

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1031

2001 HOUSE FINANCE AND TAXATION

HB 1031

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1031

House Finance and Taxation Committee

Conference Committee

Hearing Date January 17, 2001

Tape Number	Side A	Side B	Meter #
1	X		59
Committee Clerk Signature <i>Jamie Stein</i>			

Minutes:

JENNIFER CLARK, LEGISLATIVE COUNCIL Appeared before the committee to explain the bill. The bill was drafted at the request of the park districts. The park districts requested that one half of their mill levies be consolidated into a general fund. They have about 88 separate mill levies and this bill is taking 40 of them and putting them in a general fund so they have more discretion in how they use them. The specific levies which will be put in the general fund include: the recreation levy, the pest control levy, insurance levy, forestry levy, a levy for facilities, handicapped programming and a levy for health insurance. The effective date provides that taxes levied in 2001 will be paid in 2002.

REP. CARLSON Asked Ms. Clark to explain what each subsection is.

REP. SCHMIDT Felt the language relating to pest control was misleading, since pest control means noxious weeds.

REP. WINRICH Asked how many park districts we have.

JENNIFER CLARK There are 222 park districts.

REP. DROYDAL If you add all of the different categories, would it be 40 mills or would it exceed 40 mills.

JENNIFER CLARK They add up to 41 mills.

REP. HERBEL Asked what the rationale was for doing this.

JENNIFER CLARK Stated there were some park district personnel people here which would talk about the rationale. Her understanding was to allow more flexibility.

STEVE NEU, DIRECTOR OF THE NORTH DAKOTA RECREATION & PARK ASSN.

AND NDRPA LEGISLATIVE CHAIRMAN, Testified in support of the bill. See attached

written testimony and charts showing levy limitations and general operating levies. Also

submitted is a handout showing a summary of allowable mills, presently, plus the year 1999.

Mr. Neu also presented amendments with his testimony.

REP. HERBEL Stated that if you have gross evaluations, under this plan, the taxes will go up, if you are capped, it is possible they may not go up.

STEVE NEU The mill levies may go down, but your dollars will go up with the evaluation.

The only way it would grow right now, is by the evaluation.

REP. BRANDENBURG You stated your cap was 35 mills, a number of them are already over 35 mills, how are you going to deal with this, when you are over already?

STEVE NEU Stated they had worked with Barry Hasti on this, who has now retired. It was hard to decipher what the total group would be. We found there is a mixture of mills in several areas.

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REP. BRANDENBURG Right now, all of these are separated. If you capped out on the pest fund or the forestry fund, in order for you to raise that mill, you would have to have a vote of the people, or you would pay one fund with another fund, is that what would happen.

STEVE NEU The only one that is allowed by an additional mill levy is the forestry. We could go back to the voting people and get an additional three mills, but you are locked into two right now. The pest control basically, goes away. It will go from the general fund to those other funds.

REP. DROVDAL Stated that some of the park districts were not even close to the level of general mills, to clean up the tax statements, would it be advisable to eliminate those areas, and let each district put it into their general mill at this time?

STEVE NEU Stated he would have to visit with the communities to see if they have some kind of agreement with the city to fund an airport and park property.

REP. CARLSON Stated the committee would like this information.

REP. KELSH Asked whether there were any provisions that give a park district authority to levy for flood control?

STEVE NEU Not that I am aware of in our current levy. The only thing I can think of, is a special assessment district. You would have to go through a hearing process.

CONNIE SPRYNCZYNATYK, REPRESENTING THE NORTH DAKOTA LEAGUE OF CITIES The Legislative committee discussed this issue briefly last Friday, and went on record, supporting this bill. One of the things cities can do when they go to "home rule" is to consolidate levies. Park districts cannot go to home rule. Levy consolidation turned out to be very good for the city of Bismarck. They were able to drop three mills the first year and another

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two mills the second year. That is an example of what you can do. Park districts are created by votes of a city commissioner or city council. Once they are created, they have separate elective boards, and a separate mill levy authority.

With no further testimony, the hearing was closed.

COMMITTEE ACTION 1-30-01, Tape #2, Side A, Meter #5303

REP. KELSH AND REP. HERBEL Gave their update as to what their research regarding the park districts turned out. They stated they visited with Jennifer Clark of the Legislative Council and Steve Neu from the Park & Recreation Department. They felt the easiest way to accomplish what they wanted was to consolidate what they liked into one bill. Amendments from Mr. Neu were discussed by committee members.

REP. CARLSON Asked Rep. Herbel and Rep. Kelsh to check with Rep. Maragos regarding HB 1359. He also stated the bill would be held over another day for action and Steve Neu would be asked to appear to answer questions.

The committee will act on this bill another day.

COMMITTEE ACTION 1-31-01, Tape #3, Side A, Meter #1856

REP. HERBEL Reported on his research of the bill whether this bill would eliminate HB 1359.

JENNIFER CLARK, LEGISLATIVE COUNCIL Appeared before the committee to answer questions regarding some of the language and the concept of the bill.

STEVE NEU, NORTH DAKOTA PARKS & RECREATION, Appeared before the committee to answer questions regarding both HB 1031 and HB 1359.

REP. CARLSON Read a letter from Mark Johnson, Association of Counties, see attached copy of the letter.

REP. CLARK Made a motion to adopt the amendments which were submitted by Steve Neu, North Dakota Parks & Recreation Association.

REP. WINRICH Second the motion. **MOTION CARRIED BY VOICE VOTE.**

REP. DROVDAL Made a motion to amend out another section of the bill which relates to levies that are no longer being used.

REP. DROVDAL Made a motion to adopt this amendment as presented.

REP. RENNER Second the motion. **MOTION CARRIED BY VOICE VOTE.**

REP. DROVDAL Made a motion for a do pass as amended.

REP. RENNER Second the motion. **MOTION CARRIED**

14 YES 0 NO 1 ABSENT

REP. HERDOL Was given the floor assignment.

Date: 1-31-01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1031

House FINANCE & TAXATION Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass as amended
Motion Made By Rep. Drovdal Seconded By Rep. Renner

Representatives	Yes	No	Representatives	Yes	No
CARLSON, AL, CHAIRMAN	✓		NICHOLAS, EUGENE	✓	
DROVDAL, DAVID, V-CHAIR	✓		RENNER, DENNIS	✓	
BRANDENBURG, MICHAEL	A		RENNERFELDT, EARL	✓	
CLARK, BYRON	✓		SCHMIDT, ARLO	✓	
GROSZ, MICHAEL	✓		WIKENHEISER, RAY	✓	
HERBEL, GIL	✓		WINRICH, LONNY	✓	
KELSH, SCOT	✓				
KROEBER, JOE	✓				
LLOYD, EDWARD	✓				

Total (Yes) 14 No 0

Absent 1

Floor Assignment Rep. Herbel

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

REPORT OF STANDING COMMITTEE

HB 1031: Finance and Taxation Committee (Rep. Carlson, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1031 was placed on the Sixth order on the calendar.

Page 1, line 5, after the semicolon insert "to repeal section 57-15-37 of the North Dakota Century Code, relating to a tax levy for airport purposes in park districts;"

Page 4, line 16, replace "forty" with "thirty-five"

Page 6, line 27, remove "3.", remove "Levying", and overstrike "a tax for airport purposes in accordance with section"

Page 6, line 28, overstrike "57-15-37", remove "in an amount", and overstrike "not exceeding four mills."

Page 6, line 29, after "5." insert "3.", after "levying" insert "Levying", and remove the overstrike over "~~a tax for parks and recreational facilities in accordance with~~"

Page 6, line 30, remove the overstrike over "~~section 57-15-12.3~~", after "tax" insert "in an amount", and remove the overstrike over "~~not exceeding five mills.~~"

Page 7, line 9, remove the overstrike over "~~not exceeding~~"

Page 7, line 10, remove the overstrike over "~~the limitation in subsection~~", after "5" insert "3", remove the overstrike over "~~of section 57-15-12.2~~", and remove "within the general fund levy authority of"

Page 7, line 11, remove "section 57-15-12"

Page 7, line 13, remove the overstrike over "~~The tax is to be levied, spread, and collected in the same~~"

Page 7, remove the overstrike over lines 14 through 21

Page 9, after line 28, insert:

"SECTION 12. REPEAL. Section 57-13-37 of the North Dakota Century Code is repealed."

Renumber accordingly

2001 SENATE FINANCE AND TAXATION

HB 1031

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1031

Senate Finance and Taxation Committee

Conference Committee

Hearing Date 2/20/01

Tape Number	Side A	Side B	Meter #
1	x		18.3-end
		x	0-1.8
2/28/01 - 2	x		33.2-end
		x	0-9.5
3/6/01 - 2	x		15.3-17.7
	x		35.7-48
Committee Clerk Signature <i>Synelle H. Krapf</i>			

Minutes:

Senator Urlacher: Opened the hearing on HB 1031, relating to consolidation of property tax levy authority of park districts and to a tax levy for airport purposes in park districts.

Jennifer Clark: Legislative Council, testified neutrally. Explained amendments on the bill and went through section by section.

Senator Kroeplin: Is there, in these mill levy caps, an average as to what's being used now?

Jennifer Clark: The gentleman from Parks & Rec. has that information.

Senator Wardner: Is it 40 or 35 mills?

Jennifer Clark: In the initial version, it was 40 mills. In the engrossed version, it's 35.

Senator Christmann: Would you go through the seven items and tell us what the mill caps are now plus whatever they can adopt if it's voted on by the people?

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Senate Finance and Taxation Committee

Bill/Resolution Number 1031

Hearing Date 2/20/01

Jennifer Clark: Parks-15, Recreation-8.5, Pest Control-1, Insurance-5, Forestry-5(2 automatic, 3 voted up), Handicap Programing-1/2, Health Insurance-1. That adds up to 36.

Senator Christmann: The 2 mills on the Forestry and the rest are things they can do without a vote of the people

Jennifer Clark: I'm sure on the 2 mills for Forestry, I can't commit to those others being automatic. Mr. Neu may have additional testimony on which of those can be voted up.

Steve Neu: Director of Parks & Recreation with Bismarek Park District, testified in support. Written testimony and handouts attached. Went through handouts.

Senator Wardner: Is there room for growth within each area?

Steve Neu: There are a few. The growth would require one of three methods: By a vote, any increased valuation in the community, or by law through the legislature.

Senator Christmann: 2 or 4 years from now, we could add these on again, then in 10 or 15 years we'll be back here grouping them all together in the general fund.

Steve Neu: I guess you can't say it won't happen.

Connie Sprynczynatyk: ND League of Cities, testified in support. When you consolidate your levies under home rule, you can actually see a reduction in levies. This could actually be a savings.

Senator Christmann: Does Mr. Neu interpret correctly that it could only be growth?

Jennifer Clark: My understanding is the state will allow them to enter the general fund where they currently are, and then to increase it, they have to go to a vote of the people if it's less then the 35. I will check with John Walstad.

Senator Kroeplin: A lot of cities that are well above the 35, the can go to the vote of the people and get it already for increases.

