

**1999 HOUSE POLITICAL SUBDIVISIONS**

**HCR 3074**

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HCR 3074

House Political Subdivisions Committee

Conference Committee

Hearing Date 2-25-99

Tape Number	Side A	Side B	Meter #
2	x		3.8--25.9
2	x		39.0-42.0
Committee Clerk Signature <i>Pam Dever</i>			

Minutes: RESOLUTION SUMMARY: Directing the legislative council to study the amount and value property owned by nonprofit organizations in this state and the impact of that ownership on local communities and the economy of N.D. Chairman Froseth opened the hearing with all committee present except Rep. Gunter.

Dennis Miller, Vice-Pres. of N.D. Landowners : 3.9 testified in support of the bill. This bill has been dear to my heart. We feel that the nonprofit ownership of land in N. D. creates a conflict with the farming industry and other industry. The nonprofit organizations are using tax deductible contributions to buy private land in direct competition to the land owners in the community. Also, we would support a restriction on the nonprofit ownership of private land. It has been the experience of landowners, that when land is transferred from hands of people that live and work and depend on a thriving community to people who are not living in that area, the land is not kept up. They don't care about the community.

Rep. Koppelman : 7.4 What about nonprofit organizations that own land in the area. A farmer passed away and had no family, so he gave the land to the church. The church may choose to sell or rent it out. Are you worried that restrictions on nonprofit ownership might effect or impact those kinds of situations negatively?

Dennis : 8.0 We can work with situations where there is a transfer to a church. It's the purchases of land with tax deductible contributions that are a threat to us.

Rep. Glasheim : 8.5 Generally when you have a nonprofit, isn't that for federal tax purposes? My impression is that most nonprofit have to pay property taxes. Maybe not churches.

Dennis : I don't think they have to pay the total tax. Considering the local community and local economy, it is not benefited any longer when it goes from private to nonprofit ownership. The economic activity is taken away from the community.

Rep. Glasheim : I don't want to get into a rural and urban debate. It does seem to me that the real destruction of the rural areas has been going on for 50 years, and has little to do with this. This is just one convenient target. As farms get bigger the number of people there gets smaller. CRP is taking a lot more land out of production, than a few nonprofit. This may be a misplaced solution to a real problem.

Rep. Duane DeKrey, Dist 14 : 12.8 testified in support of this resolution. The state does not have a handle on how much land is nonprofit. The only good thing I can see about a lot of nonprofit owning a lot of land in rural areas, is eventually we will become property poor, just like the cities and when we do school funding, we can talk about the mill deduct again. We know how much land is out of production that is in Game and Fish or U.S. Fish and Wildlife, parks, etc. That's about 3 million acres out. What we don't know is how many nonprofit actually own

land and how it's being managed and what it's for. Universities own land. We have done nothing to try and reverse the Buffalo Commons taking place in N.D. This is a study resolution.

Rep. N. Johnson : What will happen with the information.

Rep. DeKrey : 14.9 Once we have a handle on how many acres we are talking about, we will know if there is a problem or not.

Vice Chair Maragos : 15.3 Are we going to inventory the whole state?

Rep. DeKrey : Talk to the county auditors and get information and easily get a total.

Vice Chair Maragos : You talked about crop production. It seems to me the more land you take out of crop production lessens the tax revenues? Is that what you think?

Rep. DeKrey : I don't know that we're losing that much revenue. A lot of the land that is sold to nonprofit is crop land and farmed. We just want to get the numbers.

Rep. Koppelman : Say the study determines that there are a great number of acres that are owned by nonprofit. Then we were to look at putting caps on etc. in the next session. How would something like that be enforced?

Rep. DeKrey : We'd have to see if there are enough acres to see what impact they have on the state. We don't know if there should be a cap.

Rep. Glassheim : You have convinced me that we do need this information, so we know what we are talking about. I will support this. College owned land is state owned and not covered by this. They don't pay taxes. I would like to see a study resolution that looks at the depopulation of the rural area and what are we going to do about it.

Rep. Eckre : A correction for Rep. Glassheim. The universities that get land donated, they are nonprofit. The alumni associations in the state are designated under law as nonprofit. They are not state owned lands, when they get lands donated.

Wade Moser, N.D. Stockmen's Assoc. : 21.7 testified in support of this bill. We have supported legislation in the past, that have put caps on. We didn't have enough information as we needed to present our case. With this resolution, we will have more information. We feel that this study should be limited to agriculture property. We don't need to get into every downtown district to find every nonprofit in town. We have been meeting informally with some of the nonprofit groups, but we haven't had enough information on either side to come up with anything. We do have a system in place, now, for corporate farming. If a corporation acquires land, they have a certain amount of time to invest it. We think that there will be a tremendous amount of money pumped into the Northern Great Plains area by nonprofit and by our own government. That concerns us. We don't want anymore absentee owners here.

Rep. N. Johnson : 23.8 Why are there lots of nonprofit wanting to buy land?

Rep. DeKrey : There is federal legislation, now, to provide billions of dollars for preservation of open spaces. Major foundations want to acquire big lands. We have beautiful county out here and the big cities are reading about N.D.

Chairman Froseth : Any more testimony in support; any in opposition? hearing none, the hearing is closed.

Later in the day HCR 3074 was brought up. Tape 2, side A (39.0-42.0)

ACTION: Vice Chair Maragos made a motion to DO PASS and Rep. Koppelman second.

VOTE: 14 YES and 0 NO with 1 ABSENT. PASSED. Placed on consent calendar.

Please type or use black pen to complete

Date 2-25-99  
Roll call vote # 1

# 1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. HCR 3074

House POLITICAL SUBDIVISIONS Committee \_\_\_\_\_

- Subcommittee on \_\_\_\_\_
  - Conference Committee \_\_\_\_\_
- } Identify or check where appropriate

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Do Pass

Motion Made By Rep. Maragos Seconded By Rep. Koppelman

Representatives	Yes	No	Representatives	Yes	No
Chairman Froseth	/		Rep. Wikenheiser	/	
Vice Chair Maragos	/				
Rep. Delmore	/				
Rep. Disrud	/				
Rep. Eckre	/				
Rep. Ekstrom	/				
Rep. Glasheim	/				
Rep. Gunter					
Rep. Johnson, N	/				
Rep. Koppelman	/				
Rep. Niemeier	/				
Rep. Rose	/				
Rep. Severson	/				
Rep. Thoreson, B	/				

Total 14 0  
(Yes) (No)

Absent -1-

Floor Assignment Consent Calendar - Rep Froseth

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

DO NOT USE HIGH-LIGHTER ON ANY FORMS

REPORT OF STANDING COMMITTEE (410)  
February 25, 1999 3:44 p.m.

Module No: HR-34-3625  
Carrier: Froseth  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**

**HCR 3074: Political Subdivisions Committee (Rep. Froseth, Chairman) recommends DO PASS and BE PLACED ON THE CONSENT CALENDAR (14 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING).** HCR 3074 was placed on the Tenth order on the calendar.

**1999 SENATE POLITICAL SUBDIVISIONS**

**HCR 3074**




1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HOUSE CONCURRENT RESOLUTION 3074

Senate Political Subdivisions Committee

Conference Committee

Hearing Date MARCH 11, 1999

Tape Number	Side A	Side B	Meter #
1	X		4604 to end
1		x	900 to 1577
1	x		2431 to 2570
Committee Clerk Signature 			

Minutes:

SENATOR LEE: open hearing on HCR 3074

DISCUSSION ON 3074, no one showed up to introduce this bill

REPRESENTATIVE DEKREY: introduce the bill, result of a defeat from a previous bill, nonprofit land and the effect on the local economy

SENATOR WATNE: how many non profit organizations have land that is considered federal land

REPRESENTATIVE DEKREY: farm homes are exempt from taxes and other entities such as BLM, forest service and University land, these sections of land are not obligated to pay property taxes but are still contributing to local economy but not allowed for private usage and how do they fit into this

SENATOR WATNE: Study amount and value

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Senate Political Subdivisions Committee

Bill/Resolution Number HCR 3074

Hearing Date MARCH 11, 1999

REPRESENTATIVE DEKREY:hospitals are not included

SENATOR KELSH: there are organizations that compete with other organizations, would like to leave bill the way it is

SENATOR LEE: include farm houses and buildings, amount of exempted property

REPRESENTATIVE DEKREY: look at the whole picture

SENATOR LEE: any other questions

DISCUSSION

SENATOR WATNE: impact of this on local economy and the state and the kids that spend the money and the study could continue for ever and ever

REPRESENTATIVE DEKREY: like to save state money, limit the scope of the bill and non profits that are detracting from the local economy

SENATOR LEE: this bill geared toward a conservative effort and wanted to know where you where coming from.

SENATOR KELSH: had this study in education finance and the amount of land exempt from taxes and studying the properties that need to take a look at or place these properties on the evaluation. Foundation aid formula, need for study

MOTION: due pass by SENATOR KELSH:

MOTION: closed hearing on 3074

DISCUSSION ON THE BILL BY COMMITTEE MEMBERS

**MARCH 18, 1999**

**FURTHER DISCUSSION ON THIS BILL BY COMMITTEE**

**amendments on this bill**

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Senate Political Subdivisions Committee

Bill/Resolution Number HCR 3074

Hearing Date MARCH 11, 1999

SENATOR WATNE: move the amendments

SENATOR NELSON: second

MOTION: do pass as amended

SENATOR KELSH: important study with tax exempt property

SENATOR LYSON: affects other programs as well

SENATOR NELSON: general average of the acreage, implies that you have the exact value

SENATOR FLAKOLL: plus or minus 5 percent

SENATOR WATNE: impact of the study and ownership to the community

MOTION: due pass as amended

DISCUSSION FURTHER

**DO PASS AS AMENDED 5 TO 1**

PROPOSED AMENDMENTS TO HOUSE CONCURRENT RESOLUTION NO. 3074

Page 1, line 2, after "organizations" insert "and other tax-exempt entities, including ownership in trust for Indian tribes,"

Page 1, line 5, after "property" insert "and other exempt property"

Page 1, line 7, remove "nonprofit corporation"

Page 1, line 8, after "property" insert "by tax-exempt entities"

Page 1, line 10, replace "nonprofit organizations" with "tax-exempt entities"

Page 1, line 14, after "organizations" insert "and other tax-exempt entities, including ownership in trust for Indian tribes,"

Renumber accordingly



**REPORT OF STANDING COMMITTEE**

**HCR 3074: Political Subdivisions Committee (Sen. Lee, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (5 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). HCR 3074 was placed on the Sixth order on the calendar.

Page 1, line 2, after "organizations" insert "and other tax-exempt entities, including ownership in trust for Indian tribes,"

Page 1, line 5, after "property" insert "and other exempt property"

Page 1, line 7, remove "nonprofit corporation"

Page 1, line 8, after "property" insert "by tax-exempt entities"

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