Wednesday, March 2, 2016

INCOME TAX RECIPROCITY STUDY

- 9:00 a.m. Presentation by a representative of the Tax Department of:
 - Fiscal information pertaining to the income tax reciprocity agreement between North Dakota and Montana
 - An overview of the income tax reciprocity agreement between North Dakota and Minnesota
 - Information regarding additional reciprocity agreements between the Tax Department and Montana agencies
- 9:30 a.m. Presentation by a representative of North Dakota Workforce Safety and Insurance regarding reciprocal agreements for worker's compensation coverage
- 9:50 a.m. Committee discussion and directives
- 10:15 a.m. Break

SOCIAL SERVICES FINANCING STUDY

- 10:30 a.m. Presentation by Mr. Joe Morrissette, member, County Social Services Finance Working Group and Deputy Tax Commissioner, regarding a summary of the prior meeting of the working group and information pertaining to the current breakdown of individual counties based on the parameters of the proposed social services funding model
- 11:00 a.m. Presentation by Ms. Debra McDermott, Chief Financial Officer, Department of Human Services, regarding changes to social service caseloads
- 11:15 a.m. Presentation by Mr. Terry Traynor, Assistant Director, North Dakota Association of Counties, of updated information regarding county ending fund balances and the number of mills each county has reduced from its budget, expressed in dollars, as a result of 2015 Senate Bill No. 2206
- 11:45 a.m. Presentation by the Legislative Council staff of information received from the National Conference of State Legislatures regarding common ways states manage human service budgets
- 12:00 noon Luncheon recess
- 1:00 p.m. Presentation by the Legislative Council staff of information pertaining to Michigan's use of Business Service Centers as a means to improve the efficient management of core social service responsibilities
- 1:15 p.m. Presentation by the Legislative Council staff of information regarding the privatization of social services and the availability of privatized services in rural areas
- 1:30 p.m. Committee discussion and directives
- 2:00 p.m. Adjourn

Committee Members

Representatives: Jason Dockter (Chairman), Larry Bellew, Mark A. Dosch, Craig Headland, Kathy Hogan, Lawrence R. Klemin, Ben Koppelman, William E. Kretschmar, Mike Lefor, Alisa Mitskog, Gail Mooney, Naomi Muscha, Mike Nathe, Nathan Toman, Robin Weisz
Senators: Brad Bekkedahl, Randall A. Burckhard, Dwight Cook, Jim Dotzenrod, Tim Mathern, Jessica Unruh

Staff Contact: Emily L. Thompson, Counsel