

1999 HOUSE FINANCE AND TAXATION

HB 1271

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1271

House Finance and Taxation Committee

Conference Committee

Hearing Date January 19, 1999

Tape Number	Side A	Side B	Meter #
1	x		38
Committee Clerk Signature <i>Janice Stein</i>			

Minutes:

REP. BELTER Opened the hearing.

REP. RICK BERG, DIST. 45, FARGO, Introduced the bill as the prime sponsor. This bill is to help assess property values more fairly or more accurately. When assessing commercial properties, it is imperative that you have the income and expenses of that property to determine what the net income is, to determine what the taxable value of that property should be. One of the problems in Fargo is, there has been a reluctance of owners of property to provide that information, because that information becomes of record, and when that happens, it is like a business divulging the income and expense details of that, and another business could get that information, which would probably be beneficial to their competitors, rather than to them. This bill will simply allow for a process whereby the assessor could gather that information to help give that commercial property a value.

Rep. Berg submitted amendments to the bill which pertained to the fact that if someone challenged the information gathered for an assessment of commercial property, those records would no longer be confidential.

REP. WINRICH Asked if the amendments relate to challenges by the owner of the building?

REP. BERG Yes, gave an example of how this could happen using the Grand Forks flood.

REP. WINRICH What if the owner challenges the assessment not so much on the basis of his income but the fact that his building is not assessed equitably with someone else's, and wants to get the information about the other building in order to show that inequity?

REP. BERG This bill will improve that whole scenerio. It will allow the assessor to say, comparable property, comparable expenses, comparable rent, are valued at so much. Two commercial properties in the same city could have totally different values because of expenses and income. Hopefully, this will lend to some real numbers for evaluation.

BEN HUSHKA, CITY ASSESSOR, FARGO, Testified in support of the bill. He stated they do have a hard time getting that information. When they ask for that information from property owners, they get a response rate from ten percent to twenty percent of the owners. Most formal appeals filed are based on the fact that the assessor didn't consider the income of the property. This information is more than just rent and expenses. Some of that information could give an owner a competitive edge over another property.

CONNIE SPRYNCZYNATYK, CITY COMMISSIONER, BISMARCK, Testified in support of the bill. She stated her concern is the decision they have to make at the other end . If a business owner has a problem with the value of his property, there is a formal appeal procedure that was mentioned. Sooner or later you have to make the decision whether this property does have a

reason to make an appeal the assessment. We are always stuck with information of the property at that point in the process. This bill could help city council make a decision.

CONNIE STROMBERG, CITY ASSESSOR, WAHPETON, Testified in support of the bill.

She stated, that North Dakotans are a private, conservative people by nature, and the smaller the town, the more private the people. This bill could help in getting enough information to do a formal, uniform market.

REP. FROELICH Wanted to know if the amendment solves the problem of confidentiality.

DONNITA WALD, LEGAL COUNCIL, STATE TAX DEPARTMENT, Answered, stating the first part of the amendment takes away any problem that there might have been with the bill regarding confidentiality.

With no further testimony, the hearing was closed.

COMMITTEE ACTION 1-19-99, Tape #2, Side A, Meter #11.8

Amendments were presented to the committee.

REP. WINRICH Made a motion to adopt the amendments.

REP. SCHMIDT Second the motion. MOTION CARRIED BY VOICE VOTE.

REP. GRANDE Made a motion for a DO PASS AS AMENDED.

REP. FROELICH Second the motion. MOTION CARRIED

REP. SCHMIDT Was given the floor assignment.

Please type or use black pen to complete

Date 1-19-99
Roll call vote # 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. HB 1271

House HOUSE FINANCE & TAX Committee

- Subcommittee on _____
- Conference Committee

} Identify or check where appropriate

Legislative Council Amendment Number _____

Action Taken Do Pass as amended

Motion Made By Rep. Grande Seconded By Rep. Froelich

Representatives	Yes	No	Representatives	Yes	No
BELTER	✓		WINRICH	✓	
RENNERFELDT	A				
CLARK	✓				
FROELICH	✓				
GRANDE	✓				
GROSZ	✓				
HERBEL	✓				
KROEBER	✓				
MICKELSON	✓				
NICHOLAS	✓				
RENNER	✓				
SCHMIDT	✓				
WARNER	✓				
WIKENHEISER	✓				

Total 14 0
(Yes) (No)

Absent 1

Floor Assignment Rep Schmidt

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

DO NOT USE HIGHLIGHTER ON ANY FORMS

REPORT OF STANDING COMMITTEE

HB 1271: Finance and Taxation Committee (Rep. Belter, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1271 was placed on the Sixth order on the calendar.

Page 1, line 10, remove ", earning or productive capacity, or market value"

Page 1, line 11, replace "not subject to section 44-04-18 and section 6 of article XI" with "confidential"

Page 1, line 12, remove "of the Constitution of North Dakota"

Page 1, line 14, after "property" insert "or the disclosure of the records or information when an action or proceeding has been brought by the owner or occupant to set aside or review the assessment"

Renumber accordingly

1999 SENATE FINANCE AND TAXATION

HB 1271

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1271

Senate Finance and Taxation Committee

Conference Committee

Hearing Date 2-10-99

Tape Number	Side A	Side B	Meter #
HB 1271	X		0-1030
Committee Clerk Signature <i>Shirley Mudd</i>			

Minutes:

Sen Urlacher called the hearing to order and roll call taken. A BILL RELATING TO THE PROTECTION OF CERTAIN COMMERCIAL INFORMATION PROVIDED FOR ASSESSMENT PURPOSES.

Jack McDonald - Submitted testimony and submitted.

Ben Huska - Assessor for Fargo. We value property. We always ask property owners for income information. They are not always excited to give this information to us Confidentiality is always a big item.

Repr. Berg - Introduce this bill but am running behind in schedule with the House mtg. I would like the others testimony to be the introduction as I am on my way to another meeting.

Sen Christmann - Do you think a business might look lucrative but the #s show it is not?

Page 2

Senate Finance and Taxation Committee

Bill/Resolution Number Hb 1271

Hearing Date *Click here to type Hearing Date*

Ben Huska - That is what is happening now. We are responsible for market value. It would help if we do need this bill as a help, not that it would solve all problems, but it would help to have property managers get this information to us. Some of these mgmt firms don't release this to us.

Connie Sprynczynatyk -When elected officials get this problem, it comes to city council. We have to make a decision and it is very difficult.

Scott Stromme - City of Bismarck - Add our support to the bill.

Sen Christmann - Preference on amended version or original version? Are you comfortable with the engrossed version?

Ben Huska - I don't have any problems with that. Amendment calling for confidentiality.

Wording cleans up the language.

Sen Urlacher - Entertain a motion on this bill.

Sen Wardner makes motion to Do Pass and Sen Schobinger seconds the motion.

2-10-99 ROLL TAKEN 7 Y 0 N AND THE CARRIER WILL SEN. WARDNER.

MOTION MADE BY SEN. WARDNER AND SECONDED BY SEN. SCHOBINGER. 7- 0 -0

Date: 2-10-99
Roll Call Vote #: (1)

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1271

Senate Senate Finance and Taxation

Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Wardner Seconded By Schobinger

Senators	Yes	No	Senators	Yes	No
SENATOR URLACHER	✓				
SENATOR CHRISTMANN	✓				
SENATOR SCHOBINGER	✓				
SENATOR STENEHJEM	✓				
SENATOR WARDNER	✓				
SENATOR KINNOIN	✓				
SENATOR KROEPLIN	✓				

Total (Yes) 7 No 0

Absent _____

Floor Assignment Sen. Wardner

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

REPORT OF STANDING COMMITTEE (410)
February 25, 1999 3:43 p.m.

Module No: SR-34-3626
Carrier: Wardner
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1271, as engrossed: Finance and Taxation Committee (Sen. Urlacher, Chairman)
recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).
Engrossed HB 1271 was placed on the Fourteenth order on the calendar.

1999 TESTIMONY

HB 1271

February 10, 1999

SENATE FINANCE AND TAXATION COMMITTEE

HB 1271

CHAIRMAN URLACHER AND COMMITTEE MEMBERS:

My name is Jack McDonald. I'm appearing today on behalf of The North Dakota Newspaper Association and The North Dakota Broadcasters Association.

We normally oppose legislation making additional information confidential, but in this instance we believe most of the information covered by **HB 1271** is probably already confidential as trade secret and proprietary information under §44-04-18.4, NDCC. Therefore, we have no opposition to **HB 1271**.

If you have any questions, I'll be happy to answer them. THANK YOU FOR YOUR TIME AND CONSIDERATION.